

## Audit Committee

**Thursday 29 May 2025 (1600-1800)**  
Virtually by Teams

## Agenda

Time	Item	Lead	Paper
	<b>1. Welcome and Apologies</b> <ul style="list-style-type: none"> <li>➤ Declaration of Interests and Connections</li> </ul>	JR	Verbal
<b>For Approval</b>			
	<b>2. Minutes of Previous Meetings and Matters Arising</b> <ul style="list-style-type: none"> <li>➤ Thursday 13 March 2025</li> <li>➤ Action Log</li> </ul>	JR LG	Verbal Paper 2.2
	<b>3. External Audit Plan and Scope of Work</b>	AR	Paper 3.1
	<b>4. Internal Audit Plan and Scope of Work</b> <ul style="list-style-type: none"> <li>➤ Changes to Audit Standards</li> </ul>	DA	Paper 4.1 Paper 4.2
	<b>5. Strategic Risk Register</b>	LG	Paper 5.1
	<b>6. Risk Management Policy</b>	LG	Paper 6.1
	<b>7. Terms of Reference</b>	LG	Paper 7.1
<b>For Discussion</b>			
	<b>8. Internal Audit Progress Report</b> <ul style="list-style-type: none"> <li>➤ Curriculum Planning Report</li> <li>➤ H&amp;S Report</li> <li>➤ Follow Up Report</li> </ul>	AM	Paper 8.1 Paper 8.2 Paper 8.3 Paper 8.4

	<b>9. Internal Audit – Payroll Reports</b> <ul style="list-style-type: none"> <li>➤ Payroll</li> <li>➤ Payroll Processes</li> <li>➤ HR and Payroll Bandings Review</li> </ul>	KH/ AM	Paper 9.1 Paper 9.2 Paper 9.3 Paper 9.4
	<b>10. Internal Audit Tracker</b>	LG	Paper 10.1
	<b>11. Deep Dive of Risk 5 – Business Continuity</b>	JM	Paper 11.1
	<b>12. Business Continuity Plan Annual Review</b>	JM	Paper 12.1
<b>For Information only</b>			
	<b>13. AOCB</b>	JR	Verbal
	<b>14. Date of next meeting</b> <ul style="list-style-type: none"> <li>➤ Thursday 18 September 2025</li> </ul>	JR	Verbal

**Status: Approved**

## **Audit Committee Meeting**

**Minute of Meeting** 29 May 2025 at 16:00-18:00hrs Via Teams

<b>Present:</b>		
Jamie Ross (JR) (Chair)	Sue Irving (SI)	Alastair Irons (AI)
<b>In attendance:</b>		
Caroline Stuart (CS)	David Archibald (Henderson Loggie) (DA)	Andy Reid – Azets (AM)
Lorraine Grierson (LG)	Douglas Dickson (DD)	Amy Hughes - Azets (MG)
Alexandra Rankin (Minute taker)	Karen Hunter (KH)	Joe McGraw (JM)
Aaron MacDonald (RSMUK)		
<b>Apologies:</b>		
Ann Hill (AH)	Kirsty Duncan (KD)	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 recorded as quorate. Introductions were made for the benefit of David Archibald from Henderson Loggie who joined the meeting for the first time.
- 1.2. Apologies were noted as above.
- 1.3. The Chair reminded attendees to declare any personal or financial interests relating to items on the agenda. No items were declared.

## **FOR APPROVAL**

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

#### **2.1. Minute of the Previous Meeting 13 March 2025 | Paper 2 | Approval | L. Grierson**

- 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 had been completed, and all items were now marked as closed.
- 2.2.2. **The Committee approved the Action Log.**

### **3. External Audit Plan and Scope of Work | Paper 3.1 | Approval | A. Reid/ A. Hughes**

- 3.1. AR introduced the External Audit Plan providing key highlights of the scope of work including risk assessment, audit timetable and fees. The timeline of works had been designed to align with approval by the Board of Management meeting in November 2025 and ensuring compliance with SFC deadlines.
- 3.2. The following was noted: -
- A new risk, 'Financial Statements' had been included in the scope of work as a result of a new ledger system being introduced.
  - Financial sustainability was identified a key risk which was to be expected, and all other risks were considered standard.
  - 2 additional significant risks had been identified 'Valuation of land and buildings', and 'Pension Asset'.
  - There had been no significant changes to audit standards and the scope followed a risk-based approach. Any changes would be communicated and reported to the appropriate Committees.
  - Planning assessment materiality was set at 2% gross expenditure.
  - Details of independence, compliance arrangements and safeguards were noted, and audit fees explained.
- 3.3. Comments and questions were invited from the Committee.
- 3.4. The materiality threshold was queried, and it was noted that similar percentages had been applied to the college and public sector.
- 3.5. The Committee endorsed the Audit Plan and welcomed the additional work around financial sustainability; there was a short discussion on the impact of recent changes in the funding structure and audit scrutiny and opinion which would be applied.
- 3.6. The Principal highlighted disparity in the analysis of financial sustainability risk communicated from the SFC who say the sector will have £600k surplus, compared to the risk communicated by Audit Scotland. A short discussion followed and concluded that further discussion with the auditor around colleges' financial management was welcome which would likely impact the proposed review 2025/26 and key messaging for stakeholders.
- 3.7. The Chair highlighted the requirement to exploit the benefits of the audit process and thus maximise the benefit of insights to the College. It was agreed that further discussion through Audit Committee would be beneficial to support future planning.
- 3.8. The Principal instigated a discussion around the definition of 'going concern' which identified some nuances that existed around 'continuation of service' and 'financial viability' and the implications for audit processes. The Committee recommended that the item be tabled for discussion at the Board of Management and the action was agreed.
- 3.9. **ACTION: - Item re 'going concern' to be tabled for the Board of Management in June 2025.**  
**LG/KH**

3.10. **The Committee noted the External Audit Plan and Scope of Work.**

4. **Internal Audit Plan and Scope of Work | Paper 4.1 | Approval | D. Archibald**

- 4.1. DA introduced the draft Internal Audit Plan, scope of work and operating plan which was presented for consideration by the Audit Committee for the year ended 31 July 2026.
- 4.2. Considering the recent launch of Mission 2030, it was agreed to provide a one-year plan and a full Audit Needs Assessment would be undertaken for the development of the 2025/26 Audit Plan. Alignment with the college's strategic priorities and strategic risks had contributed to the design of the plan which included budget control, financial planning and payroll with a renewed focus on pension deductions.
- 4.3. Other topics in the scope had been identified following the introduction of the Scottish public sector cyber resilience frameworks (PSCRF) and Cyber Essentials Plus to further enhance the college's posture towards cyber security. Additional rationale was explained for items; Operational Estates Management and Learning & Development, other standard annual audits were outlined including follow up items.
- 4.4. Comments and questions were invited from the Committee.
- 4.5. The suitability of audit topics was queried. The Principal advised of the need to achieve a comprehensive cycle of close scrutiny and likelihood of new topics being raised to support developments.
- 4.6. The Committee queried the robustness of the Cyber Security item considering recent major attacks reported in other sectors and development of an analogue plan. The Principal provided additional assurance to the Committee explaining a variety of cyber security safeguards, internal exercises, training, support from external agencies and commitment to investment in the area. DA re-iterated the role of external agencies to support management around cyber security. Further information of the development of an analogue plan would be provided.
- 4.7. **ACTION: Update on analogue plans to be provided to the Committee. DA/LG.**
- 4.8. Additional recommendations to strengthen mitigations on Cyber Security were provided and the vulnerability of student data and impact of identity theft was highlighted. The provision of shared learning from other institutions and risk of overreliance on external providers was also noted.
- 4.9. An additional concern of the backlog in maintenance costs across the sector was raised. DA explained the scrutiny of capital projects and challenges of any impact on student experience which would enable discussion and escalation of items.
- 4.10. The Committee endorsed the monitoring of capital projects and accountability of grant funding. In addition, appropriate auditing of revenue accounting was recommended as the college looked to increase commercial activity. The Principal advised the Committee of a variety of mechanisms supporting commercial and direction of growth. It was therefore recommended that commercial income be included in the Audit Plan for 2025/26. DA added that commercial income will form part of the current financial planning audit.
- 4.11. The Committee welcomed the comprehensive plan.

4.12. **The Committee approved the Internal Audit Plan and Scope of Work.**

4.13. **Changes to Audit Standards | Paper 4.2 | Approval | D. Archibold**

4.14. The Committee noted several key changes to the Audit Standards which came into force in January 2025 for all internal audit functions. Key highlights were noted:

- The Global Internal Audit Standards (GIAS) was launched to strengthen audit quality and governance and the position of Internal Audit within organisations. New topical requirements had been introduced providing baseline standards, additional elements around cyber security and partnership working were noted.
- The GIAS in the UK Public Sector consists of both the GIAS and the Application Note. The Application Note is used to tailor GIAS to public sector requirements.
- There would be an expectation that all Audit planning will align with the college's strategic priorities and risks; this is likely to result in a more flexible approach to planning.
- Residual risks above appetite due to what is happening in the environment will be included in the annual opinion.
- It was expected that the Committee will champion the audit process and ensure principles of offering value for money, risk management, controls and governance are applied.
- Changes to overall opinions are anticipated and analysis of trend information will be explored and reported.
- Assurances will be sought around the application of the Nolan Principals and evidence to reach compliance.

4.15. Comments and questions were invited from the Committee.

4.16. A short discussion on the changes to Audit Standards concluded that changes to the Terms of Reference and Risk Management Policy would be considered, it was agreed that the item be discussed out with the meeting.

4.17. **ACTION: Review TOR and Risk Management. JR/DA/LG**

4.17.1. The Committee recommended wider sharing of audit findings across the organisation.

4.18. **The Committee approved the changes to the Audit Standards.**

5. **Strategic Risk Register | Paper 5.1 | L. Grierson**

5.1. It was confirmed that, following review, there had been no change to the risks assigned to the Finance and Learning and Teaching Committees. The Risk Owners Framework had been introduced to provide additional oversight of all risks. Detail was provided of risks which were out of appetite, 4 risks were shown to be moderate, and Risk 3 remained a major risk after mitigations had been applied.

- 5.2. Of 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, risk 11 was shown to be out of appetite.
- 5.3. The Committee queried a new reporting style re appetite which was explained.
- 5.4. Regarding the Emerging Risk Register, discussion of the development, status and process of escalation of items took place. Potential for a new risk regarding the Job Evaluation process had been identified. Context of the register was shared, and it was concluded that management recommendations for emerging risks be included in future reporting.
- 5.5. DA added that cross references to the Strategic Risk Register will be provided throughout the internal audit reporting process.
- 5.6. **ACTION: - Emerging Risk item to be included in future report. LG**
- 5.7. **The Committee approved the Risk Register without change.**

**6. Risk Management Policy | Paper 6.1 | L. Grierson**

- 6.1. The Committee noted changes to the Policy.
- 6.2. A query was raised at point 6.1.2, paragraph 2 regarding the suitability of the narrative. It was recommended that revised narrative be considered to reflect current conditions.
- 6.3. **ACTION: LG review statement at point 6.1.2 to reflect current conditions.**

**7. Terms of Reference | Paper 7.1 | L. Grierson**

- 7.1. In light of the changes to the Audit Standards it was agreed to re-schedule this item following review.
- 7.2. **ACTION: Review the TOR and table item for approval at the next meeting. LG**

**FOR DISCUSSION**

NOTE: - Item 8 was taken before item 4

**8. Internal Audit Progress Report | Paper 8.1 | A. MacDonald**

- 8.1.1. AM introduced the report stating that all items were on track to be concluded within the delivery timescales. 3 reports had been tabled for the Committee all providing Substantial Assurance opinion.

**8.2. Curriculum Planning Report | Paper 8.2 | A. MacDonald**

- 8.2.1. It was noted that the outcome of the audit had resulted in a substantial assurance opinion with no management actions identified. Comparisons with sectoral audits did not raise any further items for scrutiny.

8.2.2. The Chair highlighted occasions where audits had resulted in no management actions being identified, which in turn provided less commentary and insight for the Committee and executive. It was requested that in these circumstances enhanced narrative be provided to explain the inquiry and to inform the Committee more deeply.

8.2.3. The Committee commended the positive reports and assurance provided.

8.2.4. **The Committee noted the Curriculum Planning Audit Report.**

8.3. **H&S Report | Paper 8.3 | A. Hughes**

8.3.1. It was noted that the outcome of the audit had resulted in a Substantial Assurance opinion with one low priority management action being identified regarding monitoring of inspection schedules.

8.3.2. **The Committee noted the Health and Safety Audit Report.**

8.4. **Follow Up Report | Paper 8.4 | A. Hughes**

8.4.1 The Committee noted the scope of the Follow Up Audit Report which would commence in June 2025.

8.4.2 **The Committee noted the Follow Up Report.**

9. **Internal Audit – Payroll Reports | Paper 9.1 | KH/AM**

9.1 The Committee noted the circumstances which had triggered the additional Audit report around Payroll, part 1 core audit had provided a positive outcome with adequate controls and management. One low management action for signing contracts prior to employment was identified.

9.2 **Payroll | Paper 9.2 | KH/AM**

9.2.1 It was noted that the outcome of the audit had resulted in a substantial assurance opinion with adequate controls found to be in place

9.3 **Payroll Processes | Paper 9.3 | KH/AM**

9.3.1 The audit had been conducted by the company's tax specialist to scrutinise PAYE and Tax banding, no areas of concern were found, and no management actions identified.

9.1.1. The Committee commented on the sample size which although small (5 samples) was confirmed by the Auditor to be typical. The Principal assured the Committee of the rationale of the sample and improvements regards financial reporting from the new payroll system.

9.2. **HR and Payroll Bandings Review | Paper 9.4 | KH/AM**

9.2.1. The audit had been conducted by the company's legal specialist and had identified some areas of higher risk and minor discrepancy, 3 high, one medium and one low management actions had been identified. It was noted that mitigations had already been put in place to



reduce associated risks. The Principal commented that the management response had been included in the Audit Report to provide additional assurance.

9.2.2. The Committee noted the context of the risks and requested a progress report be provided.

9.2.3. **ACTION: - HR and Payroll Bandings Review Progress against actions to be tabled. LG**

**10. Internal Audit Tracker | Paper 10.1 | L. Grierson**

10.1. All actions were marked as complete.

10.2. It was requested and agreed that the additional Payroll Audit actions be included in the tracker.

10.3. **ACTION: Payroll Audit actions to be included in the Audit Tracker. LG**

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

**11. Deep Dive of Risk 5 – Business Continuity | Paper 11.1 | J. McGraw**

11.1. JM introduced the report advising of the potential of significant impact on operations and several key mitigations existed. The following highlights within the report were noted:

- A Business Continuity Framework was approved, and regular updates provided to the Board.
- A variety of testing and mitigation activities had been undertaken and detail of these was shared.
- Cyber playbooks were in place and a variety of cyber exercises were deployed annually to raise awareness and confidence.
- Mandatory training and staff CPD items had shown high levels of completion.
- Effective management of GDPR, reported to the IGG, ROPA management was established and working well. DPO information had been provided including a toolkit being implemented with updates provided to teams.
- .An external fire risk assessment and health and safety assessment had been concluded with a variety of improvements being developed.

11.2. The Committee was asked to consider of the rating of Risk 5 and comments and questions were invited.

11.3. A short discussion took place on the topic of training and offsite crisis management training. The College was exploring options for a training event provided by Police Scotland and Board members would be invited to attend. Additional training on media communications (crisis management) was also recommended. The item was also being considered for inclusion in the next Board Strategy day.

11.4. An error on page 231 of the pack was highlighted, table 4, 'financial fraud' to be changed to Business Continuity.

11.5. **ACTION: Amend error on Risk 5. LG**

11.6. **ACTION: Explore cyber exercise development item. DD**

**12. Business Continuity Plan Annual Review | Paper 12.1 | J. McGraw**

12.1. The item was discussed at item 12.

**FOR INFORMATION ONLY**

**13. AOCB**

13.1. No further business was raised.

**14. Date of the Next Meeting**

14.1. The date of the next meeting is scheduled for 18 September 2025 at 1600hrs.

Key	
<span style="display: inline-block; width: 10px; height: 10px; background-color: orange; border: 1px solid black;"></span>	Ongoing
<span style="display: inline-block; width: 10px; height: 10px; background-color: lightgreen; border: 1px solid black;"></span>	Closed
<span style="display: inline-block; width: 10px; height: 10px; background-color: red; border: 1px solid black;"></span>	Overdue

## AUDIT COMMITTEE ACTION LOG 29.05.25

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	28/11/24 13/3/25	Arrange a meeting with Chair of Audit and HL	KH	<del>Dec 24</del> May 25	Closed	Meeting arranged.
2	13.03.25	<b><u>Deep Dive – Risk 6:</u></b> More explicit narrative to be included within the risk documentation as discussed and minuted and the risk title to be changed to include 'compliance'.	LG/KH	May 25	Closed	Narrative updated and title amended.
3	13.03.25	<b><u>Payroll Audit</u></b> The audit report to be circulated to the Committee as soon as it's concluded.	LG	May 25	Closed	Report circulated 3/4/25.



# Dumfries and Galloway College

# External Audit Annual Plan

## Year ended 31 July 2025

May 2025



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# Introduction

## Purpose

This audit plan highlights the key elements of our proposed audit strategy and provides an overview of the planned scope and timing of the statutory external audit of Dumfries and Galloway College (“the College”) for the year ended 31 July 2025 for those charged with governance.

The main elements of the audit include:

- an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement;
- an audit opinion on regularity and other statutory information published with the financial statements in the annual report and accounts, including the Performance Report, Governance Statement, and the Remuneration and Staff Report;
- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes; and
- provision of an Independent Auditor’s Report expressing our opinions on the different elements of the annual report and accounts and an Annual Audit Report setting out conclusions on the wider scope areas.

## Responsibilities of the auditor and the College

The [Code of Audit Practice](#) outlines the responsibilities of external auditors appointed by the Auditor General for Scotland and it is a condition of our appointment that we follow it.

Auditor responsibilities are derived from statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, the Code of Audit Practice and guidance from Audit Scotland.

The College has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing a set of annual report and accounts that are in accordance with proper accounting practices. The College is also responsible for complying with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

[Appendix 2](#) provides further details of our respective responsibilities.

## Adding Value through the Audit

All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the College promote improved standards of governance, better management and decision making and more effective use of resources.

## Feedback

Any comments you may have on the service we provide, the quality of our work, and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

This plan has been prepared for the sole use of those charged with governance and management and should not be relied upon by third parties. No responsibility is assumed by Azets Audits Services to third parties.

## Openness and transparency

This report will be published on Audit Scotland's website <http://www.audit-scotland.gov.uk/>

# Audit scope and general approach

## Risk-based audit approach

Our objective when performing an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and to issue an independent auditor's report that includes our auditor's opinion.

As part of our risk-based audit approach, we will:

- Perform risk assessment procedures including updating our understanding of the College, including its environment, the financial reporting framework and its system of internal control;
- Review the design and implementation of key internal controls;
- Identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement level and the assertion level for classes of transaction, account balances and disclosures;
- Design and perform audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and
- Exercise professional judgment and maintain professional scepticism throughout the audit recognising that circumstances may exist that cause the financial statements to be materially misstated.

We will undertake a variety of audit procedures designed to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud and respective responsibilities for prevention and detection of fraud.



## Communication with those charged with governance

Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through the Audit Committee.

## Partnership working

We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

### **Audit Scotland**

Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps identify common priorities and risks, treat issues consistently across the sector, and improve audit quality and efficiency. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Audit Scotland undertakes national performance audits on issues affecting the public sector. We may review the College's arrangements for taking action on any issues reported in the national performance reports which have a local impact. We also consider the extent to which the College uses the national performance reports as a means to help improve performance at the local level.

During the year we may also be required to provide information to Audit Scotland to support the national performance audits.

## Delivering the audit

### **Hybrid audit approach**

We adopt a hybrid approach to our audit which combines on-site visits (as required) with remote working; learning from the better practices developed during the pandemic.

All of our people have the equipment, technology and systems to allow them to work remotely or on-site, including secure access to all necessary data and information. All of our staff are fully contactable by email, phone call and video-conferencing. Meetings can be held over Microsoft Teams or by telephone.

We employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

### **Secure sharing of information**

We use a cloud-based file sharing service that enables users to easily and securely exchange documents and provides a single repository for audit evidence.

### **Regular contact**

During the 'fieldwork' phases of our audit, we will arrange regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

### **Signing annual accounts**

Audit Scotland recommends the electronic signing of annual accounts and uses a system called DocuSign.

Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location and there is no longer a need for duplicate copies to be signed.

## **Materiality**

We apply the concept of materiality in planning and performing the audit, and in evaluating the effect of misstatements within the financial statements identified during the audit.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both. The basis for our assessment of materiality for the year is set out in [Appendix 1](#).

**Planning Materiality:** We have set our materiality at 2% of the College's gross expenditure based on the audited annual accounts for 2023/24, resulting in £318,000 for the College.

**Performance Materiality:** Using our professional judgement, we have assessed performance materiality at 75% of planning materiality, resulting in £238,500 for the College.

**Reporting threshold:** We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. We have set this at approximately 5% of planning materiality, resulting in £15,900 for the College.

## Accounting systems and internal controls

The purpose of an audit is to express an opinion on the financial statements. We will follow a substantive testing approach to gain audit assurance rather than relying on tests of controls. As part of our work, we consider certain internal controls relevant to the preparation of the financial statements such that we are able to design appropriate audit procedures. However, this work does not cover all internal controls and is not designed for the purpose of expressing an opinion on the effectiveness of internal controls. If, as part of our consideration of internal controls, we identify significant deficiencies in controls, we will report these to you in writing.

## Going Concern

### Management responsibility

Management is required to make and document an assessment of whether the College is a going concern when preparing the financial statements. The review period should cover at least 12 months from the date of approval of the financial statements. Management are also required to make balanced, proportionate and clear disclosures about going concern within the financial statements where material uncertainties exist in order to give a true and fair view.

### Auditor responsibility

Under ISA (UK) 570, we are required to consider the appropriateness of management's use of the going concern assumption in the preparation of the financial statements and consider whether there are material uncertainties about the College's ability to continue as a going concern that need to be disclosed in the financial statements.

In assessing going concern, we will consider the guidance published in the Government's Financial Reporting Manual 2024/25 and Practice Note 10 (PN10), which focuses on the anticipated future provision of services in the public sector rather than the future existence of the entity itself.

## Prevention and detection of fraud or error

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular we require to be notified of all frauds which:

- Involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control and;
- Are over £5,000.

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

## National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a biennial counter-fraud exercise led by Audit Scotland, and overseen by the Public Sector Fraud Authority for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.

The most recent NFI exercise commenced in 2024. As part of our audit, we will monitor the College's participation and progress in the NFI exercise and, where appropriate, include references to NFI in our 2024/25 Annual Audit Report. Anti-money laundering.

We require the College to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

## Wider audit scope work

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability. [Appendix 2](#) provides detail of the wider scope areas of public sector audit work. Our initial risk assessment and scope of work planned

## National risk assessment

Where particular areas of national or sectoral risk have been identified by the Auditor General and Accounts Commission, they will request auditors to consider and report on those risks as they apply at a local level. For 2024/25 no such risks have been specified. Nevertheless, the arrangements for responding to climate change continues to be an area of particular focus.

### Climate change

In 2022/23 we were required to gather information on the College's response to climate change. Audit Scotland have reviewed the auditor returns assessing climate change and will share the findings from the review with auditors to provide helpful background information for 2024/25 annual audit work.

In addition, Audit Scotland will:

- publish a Good Practice Note on disclosures related to climate change following a review of public bodies' 2022/23 and 2023/24 annual accounts.

- Provide guidance to auditors on auditing climate change disclosures within the 2024/25 annual accounts of public bodies.

## Best Value

Ministerial guidance to Accountable Officers for public bodies sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

Through our wider scope audit work, we will consider the arrangements put in place by the Accountable Officer to meet these Best Value obligations.

## Reporting our findings

At the conclusion of the audit we will issue:

- an independent auditor's report setting out our formal audit opinions within the annual report and accounts, and;
- an annual audit report describing our audit findings, conclusions on key audit risks, judgements on the pace and depth of improvement on the wider scope areas, and any recommendations.

## Definitions

We will use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.



# Financial statements - significant audit risks

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- Our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- Are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

## Significant risks at the financial statement level

The table below summarises significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Management override of controls	Audit approach
<p>Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.</p> <p>Specific areas of potential risk include manual journals, management estimates and judgements and one-off</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.</li> <li>• Analysing the journals listing and determining the criteria for selecting high risk and/or unusual journals.</li> <li>• Testing high risk and/or unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the College's journals policy.</li> </ul>

Management override of controls	Audit approach
<p>transactions outside the ordinary course of the business.</p> <p><b>Risk of material misstatement: Very High</b></p>	<ul style="list-style-type: none"> <li>• Gaining an understanding of the key accounting estimates and critical judgements made by management. We will challenge assumptions and consider for reasonableness and indicators of bias which could result in material misstatement due to fraud.</li> <li>• Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>



<b>Implementation of new accounting system</b>	<b>Audit approach</b>
<p>From 3 February 2025, the College began using a new general ledger system, Financials Live.</p> <p>When implementing a significant new accounting system, it is important to ensure that sufficient controls have been designed and operate to ensure the integrity of the data. There is also a risk over the completeness and accuracy of the data transfer made from the previous ledger system into the new one.</p> <p>We have therefore identified this area as a significant risk with potential impact on all financial statement areas.</p> <p><b>Risk of material misstatement: High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process used for new system implementation. This will be through understanding the effect that the new system has on material business processes. This will be done through performance of walkthroughs to confirm appropriate design controls are in place.</li> <li>• Testing data migration activity on the opening trial balance as at 3 February 2025 to understand how the previous period closing trial balance has been migrated into the new system to ensure completeness and accuracy.</li> </ul>

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

Fraud in revenue recognition	Audit approach
<p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements).</p> <p>The presumption is that the College could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end.</p> <p>In respect of the College's income for Scottish Funding Council (SFC) grant funding, however, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate these revenue streams. The risk of fraud in relation to revenue recognition is however present in all other revenue streams.</p> <p><b>Inherent risk of material misstatement:</b></p> <p><b>Revenue (occurrence and accuracy): Very High</b></p> <p><b>Receivables (existence): Very High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the College's systems for income to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements.</li> <li>• Evaluating the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems.</li> <li>• Obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Substantively testing material income streams using analytical procedures and sample testing of transactions recognised for the year.</li> </ul>

Fraud in non-pay expenditure	Audit approach
<p>As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of expenditure around the year end leading to a material misstatement in the reported financial position.</p> <p><b>Inherent risk of material misstatement:</b></p> <p><b>Non-pay expenditure (completeness): Very High</b></p> <p><b>Accruals (completeness): Very High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the College's systems for expenditure to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements.</li> <li>• Evaluating the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems.</li> <li>• Obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Substantively testing material expenditure streams using analytical procedures and sample testing of transactions recognised for the year.</li> <li>• Reviewing accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.</li> </ul>

Valuation of land and buildings (key accounting estimate)	Audit approach
<p>The College held land and buildings with a net book value of £42.720 million at 31 July 2024, with full external valuations last undertaken as at 31 July 2023 and an external desktop valuation undertaken as at 31 July 2024.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of valuers and the methods, assumptions and source data underlying the fair value estimates.</p> <p>These valuations represent a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurements and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of land and buildings as a significant risk.</p> <p>We will further pinpoint this risk to specific assets, or asset types, on receipt of the draft financial statements and the year-end updated asset valuations to those assets where the in-year valuation movements falls outside of our expectations.</p> <p><b>Inherent risk of material misstatement:</b></p> <p><b>Land &amp; Buildings (valuation): High</b></p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to the valuation experts and the scope of their work.</li> <li>• Evaluating the competence, capabilities and objectivity of the valuation expert.</li> <li>• Considering the basis on which the valuation is carried out and challenging the key assumptions applied.</li> <li>• Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data.</li> <li>• For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding.</li> <li>• Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct.</li> </ul>

<b>Pension net asset / liability (key accounting estimate)</b>	<b>Audit approach</b>
<p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.</p> <p>The calculations involve a number of key assumptions, such as discount rates and inflation and local factors such as mortality rates and expected pay rises. The estimates are highly sensitive to changes in these assumptions and the calculation of any asset ceiling when determining the value of a pension asset. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external experts (the actuary) and the methods, assumptions and source data underlying the estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the values involves, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of the net pension liability/asset as a significant risk.</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Evaluating management's process for the calculation of the estimate, the instructions issued to management's expert (the actuary) and the scope of their work.</li> <li>• Evaluating the competence, capabilities and objectivity of the actuary.</li> <li>• Reviewing the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate.</li> <li>• Evaluating whether any asset ceiling was appropriately considered when determining the value of any pension asset included in the financial statements.</li> <li>• Ensuring pension valuation movements for the year and related disclosures have been correctly.</li> </ul>

Pension net asset / liability (key accounting estimate)	Audit approach
<b>Inherent risk of material misstatement:</b>  <b>Pension net asset or liability (valuation): High</b>	

## Other material balances and transactions

Under International Standards on Auditing, “irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure”. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as those adopted for the risks identified in this report.

# The wider scope of public audit

## Introduction

The Code of Audit Practice frames a significant part of our responsibilities in terms of four wider scope audit areas:

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

Our planned audit work against these four areas is risk based and proportionate. Our initial assessment builds upon our understanding of the College's key priorities and risks along with discussions with management and review of board and committee minutes and key strategy documents.

We have identified one significant risk in relation to financial sustainability as set out in the table below. At this stage, we have not identified any significant risks in relation to the other wider scope areas. Audit planning is a continuous process and we will report all identified significant risks, as they relate to the four wider scope areas, in our annual audit report.

## Wider scope significant risks

### Financial sustainability

The College continues to face significant financial challenges, operating within tight financial parameters and with cognisance of the national economic outlook. Activity continues to plan the measures required to ensure the College is in a long-term sustainable position.

The College submitted its Financial Forecast Return (FFR) which forecasts operating deficits and adjusted operating surplus positions for 2024/25 to 2026/27. The College has commenced several key elements of work to look at improving the financial sustainability of the College including establishment of a working relationship with University of the West of Scotland and development of a three phased approach to workforce planning.

The College will continue to face challenges over the next few years in achieving a balanced financial position due to pressures on the College sector including the projected "flat cash" SFC funding position and changes to the SFC funding formula for 2025/26. The College's ability to develop and maintain its core services in a sustainable manner remains a significant risk which requires continuing careful management and oversight.

### Our audit response:

During our audit we will review whether the College has appropriate arrangements in place to manage its future financial position. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer term impact of cost pressures and that continue to support the delivery of the College's statutory functions and strategic objectives.



## Further wider scope considerations

In formulating our audit plan, we identified areas of further focus for our work in other wider scope areas:

### Financial Management

- Whether the College achieves its 2024/25 financial targets.
- Whether the College can demonstrate the effectiveness of its budgetary control system in communicating accurate and timely financial performance.

### Vision, leadership and governance

- The progress made by the College in implementing and delivering the revised Strategic Ambition 2025 and Mission 2030
- Whether the College can demonstrate that the governance arrangements in place are appropriate and operating effectively.
- The transparency of decision-making, financial reporting and performance data.

### Use of resources to improve outcomes

- The robustness of the College's performance management framework and the appropriateness of key performance indicators in supporting effective scrutiny and decision making.
- Whether the College can evidence a clear link between prioritised spending and improvement against outcomes.

## Duty of Best Value

Ministerial Guidance to Accountable Officers for public bodies and the Scottish Public Finance Manual (SPFM) explain that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. We will be carrying out a high-level review to confirm that such arrangements are in place within the College.

# Audit team and timetable

## Audit Team

Our audit team will be as follows:

Role	Name	Email
Engagement Lead	Andy Reid	Andy.Reid@azets.co.uk
Engagement Manager	Amy Hughes	Amy.Hughes@azets.co.uk
Auditor in Charge	Charlotte Barber	Charlotte.Barber@azets.co.uk

## Timetable

Please find below confirmation of our proposed timetable for the audit as previously discussed with management:

Audit work/ output	Date
Planning and risk assessment	31 March 2025
Reporting of plan to Audit Committee	29 May 2025
Receipt of draft accounts and commencement audit fieldwork	September/October 2025
Audit Committee to consider accounts and audit report	24 November 2025
Board meeting to approve accounts for signing	8 December 2025
Target date for submission of signed accounts to Scottish Funding Council	31 December 2025

## Our Requirements

For us to be able to complete our work in line with the agreed fee and timetable, we require the following:

- Draft financial statements of a good quality by the deadlines you have agreed with us. These should be complete including all notes, the Performance Report, Accountability Report and the Governance Statement.
- The provision of good quality working papers at the same time as the draft financial statements. These will be discussed in advance to ensure clarity over our expectations;
- The provision of agreed data reports at the start of the audit, fully reconciled to the values in the accounts, to facilitate our selection of samples for testing;
- Ensuring staff are available and on site (as agreed) during the period of the audit;
- Prompt and sufficient responses to audit queries to minimise delays.

The audit process is underpinned by effective project management to co-ordinate and apply our resources efficiently to meet your deadlines. It is essential that the audit team and the College's finance team work closely together to achieve the above timetable.

# Audit Fee

The quality of audit work is an essential requirement in successfully delivering a fully ISA and Code of Audit Practice compliant audit. Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate unaudited accounts and meets the agreed timetable for audit.

The expected fee is reviewed by Audit Scotland each year, based on Audit Scotland's overall budget proposals. The budget proposal and fee levels (for the 2024/25 audits) have been developed in the context of a challenging economic financial environment and the challenges facing public services.

The 2024/25 expected audit fee is based on applying a 1.9% increase to the 2023/24 expected audit fee. This increase is applied on a sector basis and reflects the conditions of the public sector market.

As auditors we negotiate the fee with the College during the planning process. The auditor remuneration element of the audit fee may be varied to reflect the circumstances and local risks within the body.

For 2024/25, we propose setting the audit fee above the expected fee level. We propose setting the 2024/25 audit fee above the expected fee to allow for work on the College's new accounting system migration.

The breakdown of the fee for 2024/25 is shown in the table below.

Fee element	2024/25	2023/24
Auditor remuneration (expected fee level)	44,550	42,750
Audit remuneration (above expected fee level for risk areas noted above)	3,800	-
Pooled costs	(5,620)	(4,560)
Sectoral cap adjustment	(10,450)	(10,250)
<b>Total fee</b>	<b>32,280</b>	<b>27,940</b>

It is our policy to bill for overruns or scope extensions e.g., where we have incurred delays, deliverables have been late or of poor quality, where key personnel have not been available, or we have been asked to do extra work.

# Independence and objectivity

## Auditor Independence

We are required to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we comply with FRC's Ethical Standard. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets and the College, its Board members and senior management that may reasonably be thought to bear on our objectivity and independence.

In particular, FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. We have detailed in the table below the non-audit services provided to the College, the threats to our independence and the safeguards we have put in place to mitigate those threats.

Non-audit service	Fee	Type of threat	Safeguard
VAT and PSA advisory services	£6,080	Self-review Management decisions	<p>VAT and PSA advisory services are provided by a separate team from the audit team.</p> <p>No management decisions are taken as part of our VAT and PSA advisory work.</p> <p>The VAT and PSA fee is not set on a contingency basis as is insignificant in relation to the audit fee.</p>



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## Appendix 1: Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the College and the needs of the users.

When planning, we make judgements about the size of misstatements which we consider to be material, and which provide a basis for determining the nature and extent of our audit procedures. Materiality is revised as our audit progresses, should we become aware of any information that would have caused us to determine a different amount had we known about it during our planning.

Our assessment, at the planning stage, of materiality for the year ended 31 July 2025 was calculated as follows.

	£
<b>Overall materiality for the financial statements</b>	318,000
<b>Performance materiality (75% of materiality)</b>	238,500
<b>Trivial threshold (5% of materiality)</b>	15,900
<b>Materiality</b>	<p>Our initial assessment is based on approximately 2% of the College's gross expenditure as disclosed in the 2023/24 audited annual accounts. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing financial performance of the College.</p> <p>The financial statements are considered to be materially misstated where total errors exceed this value.</p>
<b>Performance materiality</b>	<p>75% of materiality</p> <p>Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to</p>



	<p>determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.</p>
<b>Trivial misstatements</b>	<p>5% of overall materiality</p> <p>Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p> <p>Individual errors above this threshold are communicated to those charged with governance.</p>

The Remuneration & Staff Report and Related Parties disclosures are material by nature.

In performing our audit, we will consider any errors which cause result in a movement between the relevant bandings on the disclosure table to be material.

For Related Party transactions, in line with the standards we will consider the significance of the transaction with regard to both the College and the Counter party, the smaller of which will drive materiality considerations on a transaction by transaction basis.

## Appendix 2: Responsibilities of the Auditor and the College

### The Auditor General and Audit Scotland

The Auditor General for Scotland is a Crown appointment and independent of the Scottish Government and Parliament. The Auditor General is responsible for appointing independent auditors to audit the accounts of the Scottish Government and most Scottish public bodies, including Colleges, and reporting on their financial health and performance.

Audit Scotland is an independent statutory body that co-ordinates and supports the delivery of high-quality public sector audit in Scotland. Audit Scotland oversees the appointment and performance of auditors, provides technical support, delivers performance audit and Best Value work programmes and undertakes financial audits of public bodies.

### Auditor responsibilities

#### Code of Audit Practice

The Code of Audit Practice (the [2021 Code](#)) describes the high-level, principles-based purpose and scope of public audit in Scotland.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

#### Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the College and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

#### Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

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## Financial management



Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

### **Auditor considerations**

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

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## Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

### **Auditor considerations**

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

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## Vision, leadership and governance

Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.



### **Auditor considerations**

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

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## Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.



### **Auditor considerations**

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

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## Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#)

The most recent audit quality report can be found at [Quality of public audit in Scotland: Annual report 2023/24 | Audit Scotland](#)

## College responsibilities

The College has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include the following:

Area	College responsibilities
<b>Corporate governance</b>	<p>The College is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
<b>Financial statements and related reports</b>	<p>The College has responsibility for:</p> <ul style="list-style-type: none"> <li>• preparing financial statements which give a true and fair view of the financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;</li> <li>• maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support the balances and transactions in its financial statements and related disclosures;</li> <li>• ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; and</li> <li>• preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements.</li> </ul> <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>The College is responsible for developing and implementing effective systems of internal control as well as financial, operational</p>

Area	College responsibilities
	<p>and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The College is also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
<b>Standards of conduct for prevention and detection of fraud and error</b>	<p>The College is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p>
<b>Financial position</b>	<p>The College is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> <li>• Such financial monitoring and reporting arrangements as may be specified;</li> <li>• Compliance with statutory financial requirements and achievement of financial targets;</li> <li>• Balances and reserves, including strategies about levels and their future use;</li> <li>• Plans to deal with uncertainty in the medium and long term; and</li> <li>• The impact of planned future policies and foreseeable developments on the financial position.</li> </ul>
<b>Best value</b>	<p>The Scottish Public Finance Manual sets out that accountable officers appointed by the Principal Accountable Officer for the Scottish Administration have a specific responsibility to ensure that arrangements have been made to secure Best Value. Accountable Officers are required to ensure accountability and transparency through effective performance reporting for both internal and external stakeholders.</p>

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# Dumfries & Galloway College

## Internal Audit Annual Plan 2025/26

Internal Audit Report No: 2026/01

Draft issued: 21 May 2025

Final issued:





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# 1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2026. This would normally be based on a comprehensive Audit Needs Assessment (ANA) and three-year Strategic Plan, which would be prepared following discussion with Board members and managers throughout the College. Given that the College has recently launched a new strategic plan – Mission 2030 - it was agreed that a full ANA should not be undertaken at this time and instead will be developed as part of the programme for 2026/27. The plan is based on the proposed allocation of audit days for 2025/26, which was based on previous internal audit coverage and key areas of risk and was developed in conjunction with the Principal and the Executive Director of Finance and Planning.
- 1.2 The proposed internal audit programme for 2025/26 is included in Section 2 of this report.
- 1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2025/26, together with the proposed audit approach. The outline scopes will be refined and finalised, following discussion with responsible managers in each audit area prior to each audit.
- 1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of assurance for the area reviewed and therefore the priority that should be given to each report.
- 1.5 We have produced this document and carry out all our internal audit practice in line with the requirements of the Global Internal Audit Standard (effective from 9 January 2025) and the Global Internal Audit Standards in the UK Public Sector (effective from the 1 April 2025).

## 2. Operational Plan 2025/26

### Proposed Allocation of Audit Days

Audit Area	Category	Proposed 25/26 Days
<b>Reputation</b>		
<i>Publicity and Communications</i>	Gov	
<i>Health, Safety and Wellbeing</i>	Gov	
<b>Student Experience</b>		
<i>Curriculum planning</i>	Perf	
<i>Quality</i>	Perf	
<i>Student support</i>	Perf	
<i>Student recruitment and retention</i>	Fin/Perf	
<b>Staffing Issues</b>		
<i>Staff recruitment and retention</i>	Perf	
<i>Staff learning and development</i>	Perf	5
<i>Payroll</i>	Fin	6
<i>Teaching staff utilisation</i>	Perf / Fin	
<b>Estates and Facilities</b>		
<i>Operational estates management )</i>	Fin/Perf	7
<i>Estates strategy / capital projects )</i>	Fin/Perf	
<i>Space management / room utilisation</i>	Perf	
<i>Asset / fleet management</i>	Perf	
<b>Financial Issues</b>		
<i>Budgetary control &amp; financial planning</i>	Fin	5
<i>Student fees and contracts / registry</i>	Fin	
<i>General ledger</i>	Fin	
<i>Procurement and creditors / purchasing</i>	Fin	
<i>Debtors/ Income</i>	Fin	
<i>Cash &amp; Bank / Treasury management</i>	Fin	
<i>Fraud Prevention, Detection and Response</i>	Fin	
<b>Organisational Issues</b>		
<i>Risk management</i>	Perf	
<i>Corporate governance</i>	Gov	
<i>Business continuity / disaster recovery</i>	Perf	
<i>Environmental sustainability</i>	Gov/Perf	
<b>Commercial Issues</b>		
<i>Business development</i>	Fin/Perf	
<i>External activities</i>	Gov/Fin/Perf	

## 2. Operational Plan 2025/26 (continued)

### *Proposed Allocation of Audit Days (continued)*

Audit Area	Category	Proposed 25/26 Days
<b>Information and IT</b>		
<i>Cyber security</i>	Perf	6
<i>Digital strategy</i>	Gov	
<i>Data protection</i>	Gov	
<b>Other Audit Activities</b>		
Credits audit	Required	7
Student Support Funds	Required	7
Management and Planning		4
External audit / SFC		
Attendance at audit committees		
Follow-up reviews		3
Audit Needs Assessment		
		<b>50</b>
		<b>=====</b>

### Key

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

### 3. Outline Scope and Objectives

Audit Assignment:	Learning & Development
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	5

#### **Scope**

This audit will consider whether the College is making best use of its staff and will incorporate a review of workforce planning; training; the personal development plan system; and succession planning.

#### **Objectives**

The objective of our audit will be to obtain reasonable assurance that:

- the College has a systematic approach for ensuring that its staff resources match need in order to deliver planned commitments. Where gaps are identified, timely action is taken to close these;
- the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps;
- the College has a systematic approach to the evaluation of its training to ensure that it is achieving the desired impact;
- there is a systematic approach for translating business objectives into actions / tasks for members of staff and a systematic approach is used for communicating objectives and performance expectations to staff;
- a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance; and
- appropriate succession planning strategies, action plans and monitoring arrangements are in place within the College.

#### **Our audit approach will be:**

The Vice Principal – People and Transformation and a sample of senior managers will be interviewed, and the College's policies, procedures and structure will be reviewed, to assess compliance with the above objectives.

Audit Assignment:	Payroll
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	6

### **Scope**

This audit will consider the key internal controls in place over the College's spend on staff costs of approximately £11million. Our audit will cover the procedures in place within both the Human Resources and Payroll teams.

### **Objectives**

The objective of our audit will be to obtain reasonable assurance that systems are sufficient to ensure:

- correct calculation of gross pay and deductions;
- correct calculation of employer national insurance and superannuation contributions;
- part-time lecturers, overtime and staff expenses payments are properly authorised;
- approval and checking of changes to employee standing data;
- starters and leavers are properly treated and enter and leave the system at the correct dates; and
- proper authorisation, processing and recording of payments.

### **Our audit approach will be:**

From discussion with Human Resources and Payroll staff, and review of procedures documentation, we will identify the key internal controls in place within the College's human resources / payroll system and compare these with expected controls. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

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

<b>Audit Assignment:</b>	Operational Estates Management
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	7

### **Scope**

The scope of the audit will be to review and test the policies and procedures in place for the planning, control and monitoring of capital and revenue funding on Estates projects relating to the College infrastructure and on the delivery of planned maintenance across the College estate. This review will focus on building infrastructure and will not review Soft Facilities Management services such as cleaning, waste disposal and grounds maintenance.

### **Objectives**

The specific objectives will be to ensure that the policies and procedures in relation to Estates planning deliver meet the following requirements:

#### **Capital Projects**

- the capital project element of the Systems and Infrastructure Strategy, has been developed and aligned with key strategic priorities outlined in Mission 20230 and also takes cognisance of supporting strategies and plans;
- the capital project identification and appraisal process has been clearly defined, including the information provided to management and the Board of Management and its committees for decision making purposes;
- there is adequate and proportionate risk management and contingency planning on capital projects;
- there is an effective process for the selection and management of consultants and contractors, including the tendering process and ongoing performance/contract management; and
- there is adequate monitoring of the progress made in delivering capital projects, by management and Board committees.

#### **Planned Maintenance**

- the planned maintenance element of the Systems and Infrastructure Strategy, has been developed and aligned with key strategic priorities and also takes cognisance of supporting strategies and plans;
- there are appropriate contractual arrangements in place to deliver the planned maintenance required across the full College estate; and
- there are appropriate mechanisms to ensure that planned maintenance is delivered at the right time and to the right standard.

#### **Our audit approach will be:**

We will review relevant documentation including, relevant strategies, policies, procedures, capital project appraisal documents etc. relating to capital projects and planned maintenance and will discuss the procedures adopted with staff. We will consider whether the policies and procedures are in line with good practice in relation to planning, control and monitoring of capital projects, for a sample of recent capital projects, we will test compliance with these. We will also examine the contractual arrangements and practical deliver of selected aspects of planned maintenance activity.

<b>Audit Assignment:</b>	Budgetary Control / Financial Planning
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	5

### **Scope**

This audit will review the College's long-term financial planning arrangements and budgetary control practices and protocols, to consider whether these are in line with good practice. This will include consideration of budget monitoring procedures in place centrally and within a sample of academic areas and Support Teams, and planning assumptions are updated to reflect changes in SFC guidance.

### **Objectives**

The objectives of the audit will be to ensure that:

- the College has developed a long-term financial strategy, which includes long-term financial forecasts;
- assumptions used in the financial forecasting returns submitted to the SFC are robust, realistic and applied consistently. Any departure from the SFC guidance on common sector assumptions is justified to the Board and the SFC;
- budgets are controlled in accordance with the Financial Regulations and Procedures;
- budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change or funding targets are not achieved;
- information is available to management in academic areas and Support Teams which is up-to-date and in a format that can be easily understood;
- budget holders have the necessary skills for managing budgets;
- budget variations are reported and acted upon;
- there is accurate cash flow reporting; and
- senior management and the Board regularly review the College's overall financial position.

### **Our audit approach will be:**

The Executive Director of Finance and Planning, Finance staff and a sample of budget holders in academic areas and Support Teams will be interviewed, and financial plans, forecasts and reports reviewed, to determine current working practices in financial planning and budget monitoring, and the information and training provided to budget holders.

The processes used to prepare cash flow reports for senior management, the Board, and the SFC will be determined through discussion with Finance staff and review of supporting working papers.

We will also establish and review the budget monitoring information provided to the College Senior Leadership Team and the Board.



<b>Audit Assignment:</b>	Cyber Security
<b>Priority:</b>	High
<b>Fieldwork Timing:</b>	TBC
<b>Audit Committee Meeting:</b>	TBC
<b>Days:</b>	6

### **Scope**

In December 2024, the Scottish Government published version 2.0 of the Scottish public sector cyber resilience framework (PSCRF). The framework is intended to support Scottish Public Sector Organisations (PSOs), to improve their cyber resilience and to comply with a range of legislative, regulatory, policy and audit requirements in respect of cyber security. PSOs are encouraged to align their cyber security and resilience posture to the framework.

This audit will include a review of the College's current position regarding cyber security to advise on areas that should be addressed in line with the PSCRF, which incorporates guidance produced by the National Cyber Security Centre (NCSC), the UK Government's national technical authority for information assurance. Our review will consider the robustness of the College's IT business continuity / disaster recovery arrangements.

### **Objectives**

The objective of the audit will be to obtain reasonable assurance that:

- The internal controls in place which ensure that the security of the IT network, the configuration of key elements of IT infrastructure which protect access to data, plus the policy and procedures giving guidance as to how security should be managed by both the IT department and users is in line with relevant aspects of the PSCRF.

### ***Our audit approach will be:***

We will consider the extent to which the relevant aspects of the PSCRF have been implemented through discussions with the Digital Services team, and review of evidence which demonstrates that controls are operating effectively.

Audit Assignment:	Credits Audit
Priority:	Required annual audit
Fieldwork Timing	August / September 2025
Audit Committee Meeting:	TBC
Days:	7

### **Scope**

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditor's assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the student activity data for the academic year (FES return).

### **Objectives**

To obtain reasonable assurance that:

- 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; and
- the FES return on student activity data is free from material misstatements.

### ***Our audit approach will be:***

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns to SFC and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude whether the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from the previous year's activity.

Our testing will be designed to cover the key areas of risk identified at Annex C to the SFC Credits Audit Guidance.

We will also review the final error report from the FES on-line checks.

Audit Assignment:	Student Support Funds
Priority:	Required annual audit
Fieldwork Timing:	TBC
Audit Committee Meeting:	TBC
Days:	7

### **Scope**

We will carry out an audit on the College's student support funds for the year ended 31 July 2025 and provide an audit certificate. Three specific fund statements will require to be audited:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary Fund; and
- Education Maintenance Allowance (EMA) Return.

### **Objectives**

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2025 is in agreement with underlying records.

### **Our audit approach will be:**

- reviewing the year's guidance from the SFC, SAAS and the Scottish Government and identifying internal procedures through discussion with College staff, and review of relevant documents;
- agreeing income to amounts awarded;
- reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing:</b>	TBA
<b>Audit Committee Meeting:</b>	TBA
<b>Days:</b>	3

### **Scope**

This review will cover reports from the 2024/25 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

### **Objectives**

To establish the status of implementation of recommendations made in previous internal audit reports.

### ***Our audit approach will be:***

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit Committee.

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# Global Internal Audit Standards in the UK Public Sector.

Effective from 1 April 2025

# What's Changing?

- The GIAS came into force 9 January 2025 for all internal audit functions.
- GIAS is a new, globally consistent framework that aims to strengthen audit quality and governance and the position of Internal Audit in their organisations.
- From **1 April 2025**, the Public Sector Internal Audit Standards (PSIAS) will be replaced by the Global Internal Audit Standards (GIAS) in the UK Public Sector.
- The **GIAS in the UK Public Sector** consists of both the GIAS and the Application Note. The Application Note is used to tailor GIAS to public sector requirements.



# What's included?

## **Mandatory GIAS**

- Five Domains that set the standards.
- 15 guiding principles that enable an effective IA function. Each principle has essential requirements to be adopted.
- Topical Requirements – will enhance consistency and quality of internal audits. IA must conform with the relevant topical requirements when the scope of an engagement includes one of the identified topics.
- Application Note sets how these are applied in UK public bodies.

## **Non mandatory GIAS**

- Global practice guides (assurance & advisory services, engagement planning, financial service, fraud, etc)
- Global Technology Audit Guides (GTAG).





# The Standards provide..

## Greater Emphasis on Independence & Governance

- Greater positioning of Internal Audit within audited organisations by communicating its purpose and mandate.
- Clearer expectations on the Chief Audit Executive's (CAE's) role in maintaining independence.
- Reinforced guidance on direct reporting between Internal Audit & the Board.

## Strengthened Ethical & Professional Requirements

- Auditors must formally adhere to the Nolan Seven Principles of Public Life & exhibit professional courage.
- CAEs must be professionally qualified & demonstrate significant public sector experience.



# The Standards provide..

## More Rigorous Annual Opinion Requirements

- CAEs must provide a more structured annual opinion, covering governance, risk management, & internal controls, highlighting trends & areas operating above the Board's risk appetite.

## Tighter Quality Assurance Standards

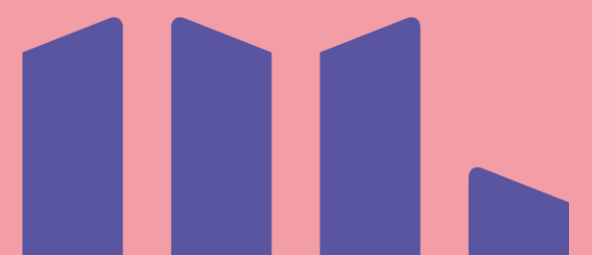
- Annual Peer-Led Internal Quality Assessments.
- External Quality Assessments (EQA) must now be carried out by assessors with equivalent CAE-level public sector experience at least every 5 years.



# The Standards provide..

## Updated Internal Audit Planning & Reporting criteria

- Greater alignment of audit plans to strategic objectives & risk priorities.
- More structured reporting requirements to governing bodies and stakeholders.



# How does this impact on Audit Committees?

The introduction of the Global Internal Audit Standards (GIAS) in the UK Public sector brings several key changes to the role and responsibilities of Audit Committees within the UK public sector.

Effective from 1 April 2025, these changes aim to enhance governance, accountability, and the overall effectiveness of the internal audit process.

The Standards also set expectations for the Board, their Audit Committee and senior management, to champion the role of Internal Audit & ensure internal audit remains effective and independent.

Here are 8 key changes that you should know.....



# 1. Expanded Oversight Role

**Before:** Audit Committees primarily focused on overseeing the internal audit function's effectiveness, reviewing risk management processes, and ensuring compliance with regulations.

**Now:** Audit Committees are now tasked with a broader governance oversight role.

They will be responsible for ensuring internal audit supports the achievement of the organisation's strategic objectives, not just in its compliance with legislative or regulatory requirements, or financial reporting standards.

This includes the delivery of audits that focus on service delivery, performance management, public accountability, and the effective and efficient use of resources.



## 2. Increased Involvement in Strategic Decision-Making

**Before:** Audit Committees had limited involvement in strategic decision-making, primarily concerned with audit findings and risk outcomes.

**Now:** Audit Committees will now have a more active role in strategic decision-making.

They will need to engage more closely with senior management to ensure that internal audits are aligned with the organisation's strategic priorities and related risks to ensure that outcomes from audits help successful delivery of long-term plans.

This includes advising on areas where audit insights can improve decision-making and value for money.



# 3. Enhanced Focus on Public Accountability

**Before:** The focus was largely on internal financial controls, risk management, and the effectiveness of audit processes.

**Now:** Audit Committees must now ensure that internal audits contribute to the organisation's public accountability.

This means ensuring that audits provide insights to the efficient and effective use of resources, in meeting the service outcome, the expectations of service users & funding bodies.

Audit Committees will need to focus on whether resources are being used effectively to deliver public value.





# 4. Broader Risk Management Framework

**Before:** Risk management focused on financial, operational, and compliance risks.

**Now:** The scope of risk management will expand to include environmental, social and governance (ESG) risks.

Audit Committees will need to oversee how the Internal Audit function addresses emerging risks to the organisation achieving its Net Zero goals, social and community impact, and corporate governance related concerns.

This will require more comprehensive risk assessments of their alignment with national public sector sustainability goals, which often in turn align to the United Nation's 17 Sustainability Development Goals (SDGs).





# 5. Value for Money & Service Delivery Focus

**Before:** The Audit Committee's role was centred on ensuring the financial efficiency & identifying operational & strategic risks.

**Now:** Audit Committees must ensure that audits support the delivery of value for money & service delivery.

They will be responsible for making sure that audits assess how well they are achieving the organisation's strategic objectives & delivering public services.

This includes ensuring that audits provide actionable insights to improve performance & better outcomes for service users.



# 6. Engagement with a Broader Range of Stakeholders

**Before:** In some organisations, the Audit Committee's role was largely limited to internal stakeholders, such as senior management, as well as External Audit.

**Now:** Audit Committees will need to engage with a wider range of stakeholders, including service users, so to distil audit findings and provide clarity on actions being taken. The aim being to promote public trust.



# 7. Increased Emphasis on Governance & Ethical Leadership

**Before:** While governance was important, the Audit Committee's focus was often limited to audit findings and control mechanisms.

**Now:** The Audit Committee's role will now encompass ensuring that Internal Audit functions are aligned with the ethical values and governance standards expected in the UK public sector.

Audit Committees will need to ensure that audit practices not only align with the GIAS in the UK Public Sector but also address the unique ethical and governance matters present in the UK public sector, such as compliance with ethical standards, conflicts of interest & transparency in the use of public funding.



# 8. Engagement with External Auditors & Regulatory Bodies

**Before:** Audit Committees often interacted with External Auditors to discuss their audit findings and audit reports.

**Now:** The role of the Audit Committee now includes more active engagement with External Auditors, regulatory bodies, and other oversight mechanisms.

Audit Committees will need to ensure that there is a coherent approach to internal & external audit processes, including the management of any overlaps or gaps in audit coverage.



# How can Audit Committees demonstrate conformance?

- **Align** the Audit Committee's remit with Global Internal Audit Standards for the UK Public Sector.
- **Reinforce independence** - the CAE must have direct functional reporting to the Board & Audit Committee.
- **Drive impact** - Senior Management must ensure effective risk management & governance, acting on Internal Audit findings.
- **Uphold integrity** - both Internal Audit & Senior Management must adhere to ethical standards.
- **Enhance communication** - Internal Audit must deliver clear, risk-based recommendations to support decision-making and continuous improvement.
- **Self-assess annually** - regularly evaluate the Audit Committee's effectiveness in conforming with the GIAS in the UK Public Sector.

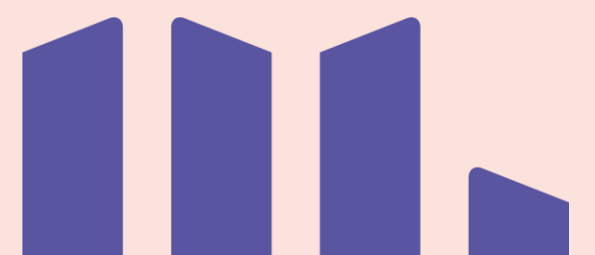


# Strengthened Responsibilities

Audit Committees will be more than just oversight bodies - they will actively drive governance, risk management and improvements.

Audit Committees will play a bigger role in:

- Championing internal audit's work & ensuring its findings are acted upon.
- Facilitating direct access between Internal Audit & senior management.
- Promoting a culture of transparency, accountability, & good governance.



# Compliant & Committed.

Our HL Internal Audit Team is prepared to lead with courage to deliver real value and assurance to your organisation.

We're proud that our readiness assessment indicates we fully align with the Global Internal Audit Standards (GIAS) and GIAS for the UK Public Sector.

We're ready to help you ensure **your** conformance to these new Standards.

Contact [David.Archibald@hlca.co.uk](mailto:David.Archibald@hlca.co.uk)



<b>Audit Committee</b>		
<b>Agenda Item</b>	5	
<b>Paper Number</b>	AUD0525-5.1	
<b>Date of Meeting</b>	29 May 2025	
<b>Location</b>	MS Teams	
<b>Title of Paper</b>	Strategic Risk Register	
<b>Presented by</b>	L Grierson	
<b>Recommendation</b>	<b>Approval</b>	
<b>Freedom of Information Disclosure Assessment</b>		
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?)		
<b>Further comments/updates after initial submission</b>		
<b>Date added</b>	<b>Added by (name and role)</b>	<b>Comment/detail</b>

**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 Risk Owners Framework

- 3.4.1 A link to the Risk Owners Framework has been added within the 3 lines of defence for each risk to ensure owners regularly review and update the spreadsheet as required. We are currently in the process of carrying out internal checks to ensure mitigating actions have been performed to provide added assurance.

### 3.5 Audit Committee

- 3.5.1 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. Front Line - Scheme of Delegation narrative updated and Management Line – internal reviews from College team now taking place.
  - Risk 11: Failure to achieve and maintain systems and operable and secure ICT – no changes to ratings. Further mitigations added to front line.
    - Further assurance in relation to risk being above appetite - Funding was secured to deliver Cyber Security training specifically for members of the Digital Services Team. Further Cyber Security training is being planned for the next academic year, aimed at all managers. This session will be delivered by an external provider, likely HEFESTIS. Working towards Cyber Essentials Plus.

### 3.6 Learning and Teaching Committee

- 3.6.1 There have been no changes to ratings for Risks 8,9,10 although further mitigations have been added.
- Risk 8: Academic Performance

- Risk 9: Failure to adhere to Academic Compliance
- Risk 10 - Failure to achieve an effective student experience

### 3.7 Finance and General-Purpose Committee

3.7.1 There have been no changes to ratings for Risks 3,7.

- Risks 3 - Failure to achieve institutional sustainability.
  - This risk is above appetite however ongoing budget monitoring and reporting/ savings plans are progressing and cost control. Budget and forecasting undertaken for 2025-26, with scenario planning and assessment of options. Benchmarking exercise being undertaken with Capital.
- Risk 7 – Industrial Relations – no changes made.

### 3.8 Board of Management

The following risks are above appetite:

- Risk 5 – Business Continuity – the risk has been reviewed with further mitigations added Cyber Essentials, Externally completed Fire Risk Assessment, Advice from Local Resilience Partnership of which we are part of the operational group
- Risk 12 H&S - We are comfortable with the level of exposure and have appropriate controls in place. A recent internal audit resulted in substantial assurance and the following mitigations have been added:
  - Fire risk Assessor
  - Allianz – insurer appointed engineering compliance surveyor
  - CDN network
  - Weekly 1-1 H&S meetings with H&S Advisor
  - Escalation process in place for H&S

### 3.9 Emerging Risk Register

3.9.1 The emerging risk register is regularly discussed within management teams and SLT. 5 emerging risks have been identified and these are monitored monthly by SLT This is attached at appendix 1 for further information.

## 4. **Strategic Implications**

4.1 The risks associated with Audit Committee link into the following strategic priorities:  
Mission 2030 – Pillars 1,2,3,4

## 6. **Risk**

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

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

**Lorraine Grierson**

Governance Professional

15 May 2025

## 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		2	4	8	v	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 comply with 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 - Executive Director 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
<b>1-8</b> Acceptable level of risk subject to periodic review.	<b>Minor:</b>  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.
<b>9-15</b> Moderate level of risk subject to regular monitoring and mitigating actions and plans being in place	<b>Moderate:</b>  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.
<b>16-20</b> Unacceptable level of risk requiring immediate actions and plans to prevent or mitigate.	<b>Major:</b>  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.
<b>21-25</b> Critical level of risk requiring urgent attention and actions to prevent or mitigate.	<b>Critical:</b>  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.

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

## DGC Risk Appetite

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

<b>Audit Committee</b>	
Agenda Item	<b>6</b>
Paper Number	<b>AUD0525-6.1</b>

Date of Meeting	<b>29 May 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Risk Management Policy</b>	
Presented by	<b>L Grierson</b>	
<b>Recommendation</b>	<b>Approval</b>	
Freedom of Information Disclosure Assessment		
FOI flag:	<input type="checkbox"/> Disclosable <input checked="" type="checkbox"/> Non-disclosable	
Reason/s for choice:	Can be disclosed once approved by the BoM in June	
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)	Can be disclosed once approved by BoM	
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 review and approve the changes to the Risk Management Policy.

## 2. Executive Summary

- 2.1 Audit Committee Terms of reference ask that the Committee reviews the Risk Management Policy.

## 3. Context

- 3.2 The report attaches the Risk Management Policy which was last reviewed in September 2023. Our insurers, Zurich and Internal Auditors RSM made 2 recommendations and in line with this, the Policy has been updated as below:

- Zurich have recommended that the definition of risk is added to the Policy – this has been added at 6.1
- RSM have asked that the Appetite Framework is added to the Policy – the link has been added at 6.1.2

## 4. Strategic Implications

Ambition 2030.

## 5. Risk

Risk	Mitigations
All risks	➤ All risk as per Strategic Risk Register

## 6. Implications

Financial	NO	
Legal	NO	
Learning and Teaching	NO	
Equalities	NO	

**Lorraine Grierson**

Governance Professional  
16 May 2025



<b>Audit Committee</b>		
Agenda Item	<b>7</b>	
Paper Number	<b>AUD0525-7.1</b>	
Date of Meeting	<b>29 May 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Terms of Reference and Business Schedule</b>	
Presented by	<b>Lorraine Grierson</b>	
<b>Recommendation</b>	<b>Approval</b>	
<b>Freedom of Information Disclosure Assessment</b>		
FOI flag:	<input type="checkbox"/> Disclosable <input checked="" type="checkbox"/> Non-disclosable	
Reason/s for choice:	Can be disclosed once approved by the BoM in June	
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)		
<b>Further comments/updates after initial submission</b>		
Date added	Added by (name and role)	Comment/detail

**Read Time:** 6 minutes

## 1. Recommendation

- 1.1. The Audit Committee are asked to review and approve the terms of reference.

## 2. Executive Summary

- 2.1. As stated in the Board of Managements' Standing Orders (3.87), it is a requirement that each Committee reviews its Terms of Reference at least annually, and any changes submitted to the Board for final approval.

## 3. Context

- 3.1 The Terms of Reference and Business Schedule have been reviewed by the Governance Professional and Executive members to ensure they reflect the current business requirements of the Committee.
- 3.2 Any proposed changes are highlighted in yellow.

## 4. Strategic Implications

None directly linked to the paper.

## 5. Risk

Risk	Mitigations
Choose a risk	Risks 8,9,10

## 6. Implications

Financial	YES	Failure to adhere to SFC condition of grant would impact on funding.
Legal	YES	The Board must adhere to the Code of Good Governance and conditions of grant which are encapsulated within the terms of reference.
Learning and Teaching	YES	It is essential that the terms of reference are annually reviewed to ensure all relevant business and legislative requirements are covered within the remit.
Equalities	NO	

**Lorraine Grierson**

Governance Professional

30 April 2025

<b>Terms of Reference</b>	Audit Committee
<b>Date Approved by Committee</b>	May 2025
<b>Date Approved by Board</b>	June 2025
<b>Date of Next Review</b>	May 2026
<b>Chair</b>	Jamie Ross

## **1 Membership**

- 1.1 Non-executive Board members (one of whom shall be appointed as Committee Chair).
- 1.2 Members of the Audit Committee (AC) are precluded from serving on the Finance & General Purposes Committee (F&GP).
- 1.3 The Chair and Principal should not be a member of the AC.
- 1.4 The internal audit service provider and representatives of the external auditor will be expected to attend meetings of the AC and to be provided with agenda and papers for meetings.
- 1.5 The AC can sit privately without any non-members present for all or part of the meeting if they wish.
- 1.6 In attendance:
  - Principal
  - Depute/Vice Principals
  - Governance Professional

## **2 Quorum**

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

## **3 Reporting**

- 3.1 The AC shall make its recommendations to the Board of Management as appropriate.
- 3.2 The AC shall observe the Standing Orders in all its business.
- 3.3 Minutes of the meetings should be circulated to the Board for information.
- 3.4 Prepare an annual report to the Board on Internal Financial Control prior to the signing of the Financial Statements focussing particularly on any changes in accounting policy, major judgemental areas, significant audit adjustments, the going concern assumption and compliance with accounting standards and the Scottish Funding Council's Financial Memorandum.

## 4 Responsibilities

- 4.1 Advise the Board on the strategic processes for risk, control and governance, and the Governance Statement.
- 4.2 Agree the letter of engagement of the external auditor and review the reports to management, making recommendations if required.
- 4.3 Review and make recommendations to the external auditor's Management Letter and management's response and have direct access to the external auditor including an annual closed meeting.
- 4.4 Agree the scope for the external auditor's work. **The external audit plan will be presented in June and the Annual report in December** ~~progress report from the external auditor will be presented bi-annually.~~
- 4.5 Advise the Board on the criteria for the selection and appointment of the internal auditor, and to select and recommend the appointment of the provider of an internal audit service.
- 4.6 Agree the scope for the internal audit plan (including value for money audits), review all audit reports and monitor the implementation of internal audit recommendations and advise the Board accordingly. A progress report will be presented at each meeting.
- 4.7 Monitor the performance and effectiveness of external and internal audits.
- 4.8 Monitor the processes for ensuring the effectiveness of the financial and other internal controls and management systems, making recommendations to the Board accordingly.
- 4.9 Ensure compliance with corporate governance requirements.
- 4.10 Maintain oversight of the Anti-fraud and Corruption Policy and the Whistleblowing Policy ensuring their effectiveness.
- 4.11 Monitor, review and advise the Board on the Risk Management Policy and the effectiveness of the risk management systems, including the College's Risk Appetite to ensure the College's approach to managing risk is appropriate and adequate. The AC will review and discuss the Risk Register at each meeting and consider 'deep dives' of individual risks to seek assurance that the risk is being managed appropriately. The 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 1<sup>st</sup> and 2<sup>nd</sup> line of defence, appetite and tolerance, and make recommendations as required.
- 4.12 Monitor the systems in place which promote efficiency, effectiveness and economy including where appropriate the identification of specific value for money studies. Ensure the activities are managed in accordance with legislation and regulations.
- 4.13 Ensure all significant losses, including those in excess of the delegated limits set out in the Financial Memorandum have been properly investigated and the internal and external auditors and Scottish Funding Council have been fully informed of all such losses.
- 4.14 Following consideration by F&GP, the AC will provide a recommendation to the Board that the annual financial statements may be approved, or report concerns to the Board.

- 4.15 The AC will report to the Board of Management on a regular basis, and the Chair of the AC will produce an Annual Report for submission to the Board following the end of the financial year.
- 4.16 Monitor and review Business Continuity Plan annually and as required.
- 4.17 Monitor and review internal controls to mitigate impact of cyber-attack and information security breach and to also ensure compliance with legislative requirements.
- 4.18 Undertake a self-evaluation exercise and review of terms of reference annually to ensure that the AC complies with best practice in relation to governance and the internal and external audit services are satisfactory. Any amendments to the terms of reference shall be submitted to the Board of Management for consideration and final approval.

## **5 Meetings**

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

### 5.3 Schedule of Business

#### Standing Items:

- Maintain minutes and report to board
- Review AC Action Log
- Review Risk Register and mitigating actions and Deep Dives
- Monitor progress against internal audit recommendations
- Review new internal audit reports undertaken since last meeting

Meeting 1 (Aug-Oct) Q1	Meeting 2 (Nov-Jan) Q2	Meeting 3 (Feb-April) Q3	Meeting 4 (May-July) Q4
<ul style="list-style-type: none"> <li>• Review Risk Appetite Statement</li> <li>• Review Annual Internal Audit Summary Report</li> <li>• Review Code of Good Governance Checklist</li> </ul>	<ul style="list-style-type: none"> <li>• Closed meeting with Committee and Auditors in the absence of executive members</li> <li>• Consider for Approval Year End Accounts <ul style="list-style-type: none"> <li>• External Annual Audit Report</li> <li>• Letter of Representation</li> <li>• Draft Financial Statements</li> </ul> </li> <li>• Annual Audit Committee Report</li> </ul>	<ul style="list-style-type: none"> <li>• Review Anti-fraud &amp; Corruption policy</li> <li>• Review Whistleblowing policy and arrangements</li> <li>• Review Risk Management Policy</li> <li>• Review of Business Continuity Plan and Policy</li> <li>• Review internal controls to mitigate impact of cyber-attack/breach. Ensure compliance with legislative requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Approve external audit plan and scope of work</li> <li>• Approve internal audit plan and scope of work</li> <li>• Review Committee Terms of Reference &amp; Workplan</li> <li>• Annual Committee Self-evaluation</li> <li>• Emerging R R and owners spdsht</li> </ul>



# DUMFRIES AND GALLOWAY COLLEGE

## Internal Audit Progress Report

29 May 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

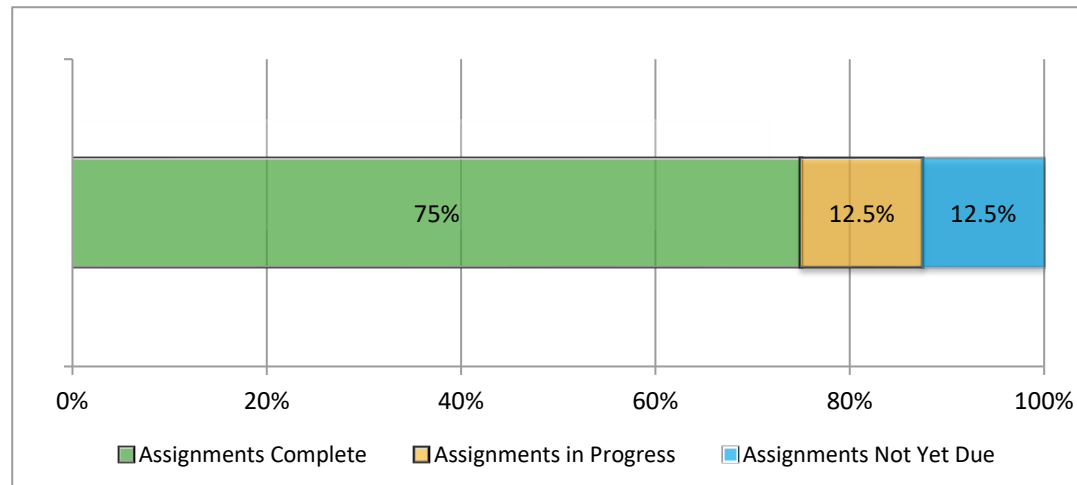
We have issued three final reports as part of the internal audit plan since the Audit Committee meeting in March 2025:

- Curriculum Planning
- Payroll
- Health & Safety

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

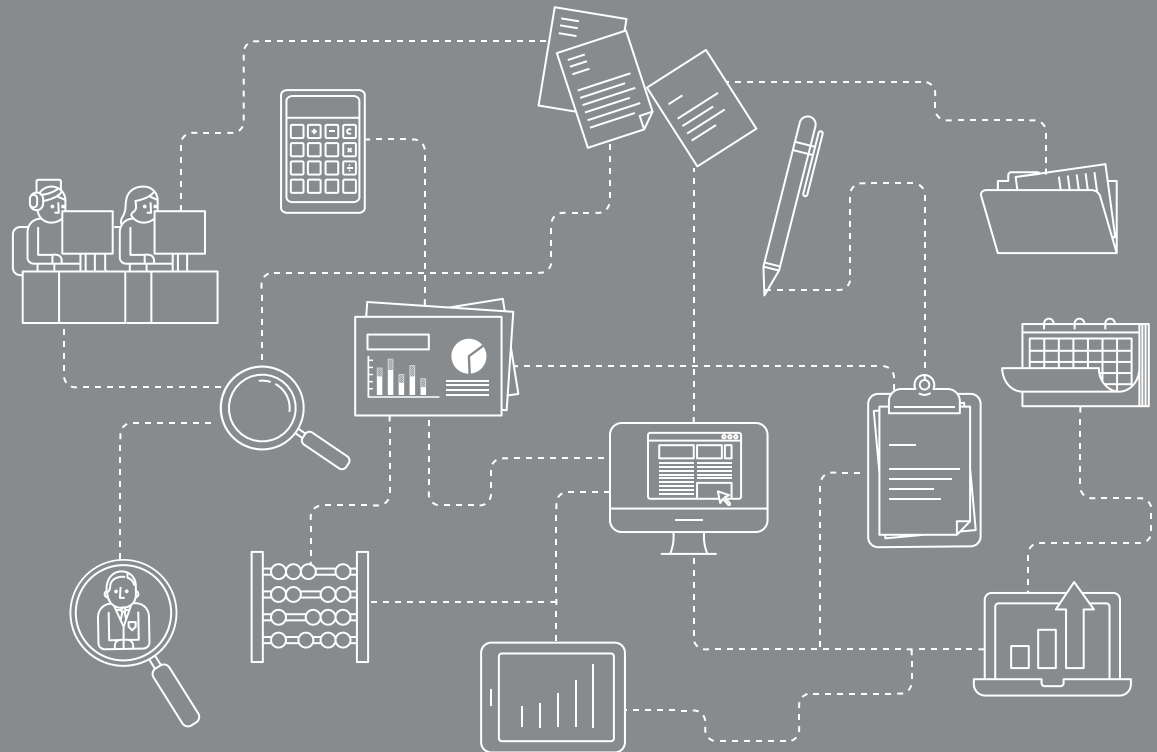
Details of the progress made against the internal audit plan are included at Appendix A. [\[To note\]](#)

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	
Curriculum Planning (4.24/25)						
<u>Objective:</u>						
The College has systems and processes in place which enable it to plan and deliver its curriculum to ensure that the highest academic performance is achieved.						
<u>Conclusion:</u>						
Through reviewing the College’s curriculum planning processes, we confirmed that all key controls related to curriculum development, stakeholder engagement, monitoring, and compliance with credit targets are operating effectively. Each control has been designed to ensure that curriculum planning is aligned with the College’s strategic objectives, local demand, and industry needs.		Substantial Assurance	0	0	0	0
The audit findings demonstrate that procedures are followed, with evidence of regular reviews, effective communication, and appropriate decision-making by the relevant stakeholders. No issues or non-compliance were identified during the audit, and no management actions raised.						
Payroll (5.24/25)						
<u>Objective:</u>						
The College has adequate and effective arrangements in place to ensure the completeness and accuracy of its financial records and security of its financial transactions.		Substantial Assurance	0	1	0	0
<u>Conclusion:</u>						
Our internal audit of the College's payroll process identified that key controls are generally being followed effectively. The Payroll Procedure Guide is up-to-date and clearly outlines responsibilities. Segregation of duties is maintained, with clear role distinctions between						

Assignment	Opinion issued	Actions agreed			
		A	L	M	H
Payroll, Human Resources (HR), and Finance teams. Monthly BACS comparisons, independent payroll reviews, and final salary calculations for leavers are consistently conducted.					
We identified one low-priority finding regarding signing new starter contracts. Specifically, in one instance, a contract was signed after the employee's start date, which could present legal and compliance risks.					
Health & Safety (6.25/26)					
Objective:					
The College has adequate and effective arrangements in place to ensure the safety of staff and students.					
Conclusion:					
Overall, the audit found that the College has an established health and safety framework, with clear policies, defined roles and responsibilities, effective training programs, and processes for risk assessments, inspections, and incident reporting. Sample testing confirmed that risk assessments, inspections, training, and remedial actions are being carried out in line with College policies and regulatory requirements. Additionally, health and safety matters are actively monitored by the Health and Safety Committee and reported to the Board, ensuring appropriate oversight.	Substantial Assurance	0	1	0	0
The audit identified one area for improvement regarding the scheduling of monthly Health and Safety Advisor premise inspections. While these inspections are being conducted, they are not formally scheduled, which may lead to inconsistencies or delays.					

## 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	Substantial Assurance	0	0	0	May 2025	May 2025
Payroll	Substantial Assurance	1	0	0	May 2025	May 2025
Health and Safety	Substantial Assurance	1	0	0	May 2025	May 2025
Safeguarding	Audit underway	-	-	-	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

There have been no changes to the plan since the last Audit Committee.

### 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	Further Education Funding Briefing	<p>In this briefing we summarise those key themes and lessons learnt from our recent funding assurance reviews from 2023/24, and in complimenting the ESFA guidance, identify some of those key data areas that may require review and challenge. This briefing incorporates 16-19 study programmes, adult education budget (AEB), Advance Learner Loans and apprenticeships. This also includes findings from our work with the Mayoral Combined Authority's (MCA's)</p>
2	Bursaries and Free School Meals	<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> <p>For the 2023/24 academic year RSM was contracted to undertake Bursary and free school meals audits on behalf of the DfE (formerly the ESFA). In this briefing we explore the key themes which have been identified as part of these reviews, including areas of best practice and where funds could potentially be at risk for areas of non-compliance with the guidance.</p>
3	<a href="#">Managing Fraud and AI in Education webinar</a> – 10 <sup>th</sup> June 2025	<p>In this webinar, we will delve into the implications of the new fraud prevention offence introduced by the Economic Crime and Corporate Transparency Act 2023, exploring how it affects educational institutions and what steps you can take to ensure compliance ahead of 1 September 2025.</p> <p>Additionally, we will discuss the innovative applications of generative AI in education, highlighting both the potential benefits and the challenges it poses, particularly when it comes to the changing fraud risk landscape.</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	5 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	10.6 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](mailto: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.

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



## DUMFRIES AND GALLOWAY COLLEGE

### Curriculum Planning

REVISED FINAL 2 Internal Audit Report: 4.24/25

27 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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Summary of management actions .....6

**Appendices**

Detailed findings and actions .....8

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Appendix B: Scope .....11


# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.


**Conclusion:** Through reviewing the College’s curriculum planning processes, we confirmed that all key controls related to curriculum development, stakeholder engagement, monitoring, and compliance with credit targets are operating effectively. Each control has been designed to ensure that curriculum planning is aligned with the College’s strategic objectives, local demand, and industry needs.

The audit findings demonstrate that procedures are followed, with evidence of regular reviews, effective communication, and appropriate decision-making by the relevant stakeholders. No issues or non-compliance were identified during the audit, and no management actions have been raised.


**Internal audit opinion:**




**Minimal Assurance**



**Partial Assurance**



**Reasonable Assurance**



**Substantial Assurance**

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

**Audit themes: Policies**  
The College’s Curriculum Planning Procedure is currently in draft but being reviewed with recent amendments. It is accessible to Curriculum Managers on the College’s shared Teams channel and includes all relevant guidance to assist in curriculum planning. Once finalised, it will be submitted for approval by the Senior Leadership Team.

**Linkage Between Curriculum Areas and College Credit Target**  
The College assesses whether it meets its credit target through its annual self-evaluation and action plan. In 2023/2024, the College met its credit threshold and were within the two percent tolerance allowed. The SFC has written to confirm that the College met its credit threshold for 2023/2024. The College is on track to achieve 27,853 credits for 2024/2025, exceeding the credit target of 27,800.

**Development of Curriculum Plans**  
Curriculum Managers develop enhancement plans that consider resources, staffing, financial viability, and recruitment for the 2025/2026 academic year. These plans were reviewed by Senior Leadership, and discussions highlighted alignment with the College’s credit targets and overall curriculum strategy.

---

### **Identifying New Curriculum Plans**

Curriculum Managers justify new or revised curriculum areas in their enhancement plans. All sampled plans for 2025/2026 included rationales for course additions or removals, with detailed consideration of resources, staffing, and costings. The proposals also addressed local demand and industry feedback.

### **Approval of Curriculum Areas**

After Curriculum Managers present their enhancement plans, the Executive Director of Student Experience submits them for review and approval. Four out of five curriculum areas we sampled were included in the 2025/2026 Proposed Programme Delivery document, and Senior Leadership has reviewed the curriculum plan, with final approval scheduled for March 2025 by the Curriculum Leadership Group. The one remaining curriculum area was not included in the Proposed Programme Delivery document due to the enhancement plan showing the reason to remove the course.

### **Engagement with Stakeholders and Demand in Local Area**

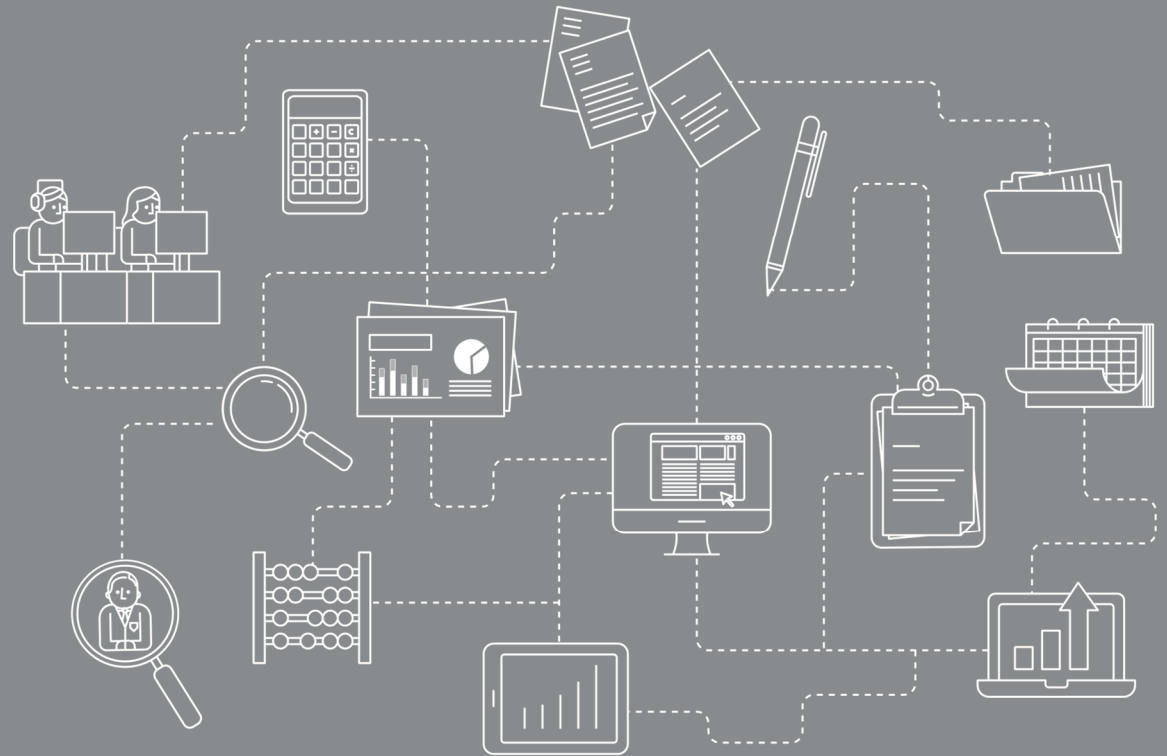
Curriculum Managers engage with local stakeholders to assess demand for proposed curriculum areas before submitting enhancement plans. All sampled plans provided evidence of consultations through meetings, industry feedback, and surveys, ensuring alignment with local needs and industry demand.

### **Monitoring of the Achievement of Curriculum Plans**

Portfolio Review Two meetings take place in March/April to assess curriculum performance, retention, recruitment, and resource planning. All three sampled curriculum areas had meetings in March 2024, and actions were agreed upon to improve performance. These reviews also determine whether a curriculum area will continue into the next academic year.

# Summary of Actions for Management

01



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## SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

### High

Immediate management attention is necessary.

### Medium

Timely management attention is necessary.

### Low

There is scope for enhancing control or improving efficiency.

\* Refer to Appendix A for more detail



# 02



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## DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception and no findings or actions have been identified.

### Background / Why we did the audit

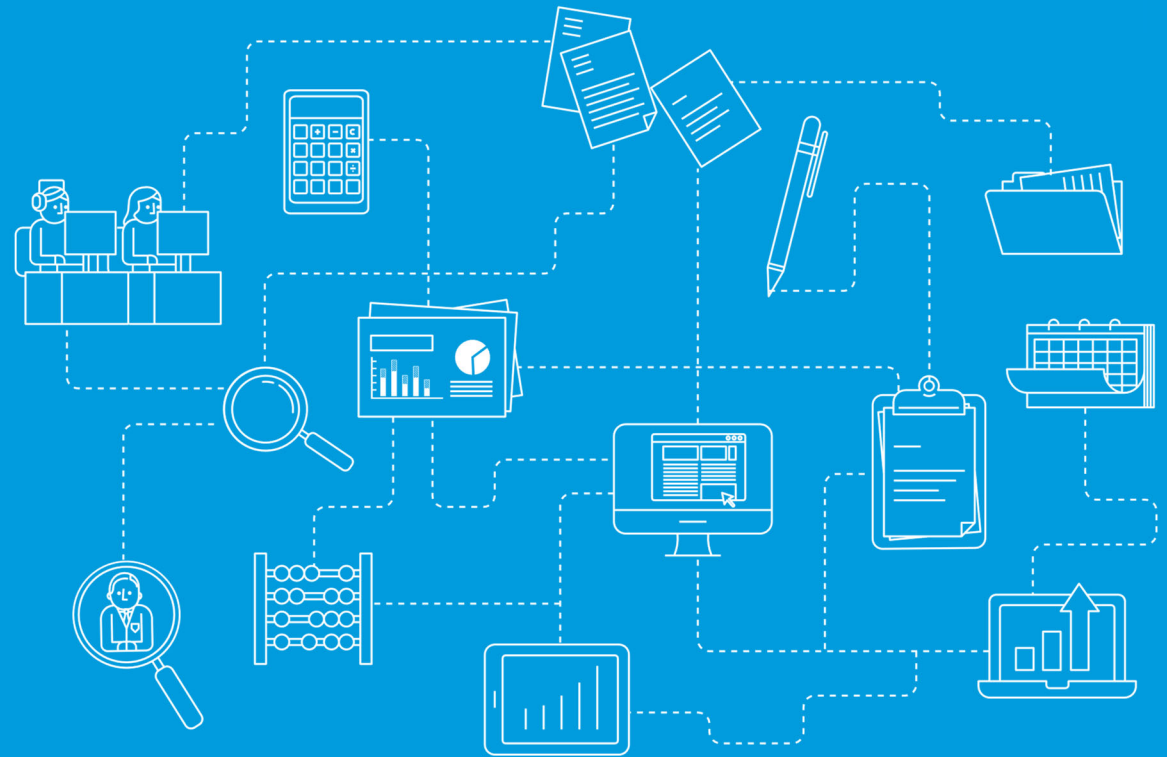
The purpose of this audit was to assess the College's processes and procedures relating to curriculum planning to ensure they are being adhered to and effectively implemented. Curriculum planning is a critical component of the College's overall academic strategy, directly influencing the quality of education and the achievement of academic performance.

Effective curriculum planning is central to ensuring that the College offers high-quality academic programmes that meet the needs of students and the wider community. Failing to adequately plan and align the curriculum with current and future demands could result in inadequate course offerings, missed opportunities for student engagement, and challenges in meeting credit targets.

---

# 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 / Risk	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
College compliance with the Curriculum Planning Procedure	0 (7)	0 (7)	0	0	0
<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

\* 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 objective

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
The College has systems and processes in place which enable it to plan and deliver its curriculum to ensure that the highest academic performance is achieved.	Failure to achieve the highest academic performance	Strategic risk register

### When planning the audit, the following were agreed:

#### Areas for consideration:

- The process in place for the development of curriculum plans for each curriculum area, including whether resources (staff, equipment, facilities and rooms etc) and ongoing financial viability are considered in the process.
- How new curriculum offerings are identified, costed and approved.
- Engagement with stakeholders and use of demographic information to ensure that curriculum plans are linked to demand and local priority areas.
- The approval process for curriculum plans and new courses.
- Monitoring of the achievement of the curriculum plans, and identification of courses for which the College is not achieving the required contribution and whether actions are in place.
- The policies / guidance available to curriculum managers to support a consistent approach to curriculum planning. These are subject to periodic review to ensure that they remain up to date and reflect current operating practice.
- The process to ensure that the curriculum plans are linked to the college's outcome framework and assurance measurement.

### Limitations to the scope of the audit assignment:

- We will not form an opinion on the range, or quality of the curriculum offered.
- We will not comment on the assumptions used in relation to student numbers and associated income levels.
- We will not provide an opinion on the viability of individual courses.
- We will not reperform calculations.

- Testing will be undertaken on a sample basis.
- 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.
- Please note that the full scope of the assignment can only be completed within the agreed budget if all the requested information is made available at the start of our fieldwork, and the necessary key staff are available to assist the internal audit team. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the assignment budget. If this is necessary we will agree this with the client sponsor during the assignment.
- To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

**Debrief held**  
**Draft report issued**  
**Responses received**

7 March 2025  
21 March 2025  
26 March 2025

**Final report issued**  
**Revised final reports issued**

26 March 2025  
26 March 2025 and 27 March 2025

**Internal audit Contacts**

Rob Barnett, Partner  
Anastasia Mullen, Associate Director  
Sunny Patel, Senior Consultant

**Client sponsor**

Phil Storrier, Executive Director of Student Experience and Academic Performance  
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Phil Storrier, Executive Director of Student Experience and Academic Performance

**Distribution**

Douglas Dickson, Depute Principal

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## FOR FURTHER INFORMATION CONTACT

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Email: [anastasia.mullen@rsmuk.com](mailto:anastasia.mullen@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.

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



# DUMFRIES AND GALLOWAY COLLEGE

## Health and Safety

Final Internal Audit Report: 6.24/25

1 April 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.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING







# CONTENTS

Audit outcome overview ..... 3

Summary of management actions ..... 6

**Appendices**

Detailed findings and actions ..... 8

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Appendix B: Scope ..... 13


# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.


**Conclusion:** Overall, the audit found that the College has an established health and safety framework, with clear policies, defined roles and responsibilities, effective training programs, and processes for risk assessments, inspections, and incident reporting. Sample testing confirmed that risk assessments, inspections, training, and remedial actions are being carried out in line with College policies and regulatory requirements. Additionally, health and safety matters are actively monitored by the Health and Safety Committee and reported to the Board, ensuring appropriate oversight.

The audit identified one area for improvement regarding the scheduling of monthly Health and Safety Advisor premise inspections. While these inspections are being conducted, they are not formally scheduled, which may lead to inconsistencies or delays. As a result, a low-priority management action has been agreed upon to implement a formal inspection schedule by 30 May 2025.


**Internal audit opinion:**




**Minimal Assurance**



**Partial Assurance**



**Reasonable Assurance**



**Substantial Assurance**

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

**Audit themes:**

**Health and Safety Policy**  
The College’s Health and Safety Policy is reviewed every three years, with the last update completed on 21 January 2024. The updated policy was approved by the Director of Estates and Sustainability and uploaded to the College’s smart log system, ensuring accessibility for all staff.

**Roles and Responsibilities**  
Health and safety roles and responsibilities are clearly documented within both job descriptions and the Health and Safety Policy. All staff members have a general health and safety statement, while those with specific health and safety responsibilities, such as the Health and Safety Advisor, have detailed, role-specific responsibilities outlined in their job descriptions.

**Health and Safety Training**  
Fire Marshals and First Aiders are required to undergo role-specific training every three years, while all staff complete annual online health and safety

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training. Testing confirmed that all Fire Marshals, First Aiders, and staff members in our sample had completed their required training within the expected timeframes.

#### **Actions from Inspections and Risk Assessments**

Actions arising from risk assessments, inspections, and fire risk assessments are documented within fire safety logs and health and safety logs. Sample testing confirmed that actions had been assigned an owner, given a risk level, and completed on time.

#### **Recording, Logging, and Investigation of Health and Safety Incidents/Accidents, Near Misses, and RIDDOR Cases**

All health and safety incidents, accidents, near misses, and RIDDOR cases are recorded in the College's smart log system. Incident reports include details such as date and time, potential severity, recurrence possibility, and follow-up actions. Sample testing confirmed that logged incidents had been recorded and investigated, and while no RIDDOR cases were identified in the past year, the process for handling such cases is in place. Additionally, near-miss statistics are analysed and presented to the Board, with discussions on improving clarity in incident reporting using the new smart log system.

#### **Remedial Actions**

Remedial actions resulting from health and safety incidents are tracked in the smart log system, with assigned owners and due dates. Sample testing confirmed that all remedial actions were assigned appropriately and completed within the required timeframes.

#### **Lessons Learned from Health and Safety Incidents/Accidents**

The Health and Safety Committee meets four times a year to analyse trends in accidents and incidents to support a lessons-learned culture. While no major health and safety trends required formal reporting, a security-related lessons learned report was produced in 2023 following multiple security incidents. Additionally, ongoing discussions between the Senior Leadership Team and the Health and Safety Committee focus on embedding a proactive health and safety learning culture, with initiatives such as Health and Safety Champions, incentivising positive safety improvements, and issuing Health and Safety bulletins.

#### **Reporting of Health and Safety Incidents/Accidents**

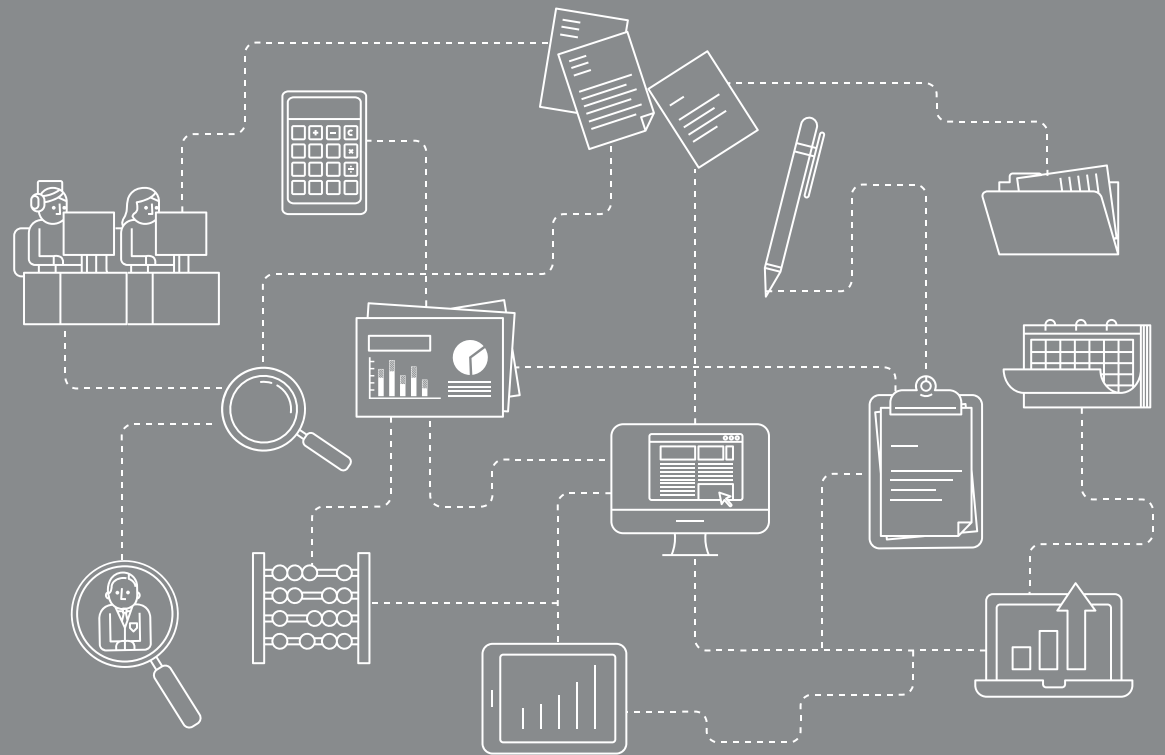
The Health and Safety Committee meets quarterly, and formal health and safety updates are presented to the Board annually. Sample testing confirmed that the Health and Safety Committee is meeting regularly and discussing key health and safety matters. Additionally, the Board of Management reviewed the annual health and safety report on 1 October 2024, which included updates on the implementation of the smart log system, the health and safety action plan, and progress updates on outstanding actions.

#### **Inspections and Risk Assessments**

Department Managers conduct annual risk assessments for their areas, and the Health and Safety Advisor carries out monthly premise inspections alongside Department Managers. Additionally, an external agency (BOYD) conducts the College's annual fire risk assessment, with the latest assessment completed on 17 July 2024. Sample testing confirmed that all six sampled department risk assessments and fire risk assessments were completed within the required timeframes. However, it was noted that Health and Safety Advisor premise inspections are not formally scheduled, which could lead to inconsistencies or delays. (Low)

# Summary of Actions for Management

01



# SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

**High**  
Immediate management attention is necessary.

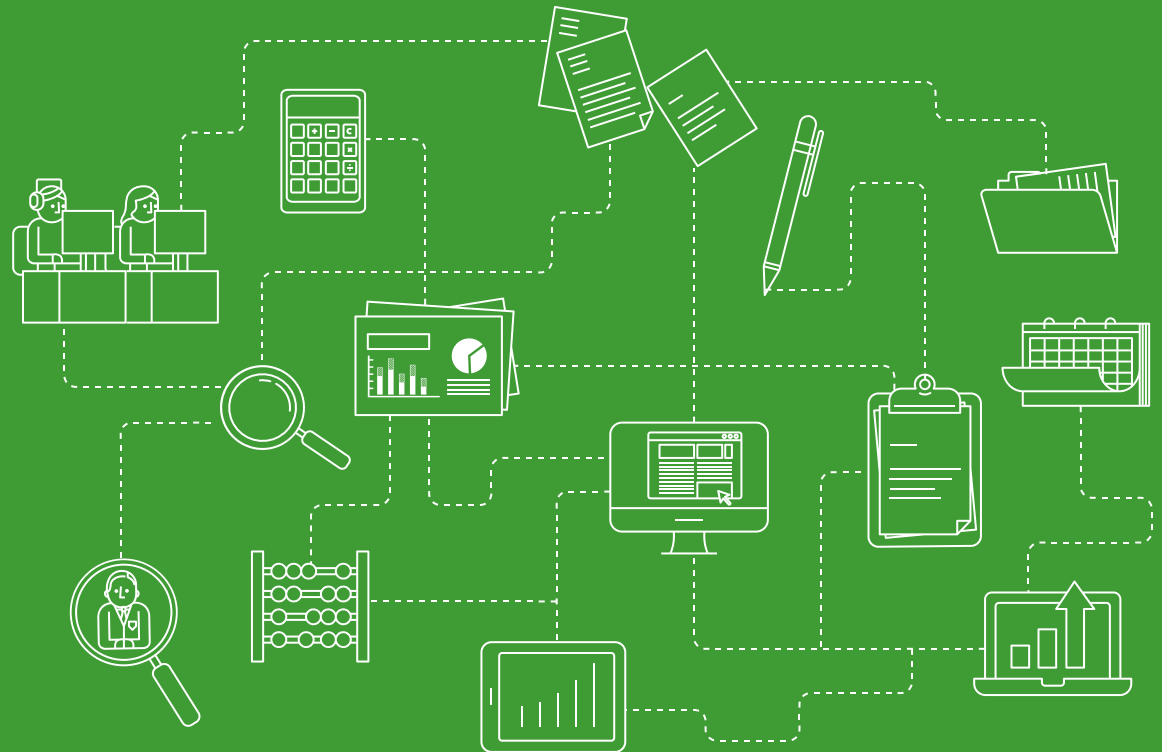
**Medium**  
Timely management attention is necessary.

**Low**  
There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	The Health and Safety Team will devise a schedule for the Health and Safety Advisor monthly premise inspections.	Low	Health and Safety Advisor	30 May 2025

\* Refer to Appendix A for more detail

# 02



## DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

### Background / Why we did the audit

The audit was conducted to provide independent assurance over the adequacy and effectiveness of Dumfries and Galloway College's health and safety arrangements. Given the College's responsibility to ensure the safety of staff and students, the audit assessed whether appropriate controls are in place to identify, manage, and mitigate health and safety risks.

The scope of the audit included a review of key areas such as roles and responsibilities, staff training, inspections and risk assessments, incident reporting, and remedial actions. By evaluating these areas, the audit aimed to determine whether the College's framework is operating effectively in maintaining compliance, preventing incidents, and fostering a strong health and safety culture.

### Area: Inspections and risk assessments

<b>Control</b>	Department Managers conduct annual risk assessments of their departments assessing their departments for potential hazards and risks.	<b>Assessment:</b>	
	The College Health and Safety Advisor performs monthly premise inspections with Department Managers.	<b>Design</b>	✓
	The College utilise an external agency BOYD to conduct their annual fire risk assessment.	<b>Compliance</b>	×
<b>Findings / Implications</b>	Through discussion with the Health and Safety Advisor it outlined department managers conduct department inspections of their departments to check for potential hazards. Further to this the College utilise a third-party agency called BOYD to undertake their annual fire risk assessment. Lastly, the Health and Safety Advisor conducts monthly department premise inspections alongside the department manager of the department they are inspecting.		
	We sample tested six departments to check whether the department manager has conducted the annual department inspection and whether they have identified any potential hazards. The six departments that were selected were as follows: <ul style="list-style-type: none"><li>• Business and Accounting.</li><li>• Computing.</li><li>• Sports and Fitness.</li><li>• Marketing.</li></ul>		

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## Area: Inspections and risk assessments

- Hair.
- Beauty.

Through reviewing the risk assessments for each of the departments we confirmed that all six risk assessments were completed within the last 12 months by the department manager and therefore were in date. Further to this through reviewing each risk assessment we confirmed that each risk assessment followed the same College format. The risk assessment included a clear table format which provided the department manager with the opportunity to enter the following information:

- Identified hazards.
- Who might be impacted by the hazard.
- Control measure.
- Risk rating.

Through reviewing the BOYD fire risk assessment, we confirmed that the risk assessment was completed on the 17 July 2024 and therefore the Colleges fire risk assessment is in date. Through reviewing the fire risk assessment, we confirmed that it included the following:

- Identification of hazards.
- Identification of people at risk.
- Evaluation of the risk.
- Recording, plan and training

Through reviewing the Health and Safety Advisor department premise inspections for the months of February 2025 and March 2025 we confirmed that premise inspections are being completed by the Health and Safety Advisor. Through reviewing the walk around documents we confirmed that they included the following checks:

- Completion of risk assessments.
- identification of any training needed.
- Identification of concerns and issues.
- First aid trends.
- Housekeeping.

The walk around document is completed by the Health and Safety Advisor and the following areas received the premise inspections by the Health and Safety Advisor.

In February 2025 the Construction department and Hai, Beauty and Hospitality department had a premise inspection completed by the Health and Safety Advisor.

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Area: Inspections and risk assessments

In March 2025 the Creative Industries and Business Department, Early Learning department, Engineering department, had a premise inspection completed by the Health and Safety Advisor.

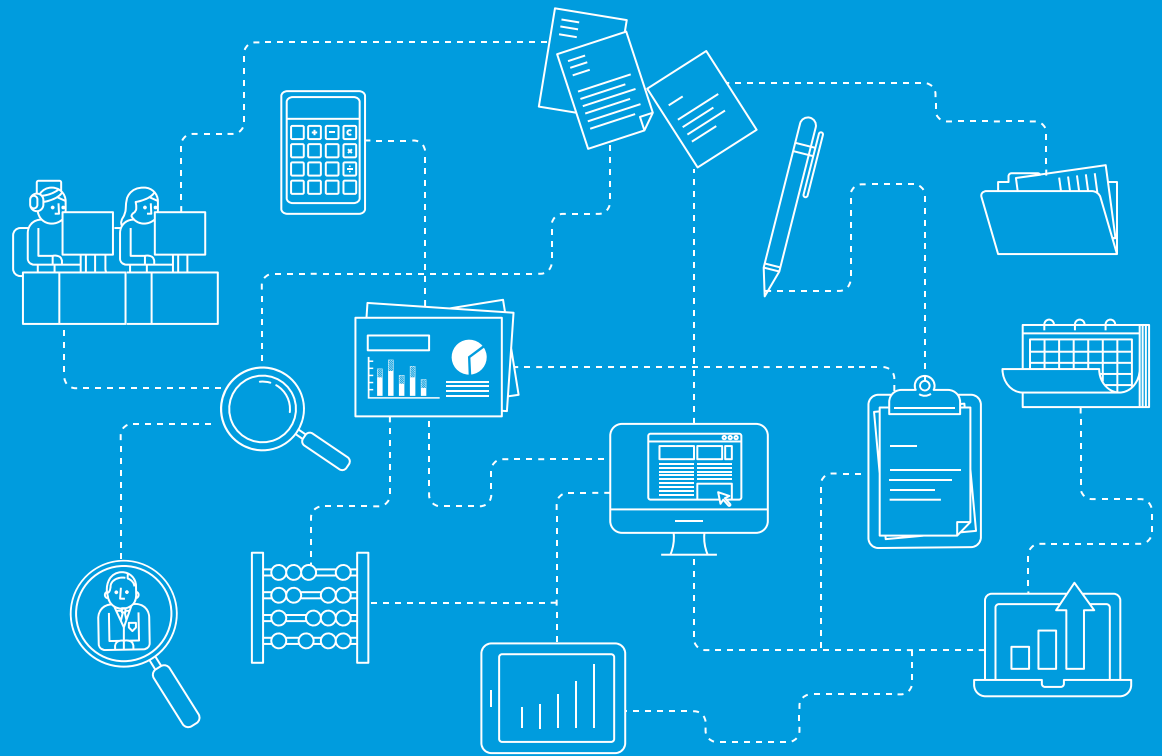
Through discussion with the Health and Safety Advisor it outlined that the monthly Health and Safety Advisor premise inspections are not scheduled and with best efforts are completed on a monthly basis where possible and capacity allows. The risk implication of not having a schedule in place for Health and Safety Advisor premise inspections is that the inspections may be inconsistent or delayed, potentially leading to unidentified hazards, non-compliance with health and safety regulations, and an increased risk of accidents or incidents.

It is worth noting that through discussion with the Director of Estates and Sustainability it outlined that the Health and Safety Team had identified the need for a schedule to be put in place for the Health and Safety Advisor premise inspections. Through reviewing the Health and Safety action log we confirmed that included in the actions was to devise a schedule for the Health and Safety Advisor premise inspections.

Management Action 1	The Health and Safety Team will devise a schedule for the Health and Safety Advisor monthly premise inspections.	Responsible Owner: Health and Safety Advisor	Date: 30 May 2025	Priority: Low
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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.

Risk	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
College's compliance with their health and safety policy	0 (10)	1 (10)	1	0	0
Total			1	0	0

\* 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 objective

Objective of the risk under review	Risks relevant to the scope of the review	Risk source
The College has adequate and effective arrangements in place to ensure the safety of staff and students.	Health and Safety compliance	Strategic risk register

### When planning the audit, the following were agreed:

#### Areas for consideration:

- Whether health and safety policies and procedures are in place and have been approved. These are reviewed and updated on a regular basis.
- Whether roles and responsibilities have been clearly defined for all staff with specific health and safety roles explicitly documented for the Health and Safety Team, and other staff members.
- Whether health and safety training is provided to all members of staff, as appropriate, with more specific training provided to those staff directly responsible for health and safety matters.
- Processes in place for undertaking health and safety inspections / risk assessments / premises reviews, and whether the College has carried these out in line with procedures.
- Whether weakness from inspections, risk assessments and premises reviews are documented in an action plan and addressed accordingly.
- Health and safety incidents/accidents are recorded, logged, investigated and resolved in line with prescribed procedures. This includes reporting and recording of near misses and RIDDOR cases.
- Whether remedial actions arising from health and safety incidents or inspections are recorded, monitored for completion and followed up.
- We will consider how learning from accidents, incidents and near misses is analysed, addressed and disseminated across the College.
- Consideration of the reporting arrangements within the College, including whether an appropriate committee has been charged with health and safety matters and whether regular updates are provided to that committee.

### Limitations to the scope of the audit assignment:

- The scope of the work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review.

- 
- Conclusions are based on our assessments made through discussions with management, assessment of the current framework of controls and review of relevant documentation made available.
  - We will not provide an opinion on whether the College complies with health and safety legislation.
  - Our audit does not provide any assurance with regards to compliance with health and safety legislation and other HSE requirements and does not replicate the advice provided by health and safety consultants.
  - We will not verify the accuracy of the health and safety reporting.
  - We will not provide an opinion on the adequacy of the risk assessments.
  - This audit does not replace the requirement for any of the external / independent inspections required by law.
  - We will not comment on whether the procedures incorporate the most up to date legislation, only that processes exist to identify and incorporate any changes.
  - We will not comment on the appropriateness of actions undertaken regarding non-compliance, only that they were identified and reported.
  - Any testing will be undertaken on a sample basis only.
  - We will not provide assurance that the College has identified all health and safety risks.
  - We will not comment on the content or appropriateness of the health and safety training sessions delivered.
  - We will not consider the financial implications of managing health and safety.
  - Our work does not provide absolute assurance that material errors, loss or fraud do not exist.
  - 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.
  - Please note that the full scope of the assignment can only be completed within the agreed budget if all the requested information is made available at the start of our fieldwork, and the necessary key staff are available to assist the internal audit team. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the assignment budget. If this is necessary we will agree this with the client sponsor during the assignment.
  - To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

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<b>Debrief held</b>	28 March 2025
<b>Draft report issued</b>	31 March 2025
<b>Responses received</b>	1 April 2025
<b>Final report issued</b>	1 April 2025

<b>Internal audit Contacts</b>	Rob Barnett, Partner Anastasia Mullen, Associate Director Sunny Patel, Senior Consultant
<b>Client sponsor Distribution</b>	Billy Currie, Director of Estates and Sustainability Billy Currie, Director of Estates and Sustainability

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## FOR FURTHER INFORMATION CONTACT

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**Anastasia Mullen, Associate Director**

Email: [anastasia.mullen@rsmuk.com](mailto:anastasia.mullen@rsmuk.com)

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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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## DUMFRIES AND GALLOWAY COLLEGE

Follow Up 2024/25

### Internal audit assignment planning sheet

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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.



# INTERNAL AUDIT PLANNING SHEET (APS): FOLLOW UP

This document sets out the key information relating to the internal audit assignment, including the dates and agreed deadlines, the internal audit team and client staff to be involved, and most importantly the scope of the assignment, including the limitations to the scope.



## Objectives and risks relevant to the scope of the review

The internal audit assignment has been scoped to provide assurance on how the College manages the following objective:

### Objective of the review

To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.



## Scope of the review

### The following areas will be considered as part of the review:

As part of the approved internal audit plan for 2024/25, we will review the management actions agreed in the following reviews.

- Further Education Statistical (FES) Return (1.23/24);
- Financial Planning / Budget Monitoring (3.23/24);
- GDPR (4.23/24);
- Risk Management (5.23/24);
- Awarding Body Activity (6.23/24);
- Student Onboarding (8.23.24); and
- Follow Up (9.23/24).

---

**The following limitations apply to the scope of our work:**

- The follow up will only cover management actions agreed in the identified reports.
- We will not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of these areas.
- We will only perform sample testing for high and medium priority management actions.
- Where sample testing will be undertaken, our samples will be selected over the period since actions were implemented or controls enhanced.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

Please note that the full scope of the audit can only be completed within the audit budget if all the requested information is made available at the start of the audit, and the necessary key staff are available to assist the audit process during the audit. If the requested information and staff are not available, we may have to reduce the scope of our work and/or increase the audit budget. If this is necessary, we will agree this with the client sponsor during the audit.



**Requested documents**

To enable us to commence our fieldwork on the agreed start date, we will require access to the following information or records at the start of the first day of the review:

- Evidence to support implementation of previous management actions as identified in the Action Plans provided.



## Resources

Client sponsor for the review	Internal audit team
Karen Hunter, Director of Finance and Planning	Rob Barnett, Head of Internal Audit Anna Mullen, Associate Director Patrick White, Consultant
Fieldwork start date	9 June 2025
Fieldwork completion date	12 June 2025
Planned date for debrief meeting	12 June 2025
Draft report due	<i>Within 10 working days from date of debrief</i>
Final report due	<i>Within 3 working days from date of receipt of management response.</i>



## Agreement of scope

RSM approval	Client approval
Assignment planning approved by:	Assignment planning approved by:
Name:	Name:
Date:	Date:

---

# Appendix A: Delivering Internal Audit Effectively

A guide to working in partnership with RSM to deliver added value and timely internal audits.

## BACKGROUND

Our approach to delivering internal audit work has evolved over the last few years to adapt to the operational disruptions caused by the Covid-19 pandemic and the new ways of working adopted by our clients. We have recognised the challenges faced by your teams with whom we are working, and we have been undertaking our audit work in a remote and more flexible manner. During this period of increased remote working, the timeframe to complete audits naturally extended with typically an increase in time taken for provision of information to our audit teams and the clearing of our queries. In light of these changes, we have reviewed our working practices and client service standards to ensure we can complete audits efficiently and effectively to meet your needs, to ensure our findings are presented in a timely manner and to reduce the operational burden on your teams. This paper highlights the key areas where we need the support of your organisation, to ensure our audit work is timely, beneficial and adds value to you.

## HYBRID WAYS OF WORKING

As the operational disruptions have stabilised, we have now evolved to a hybrid method of delivering our work. This involves visiting client sites where possible and where it is most operationally efficient to do so to obtain information and undertake testing and discuss any queries to provide the relevant assurance to our clients. This results in a varied range of information that we need access to, in order to complete audits in a timely and effective manner. Internal Audit remains a people orientated profession, and access to your people is paramount to ensuring we provide timely and accurate audit results.

## WHAT WE WILL DO FOR A SMOOTH AUDIT PROCESS

To minimise disruption to your teams, we have a standard audit approach that includes:

### 1 Scoping meeting with your input.

At least six to eight weeks before the audit is due to start we will hold a scoping meeting with the key sponsor. In this we discuss the areas for coverage and our approach to the work.

### 2 Agreement of audit coverage, scope, timelines and requirements.

The scope will be issued four to six weeks before an audit is due to start. This identifies the areas for testing, the information we will need access to, the dates of the audit and the key contacts that will need to be involved in the audit. It also provides the opportunity for the sponsor to highlight who else in your team we will need to meet in order to complete our testing.

### 3 Early opening meeting.

An opening meeting will take place approximately two weeks before the fieldwork is due to start. This allows for final clarification of approach, testing, access and a request for information for the start of the audit. We will also agree dates for onsite visits and testing.

### 4 Regular communication.

We will provide you with regular updates on the progress of the audit, issues identified and outstanding information required to complete our work.

---

## WHAT WE NEED FROM YOU

In order for the smooth completion of the audit, and to provide timely added value to you, we request the following support from your teams:

### **Delivery of information in line with agreed timeframes**

If information is not provided in line with these agreed timeframes, audits will need to be concluded with evidence unavailable, or we will need to allocate additional resource to complete work, which may come at an additional cost and of course the audit work will be delayed.

### **Identification and availability of key staff**

We will book meetings with key staff in the audit process to ensure audit queries can be cleared in a timely manner. We need key staff to be identified early in the discussions so we can factor in their availability for key points in the audit. We will work flexibly with your teams around their day-to-day responsibilities, however we will require access to key staff throughout the duration of the fieldwork.

### **Access to sites**

During most audits, where it is most efficient to do so, we expect to complete an element of onsite working. We will agree with you dates for our onsite presence to complete our work. We are happy to accommodate your team's existing patterns of hybrid working in our plans.

## SUMMARY

Completing our work in a timely and efficient manner will help to reduce the operational burden on your teams and reduce the time taken to complete our work. It will also ensure our work is timely and adds value to you. Through onsite presence, we build stronger working relationships with teams and reduce the reliance on emails and messages to obtain information or respond to queries.

Where provision of information is delayed or access to your teams is restricted, we will flag this to our key client contact to devise a resolution. This may include reducing the scope of the audit or concluding evidence was unavailable at the time of the review, to ensure our work can be completed on a timely and efficient basis.

## FOR FURTHER INFORMATION CONTACT

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

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<b>Audit Committee</b>		
<b>Agenda Item</b>	<b>9</b>	
<b>Paper Number</b>	AUD0525-9.1	
<b>Date of Meeting</b>	29 May 2025	
<b>Location</b>	MS Teams	
<b>Title of Paper</b>	<b>Payroll Audit</b>	
<b>Presented by</b>	<b>Karen Hunter</b>	
<b>Recommendation</b>	<b>Discussion</b>	
<b>Freedom of Information Disclosure Assessment</b>		
<b>FOI flag:</b>	<input checked="" type="checkbox"/> Disclosable <input type="checkbox"/> Non-disclosable	
<b>Reason/s for choice:</b>	Information has been anonymised for reporting purposes	
<b>Notes from author:</b> (When will it become disclosable? Has FOI Officer guidance been sought?)		
<b>Further comments/updates after initial submission</b>		
<b>Date added</b>	<b>Added by (name and role)</b>	<b>Comment/detail</b>

Read Time: 10 minutes

## 1. Recommendation

The Audit Committee are asked to note the background for the payroll reviews and the detailed reports and recommendations provided by RSM.

## 2. Executive Summary

- 2.1 The purpose of this paper is to provide the Audit Committee with an overview of the payroll audit work undertaken by RSM, and actions being taken to address the recommendations.

## 3. Background

- 3.1 RSM were asked to undertake an additional audit review of the College payroll following anomalies in pay bandings which were identified from routine checking and staff queries.
- 3.2 The scope of the review was agreed to cover the following areas:
- Policies and procedures relating to the payroll function
  - Segregation of duties to ensure data integrity, user rights and controls
  - Independent review of exception reports
  - Authorisation and accuracy for new starters
  - Deductions and compliance with nationally agreed terms and conditions.
- 3.3 As the audit scope included additional review work including pay bandings and deductions, RSM engaged their specialist Legal and Tax teams to undertake those aspects, which are covered in two separate reports.

## 4. Recommendations and actions taken

- 4.1 The recommendations have been set out in each paper, and the HR Manager is working through an implementation plan to ensure each recommendation is addressed within an appropriate timescale, with the key recommendations set out in the Pay Bandings and Recruitment process report already being addressed, and actions being taken to minimise future errors.
- 4.2 The Audit Tracker reporting process will ensure the recommendations and actions taken are reported to SLT and the Audit Committee.

## 5. Strategic Implications

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

## 6. Risk

Risk	Mitigations
Risk 4, Financial Fraud	<ul style="list-style-type: none"><li>➤ Continuous review of financial controls and spot checks by team</li><li>➤ Implementation of Internal Audit recommendations</li><li>➤ Training records/ tracking of audit recommendations</li></ul>



**7. Implications**

<b>Financial</b>	Yes/ <del>No</del>	Errors in payroll processing could result in financial loss, penalties and interest from HMRC, and non-compliance with pensions regulations as well as reputational damage.
<b>Legal</b>	Yes/ <del>No</del>	
<b>Learning and Teaching</b>	<del>Yes</del> /No	
<b>Equalities</b>	<del>Yes</del> /No	

Karen Hunter

Executive Director, Finance and Strategic Planning

19 May 2025



## DUMFRIES AND GALLOWAY COLLEGE

### Payroll

Final Internal Audit Report: 5.24/25

28 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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# AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.


**Conclusion:** Our internal audit of the College's payroll process identified that key controls are generally being followed effectively. The Payroll Procedure Guide is up-to-date and clearly outlines responsibilities. Segregation of duties is maintained, with clear role distinctions between Payroll, Human Resources (HR), and Finance teams. Monthly BACS comparisons, independent payroll reviews, and final salary calculations for leavers are consistently conducted.

We identified one low-priority finding regarding signing new starter contracts. Specifically, in one instance, a contract was signed after the employee's start date, which could present legal and compliance risks. Management has agreed to address this issue and ensure contracts are signed before employees begin work.


**Internal audit opinion:**




**Minimal Assurance**



**Partial Assurance**



**Reasonable Assurance**



**Substantial Assurance**

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

**Audit themes:** **Policy and procedure**  
The Payroll Procedure Guide, last updated in February 2025, outlines key payroll processes, including the payroll authorisation policy, monthly timetable, and general processes. The guide is accessible via the College intranet and serves as the primary reference for the Payroll Team.

**Segregation of Duties**  
The College ensures segregation of duties within payroll functions, with role-specific access to the Payrite payroll system. Data entry is completed by the HR and Payroll Assistants, while verification is carried out by the HR Officer/Executive Director of Finance. The Accountant conducts an independent review, and the Executive Director of Planning and Finance authorises the final payroll.

---

### **Payrite User Access**

The two HR and Payroll Assistants have their own assistant level access to the payroll system. The supervisor function is only used by the HR and Payroll Assistants for adding and removing members of staff on the Payrite system.

### **Monthly BACS Comparison**

The Payroll Team conducts monthly BACS comparisons to identify variances of £30 or more. For September 2024, November 2024, and January 2025, all variances were documented with clear explanations such as back pay, timesheet discrepancies, and pay awards, ensuring transparency.

### **Independent Review of Payroll**

Payroll undergoes an independent review by the College's internal accountant and is authorised by the Executive Director of Finance and Planning. The review of email correspondence confirmed that these reviews and authorisations were consistently carried out for the sampled months.

### **New Starter Key Information**

The bank account details, start dates, and salary in the employee contracts matched the information recorded in the Payrite payroll system for all 10 sampled new starters, confirming accuracy in the data reconciliation process.

### **Leavers**

Of the 10 leavers sampled, eight submitted resignation letters, while two left due to contract expiration and voluntary severance. The College acknowledged the eight resignation letters but did not issue acknowledgment for the other two cases, as these departures were already known and processed.

### **Leavers Final Salary Calculations**

Final salary calculations were properly documented for nine out of 10 leavers in the Amendment Log spreadsheet. The remaining leaver, who left via voluntary severance, was due a settlement payment. All final salary calculations were accurately reflected in the employees' final payslips.

### **Amendments**

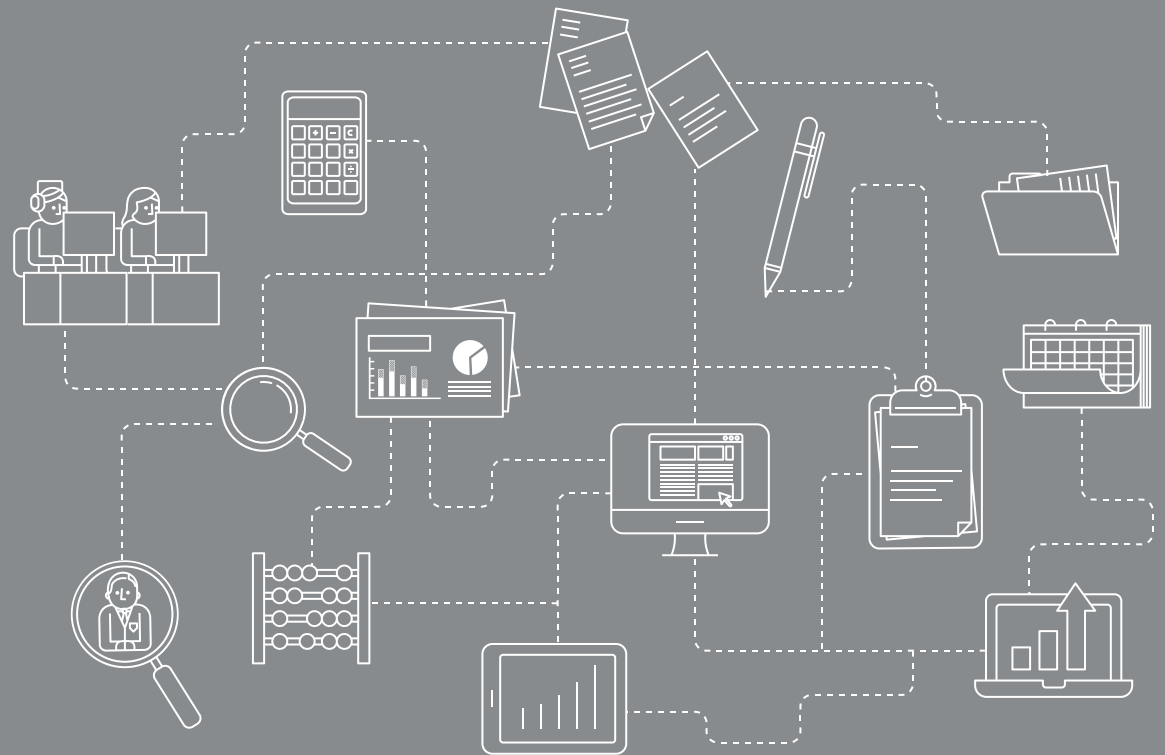
All 10 payroll amendments sampled were reviewed and authorised according to the process outlined in the Payroll Procedure Guide. Each amendment was actioned by one Payroll Assistant and independently checked by another, with complete documentation in the Amendments Log Tracker.

### **New Starters Authorisation**

The College ensures that all new starters sign their contracts before their start date, except in one instance where the employee signed after starting. This creates potential legal risks as the contract is not formally agreed upon before employment begins. (Low)

# Summary of Actions for Management

01



# SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

**High**  
Immediate management attention is necessary.

**Medium**  
Timely management attention is necessary.

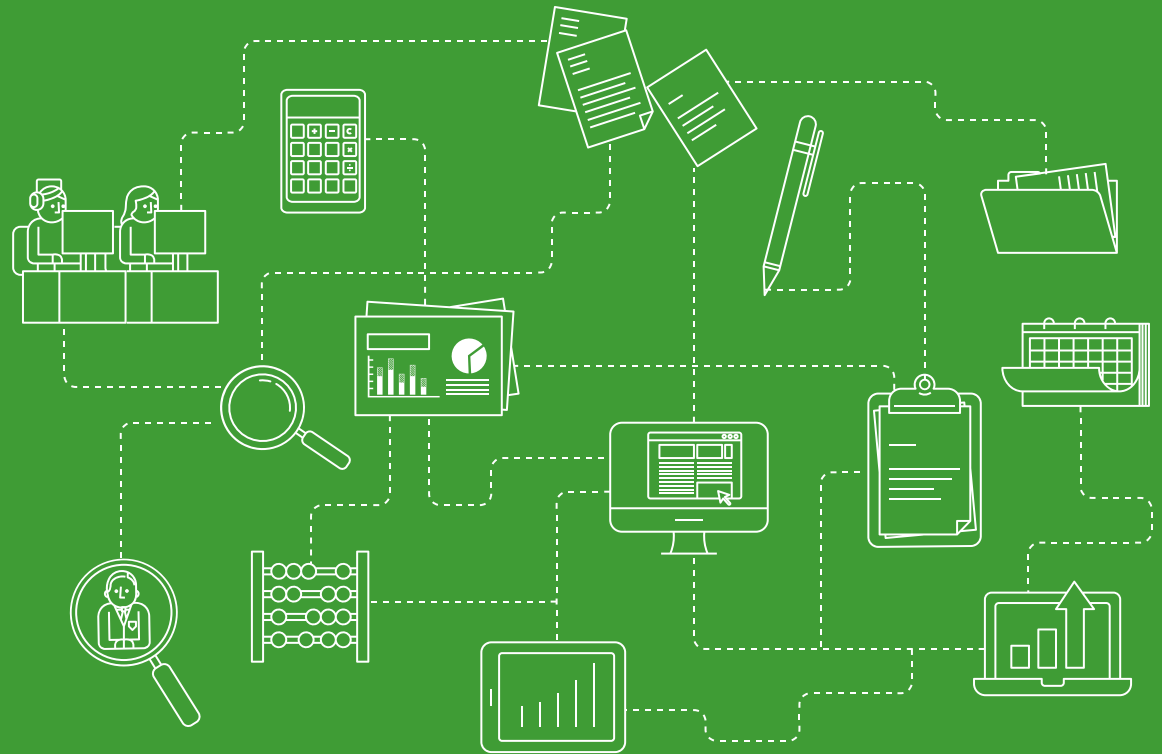
**Low**  
There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	Management will ensure that all new starters sign their contracts of employment prior to them starting at the College.	Low	HR Manager	30 June 2025

\* Refer to Appendix A for more detail

# Detailed Findings and Actions

02





# DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

## Background / Why we did the audit

The objective of this internal audit was to undertake an assurance review of the College’s payroll processes and procedures. The main aim was to assess whether the current payroll practices align with the established policies and whether they are being followed accurately and consistently.

The College is in the process of transitioning from its heavily manual payroll system to a more automated and streamlined system. This shift is intended to improve efficiency and reduce the potential for human error. However, before fully implementing the new system, it was important to conduct a review of the existing processes to ensure they are functioning correctly and that all controls are being followed.

By performing this audit, we aimed to identify any areas of concern or potential risks in the current payroll process, so that these can be addressed before the new system is fully operational. This ensures that the transition to a more automated system will a smooth process, with the assurance that the necessary controls are in place to support the payroll function moving forward.

## Area: New starters

Control	An approval to recruit form is completed for a new member of staff, which is completed by the requesting manager and then signed off by a member of the Senior and Executive Leadership Teams.  Contracts are signed by the employee before their agreed start date.	Assessment:	
		Design	✓
		Compliance	×
Findings / Implications	Through discussions with the Payroll and HR Assistant, it outlined that new starters are authorised by the College through the signing of their employment contracts and through approval to recruit forms. Approval to recruit forms are completed for each new post the College advertises and are signed by the requesting manager, a member from the Senior Leadership Team (SLT) and a member from the Executive Leadership Team (ELT).  Through reviewing approval to recruit forms for all 10 new starters in our sample we confirmed that for each new starter an approval to recruit form was complete by the requesting manager and was signed off by a member of the SLT and ELT.  We sampled 10 new starters who commenced employment at the College in the 2024/25 academic year. Through reviewing their employment		

#### Area: New starters

contracts, we confirmed that in all 10 cases, the College signed the contracts and provided them to employees before their agreed start dates.

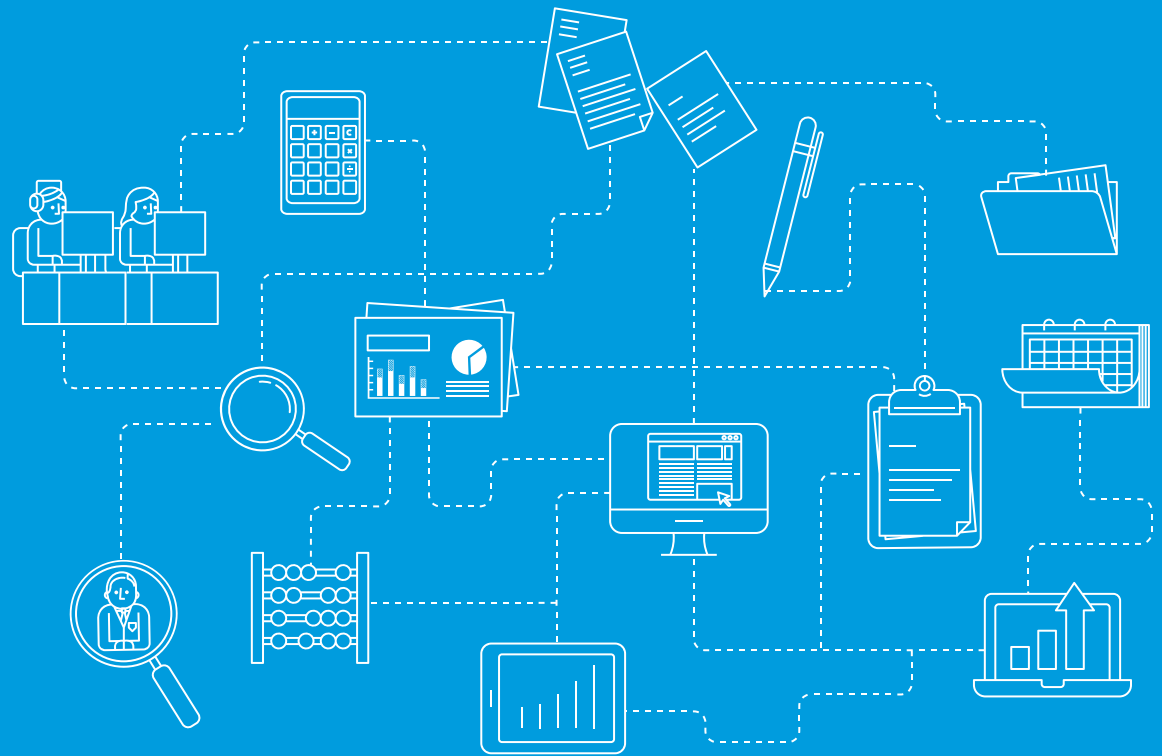
Further testing of the employment contracts revealed that nine employees signed their contracts before their start dates. However, in one instance, an employee signed their contract the day after they began working at the College.

The risk and implication of an employee signing their contract after starting at the College is that it may create legal and compliance risks. Until the contract is signed, there is no formal agreement outlining the terms and conditions of employment, which could lead to disputes regarding salary, benefits, and job responsibilities.

<b>Management Action 1</b>	Management will ensure that all new starters sign their contracts of employment prior to them starting at the College.	<b>Responsible Owner:</b> HR Manager	<b>Date:</b> 30 June 2025	<b>Priority:</b> <b>Low</b>
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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
Payroll Framework	0 (9)	1 (9)	1	0	0
		Total	1	0	0

\* 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 objective.

#### Objective of the risk under review

The College has adequate and effective arrangements in place to ensure the completeness and accuracy of its financial records and security of its financial transactions.

### When planning the audit, the following were agreed:

#### Areas for consideration:

- Policies and procedures relating to the payroll functions are in place which are subject to periodic review to ensure that they remain up to date and reflect current operating practice.
- Appropriate segregation of duties are in place between payroll, human resources and finance functions to ensure payroll standing data integrity is maintained, through the use of user access rights and controls.
- Exception reports are prepared and reviewed independently prior to payment.
- An independent review of the payroll (finance) is undertaken prior to processing payments.
- New starter information reconciles back to supporting information (contract / new starter form) in relation salary, start date and bank account.
- Leaver forms have adequate backing information and are checked and authorised before being processed. Leaver forms are completed and processed in a timely manner.
- Final salary calculations are performed to ensure that all entitlements (for example, holiday pay) are captured and paid correctly.
- Amendments (bonuses / annual uplifts / change in bank details / maternity / paternity / sick leave) to payroll standing data are subject to appropriate review and authorisation prior to processing.
- New starters have been authorised in line with delegated authorities.

### Limitations to the scope of the audit assignment:

- The review will only consider staff paid through the payroll system.
- We will not consider the appropriateness of payments made to staff, only that these are the correct amounts due to them.

- We will not test the accuracy of National Insurance or pension deductions or those amounts paid over to relevant third parties (eg: HMRC).
- We will not provide assurance over the accuracy of submissions to the payroll team such as sickness documentation only that these have been processed by payroll correctly.
- We will not provide assurance that the payroll payments have been made into the correct employees' bank accounts.
- The results of our work is reliant on the quality of data provided to us.
- Testing will be completed on a sample basis from transactions within the current financial year.
- We will not test whether starters have been employed on the correct terms and conditions and salary band.
- We will not confirm that staff have been subject to the correct tax rates.
- We will not re-perform calculations.
- 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.
- Please note that the full scope of the assignment can only be completed within the agreed budget if all the requested information is made available at the start of our fieldwork, and the necessary key staff are available to assist the internal audit team. If the requested information and staff are not available we may have to reduce the scope of our work and/or increase the assignment budget. If this is necessary we will agree this with the client sponsor during the assignment.
- To minimise the risk of data loss and to ensure data security of the information provided, we remind you that we only require the specific information requested. In instances where excess information is provided, this will be deleted, and the client sponsor will be informed.

**Debrief held** 14 March 2025  
**Draft report issued** 26 March 2025  
**Responses received** 28 March 2025

**Final report issued** 28 March 2025

**Internal audit Contacts** Robert Barnett, Head of Internal Audit  
 Anastasia Mullen, Associate Director  
 Sunny Patel, Senior Consultant

**Client sponsor** Karen Hunter, Executive Director of Finance and Planning  
**Distribution** Karen Hunter, Executive Director of Finance and Planning

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## FOR FURTHER INFORMATION CONTACT

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<b>Audit Committee</b>		
Agenda Item	<b>10</b>	
Paper Number	<b>AUD0525-10.1</b>	
Date of Meeting	<b>29 May 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Internal Audit Tracker</b>	
Presented by	<b>Lorraine Grierson</b>	
<b>Recommendation</b>	<b>Approval</b>	
<b>Freedom of Information Disclosure Assessment</b>		
FOI flag:	<input type="checkbox"/> Disclosable <input checked="" type="checkbox"/> Non-disclosable	
Reason/s for choice:	Can be disclosed once approved by the BoM in June	
Notes from author: (When will it become disclosable? Has FOI Officer guidance been sought?)		
<b>Further comments/updates after initial submission</b>		
Date added	Added by (name and role)	Comment/detail

**Read Time:** 6 minutes

## 1. Recommendation

- 1.1. The Audit Committee is asked to note the contents of the report and discuss any matters arising from it.

## 2. Executive Summary

- 2.1. The attached table summarises actions derived from recent internal audit reviews and shows the progress towards completion.

## 3. Context

- 3.1. Audit Committee are asked to review the detailed schedule of recommendations which have been made by the Internal Auditors as part of their review of processes and ensure any ongoing items are on schedule for completion by the implementation date.
- 3.2. The table below shows the current status of the Reports.
- 1 New report with no further action – Curriculum Planning
  - 3 New reports with actions - Health and Safety / Payroll / Follow Up 2024-25
  - 32/32 actions closed.

Report	Total Actions	Status			Target date for completion		
		Overdue	Closed	Ongoing LMH			
Ongoing Reports							
New Reports							
Health and Safety	1		1				May 25
Payroll	1		1				Jun 25
(Follow Up 24/25)	(30)		30				May 25
TOTAL	32		32	0			

**L. Grierson**

Governance Professional

16 May 2025

<b>Audit Committee</b>		
Agenda Item	<b>11</b>	
Paper Number	<b>AUD0525-11.1</b>	
Date of Meeting	<b>29 May 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Deep Dive Risk 5 – Business Continuity</b>	
Presented by	<b>Joe McGraw</b>	
<b>Recommendation</b>	<b>Discussion</b>	
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:** 10 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.

### 3 Executive Summary

- 3.1 The purpose of this paper is to provide the Audit Committee with a deeper dive into Risk(s) 5 which the Board of Management monitors.

Risk 5 – Business Continuity.

### 4 Context

- 4.1.1 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.

#### 4.2 Context of risk and gross rating rationale

- 4.2.1 Risk 5 is 'Business Continuity'. The context of this risk describes links to several key areas that have the potential to impact on the operations of the college, namely, Fire, Systems, Emergency Procedures and Health Threats.
- 4.2.2 This risk has the potential for serious impact to the Colleges ability to operate and deliver education to students, safeguarding of staff and students, impact to financial sustainability of the college and loss of reputation.

#### 4.3 Outline of Key Mitigations and Controls

- 4.3.1 There are a number of key mitigations that are incorporated as a front line of defence. These include:

- 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

#### 4.3.2 Second line of defence mitigations:

- 4.3.3 A rolling programme of routine updates to systems and equipment form the basis of our second line of defence mitigations.

- 4.3.4 A Business Continuity Management Plan was developed and issued in April 2024, approved by the Board of Management (BoM) and updates on progress are provided to SLT/F&GP and BoM on a regular basis. The action plan incorporated:

- To identify the major risk areas which could cause disruption to college business.
- To establish defined plans to respond to critical incidents that cause a major disruption.

- To establish Business Continuity Management (BCM) arrangements to respond to all identified risks.
- To conduct regular reviews, audits and tabletop exercises of BCM plans, to ensure fit for purpose which lends itself to continuous improvement.
- To raise the profile of BCM within Dumfries and Galloway College and raise awareness to staff of BCM plans currently in place.
- To work in partnership with other regional and national organisations to improve joint BCM planning, testing and review.

4.3.5 From a GDPR perspective, privacy notices and the Register of processing Activities (RoPA) are updated on an annual basis and were completed in February 2025. The Information Commissioners Toolkit, which is a useful guide for tracking progress on GDPR issues and is discussed at the Information Governance Group, provides a number of examples of the different ways we can demonstrate compliance with data protection law. The toolkits provide guidance on how organisations demonstrate compliance with data protection law and covers:

- Accountability tracker – better understand what is required for good corporate governance and how to achieve accountability in your organisation.
- Records management – helps assess whether an organisation has minimum standards for creating records and have effective mechanisms to locate and retrieve them.
- Information and cyber security - checklist that can be used, in addition to existing information and cyber security frameworks, to help when assessing the integrity, availability and security of information.
- Training and awareness - sets out some of the issues to consider for the delivery of appropriate staff training.
- Data sharing - practical guidance about when and how you can share personal information.
- Request for access - understand what measures an organisation should have in place to respond to requests for access, commonly referred to as subject access requests, effectively and in a timely manner.
- Personal data breach management – to assist in putting measures in place to detect and prevent a personal data breach.
- Artificial intelligence - understand and address the basic principles of data protection in the context of AI.
- Age-appropriate design - helps assess compliance with obligations under data protection law to protect children's information online.

4.3.6 Our Data Protection team use the trackers as a measure of good practice and details are shared with the Information Governance Group appropriately to assist with GDPR requirements. The toolkit helps record detail and create an action plan to track progress over time.

4.4 Regarding security of IT systems and protection against cyber security threats, a number of actions have taken place to strengthen our approach, namely:

- We continue to collaborate closely with key partners, SwitchShop, David Allen IT and HEFESTIS to assess and strengthen our network security, infrastructure, and response strategies. Their expertise has supported us in addressing vulnerabilities and implementing best practice solutions.
- As part of our cyber security improvements, we have rolled out Microsoft Defender to provide enhanced endpoint protection, threat detection and response capabilities. This has significantly improved our ability to detect and mitigate potential threats.
- We have created a number of 'playbooks' linked to emergency protocols, ensuring a structured and efficient response to cyber threats. These playbooks support the Digital Services Team in handling incidents swiftly and effectively. Testing of the playbooks commenced during Easter and will form part of the wider digital services team training in each academic block.
- Our Digital Services team have actively taken part in cyber-attack response exercises to improve incident management. Additionally, they have completed training with Switchshop in mapping out the network, further enhancing our ability to detect, respond to and prevent cyber threats.
- We have been successful in securing £7K worth of funding specifically for cyber security training of our digital services Team. The team are booked onto various courses over the next few months, including one member of the team to undertake their certified ethical Hacker course.

4.4.1 As part of our business continuity management action plan, we have since August 2024 undertaken the following:

- Tabletop cyber security exercise for all managers in August 2024
- Mandatory training on cyber awareness and GDPR have been rolled out as part of our 'essential training' suite of training to be completed by summer 2025.
- Regular phishing exercises will continue to improve staff vigilance. Three have been completed this academic year with another scheduled.
- The Senior Leadership Team attended a 'managing in a crisis course' at Tulliallan Police College in February 2025
- Tabletop exercise on a major fire incident for all managers in February 2025
- SLT workshop on Business Impact Analysis held on 17 April to understand working with each other to understand criticality and key dependencies. This is a refresh of work previously undertaken to help with campus level planning. Updates in progress for review at a future all managers meeting.

#### 4.5 Outline Monitoring and residual grading rationale

4.5.1 The following have been added to independent assurance:

- Cyber Essentials – with plans to seek accreditation of Cyber Essentials Plus
- Externally completed Fire Risk Assessment
- Advice from Local Resilience Partnership of which we are part of the operational group.

4.5.2 Residual grading is reviewed on a regular basis and discussed at Audit committee and the current residual grading is 12.

#### 4.6 Appetite and Tolerance

4.6.1 Risk 5 – Business Continuity is graded as a moderate risk and remains as a key strategic risk despite the mitigations that have been put in place.

### 5 **Strategic Implications**

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

### 6 **Risk**

Risk	Mitigations
Business Continuity	As set out in the 3 lines of defence set against this strategic risk

### 7 **Implications**

<b>Financial</b>	Yes	Failure to achieve Business Continuity has potential implications across this full range. The mitigations in place are designed to minimise any such implications
<b>Legal</b>	Yes	
<b>Learning and Teaching</b>	Yes	
<b>Equalities</b>	Yes	

**Joe McGraw**

Vice Principal People and Transformation

May 2025

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 <b>GROSS</b> risk is therefore:  MIN/MOD/MAJ/CRIT	<b>Major Risk</b>				

3 LINES OF DEFENCE <a href="#">Risk Mitigations and Owners.xlsx</a>	MITIGATIONS	MONITORING
<b>Front Line</b> <b>(Management Assurance)</b>  Operational Delivery /Systems /Quality Assurance /Supervision	<ul style="list-style-type: none"> <li>• Business Continuity Plan</li> <li>• Staff CPD on business continuity themes</li> <li>• Monitoring Public Health Advice</li> <li>• Planning, careful phasing of processes, systems, and equipment</li> <li>• Asset register</li> <li>• Effective management of GDPR</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to local and national Public Health Guidance</li> <li>• Reporting to SLT on effectiveness of testing arrangements.</li> <li>• Business continuity Plan walkthrough and desk top scenario planning</li> <li>• Active data protection monitoring, training, and auditing</li> <li>• User acceptance testing of new systems</li> </ul>



<b>Organisation Oversight of Management Activity</b>  Internal Compliance and quality checks / Legal and Regulatory / Financial controls / Management controls / Project assurance	<ul style="list-style-type: none"> <li>Rolling programme of routine updates to systems and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Liaison with SFC and Colleges Scotland</li> <li>Climate Emergency College Group (includes Student Representatives)</li> </ul>
<b>Independent Assurance</b>  Internal Audit / external bodies	<ul style="list-style-type: none"> <li>Communication to stakeholders</li> <li>Cyber Essentials</li> <li>Externally completed Fire Risk Assessment</li> <li>Advice from Local Resilience Partnership of which we are part of the operational group.</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit on process and statutory compliance</li> <li>BoM oversight</li> </ul>

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

<b>LIKELIHOOD</b>	(A) 4/5	<b>IMPACT?</b>	(B) 3/5	What is the total risk score? (A x B)	<b>12/25</b>
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<b>Risk Status</b>	<b>Meeting 1 MOD</b>	<b>Meeting 2 MOD</b>	<b>Meeting 3 MOD</b>	<b>Meeting 4 MOD</b>
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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

	<b>If outside appetite – what are tolerance levels and Actions/ Plans to Treat</b>	
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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	Owner – risk reviewed, and the following have been added to independent assurance: <ul style="list-style-type: none"><li>• Cyber Essentials</li><li>• Externally completed Fire Risk Assessment</li><li>• Advice from Local Resilience Partnership of which we are part of the operational group.</li></ul>	OK
	If outside appetite – what are tolerance levels and Actions/ Plans to Treat		

<b>Audit Committee</b>		
Agenda Item	<b>12</b>	
Paper Number	<b>AUD0525-12.1</b>	
Date of Meeting	<b>29 May 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Business Continuity Annual Review</b>	
Presented by	<b>Director of Estates and Sustainability</b>	
<b>Recommendation</b>	<b>Discussion</b>	
<b>Freedom of Information Disclosure Assessment</b>		
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?)		
<b>Further comments/updates after initial submission</b>		
Date added	Added by (name and role)	Comment/detail

Read Time: 6 Minutes

## 1. Recommendation

- 1.1 The Audit Committee are asked to discuss and note the contents of this review.

## 2. Executive Summary

2.1.1 2024/25 is the first year of work under the new Business Continuity Management Framework.

2.1.2 Increased activity in year with focus on management of specific incidents

## 3. Context

### 3.1 Overview

3.1.1 This current review is the first under the new Business Continuity Management Framework which was issued in April 2024.

3.1.2 The purpose of the framework is to give guidance on how to manage incidents and gives guidance on levels of incidents as well as outlining key roles/responsibilities. The framework also provides detail on testing arrangements which will be the focus of this review.

### 3.2 Testing Business Continuity Arrangements

3.2.1 Within the framework the College outlines it's approach to testing its arrangements in 3 steps:

- **Key component testing.** Spot testing of individual areas such as fire, cyber, power back-ups.
- **Walkthrough testing.** This is more conversation led and involves key personnel reviewing plans, roles, and responsibilities.
- **Rehearsal/Tabletop.** This is more scenario based and involves more detailed decision making using the framework.

3.2.2 Activities have taken place under each heading over 2024/25, detailed as follows: -

### 3.3 Key Component Testing

3.3.1 Over the course of the year key components of our safety systems have been tested to ensure they are effective and operational in the event of an emergency. In some cases, these are statutory checks whilst in others they are done with best practice/risk level in mind.

3.3.2 Examples of component testing are:

- **Fire evacuation.** 2 x planned evacuation tests complete in Stranraer in October 2024 and April 2025. In Dumfries 2 x planned evacuation tests completed in October 2024 and February 2025.
- **Fire risk assessment.** Follow up review held in February 2025 to focus on previous actions from June 2024.
- **Back-up generators.** Major service and load run on 24 October 2024. Minor service completed February 2025

- **System penetration testing.** Testing carried out in November 2024. Report received and discussed at SLT.

### 3.4 Walkthrough Testing

3.4.1 Over the Academic year there have been high level discussions on business continuity management planning:

- **SLT discussion workshop.** Held in April 2025, focus was on review of framework, roles, and responsibilities. Discussed updates and changes to staff/roles and any strengths/weaknesses of framework.
- **Cyber playbooks.** Digital services completed cyber playbook walkthrough in February 2025.

## 4. Rehearsal/Tabletop testing

4.1.1 In AY 24/25 the following exercises were undertaken to test the business continuity management arrangements:

- **Estates based desktop exercise.** Held on Friday 28 February 2025 and attended by all College Management team, focus on a fire scenario with 4 x timed injections to aid short/medium and long-term decision making.
- **Cyber desktop exercise.** Carried out on 30 August 2024 through our CISO Steve McIntosh.
- **Cyber phishing exercises.** Carried out each block and involves real life emails issued to all staff to simulate a phishing attack. Completed in October 2024, January 2025, and May 2025.

4.1.2 It is the case under all forms of testing that lessons will be learned. On occasions it has been necessary to issue out communications to all staff or to individuals who may require further guidance or targeted training. This has been the case in terms of fire safety and cyber, with low numbers requiring follow up action.

## 4.2 Training

4.2.1 A key tool in the College's Business Continuity Management Framework is training. This ensures all staff are aware of roles and responsibilities and have the required level of information to prevent any incident that may lead to a business continuity incident. Key training to take place this AY includes:

- **Fire safety.** Issued in October 2024 for all College staff.
- **Cyber Security.** Issued in February 2025 via Smartlog system. 232 staff completed and passed.
- **Police Scotland Training.** 12 staff members from the Executive and Senior Management team travelled to Police Scotland College in Tulliallan. Attendees were taken through a day of scenario training focussing on managing in a crisis.

4.2.2 In all cases, training can affect the business continuity management plan. Any lessons learned from the training may lead to a change in the plan. This is evident from the Police Scotland Training, where lessons from there were part of the SLT discussion in April 2025. As a result, there will be some updates/changes to the framework over the summer.

#### 4.3 Actual events

4.3.1 Through 2024/25 the College has had occasions where the Business Continuity Management Framework has been utilised. The following will provide a breakdown:

- **Storm Eowyn.** On 23 January 2025 the College invoked its Business Continuity Management Framework based on the RED weather warning issued by the Met Office in relation to storm Eowyn. Based on the levels the decision was taken to close the campuses for the 24 January and revert to online working. This incident was categorised as Tier 2 given it caused moderate disruption via the closure of campuses for less than 72 hours.
- **Internal Telephone system.** On 4 March 2025 an issue was found with the internal telephone system which affected the Dumfries Campus. This caused minor disruption however was mitigated by diverting calls to Stranraer and managing internally through Teams. The issue was resolved in under 24 hours therefore was classed as Tier 1.

#### 4.4 Continuous Improvement

4.4.1 Looking into AY 25/26 the focus of business continuity will be:

- **Updates to framework.** Build on the framework in place to ensure it is robust and reflective of the organisation. Changes taking place over summer with a view to tabling a revised framework for September 25.
- **Continued testing.** Ensure all testing continues and grows year on year. Introduce revised scenarios and include wider body of staff.
- **Learn and share.** Utilise all managers sessions to support College managers in business continuity planning and understanding of their roles and responsibilities. Use these as workshops to help grow the framework.

### 5. **Strategic Implications**

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

### 5. **Risk**

Risk	Mitigations
Risk 5. Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)	<ul style="list-style-type: none"> <li>➤ Effective procedures, back-ups, checks, awareness and CPD covering all processes which could affect the Colleges ability to perform in a business-as-usual manner.</li> </ul>

## 6. Implications

<b>Financial</b>	<b>YES</b>	There could be financial repercussion in the event of being unable to deliver our business as usual due to a critical incident.
<b>Legal</b>	<b>YES</b>	The College may be unable to meet statutory obligations in the event of a critical incident. The College is legally obliged to have a number of policies and procedures in place which contribute to business continuity.
<b>Learning and Teaching</b>	<b>YES</b>	The Business Continuity Management Plan will positively impact Learning and Teaching as it provides a framework to ensure this can continue in some ways in the event of a critical incident.
<b>Equalities</b>	<b>YES</b>	The plan will ensure all college users are considered in the event of a critical incident.

**Billy Currie**

Director of Estates and Sustainability

13 May 2025