

## Audit Committee Meeting

Minute of Meeting 12 February 2026 at (16:30-18:00hrs) Via Teams

<b>Present:</b>		
Jamie Ross (Chair)	Alastair Irons	Ann Hill
Gillian Brydson		
<b>In attendance:</b>		
Caroline Stuart	Douglas Dickson	Phil Storrier
Lorraine Grierson	Karen Hunter	David Archibald – Henderson Loggie
Alexandra Rankin (Minute taker)	Heather Jones (Item 5.2)	
<b>Apologies:</b>		
Kirsty Duncan		

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

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

### FOR APPROVAL

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

#### 2.1. Minute of the Previous Meeting 24 November 2025 | Paper 2.1 | Approval | J. Ross

- 2.1.1. The minute of the last meeting was approved as an accurate record of the meeting.

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

- 2.2.1. All actions were complete.
- 2.2.2. **The Committee approved the Action Log.**

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

- 3.1.1. There had been no change to the ratings of Risk 4 and Risk 11, which are assigned to the Committee. Additional mitigations for ICT have been applied to Risk 11 which is currently over appetite.
- 3.1.2. No change was noted to risks 8,9 and 10.
- 3.1.3. Risk 1: National Job Evaluation paperwork has been completed showing a gross score of 16 and a net risk of 9 after mitigations. The scores see this risk over appetite due to uncertainties around the project.
- 3.1.4. Risk 3: Failure to achieve institutional sustainability and Risk 5: Business Continuity remain major risks after mitigations.
- 3.1.5. Risk 7: Industrial Relations – Gross rating was increased to 16, net increased to 9 (Moderate) due to forthcoming academic pay award negotiations with EIS and possible industrial action.
- 3.1.6. Risk 5: Business Continuity, gross score had been increased to 20 and the net score increased to 16 resulting in a Major. This is in light of the current capital project which is further detailed in Paper 7. Business Continuity meetings have been regularly scheduled and mitigations put in place where required.
- 3.1.7. As approved by BoM, Risk 12: H&S, had now been amalgamated into Risk 6: Failure to comply with regulatory obligations. The Committee was also asked to consider the amalgamation of Risk 2: Legal Actions within Risk 6.
- 3.1.8. The Committee queried the rationale for the merger of the two risks and it was explained that the content is very similar to Risk 6 and resulted in duplication of risk data. The merger would see Risk 6 title change to 'Legal' and Regulatory obligations. After ELT review the gross risk had been increased to 20 and the net increased to 12 to reflect the inclusion of the health and safety risk, which has pushed the risk above appetite. The Committee supported the merger with the caveat that it could be reversed should need arise in the future.
- 3.1.9. **The Committee approved the amalgamation of Risk 2 and Risk 6.**
- 3.1.10. The Committee highlighted the risk of the Job evaluation project with the announcement of a lessons learned review and the potential impact to risk with the timeline of the project overall. The Principal confirmed that the project would be concluded by December 2028 with no impact anticipated from the review. The phases of the project were outlined, and Trade Unions had expressed contentment with the progress of the project so far. Scottish Government liabilities were also noted. It was understood that a previous lessons learned review report was available, and this would be circulated to the Committee.
- 3.1.11. **ACTION: National Job Evaluation Lessons learned report to be circulated to Members. LG**
- 3.1.12. **The Committee Approved the Risk Register.**

**4. Anti-Fraud and Corruption Policy | Paper 4.1 | Approval | K. Hunter**

- 4.1.1. The VP Corporate Services advised that the Policy had been updated to align with the Economic Crime and Corporate Transparency Act 2023 and responsibilities for the College. Also, clarification that the Bribery Act 2010 remains in force alongside newer legislation.
- 4.1.2. Comments and questions were invited from the Committee. A query was raised regarding recruitment and selection in relation to references and it was agreed that this Policy should be listed under section 6.2.1. Amendments at 6.2.5 to add '*continue to*' take up references. After discussion regarding social media scrutiny regarding applicants, it was confirmed that a Use of Social Media Policy was in place and that this should be added to the list too.
- 4.1.3. Training and awareness on fraud prevention was raised and was recommended to be added as a mandatory training item for staff and board members. CDN training did provide BOM training in this topic and the College undertook annual checks for fraud prevention through HR which had identified a small number of items.
- 4.1.4. David Archibald confirmed that training could be provided pro bono from Henderson Loggie and it was suggested that a video recording was most suitable. The threats through both cyber and analogue fraud were also included in the training.
- 4.1.5. It was recommended that item 6.3.2 – 'Accountability for reporting fraud to the police' be clearly stated as this posed a potential weakness in procedure.
- 4.1.6. The Committee also noted awareness of low-level items of fraud which could be problematic for academic staff ie accepting discounts outside of work. The Principal welcomed the scrutiny of the item.
- 4.1.7. A query around the responsibility for the Policy by the VP Corporate Services at item 5.4 was clarified.
- 4.1.8. **Action: Training video to be delivered by Henderson Loggie.**
- 4.1.9. **Action: Amendments to be made to Policy as stated above - KH**
- 4.1.10. **The Committee approved the Anti-Fraud and Corruption Policy.**

## FOR DISCUSSION

HJ joined the meeting at 17:05

### **5 Internal Audit**

#### **5.1 Internal Audit Progress Report | Paper 5.1 | Discussion | David Archibald**

5.1.1 It was noted that delivery of the audit plan was on track.

#### **5.2 Learning and Development | Paper 5.2 | Discussion | David Archibald.**

5.2.1 This audit considered whether the College is making best use of its staff and incorporated a review of workforce planning; training; the personal development planning systems; and succession planning.

- 5.2.2 The outcome of the audit had resulted in a 'Satisfactory' grading, showing that systems meet control objectives with some weaknesses present and 3 management actions had been identified.
- 5.2.3 The College's talent strategy is in development, and the report had identified the need to identify business critical staff for the purpose of succession planning. A project management approach to address the risks was recommended.
- 5.2.4 A further management action related to tracking and delivery of mandatory training with central oversight was explained.
- 5.2.5 The Committee welcomed the report and acknowledged the challenges attached to the item.
- 5.2.6 The Principal highlighted an error showing the implementation date of for R3 as 2026, which should read 2027 for implementation.
- 5.2.7 The VP Curriculum and Student Experience stressed the distinction between workforce planning and curriculum planning where professional standards provide additional assurance.
- 5.2.8 The Chair queried 3 items: -
- Page 39 – 'implementation will require a cultural shift' and a discussion followed on the strength of cultural development within the College in particular the concepts of performance vs potential. The Principal commented on the NRPA in relation to professional services staff and rejected the 'cultural shift' reference.
  - The challenge to evidence SMART objectives was highlighted. PS commented on the recent review of the PRD system and work being undertaken to ensure effective target setting is utilised for different staff groups. PS also advised caution regarding the impact of NJNC conditions within any drive for revisions within the PRD system.
  - 3 years to deliver and show results was considered appropriate.
- 5.2.9 **Action: Amend R3 closing date to 2027.**
- 5.2.10 **The Committee noted the Report.**
- 5.3 Operational Estates Management | Paper 5.3 | Discussion | David Archibald
- 5.3.1 The scope of the audit was to review and test the policies and procedures in place for the planning, control and monitoring of capital and revenue spending on Estates projects relating to the College's infrastructure and on the delivery of planned maintenance across the College estate. The outcome of the audit had resulted in a 'Good' grading, resulting in no recommendations and showing that system meets control objectives.
- 5.3.2 DA highlighted strict funding criteria which continued to present challenges with spending for capital or maintenance programs within the sector. The Committee also noted the challenges in recruitment of qualified estates staff, investment in systems and training and funding challenges to address sustainability.

- 5.3.3 The VP Curriculum and Student Experience noted the SFC remit to develop cohesive management of estates closely connected with learning and teaching and digital infrastructure.
- 5.3.4 The Chair referenced Mission 2030 which did not include a specific item on Estates. The Principal advised that the estates item was included in the management of the learning estate and provided clarity of the underlying planning attached to the item.
- 5.3.5 The Committee welcomed the culture shift reflecting fuller integration of the estates and learning and teaching item.
- 5.3.6 The Committee commended the positive report.
- 5.3.7 **The Committee noted the report.**

#### 5.4 **Internal Audit Tracker | Paper 5.4 | Discussion | L. Grierson**

- 5.4.1 The Committee was advised that all management actions identified from Student Support Funds and Credits reports had now been completed. 3 Actions from the Learning and Development report had now been added to the tracker.
- 5.4.2 Page 7 - Support Contracts item was shown as complete and a brief discussion followed to clarify the progress on the two work streams for contracts for academic and support staff.
- 5.4.3 **The Committee noted the Internal Audit Tracker Report.**

#### 6 **Audit Scotland Statutory Fees 25-26 | Paper 6.1 | Discussion | K. Hunter**

- 6.1 Audit Scotland set out their expected fees annually as part of their budget process and advised colleges of their expected fees for the 2025-26 audit work. The proposed fees have increased by 4.3% from the previous year which had been higher than previous forecasts based on 3%.
- 6.2 The Committee recommended communication to Audit Scotland to highlight the increase and the Principal agreed to undertake communications.
- 6.3 **ACTION: - Communication to be forwarded to Audit Scotland regarding increased fees. DD**
- 6.4 **The Committee noted the update.**

#### 7 **Business Continuity Plan | Paper 7.1 | Discussion | K. Hunter**

- 7.1 The Committee was asked to discuss the plans in place to consider the risk and impact on business continuity arising from the installation of a new electrical substation and provide assurance on contingency arrangements in place.
- 7.2 A detailed business continuity action plan had been designed with engagement from all external stakeholders and a further update on the project would be provided.

- 7.3 The Committee queried arrangements for any shared costs or contractual claw back with SPEN if delivery times slipped. The Principal advised that a discussion with Scottish Government to raise the overspend item was in progress.
- 7.4 Contingency of uninterrupted power supply and the impact of surges on ICT systems was noted. The Principal provided assurance of arrangements leading up to the power down and the potential risk was acknowledged to the Audit Committee.
- 7.5 **ACTION: - Communications following completion of the power transfer would be circulated. LG**
- 7.6 **The Committee noted the Business Continuity Plan.**

#### **FOR INFORMATION ONLY**

#### **8 AOCB**

- 8.1 No further business was raised.




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

- 9.1 The date of the next meeting is scheduled for Thursday 21 May 2026.



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Galloway College**

One step ahead

<b>Key</b>	
	Ongoing
	Closed
	Overdue

## Audit Committee Action Log 12 February 2026

No	Meeting Date	Action	Lead	Deadline	Status	Commentary
1	18/9/25	Review Risk 6 paperwork to include Risk 12 H&S and bring back to the Committee for approval	KH/LG	<del>Nov 25</del> Feb 26	<b>Complete</b>	Paperwork complete and included in SRR paper.
2	18/9/25	Include Job Evaluation into Risk Register and create paperwork - note as emerging	KH/LG	Feb 26	<b>Complete</b>	a/a
3	24/11/25	Audit Committee annual Report – 7 or 17% at 3.3.13 of the report	KH	Feb 26	<b>Complete</b>	Figure has been amended to 17% - AC advised on 16/1/26
4	24/11/25	Internal Audit Tracker - Correction on page 6 to be applied re NJNC to LNJC	LG	Feb 26	<b>Closed</b>	Change applied.

<b>Audit Committee</b>		
Agenda Item	<b>3</b>	
Paper Number	<b>AUD0226-3.1</b>	
Date of Meeting	<b>12 February 2026</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Strategic Risk Register</b>	
Presented by	<b>L Grierson</b>	
<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>		
Date added	Added by (name and role)	Comment/detail

**Read Time:** 9 Minutes

**1 Recommendation**

- 1.1 The Audit Committee are asked to consider, and if so minded, approve the Strategic Risks 4 and 11 which are assigned to it, and consider any changes to Risks presented by the Committees.
- 1.2 Approve the amalgamation of Risk 2: Legal Actions within Risk 6.

## 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 5 risks (1, 5, 6, 7,11) showing an inherent major risk (red). However after mitigations have been applied, these are reduced to 'moderate' risks except Risk 5 which remains a 'major' risk.

3.3 Risk 3: Failure to achieve institutional sustainability - the inherent risk remains a **fundamental 25 rating** (purple). After mitigations, the residual rating of 20 still remains a **major risk**. This is in line with the current and continued external financial position which is of concern and needs to be monitored closely.

### 3.4 Audit Committee

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

- Risk 4: Financial Fraud – **no changes**.
- Risk 11: Failure to achieve and maintain systems and operable and secure ICT – **no changes**.
  - This risk continues to be above appetite despite further mitigations in place. However, testing of new mitigations/improvements will be tested and reviewed for Q4 to see if these alleviate the risk.

### 3.5 Learning and Teaching Committee

3.5.1 There have been **no changes** to ratings for Risks 8,9,10.

- Risk 8: Academic Performance
- Risk 9: Failure to adhere to Academic Compliance
- Risk 10: Failure to achieve an effective student experience

### 3.6 Finance and General-Purpose Committee

3.6.1 Discussed and approved at FGP Committee, please note the following changes:

- Risk 1: National Job Evaluation (Emerging) – paperwork has now been completed.
  - The risk has been set at a score which is above appetite due to the uncertainty around costs to the college and delays in the project which could result in reputational and financial implications.

- **The gross risk is 16, reduced to 9 with mitigations applied.**
- Risk appetite has been set at Averse.
- Risk 3: Failure to achieve institutional sustainability.
  - This risk is above appetite however a balanced budget has been approved for 2025-26 and longer-term plans have been considered to provide a break even.
- Risk 7: Industrial Relations – **Gross increased to 16, Net increased to 9 (Moderate).**
  - These increases are a result of formal negotiations for lecturing staff due to commence and there is an increased risk of protracted negotiations and potential industrial action.

### 3.7 Board of Management

#### 3.7.1 The following risks are above appetite:

- Risk 5: Business Continuity – **The gross risk has been increased to 20, net risk increased to 16 (Major)**
  - Further mitigations have been added to the risk to incorporate Capital Projects. The increase in scoring is due to uncertainties within the heating project. Currently, this is sitting above appetite, however business continuity meetings have been scheduled regularly whilst the project is underway, and mitigations have been put in place accordingly.
- Risk 6: Failure to comply with legal and regulatory obligations.
  - Risk 12: Health and Safety has now been incorporated within this risk as approved by BoM in December.
  - Risk 2: Legal Actions – after ELT review of the risk it is considered that much of this risk sits within Risk 6 therefore, **it is recommended that these risks are amalgamated**. These mitigations have been added to Risk 6 paperwork highlighted in yellow.
  - Risk 6 title has been amended to include 'legal' should this amalgamation be approved.
  - **The gross risk has been increased to 20 and the net increased to 12 to reflect the risk relating to H&S, which has pushed the risk to above appetite.**
  - **Approval is sought from Audit Committee to make these changes before presentation to BoM.**

### 3.8 Emerging Risk Register

- 3.8.1 AI remains on the emerging risk register and is regularly monitored by SLT and a further review is scheduled for 6 months. No further significant emerging risks have been included.

#### 4 Strategic Implications

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

#### 5 Risk

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

#### 6 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 3

3 February 2026

RISK DEFINITION		ORIGINAL TASK				RESIDUAL RISK				RISK APPETITE	RISK DETAILS
No	Risk	Likelihood	Impact	Total	Risk Level	Likelihood	Impact	Total	Risk Level and trend	above/ below	Links
<b>Responsible Person – Principal</b>											
2	Legal actions; serious accident; incident or civil/criminal breach (BoM)										
		5	3	15		3	2	6	=	Cautious 7-10 ↓	<a href="#">Risk 2 - BoM- Legal DD.docx</a>
<b>Responsible Person – VP Corporate Services</b>											
1	National Job Evaluation (Emerging) (FGP)										
		4	4	16		3	3	9	↑	Averse 1-6 ↑	<a href="#">Risk 1 - FGP - National Job Evaluation KH.docx</a>
3	Failure to achieve institutional sustainability (FGP)										
		5	5	25		4	5	20	=	Moderate 11-15 ↑	<a href="#">Risk 3 - FGP- Institutional Sustainability KH.docx</a>
4	Financial Fraud (AUD)										
		4	3	12		3	2	6	=	Cautious 7-10 ↓	<a href="#">Risk 4 - AUD - Financial Fraud EDF.docx</a>
6	Failure to comply with legal and regulatory obligations (BoM)										
		4	5	20		3	4	12	↑	Cautious 7-10 ↑	<a href="#">Risk 6 - BOM - Regulatory Obligations KH.docx</a>
5	Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)										
		4	5	20		4	4	16	↑	Moderate 11-15 →	<a href="#">Risk 5 - BOM -Business Continuity KH.docx</a>
7	Failure to achieve effective Industrial Relations (FGP)										
		4	4	16		3	3	9	↑	Moderate 11-15 ↓	<a href="#">Risk 7 - FGP - Ind Rels - KH.docx</a>

Responsible Person - VP Learning, Skills and Student Experience										
8	Failure to achieve highest academic performance levels (LT)									
	3	4	12		1	4	4	=	Moderate 11-15 ↓	<a href="#">Risk 8 - LT - Acad Perf - PS.docx</a>
9	Failure to adhere to academic compliance arrangements (LT)									
	4	3	12		2	2	4	=	Cautious 7-10 ↓	<a href="#">Risk 9 - LT-Acad Compl - PS.docx</a>
10	Failure to achieve an effective student experience (LT)									
	3	4	12		1	4	4	=	Moderate 11-15 ↓	<a href="#">Risk 9 - LT-Acad Compl - PS.docx</a>
11	Failure to achieve and maintain systems and operable and secure ICT (AUD)									
	4	5	20		3	5	15	=	Cautious 7-10 ↑	<a href="#">Risk 11 -Aud-Sys and IT - PS.docx</a>

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

Score		Impact	Likelihood
1-8 Acceptable level of risk subject to periodic review.	<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.
9-15 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.
16-20 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.
21-25 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				

# Strategic Risk Register

AUD0226-3.1

## 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>4</b>	
Paper Number	<b>AUD0226-4.1</b>	
Date of Meeting	<b>12 February 2025</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Anti-Fraud and Corruption Policy</b>	
Presented by	<b>Karen Hunter</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 BOM	
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:** 20 minutes

**1. Recommendation**

- The Audit Committee are asked to approve the Anti-Fraud and Corruption Policy.

## 2. Executive Summary

2.1 The Anti-Fraud and Corruption Policy has been updated to include changes in legislation and evolving fraud risks which are relevant to the college sector.

## 3. Context

3.1 The key changes to the Policy include:

- Alignment with the Economic Crime and Corporate Transparency Act 2023 which introduces organisational responsibility for fraud prevention.
- Clarification that the Bribery Act 2010 remains in force alongside the newer legislation.
- Reference to the College's responsibility to take reasonable steps to prevent fraud by employees, agents, contractors, or other associated persons.
- Extended definition of:-
  - 'Fraud' to include financial misstatement, procurement fraud, grant or funding fraud, payroll fraud, asset misappropriation, cyber-enabled fraud, and invoice or payment diversion,
  - 'Corruption' including bribery, inducements, conflicts of interest, or improper influence,
  - 'Associated Person' to include contractors, suppliers, and agents.
- Reporting and Investigation has been added, with reference to the Whistleblowing Policy and Disciplinary Procedure.

## 4. Strategic Implications

4.1 The revised Policy supports all four pillars of the Strategic Plan, by strengthening guidance and assurance on fraud prevention arrangements and the effective use of public funds.

## 5. Risk

Risk	Mitigations
Risk 4. Financial Fraud (AUD)	<ul style="list-style-type: none"> <li>➤ No PO / no Pay policy</li> <li>➤ Scheme of Delegation with regular review</li> <li>➤ Segregation of duties and review of transactions</li> <li>➤ Staff training and sharing of good practice for risks</li> </ul>

**6. Implications**

<b>Financial</b>	<b>YES</b>	Failure to prevent or detect fraud could result in financial loss, recovery costs, or reputational damage.
<b>Legal</b>	<b>YES</b>	The update ensures compliance with the Bribery Act 2010, Economic Crime and Corporate Transparency Act 2023, and Data Protection Act 2018 / UK GDPR
<b>Learning and Teaching</b>	<b>NO</b>	
<b>Equalities</b>	<b>NO</b>	

**Karen Hunter**

Vice Principal Corporate Services

30 January 2026



**Dumfries and  
Galloway College**

One step ahead

# **ANTI-FRAUD AND CORRUPTION POLICY**

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**Responsibility: Vice Principal Corporate Services**

**Issue Date: February 2026**

**Equality Impact Assessment: 15<sup>th</sup> January 2026**

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Version: 3



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# Anti-Fraud and Corruption Policy

## 1. Purpose

- 1.1 One of the essential functions of public sector organisations is to ensure the proper use of public funds. This policy sets out the College’s position in the prevention of and response to fraud and corruption.
- 1.2 In developing this policy, the College has taken account of existing external guidance and legislation, including the **Code of Good Governance for Scotland’s Colleges**, the **UK Corporate Governance Code 2018** and **Bribery Act 2010**.

- 1.3 This policy also reflects the requirements of the **Economic Crime and Corporate Transparency Act 2023**, including the College's responsibility to take reasonable steps to prevent fraud committed by employees, agents, contractors or other associated persons for the benefit of the organisation.
- 1.4 The College will treat any instances of fraud or corruption by its employees, board members, or contractors as serious breaches of discipline and as potentially criminal acts. Bribery of or by any College employee, board member or contractor for either personal or organisational gain will be similarly treated.
- 1.5 The College will co-operate fully with any criminal investigations carried out in response to instances of fraud, corruption, or bribery.

## 2. *Scope*

The policy applies to all activities undertaken on behalf of the College by members of staff, members of the Board of Management and its subsidiaries.

## 3. *References*

- Code of Conduct Policy
- Whistleblowing Policy
- Disciplinary Procedure (Staff)
- Asset Management Procedure
- Scottish Public Finance Manual
- SFC Financial Memorandum
- Economic Crime and Corporate Transparency Act 2023
- Bribery Act 2010
- Data Protection Act 2018 and UK GDPR
- CIPFA Counter Fraud and Corruption Code of Practice

#### 4. *Definitions*

SFC                Scottish Funding Council

Fraud             Any act or omission intended to deceive or mislead, including false representation, failure to disclose information, or abuse of position, whether for personal gain or for the benefit of the College or another party. This includes, but is not limited to, financial misstatement, procurement fraud, grant or funding fraud, payroll fraud, asset misappropriation, cyber-enabled fraud, and invoice or payment diversion

Corruption      The abuse of entrusted power for private or organisational gain, including bribery, inducements, conflicts of interest, or improper influence

Associated Person    Any employee, agent, contractor, supplier, consultant, or other party who performs services for or on behalf of the College

#### 5. *Responsibility*

5.1            The Board of Management is responsible for ensuring the effectiveness of internal control of the College, based on information provided by the Executive Management Team.

5.2            The Audit Committee is responsible for agreeing to this policy and monitoring its implementation and effectiveness.

5.3            The Executive Leadership Team is responsible for developing appropriate systems of internal control to reduce the likelihood and impact of fraud or corruption. This includes oversight of fraud risk assessments and assurance that reasonable prevention procedures are in place in line with current economic crime legislation.

5.4            Vice Principal Corporate Services is responsible for the implementation of this Policy.

5.5            Operational managers are responsible for the application of internal controls to mitigate risks within their specified areas of responsibility.

- 5.6 All staff members are responsible for adhering to the systems of internal control which are relevant to their role.

## 6. *Policy*

### 6.1 **Key Principles**

- 6.1.1 The results of fraud and/or corruption can be costly, time-consuming, disruptive and unpleasant. The College, therefore, sees that the overriding principle to be applied is that of prevention. Where this fails, however, then reporting, investigation and, where necessary, sanctions, will be pursued rigorously and swiftly.
- 6.1.2 The College adheres to the Bribery Act 2010 and the Economic Crime and Corporate Transparency Act 2023, which together cover offences of bribery, fraud, and organisational responsibility. This includes the duty to take reasonable steps to prevent fraud committed by employees or associated persons acting on behalf of the College. Such offences include:
- The offer, promise, or giving of financial or other advantage to another person in return for the person improperly performing a relevant function or activity.
  - Requesting, agreeing to receive, or accepting a financial or other advantage intending that, in consequence a relevant function or activity should be performed improperly.

### 6.2 **Preventative Measures**

Preventative measures are identified under five broad headings: -

#### 6.2.1 Policies and Procedures

The College shall develop, implement, and maintain such policies and procedures so as to reduce, as far as possible, the risks from fraud or corruption. These will include: -

- Risk Management
- Financial Regulations

- Procurement
- Scottish Public Finance Manual
- Scheme of Delegation
- Financial Memorandum
- Asset Management Procedure
- Data Protection Policy
- ICT Acceptable Use Policy

### 6.2.2 Systems

The College will maintain in place systems which incorporate internal controls, including adequate segregation of duties to ensure that, as far as possible, fraud and corruption can be prevented. This includes controls to mitigate cyber-enabled fraud, payment diversion, procurement irregularities, and misuse of digital systems, supported by data analytics where proportionate.

### 6.2.3 Internal Audit

The College will ensure that it agrees a programme of internal audit assignments to support the systems and procedures already in place and to assist in the reduction of the likelihood of fraud.

### 6.2.4 Culture

The College will maintain a culture of openness, honesty and accountability. Staff, contractors, and other associated persons are encouraged to report suspected fraud or corruption without fear of retaliation. Any victimisation of individuals who raise concerns in good faith will be treated as a disciplinary matter. This will be supported by the following policies and procedures:

- Code of Conduct Policy
- Whistleblowing Policy
- Disciplinary Procedure (Staff)

### 6.2.5 Staff Recruitment, Induction and Training

The College will ensure references are taken up for all permanent and temporary staff. As part of induction, staff will be made aware of all policies and procedures pertinent to their post, including those concerning governance.

### 6.3 Reporting and Investigation

The principles to be observed for the reporting and investigation of fraud and corruption are as follows: -

- 6.3.1 Concerns should be reported in accordance with the College's Whistleblowing Policy. A detailed investigation of any concerns will be undertaken.
- 6.3.2 The College will deal with any instances of fraud or corruption swiftly, taking disciplinary action as necessary and informing the police if appropriate in accordance with the Disciplinary Procedure (Staff).
- 6.3.3 In the event that fraud is suspected on the part of contractors, agency workers or by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and investigation are the same as for staff. The College will also inform and involve employing contractors or agencies when appropriate.

## 7. *Distribution Log*

All Staff  
Repository

## 8. *Revision Log*

Revision Log		
Date	Section	Description
December 2021	6- Distribution	Quality Manual Changed to repository

## Anti-Fraud and Corruption Policy

February 2023	4 - Responsibilities	Reference to Head of Finance changed to Director of Finance and Planning
January 2026	1-Purpose, 3-References, 4-Definitions,	Economic Crime and Corporate Transparency Act 2023 requirements now incorporated. Job titles updated

THIS FORM TO BE UPDATED WHENEVER THERE IS A CHANGE IN ANY SYSTEM DOCUMENT				
Document Name	Document Owner	Revision Number	Date of Issue	Date of Withdraw
Anti-Fraud and Corruption Policy	Head of Finance	1	16.01.2019	
Anti-Fraud and Corruption Policy	Executive Director of Finance and Planning	2	15.02.2023	
Anti-Fraud and Corruption Policy	Vice Principal Corporate Services	3		

## Appendix 1 – Equality Impact Assessment

Document:	Anti-Fraud and Corruption Policy
Executive Summary:	This procedure applies equally to all staff. This Policy sets out the College’s response to any instances of fraud or corruption by its employees and the related legislation.

### Duties:

- 1: Eliminate discrimination, harassment and victimisation
  - 2: Promote equality of opportunity
  - 3: Promote good relations
- \* Human Rights to privacy and family life, freedom of thought and conscience, education, employment

### PSED Impacts

	Commentary
Age	The procedure is neutral for this characteristic
Disability	The procedure and related supporting forms can be made available in an alternative format for staff with a disability
Gender	The procedure is neutral for this characteristic
Gender Based Violence	The procedure is neutral for this characteristic
Gender identity/ reassignment	The procedure is neutral for this characteristic
Marriage/civil partnership	The procedure is neutral for this characteristic
Pregnancy/maternity	The procedure is neutral for this characteristic
Religion or Belief	The procedure is neutral for this characteristic
Race	The procedure is neutral for this characteristic
Sexual Orientation	The procedure is neutral for this characteristic

### Additional Considerations

Care experienced	The procedure is neutral for this characteristic
Carers	The procedure is neutral for this characteristic
Mental Health	The procedure is neutral for this characteristic
Socio-economic status	The procedure is neutral for this characteristic

## Anti-Fraud and Corruption Policy

Veterans	The procedure is neutral for this characteristic
Human Rights*	The procedure is neutral for this characteristic

Lead Officer:	Vice Principal Corporate Services		
Facilitator:			
Date initiated:	15.01.2026		
Consultation:			
Research:			
Signature	Karen Hunter	Date	15.01.2026

# Dumfries and Galloway College

## Internal Audit Progress Report

Audit Committee – 12 February 2026

Issued – 6 February 2026



# Internal Audit Progress Report February 2026

Progress with the annual plan for 2025/26 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Internal Audit Annual Plan 2025/26	May 2025	Draft: 21/05/25 Final:	2026/01	<b>N/A</b>	29/05/25	
Learning & Development	March 2026	Draft: 04/02/26 2 <sup>nd</sup> Draft: 05/02/26 Final: 06/02/26	2026/04	<b>Satisfactory</b>	12/02/26	
Payroll	March 2026					For operational reasons, management requested that the audit fieldwork be rescheduled from the original proposed start date of 14/01/26. Agreed start date now 26/02/26 with reporting to the May 2026 Audit Committee meeting.
Operational Estates Management	March 2026	Draft: 04/02/26 Final: 05/02/26	2026/05	<b>Good</b>	12/02/26	
Budgetary Control / Financial Planning	May 2026					Agreed start date for fieldwork 16/03/26
Cyber Security	May 2026					Agreed start date for fieldwork 23/02/26



Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Credits Audit	November 2025	Draft: 17/11/25 Final: 01/12/25	2026/03	<b>Audit report unqualified</b>	12/02/26	
Student Support Funds	November 2025	Draft: 17/11/25 Final: 17/11/25	2026/02	<b>No reservations, but observations made in audit reports</b>	24/11/25	
Follow-up Review	May 2026					Agreed start date for fieldwork 23/03/26

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

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LEVEL OF ASSURANCE

Satisfactory

# Dumfries and Galloway College

## Learning and Development

Internal Audit Report No: 2026/04

Draft issued: 4 February 2026

2<sup>nd</sup> Draft issued: 5 February 2026

Final issued: 6 February 2026



# Contents

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<b>Section 2</b>	<b>Main Findings and Action Plan</b>	<b>4 - 14</b>

## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



# Management Summary

## Overall Level of Assurance

<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
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## Risk Assessment

There are no specific risks relating to staff learning and development on the Dumfries and Galloway College ('the College') Risk Register (as at December 2025). However, related arrangements have an indirect impact on the following strategic risks:

- Risk 8 – Failure to achieve highest academic performance levels (Residual Score 12, Amber); and
- Risk 10 – Failure to achieve an effective student experience (Residual risk 4, Green).

## Background

As part of the Internal Audit programme at the College for 2025/26, we carried out a review of the systems in place for Learning and Development (L&D). Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Audit Committee and management that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

L&D within Scottish colleges is a critical component of workforce capability and compliance with sector standards. Colleges are expected to provide structured professional development opportunities that support teaching excellence, operational effectiveness, and continuous improvement. These arrangements should align with national frameworks and sector-wide agreements to ensure consistency and fairness across institutions.

Key frameworks underpinning L&D include the Scottish Credit and Qualifications Framework (SCQF), which provides a national structure for recognising and comparing qualifications, and Education Scotland's quality indicators, which set expectations for teaching quality and professional practice. Additionally, the National Joint Negotiating Committee (NJNC) agreements govern terms and conditions for staff, meaning that development activities must remain consistent with collective bargaining principles. Professional Review and Development (PRD) processes are widely adopted across the sector, focusing on reflective practice, continuous professional development (CPD), and alignment with institutional values rather than performance-linked reward.



## Scope, Objectives and Overall Findings

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

The table below notes each separate objective for this review and records the results:

Objective	Findings				Actions in progress
	Level of Assurance	1	2	3	
<b>The objective of our audit was to obtain reasonable assurance that:</b>		<b>No. of Agreed Actions</b>			
1. 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.	<b>Satisfactory</b>	-	-	1	✓
2. The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.	<b>Satisfactory</b>	-	-	1	✓
3. The College has a systematic approach to the evaluation of its training to ensure that it is achieving the desired impact.	<b>Good</b>	-	-	-	✓
4. 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.	<b>Good</b>	-	-	-	✓
5. A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.	<b>Good</b>	-	-	-	✓
6. Appropriate succession planning strategies, action plans and monitoring arrangements are in place within the College.	<b>Satisfactory</b>	-	-	1	✓
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>	-	-	<b>3</b>	
System meets control objectives with some weaknesses present.					



### Audit Approach

The Vice Principal – Curriculum and Student Experience, Vice Principal – Corporate Services, and the Learning, Teaching & Innovation Manager were interviewed, together with a sample of managers from the curriculum and support services, to understand arrangements for staff learning and development across the College. The College's policies, procedures and structure were also reviewed, as well as a review into the effectiveness of the College's PRD process by the review of 25 completed PRD Forms from the 2025 PRD Process. We also reviewed the induction process.

### Summary of Main Findings

#### **Strengths**

- There is a strong culture of continuous improvement, with the Draft Talent Strategy demonstrating a clear commitment to building a workforce that is fit for purpose and future-ready, aligned with expected frameworks.
- The People First HR system is used to track the College establishment, with opportunities to use the system to strengthen talent management arrangements being explored.
- The College has established processes for workforce planning, curriculum portfolio reviews, and operational plans for support services, ensuring staff resources match organisational needs.
- The Academic Induction Checklist and ongoing Curriculum Staff Development Plan provide comprehensive training, including sector requirements, teaching qualifications, and mandatory compliance modules.
- The College uses multiple methods to evaluate training impact, such as student satisfaction surveys, Observation of Learning Process, and post-training evaluation forms.
- There is an annual PRD process for all staff. The Microsoft Forms-based PRD form captures comprehensive information, including Education Scotland performance ratings, CPD activities, and alignment with College values.
- The Smart Log eLearning platform provides managers with status updates and prompts for completion of digital modules, ensuring visibility of compliance for key training requirements.
- There is dedicated Occupation Development resource through the Learning, Teaching & Innovation Manager.

#### **Weaknesses**

- There is currently no formal framework for succession planning across curriculum and support service areas, which is recognised by management as a gap. The Draft Talent Strategy proposes to address this, but implementation is still at an early stage.
- Training status is tracked across two platforms (Smart Log and Moodle), resulting in inefficiencies and reliance on manual follow-up by the Learning, Teaching & Innovation Manager.
- Risks associated with implementing the Draft Talent Strategy, such as alignment with national bargaining agreements, equity standards, and the absence of a defined project management and governance framework, have not been identified or addressed in the reviewed documents.

### Acknowledgments

We would like to take this opportunity to thank the staff at Dumfries and Galloway College who helped us during the course of our review.



# Main Findings and Action Plan

**Objective 1 - 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 is in a period of transformation. A refreshed management structure is in place, with two Vice Principals and the new Head of People & Culture, who joined the College in March 2025. This has coincided with a renewed focus on a College-wide approach for talent management. In practice, curriculum portfolio reviews determine the workforce needs for teaching areas, with operational plans established for support service teams. However, a new Draft Talent Strategy aims to consolidate the arrangements that are already established, with new approaches for identifying future leaders and succession planning across both curriculum and support service teams. The Draft Talent Strategy has identified seven objectives:

- Robust succession readiness pipeline – this is a known gap to management;
- Increase promotional opportunities – ensuring a proactive approach to leadership development;
- Talent exchange across departments – the location of the College in Scotland can result in some recruitment barriers with management recognising the need to utilise existing talent where skills allow;
- Increased engagement levels of staff;
- Reduced turnover levels and external hiring costs;
- Just in time leadership development – so to “grow their own” leaders; and
- Increased meritocracy (see comments on risks below).

To achieve these objectives, management will require to implement a programme of change to:

- Refresh organisational charts so to define key positions for succession planning purposes;
- Develop robust employee profiles and role core competencies and behaviour frameworks;
- Define performance and potential criteria to support personal development and identify future leaders;
- Identify gaps, retention issues, and people risks;
- Map internal succession pathways for future leaders and provide development pathways; and
- Ensure existing personal development frameworks are robust.

The proposed Talent Strategy Implementation Plan presents a five-phase programme over approximately three years being:

- Phase 0 – Design and launch – including My Performance conversations and manager training on new frameworks to be established.
- Phase 1 – Workforce assessment to define the baseline of where the College is currently and where it needs to go in terms of its people including performance and potential reviews, succession planning mapping, competency and skills frameworks and gap analysis.
- Phase 2 – Strategic Talent Mapping – defining the critical roles and mapping succession pipelines.
- Phase 3 – Recruitment evolution – maturing the hiring and recruitment process.
- Phase 4 – Embed and improve – sustainable talent system is established and monitored.



## Learning and Development

### **Objective 1 - 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 (continued).**

The detailed Implementation Plan also includes activity owners, resource needs and system updates. It is planned that the MHR's *People First* HR system, launched in May 2025, will have a new talent module to allow core competency mapping and gap analysis, providing visibility of development needs across teams. Progression of the Phases is to be monitored by the Senior Leadership Team (SLT).

Management recognise that this programme may increase risks to the College and therefore is under review by the two Vice Principals. Discussions highlighted that risks include National Bargaining constraints where pay, terms, and conditions for lecturing and support staff are negotiated nationally. Introducing meritocracy-based progression or differentiated development pathways could conflict with nationally agreed frameworks. Similarly, the Scottish Funding Council (SFC) expects colleges to align workforce planning with sector-wide priorities and financial sustainability. Any bespoke talent strategy must demonstrate compliance with these expectations and avoid creating inequities across the sector and ensure that performance-based promotion or succession planning does not favour certain groups and focusses on personal development rather than reward. Discussions with Union representatives are underway to ensure any new frameworks align with national college standards and agreements.

The Local Joint Negotiating Committee (LJNC) has been highlighted as a key mechanism through which this work is progressed, ensuring alignment with national bargaining arrangements, Fair Work principles, and statutory requirements. Succession planning is embedded within national bargaining agreements and is therefore principally advanced through the LJNC.

As with all procedural and organisational change, this work is taken forward through established governance and consultation mechanisms. This includes the College's Organisational Change Policy and Procedure, alongside the recently developed DRIVE framework, which provides structured oversight of strategic projects and change activity. It is not clear that the audit commentary has fully captured these mechanisms.

In addition, the Portfolio Review process provides rigorous scrutiny of departmental operations, including the identification of staffing gaps, succession risks, and single points of failure. This process is a key control in managing workforce sustainability and risk.

Inspection of the draft Talent Strategy and supporting Talent Strategy Paper highlights strong ambitions by the College to develop workforce capacity and capability that is fit for purpose and future ready. The proposed models are aligned with recognised good practice. However, it is acknowledged by College management that successful implementation will require a cultural shift in how personal development and performance are understood by staff in order to ensure trust in the frameworks that are being introduced.

To support management decision making, we have therefore identified the following recommendation:



## Learning and Development

**Objective 1 - 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 (continued)**

Observation	Risk	Recommendation	Management Response	
<p>Risks associated with not progressing the Draft Talent Strategy are documented, however, the risks linked to implementation are not identified within the reviewed documents. Specifically:</p> <ul style="list-style-type: none"> <li>• Risks relating to alignment with national bargaining agreements and equity standards are not defined, and planned mitigations, such as internal and external communication strategies, engagement with Trade Union representatives, and coordination with key external partners, are absent,</li> <li>• Define how the objectives of the Talent Strategy align with National Bargaining and SFC expectations,</li> <li>• The proposed project management and governance framework – conscious that a whole College approach will be required, the framework for implementing and monitoring progress of the strategy is also not yet defined, such as the need for Short Life Working Groups.</li> </ul>	<p>Without clearly defining implementation risks of the Talent Strategy, the College faces uncertainty over governance, compliance, and delivery.</p>	<p><b>R1</b> – Management should ensure the Talent Strategy proposal and business case incorporate a structured project management approach, including:</p> <ul style="list-style-type: none"> <li>• Implementation Governance Framework – Define roles, responsibilities, senior responsible officer, and establish Short Life Working Groups to oversee key workstreams, building on the existing governance mechanisms in place.</li> <li>• Risk Management – Develop a comprehensive risk register addressing alignment with national bargaining agreements, equity standards, and cultural change considerations.</li> <li>• Stakeholder Engagement – Prepare a robust communication and engagement plan, ensuring early involvement of Trade Unions and key external partners.</li> <li>• Monitoring and Reporting – Implement mechanisms to track progress, manage risks, and provide regular updates to the Executive Team and Board.</li> </ul>	<p>A business case will be drafted as part of the Talent Strategy implementation.</p> <p><b>To be actioned by:</b> Head of People &amp; Culture / Vice Principal (Corporate Services)</p> <p><b>No later than:</b> 31 March 2026</p>	
			<p><b>Grade</b></p>	<p><b>3</b></p>



### **Objective 2 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.**

Beyond the requirement to ensure the capacity and capability of the College workforce, the proposed Talent Strategy has emerged from an awareness of inconsistencies in the level of occupational development and training differs between curriculum teams and support service teams.

Over recent years, the Learning, Teaching & Innovation Manager has led occupational development activity, focusing primarily on the curriculum delivery and Teaching Qualification in Further Education (TQFE) and General Teaching Council for Scotland (GTCS) compliance. The Learning & Teaching Innovation Manager is responsible for overseeing occupational development and training needs and manages the College's centralised training budget.

Role skills and experience needs are determined at the recruitment stage, with candidates selected based on how well they match to essential and desired requirements. This process is led by the People Team with respective line managers (not audited). As part of the onboarding process, new staff complete a high-level Induction Checklist on the HR System, People First. However, role specific induction is curriculum or departmental led.

For curriculum areas the arrangements in place are robust. The Academic Induction Checklist is a four-week programme of talks and activities to support the initial skill development of curriculum staff, some of whom will be entering the workforce from industry, and to ensure awareness of the College's policies and procedures.

For the 2025/26 Academic Year, new starts followed the Academic Induction Plan which included several aspects of the College's learning and eLearning procedures and systems, as well as general Scottish Further Education requirements, which include:

- Subject and Professional Knowledge:
  - Successful Lecturer Attributes
  - Advanced Practitioner Role
  - Core Packs
  - Awarding Bodies and Unit Specifications
  - Scottish Credit and Qualifications Framework (SCQF)
- Activities and Resources available:
  - Using ICT (CleverTouch Screens, USB dangers, GDPR, Learner information)
  - Health and Safety Needs within the classroom
  - LearnNet (learning platform and SmartLog)
- How People Learn? And Equality and Diversity:
  - Learning Cycle and factors affecting learning
  - Promoting positive attitudes to Human Diversity and Global Citizenship
- Lesson planning, Assessment, Student Support and Assessment process:
  - Writing lesson plans, and learner objectives
  - Conducting the assessment process (awarding bodies process, student support, marking judged accurately against criteria, feed back, recording of results).



### Objective 2 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued).

- Classroom Management:
  - Practicalities (registers, referrals etc.)
  - Positive classroom management
  - Using small groups
  - Using questions to enhance learning process
- Professional Development:
  - Professional Development Award (PDA) Teaching Practices in Scotland's Colleges
  - Teaching Qualification (FE) TQFE
  - General Teaching Council for Scotland (GTCS)

Further to induction training, there is an ongoing Curriculum Staff Development Plan for 2025/26 in place, which outlines the training necessary to maintain existing curriculum staff competency and compliance with the College's (and sector's) outcomes. All staff complete training covering several areas across the academic year. For 2025/26 this has included:

- Complaints Handling – LearnNet – September
- Cyber Security – SmartLog – October
- Corporate Parenting – LearnNet – November
- Sexual Harassment Training – SmartLog – December
- Safeguarding and PREVENT – LearnNet – January
- Data Protection – LearnNet – February
- Equality, Diversity & Inclusion – SmartLog – March
- Health & Safety – SmartLog – April

Staff are also encouraged to complete supplementary training, in areas such as Quality Assurance, Wellbeing, Health & Safety and Safeguarding, as well as a Teaching Challenge, to enhance their skills and competencies.

The Teaching for Learning Framework 2025 supports lecturers in identifying development needs through the Professional Review and Development (PRD) process (see **Objective 4** for further detail on the PRD process), which is integrated into Continuous Professional Development (CPD). For example, if a new lecturer does not hold a teaching qualification such as the TQFE, the College enrolls them in the PDA Teaching Practices in Scotland's Colleges course. Dedicated CPD days further promote professional growth and provide an ideal platform for sharing experiences and learning from peers and are factored into curriculum planning and timetabling. The PRD form includes a section on CPD, and development activities undertaken by the individual, along with an opportunity to reflect on their impact on practice, which feeds into TQFE registration reviews. The training needs are qualified as part of the Staff Development Funding Application process each May, in line with the budget planning cycle for the next academic year. Any costs are approved by the Staff Development Funding Committee attended by the College's two Vice Principals.



## Learning and Development

### **Objective 2 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued).**

For leaders, the new "Reaching Forward" programme is being piloted that will look to develop leadership skills for individuals through shadowing, networking, leadership exchange, mentoring, and completion of a strategic project. Management has ambitions to accredit the programme via the SCQF once developed.

Management recognise that the induction process for support services is departmental dependent and there is absence of a standardised approach. Our discussions with Support Service managers interviewed highlighted that operational plans and performance measures are used when discussing training requirements with staff during induction and PRD processes. However, the PRD forms are mainly curriculum development orientated which can result in the process not being as effective for support service staff. Recognising these inconsistencies, activity is underway by the Head of People and Culture and Learning, Teaching & Innovation Manager to enhance the PRD forms, providing support services with a format that better suits their requirements and supports the identification of training needs. Therefore, no further recommendation was raised.



## Learning and Development

**Objective 2 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued).**

Observation	Risk	Recommendation	Management Response	
<p>Managers interviewed highlighted that they are unable to track the status of team training centrally. Training provision is tracked through two different systems - Smart Log and Moodle. Smart Log provides line managers with a status update and prompts for staff completion of digital modules. However, Moodle does not, leading to the Learning, Teaching &amp; Innovation Manager chasing staff at deadline dates. This results in the Learning, Teaching &amp; Innovation Manager providing monthly training logs manually to managers.</p>	<p>The absence of a centralised training status tracking system creates inefficiencies and increases administrative burden and resource costs (time).</p>	<p><b>R2</b> – Management should explore options to centrally track training provision and completion status, with automated reporting to reduce manual follow-up and to strengthen compliance oversight.</p>	<p>Mechanisms are in place to monitor training completion, support line manager accountability, and maintain compliance, but we will look at the feasibility of utilising the capability of SmartLog as the College's primary compliance training platform hosting LearnNet. This would enable a fully centralised training tracking system with automated reporting functionality. While technically feasible and not a significant workload in terms of content migration, this option carries a financial cost which would require further evaluation and approval.</p> <p><b>To be actioned by:</b> Learning &amp; Teaching Innovation Manager</p> <p><b>No later than:</b> 28 February 2027</p>	
			<p><b>Grade</b></p>	<p><b>3</b></p>



## Learning and Development

### **Objective 3 - The College has a systematic approach to the evaluation of its training to ensure that it is achieving the desired impact (continued).**

**Post Training Evaluation** - Staff are encouraged to give feedback on CPD training sessions in a Post Training Evaluation Form, to help the College improve future training and events. These forms encourage providing feedback on the usefulness of the sessions from a personal point of view and active recall in order to assess the impact and absorption of the information provided at the event.

By rolling out several initiatives that require critical thinking and active improvement, as well as collating detailed feedback about the impact of these, the College promotes a culture of continuous improvement and the ongoing implementation of ideas and feedback from both staff and students, in turn impacting further training and learning environments.

**Revalidation** – allowing classroom staff to reflect on experiences and future development needs.

**PRD process** – the PRD Form provides staff time for self-reflection and capture of how CPD training has been used in their role (see **Objective 4**).



## Learning and Development

**Objective 4 - 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.**

As part of the College's Ambition 2025 Strategic Plan, the aim of the People and Culture Strategy is '*to nurture a resilient workforce to deliver the best possible service to our students and our community*'. Given this aim, the College carries out a PRD process, which is the mechanism for providing the development and training necessary to enable all staff to perform their current role to the best of their ability, and thereafter discuss future personal and career development.

The process involves ensuring that there is a clear agreement between the staff member and their manager to outline their objectives for the following year. The annual PRD review is undertaken by the 31<sup>st</sup> of October every year, together with an Interim review during the year. Managers interviewed also highlighted that regular discussions between line managers and staff are used to review the progress made. Through this process, the College can also identify wider training priorities.

The PRD form, delivered via Microsoft Forms, enables individuals to record and reflect on key aspects of their role and development. It captures job role status (ELT, SLT, Teaching or Support management, Teaching or Support staff), current career aspirations, Education Scotland performance rating (1 = Poor to 6 = Sector Leading), reflections on previous objectives and targets, completed CPD and development activities, health and wellbeing considerations, objectives for the forthcoming year, reflections on how they demonstrate two of the four College values, accountability review, and future CPD priorities.

We observed that while S.M.A.R.T. objectives are not adopted, objectives documented in PRD Forms were developmental in nature which is in line with National Bargaining requirements. However, as part of the draft Talent Strategy, there is to be a review into the performance rating criteria and advanced training for line managers to ensure the PRDs are of the desired quality and objectives are specific and achievable. This planning will address our observations around the inconsistency in the quality of objective setting in three of the 25 PRD forms reviewed as part of the audit, whereby objectives were high level, such as "My objectives for this year is to further my knowledge by keeping my knowledge up to date". Another example omitted objectives entirely, focusing instead on retirement ambitions rather than any handover or upskilling requirements with other team members. As action to improve this is already planned no further recommendation was raised by us at this stage.



## Learning and Development

### **Objective 5 - A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.**

PRD conversations are central to employee growth, providing a platform for open dialogue on performance, goals, and career aspirations, as discussed in **Objective 4**.

Managers receive a PRD Coaching Conversations – Guidance for Managers covering preparation, conducting reviews, setting goals, career development, creating development plans, handling difficult conversations, and follow-up. Staff receive the PRD Policy and Procedure (March 2021) outlining the process, principles, preparation steps, and expectations. Both groups attend workshops, including supporting staff on preparing for PRD and managers on coaching conversations, to ensure meaningful engagement and alignment with development planning and funding. The guidance was found to be transparent, providing both reviewers and reviewees with information about the current PRD process.

In line with the written guidance, all staff take part in an annual *Preparing for your PRD Workshop*, with line managers taking part in a further PRD and Coaching Conversations training to equip them with the tools to engage in meaningful coaching conversation. Line managers are also informed of the importance of PRDs in planning staff development funding in their areas.

The Learning, Teaching & Innovation Manager conducts spot checks on completed PRD forms to identify recurring issues, such as gaps in quality or completeness of submissions. The enhanced line manager training proposed in **Objective 4** will look to reinforce accountability for line managers to ensure objectives set are of the desired quality and are meaningful for the staff member and College.



## Learning and Development

### Objective 6 - Appropriate succession planning strategies, action plans and monitoring arrangements are in place within the College.

Observation	Risk	Recommendation	Management Response		
<p>Work has been completed to identify succession planning gaps and analysis has been conducted on curriculum structures to identify leadership succession risks. However, further work is required to fully develop succession planning across curriculum and support service areas. Management acknowledge this gap, and the Draft Talent Strategy proposes frameworks to identify key roles and strengthen learning and development support to build internal leadership capability. However, as the Talent Strategy remains at draft stage and is expected to take approximately three years to deliver, we recommend timely action to either progress a decision on its implementation or address the succession planning gap as a priority to mitigate risk.</p>	<p>Failure to develop and implement a succession framework and planning in a timely manner could result in leadership gaps, operational disruption, and increased reliance on costly external recruitment, undermining the College's ability to deliver its strategic objectives.</p>	<p><b>R3</b> – Management should prioritise the implementation of a structured succession planning framework, or expedite decision making on the Draft Talent Strategy to ensure leadership continuity. This should include identifying business critical roles and developing an internal talent pipeline to reduce future reliance on external recruitment.</p>	<p>To support leadership pipeline development, the College has now implemented the 'Reaching Further FE' programme, which has been consulted through the LJNC and is now live, with an initial pilot cohort drawn from both Academic and Support staff. This pilot approach will be embedded within the wider Talent Strategy framework once finalised.</p> <p>A streamlined succession planning approach will initially focus on critically identified roles, and be supported by the implementation of the People First talent</p> <p><b>To be actioned by:</b> Head of People &amp; Culture</p> <p><b>No later than:</b> 31 March 2026</p> <table border="1" data-bbox="1601 1091 2089 1197"> <tr> <td data-bbox="1601 1091 1830 1197"><b>Grade</b></td> <td data-bbox="1830 1091 2089 1197"><b>3</b></td> </tr> </table>	<b>Grade</b>	<b>3</b>
<b>Grade</b>	<b>3</b>				



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LEVEL OF ASSURANCE

Good

# Dumfries and Galloway College

## Operational Estates Management

Internal Audit report No: 2026/05

Draft issued: 4 February 2026

Final issued: 5 February 2026



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## Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



# Management Summary

## Overall Level of Assurance

<b>Good</b>	System meets control objectives.
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## Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Dumfries and Galloway College ('the College') Risk Register as at 4 December 2025):

- Business Continuity (Major, 16/25) which is currently assessed as residual risk score of 12, Moderate; and
- Health & Safety Compliance (Major, 20/25) which is currently assessed as a residual risk score of 12/25, Moderate.

project

## Background

As part of the Internal Audit programme at the College for 2025/26, we carried out a review of the systems in place for Operational Estates Management. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Audit Committee and management that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Mission 2030 is the College's long-term strategic vision, developed to guide it toward excellence, innovation and sustainability by 2030. In alignment with this, the College has a Systems and Infrastructure Strategy in place, which details its commitment to achieving its objectives in relation to the College estate. Included in this document is one strategic initiative relating to capital projects, *Achieving Net Zero Targets through Estates Operations and Capital Projects*, which outlines the College's commitment to sustainable estates management and maintenance.

An Estates Action Plan is in place, which outlines the plans for upcoming building, estates projects, and maintenance over the next five years, along with the key objectives to be met in line with the College's Mission 2030. A Planned Preventative Maintenance (PPM) programme is also in place to ensure that the College's current assets are adequately maintained and replaced in line with their useful life, and with adherence to relevant laws and regulations.

Responsibility for overseeing the College's estates management and building maintenance rests with the Director of Estates and Sustainability, who is supported by the Facilities Manager. The Facilities Manager post was filled in January 2026 to support the Director of Estates and Sustainability with operational management during the ongoing capital projects. Compliance with the Estates Action Plan and PPM programme are managed through the SmartLog Dashboard, with quarterly reporting to the Finance and General Purposes (FGP) Committee (within a Estates and Sustainability Update).



## Scope, Objectives and Overall Findings

The scope of our audit was to review and test the policies and procedures in place for the planning, control and monitoring of capital and revenue spending on Estates projects relating to the College's infrastructure and on the delivery of planned maintenance across the College estate. This review focused on building infrastructure and did not review Soft Facilities Management services (such as cleaning, waste disposal and grounds maintenance).

The table below notes each separate objective for this review and records the results:

Objective	Findings			
	Level of Assurance	1	2	3
To specific objective was to ensure that the policies and procedures in relation to Estates planning deliver meet the following requirements:		No. of Agreed Actions		
<b>Capital Projects</b>				
1. 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	Good	-	-	-
2. 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	Good	-	-	-
3. There is adequate and proportionate risk management and contingency planning on capital projects	Good	-	-	-
4. There is an effective process for the selection and management of consultants and contractors, including the tendering process and ongoing performance/contract management	Good	-	-	-
5. There is adequate monitoring of the progress made in delivering capital projects, by management and Board committees	Good	-	-	-
<b>Planned Maintenance</b>				
6. 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	Good	-	-	-
7. There are appropriate contractual arrangements in place to deliver the planned maintenance required across the full College estate	Good	-	-	-
8. There are appropriate mechanisms to ensure that planned maintenance is delivered at the right time and to the right standard	Good	-	-	-
<b>Overall Level of Assurance</b>	Good	0	0	0
		System meets control objectives.		



### Audit Approach

We reviewed relevant documentation including, relevant strategies, policies, procedures, capital project appraisal documents relating to capital projects and planned maintenance and discussed the procedures adopted with staff. We considered whether the policies and procedures ensure good practice in relation to planning, control and monitoring of capital projects, for a sample of recent capital projects, we tested compliance with these. We also examined the contractual arrangements and practical deliver of selected aspects of planned maintenance activity.

### Summary of Main Findings

#### **Strengths**

- The College has a Systems and Infrastructure Strategy in place, which defines the strategic objectives relating to the College estate.
- The Systems and Infrastructure Strategy aligns with Mission 2030, addressing both physical and digital estate needs.
- The College has an Estates Action Plan, which outlines the plans for upcoming building and estates projects and maintenance over the next 5 years, which is updated annually.
- The Estates Action Plan includes several activities that will help align the College with its net zero goals, as described in Mission 2030.
- From our inspection of procurement exercises conducted for works included in the Estates Action Plan, it is evident that the College adheres to the SPFM Scottish Procurement Policies to ensure proposals meet strategic, financial, and operational requirements.
- Project specific risk registers are in place for all projects deemed to be a higher risk, where College contribution is in excess of £250k in value, detailing operational and health and safety risks, as well as financial and practical risks associated with the planned work.
- Regular Progress Meetings are undertaken where ongoing risks and issues are managed through weekly and monthly progress meetings held with contractors and project managers, where updates and challenges are discussed and recorded.
- All major decisions, risk assessments, and changes are documented and require sign-off by the College's Senior Leadership team (SLT) before proceeding.
- Based on our review of the project-specific risk register for the current Capital Projects exceeding a value of £250,000, it is evident that the register aligns with the criteria set out in the College's Strategic Risk Register.
- From our investigation of the Tender and Quote Procurement Process, it was established that the College has a manageable plan in place for the procurement of contractors for capital works.
- There is an effective process for the selection and management of consultants and contractors, including the tendering process and ongoing performance/contract management, which is aligned with the requirements of the Procurement Reform (Scotland) Act 2014.
- The College's capital projects are monitored effectively and progressing as planned.
- It is clear that the College's planned maintenance activity is aligned with its strategic priorities relating to sustainability and safety and the planned maintenance programme is designed to ensure full compliance with all statutory requirements.
- There are appropriate arrangements in place to deliver the PPM required across the College at the right time and to the right standard, which is effectively managed using the SmartLog system.

### Acknowledgments

We would like to take this opportunity to thank the staff at Dumfries and Galloway College who helped us during the course of our review.



# Main Findings

**Objective 1 - The capital project element of the Systems and Infrastructure Strategy has been developed and aligned with key strategic priorities outlined in Mission 2030 and also takes cognisance of supporting strategies and plans.**

### **Systems and Infrastructure Strategy**

The College's Systems and Infrastructure Strategy aim to build a sustainable, inclusive, and future-ready environment that improves learning, community engagement, and workforce development. This strategy supports Mission 2030 by meeting physical and digital estate needs. This strategy has one strategic initiative relating to capital projects, *Achieving Net Zero Targets through Estates Operations and Capital Projects*, with 3 objectives. These were identified as being:

1. Sustainable Management of Estate Operations - Facilities teams will lead efforts to optimise energy use, water conservation, and waste reduction across the college's physical estate. By adopting green practices in daily operations, we aim to minimise our environmental impact while creating a more sustainable campus.
2. Green Standards for Capital Projects - All new building projects and renovations will adhere to high sustainability standards, including eco-friendly design principles and materials. Facilities staff will ensure these standards are integrated into project planning and execution, supporting our commitment to net-zero goals.
3. Sustainable IT Practices - Digital Services team will adopt energy-efficient technologies and practices, such as cloud-based solutions and virtualisation, to reduce the college's digital carbon footprint. This commitment to green IT practices will complement our physical sustainability efforts, helping us meet our net-zero objectives.

### **Estates Action Plan**

The College's Estates Action Plan outlines the plans for upcoming building and estates projects and maintenance, as 'their buildings and estate are key to the provision of a high-class learner experience'. This plan outlines the key themes, which the estate will need to evolve over the next 5 years to meet the needs of providing a high-quality learning environment. It also supports the College becoming a "Net Zero" organisation by focusing on buildings and infrastructure and ensuring the Estate remains legal and compliant. The plans for the next 5 years include several activities that will help align the college with its net zero goals, such as the 'Installation of low carbon space heating solution across campuses' and 'Self generating energy system being installed and operational to replace grid energy usage'. The College's Estates Action Plan is reviewed and updated annually.

### **Mission 2030**

Mission 2030 is the College's strategic vision '*designed to further elevate the college to new heights of excellence and innovation*'. Despite a high level of detail on improving the College and the key strategic priority to reach net zero by 2030 by driving sustainability in all College areas by 2030, there is no specific reference to capital projects and estate management. However, given the reference to reaching Net Zero by 2030, both the Estates and Infrastructure Strategy and the Estates Action Plan are deemed to align with this Mission 2030 goal.



### **Objective 2 - 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**

The Scottish Funding Council (SFC) provides an annual allocation specifically for core maintenance, to support essential upkeep and to deliver routine works. This funding is intended to ensure the continued functionality and safety of the College estate. In contrast, any project that falls outside the scope of core maintenance, typically larger, strategic initiatives, are pursued through a separate bidding and allocation process. Bidders are required to demonstrate clear strategic value; outline expected benefits, and justify the need for additional investment beyond the standard annual allocation.

For capital projects requiring funding beyond the core allocation, the College accesses additional funding made available through the SFC Emergency Capital Funds, and other external sources, by responding to specific funding calls and submitting expressions of interest. In these instances, the College prepares detailed business cases informed by its condition surveys, ensuring that the proposed works are evidence-based and are aligned with strategic priorities. These business cases require College Principal support before any final application is submitted. This structured approach has enabled the College to successfully secure external capital funding for a number of infrastructure projects. Each application also outlines the risks and consequences of not carrying out the proposed works.

At the time of our audit fieldwork, the College had successfully obtained funding from a number of sources including the SFC Emergency Capital Funds and both the Scottish Government (SG) and UK governments, for a number of capital projects including:

- SG Funded - The Decarbonisation project.
- UK funded - Enabling Just Transition Skills.
- SFC funded -
  - Fire Doors Update
  - Emergency Lighting Upgrade
  - Ventilation and extraction

When assessing the business cases submitted for these funding applications it was evident that the College adheres to these policies to ensure proposals meet strategic, financial, and operational requirements. From our review of the evaluations of the business cases, which were included within the bids submitted for these current capital projects, it was clear that the College weighs up several factors, before evaluating and approving both the funding application and the planned works (if successful). These business cases are approved by the Vice Principal People and Transformation. The bids are also discussed at both the SLT and Executive Leadership Team (ELT) meetings, with the Finance and General Purposes Committee updated on progress at every meeting.



### **Objective 3 - There is an adequate and proportionate risk management and contingency planning on capital projects**

#### **Strategic Risk Register**

From our review of the College's Strategic Risk Register, it was noted that the estates and capital projects related risks are included under the following areas:

- Business Continuity (Major, 16/25) which is currently assessed as residual risk score of 12, Moderate; and
- Health & Safety Compliance (Major, 20/25) which is currently assessed as a residual risk score of 12/25, Moderate

#### **Project Risk Registers**

The College's Risk Management Policy requires all capital and revenue projects, where the College contribution exceeds a value of £250,000, to create and manage a specific risk register in relation to the project or activity. The determination and rating of each project risk must include the following:

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

For large projects or complex projects, external project management and design teams are appointed to oversee delivery, including risk management. They handle day-to-day project oversight, progress meetings, and the documentation of issues and updates. Based on the Estates Capital & Planned Maintenance Contract Register, only one current Capital Project exceeds the £250,000 threshold, namely the Decarbonisation project.

From our review of the project-specific risk register, it is evident that the register aligns with the criteria set out in the College's Strategic Risk Register. The risks identified are appropriately categorised and thoroughly assessed, and the associated controls and mitigation actions are proportionate to the scale and nature of the project. Additionally, the register includes suitable contingency planning, demonstrating that risk management for the project is both adequate and consistent with the College's wider risk management arrangements. Each month a formal risk management report on the Decarbonisation project is prepared and submitted to the SLT by the Director of Estates and Sustainability, as part of their monthly update report.



### **Objective 4 - There is an effective process for the selection and management of consultants and contractors, including the tendering process and ongoing performance/contract management**

The Procurement Reform (Scotland) Act 2014 requires public bodies to publish a procurement strategy and annual report, and ensure procurement activity supports social, environmental and economic wellbeing. Contracts over £4 million in value must include community benefit clauses, and procurement decisions must reflect Fair Work First principles. From our review of the Tender and Quote Procurement Process, it was established that the College has a plan in place for the procurement of contractors for capital works. Within the College's procurement process, there are four distinct categories of contracts outlined and their subsequent procurement route:

- Over £5,000 in value - Invite a minimum of 3 quotes on Quick Quotes or by email with a short closing date & time for the supplier to submit a quote.
- Over £20,000 in value - Invite a minimum of 3 quotes to named suppliers on Quick Quotes giving at least 1 week to closing date and time.
- Supplies & Services over £58,982 in value- Tenders to advertised on Public Contracts Scotland
- GPA (WTO) Thresholds Supplies & Services over £179,087 Net VAT & Works over £4,447,174 net VAT - To be tendered on Public Contracts Scotland (PCS).

Procedures are also in place describing the steps to be taken when selecting and assessing the contract bids and deciding on the procurement awards within the College's Tender and Procurement process. When undertaking procurement activity, staff are also encouraged to make use of available Contract Framework Agreements, where available and applicable.

To ensure compliance with procurement controls, a selection of capital projects from the capital investment plan was reviewed to assess adherence to the College's Procurement Policy and relevant regulatory requirements. It was confirmed as part of our testing that there is an effective process in place and this process is being complied with for the selection and award of contracts. This is in line with the College Procurement controls and the Procurement Reform (Scotland) Act 2014. In addition, our testing also confirmed, where available, the use of Contract Framework Agreements which shorten the timelines for completing the procurement process.

The College's SmartLog system provides a visual dashboard, which displays all live contracts, including details such as campus location, supplier, contract value, start and end dates, and contract owners. This provides real-time visibility into contract and performance status. The system tracks contract expiry and sends advanced notifications for renewals or retenders. Users can view contract files, ownership, contract length, and renewal/termination notices, which are then sent to designated email addresses.



## Operational Estates Management

### **Objective 5 - There is adequate monitoring of the progress made in delivering capital projects, by management and Board committees**

#### **Day to Day Overview**

From our discussions with the Director of Estates and Sustainability, it was noted that compliance with capital plans is managed through the SmartLog Dashboard, with quarterly reporting to the FGP within its Estates and Sustainability Update, detailing its level of statutory compliance. The most recent report provided an update on the current capital, which is being funded through external sources including the SFC, the UK Shared Prosperity Fund (UKSPF), and the Scottish Government's Green Public Sector Estates Decarbonisation Scheme (GPSEDS). These projects are designed to enhance the College estate, support sustainability goals, and improve the student experience.

#### **General Estates Works**

From our review of the capital and planned maintenance schedules, it was noted that at the time of our audit fieldwork 100% compliance for planned maintenance was being achieved, with all scheduled visits completed. Ad Hoc/Reactive Tasks are managed by priority, ensuring that there are no outstanding tasks affecting health, safety, or student experience. Other upgrades, such as new classrooms, flooring, accessible toilets, EV chargers, heating system replacement, building management system improvements, and building fabric upgrades, are all reported as either complete or in progress.

#### **Financial and Strategic Implications**

Continued investment in estates projects is required to maintain operational standards. Current externally funded estates projects align with Strategic Priority 5 (Systems and Infrastructure), Priority 4 (Finance and Performance), and Priority 1 (Student Experience). Key risks relate to institutional sustainability, student experience, and health & safety, with mitigations in place through the targeted use of external funding for capital projects to ensure continued compliance with statutory regulations.

From our discussions with College staff, and our review of relevant evidence, it was confirmed that the College's capital projects are monitored effectively and progressing as planned, with major government-funded initiatives on track and several estates improvements either completed or underway. Project financial management is robust, and all projects are aligned with strategic priorities and risk mitigation frameworks, which are reported monthly to the SLT and at every meeting of the Finance and General Purposes Committee.



### **Objective 6 - 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**

As stated in the College's Mission 2030, '*all new building projects and renovations will adhere to high sustainability standards, including eco-friendly design principles and materials. Facilities staff will ensure these standards are integrated into project planning and execution, supporting our commitment to net-zero goals*'. Planned maintenance activity supports this priority by ensuring that sustainable building features, such as energy-efficient systems, low-carbon technologies, and environmentally friendly materials are properly maintained to continue to perform as intended. Planned regular servicing, monitoring, and replacement cycles preserve the efficiency of these systems and prevent deterioration that could undermine sustainability goals or increase carbon output.

Planned maintenance also underpins the health and safety standards outlined in Mission 2030, such as emergency response, and digital security measures required to create a safe campus. By carrying out these tasks routinely, the Estates team ensures that the College estate remains safe, compliant, and operational, supporting both physical and digital environments. Alongside Mission 2030, the College has worked in line with Ambition 2025 over the last 5 years, which sets out its response to local, regional and national priorities to enable the community to transform and continue to be 'One Step Ahead'.

To meet legal requirements and its strategic objectives, the College ensures that equipment, buildings, and infrastructure are regularly inspected, tested, and maintained as part of the PPM schedules, which are now managed within the SmartLog system. From our inspection of the previous PPM Schedule, and the current Smart system, it is clear that the College's planned maintenance aligns with its strategic priorities relating to sustainability and safety.



### **Objective 7 - There are appropriate contractual arrangements in place to deliver the planned maintenance required across the full College estate**

From our inspection and review of the SmartLog system, it was noted that the PPM Schedule contains information about the servicing provided for the key statutory maintenance checks and inspections required by the College. Missed or overdue checks are flagged on the Smart log Dashboard, with notifications issued to the relevant contractor or the Estates team member to resolve. Overdue tasks are followed up and, if required, are discussed at the weekly work reviews, which are held with the contractors where any issues of concerns can be raised (including quality issues or any delays in resolving agreed plans). While not always formally documented, we confirmed that key points from these meetings are followed up with the contractors by the Estates team.

For large projects or complex projects, external project management and design teams are appointed to oversee delivery, including risk management. They handle day-to-day project oversight, progress meetings, and the documentation of issues and updates. The project risks and issues are managed through weekly and monthly progress meetings with contractors and project managers. At these meetings updates and challenges are discussed and recorded. This approach is currently in place for the delivery of the Decarbonisation project, which is being project managed by AtkinsRealis. There are documented performance review meetings held monthly with AtkinRealis and the Director of Estates and Sustainability to monitor progress in project delivery. Risk management is a standing agenda item at these monthly meetings.

For smaller projects, internal staff manage the process directly, from scoping and business case development, to tendering and implementation. Progress of project managers and capital projects is monitored through regular meetings, including weekly catchups and monthly progress meetings with the project management team and contractors. Progress in delivering the project is included within the Sustainability Reports, which is compiled by the Director of Estates and Sustainability for submission to both the SLT and the Finance and General Purposes Committee.

It is evident that there are appropriate arrangements in place to deliver the PPM required across the College, which is effectively managed using the SmartLog system.



### **Objective 8 - There are appropriate mechanisms to ensure that planned maintenance is delivered at the right time and to the right standard**

The College utilises the SmartLog system to manage PPM checks and tests throughout the year. Work requests or orders are assigned to specific contracts, allowing the monitoring of spend and performance against each contract. This enables analysis of maintenance effectiveness and the identification of trends, such as increased reactive calls or issues arising with specific assets. The dashboard includes a schedule of upcoming checks and tests (e.g., fire alarms, escape routes, Legionella), with programmed frequencies (monthly, quarterly, annually). Overdue checks trigger notifications and escalation emails to responsible staff, ensuring timely follow-up and compliance.

Through thorough investigation of the PPM Schedule, listed below are the individual statutory maintenance checks and the College's evidence of compliance for each key Statutory areas including:

- Gas safety.
- Electrical safety.
- Fire risk.
- Fire alarm and emergency lighting testing.
- Lifting equipment.
- Legionella risk assessment and monitoring.
- Private water supply testing.

Management reports and dashboards provide a breakdown of live progress against planned works. If a check is missed, then the system flags it as overdue and notifies the responsible person, with an escalation process in place to identify and resolve outstanding works to ensure ongoing compliance with statutory requirements. Overdue tasks are escalated via email, and workflow reviews are conducted in weekly Estate team catchups to ensure that any issues identified are addressed and updates tracked.

Progress with both the Statutory compliance and PPM schedule is contained within the Estates and Sustainability Update submitted to every Finance and General Purposes Committee meeting.

From our inspection of the previous PPM Schedule, and the current reported statutory maintenance compliance levels, the College's planned maintenance meets both its statutory requirements (and as outlined above under Objective 7), performance reviews with the contractors help to ensure that the required standards are being met.



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<b>Audit Committee</b>		
Agenda Item	<b>5</b>	
Paper Number	<b>AUD0226-5.4</b>	
Date of Meeting	<b>12 February 2026</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Internal Audit Tracker</b>	
Presented by	<b>Lorraine Grierson</b>	
<b>Recommendation</b>	<b>Discussion</b>	
<b>Freedom of Information Disclosure Assessment</b>		
FOI flag:	<input type="checkbox"/> Disclosable <input checked="" 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 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 audit findings 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.

### Ongoing Reports:

- Student Support Funds and Credits Reports – 5 actions – all complete

### New Reports:

- Operational Estates Management Report – no actions
- Learning and Development Report – 3 actions

Report (Level of Assurance)	Total Actions	Status			Target date for completion		
		Overdue	Closed	Ongoing L M H			
<b>Ongoing Reports</b>							
Student Support Funds	2		2	-	-		Jan 26
Credits Report	3		3	-	-		Feb 26
<b>New Reports</b>							
Operational Estates Management (Good)	0						
Learning and Development (Satisfactory)	3			3	-		Mar 26 / Feb 27
<b>TOTAL</b>	<b>8</b>		<b>5</b>	<b>2</b>	<b>1</b>		

## 4 HR Audits

4.1 The action log from the HR Audit is attached at appendix 1 showing all actions now complete.

### L. Grierson

Governance Professional

04 February 2026

<b>Audit Committee</b>		
Agenda Item	<b>6</b>	
Paper Number	<b>AUD0226-6.1</b>	
Date of Meeting	<b>12 February 2026</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Audit Scotland Statutory Fees 2025-26</b>	
Presented by	<b>K. Hunter</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:	No sensitive or personal information is included in the report	
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:** 15 minutes

**1. Recommendation**

- 1.1. The Audit Committee are asked to note the report and discuss any points arising.

**2. Executive Summary**

2.1 This report provides an update to the Audit Committee on the expected external audit fees for 2025-26 proposed by Audit Scotland.

**3. Context**

3.1 Audit Scotland set out their expected fees annually as part of their budget process. The fee is based on their assessment of factors including quality, scrutiny, risk and efficiencies, and a need to provide the assurance required by the Scottish Funding Council and Audit Scotland.

3.2 In their letter of 15th January 2026, Audit Scotland have advised colleges of their expected fees for the 2025-26 audit work. The proposed fees have increased by 4.3% from the previous year, with the expected fee for Dumfries and Galloway College £29,710.

3.3 Azets, the College’s external auditor, will determine any proposed change to the fee as part of their audit planning process, and this will be reported to the Audit Committee with their Audit Plan in due course.

3.4 A copy of the letter from Audit Scotland is attached as an Appendix to this report, and sets out additional considerations as part of their fee setting process.

**4. Strategic Implications**

4.1 As the College has limited ability to vary the fees, a sector-wide fee setting process may not fully reflect the College’s risk profile. However, as the appointment of the external auditor and related fees rest with Audit Scotland, there is increased independence.

**5. Risk**

Risk	Mitigations
Risk 6. Failure to meet regulatory obligations (BoM)	<ul style="list-style-type: none"> <li>➤ Loss of reputation and stakeholder confidence</li> <li>➤ Financial penalties, fines and criminal liability (corporate and individual)</li> <li>➤ Regulatory or government body intervention</li> <li>➤ Impact on financial sustainability and operational resilience</li> </ul>

**6. Implications**

Financial	YES	There are potential resource implications for increased costs
Legal	NO	

<b>Learning and Teaching</b>	<b>NO</b>	
<b>Equalities</b>	<b>NO</b>	

**Karen Hunter**

Vice Principal Corporate Services

30 January 2026

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Dear Director of Finance

## **Audit Scotland Statutory fees – 2025/26 audits**

The Auditor General, the Accounts Commission and Audit Scotland have a shared mission to provide clear, independent and objective assurance on how effectively public money is being managed and spent. High-quality public audit is key to this mission. Audit Scotland has statutory powers to recover the cost of public audit work through fees and direct funding from the Scottish Parliament. Audited bodies have a statutory responsibility to pay their audit fees under the [Public Finance and Accountability \(Scotland\) Act 2000](#). The purpose of this letter is to give you an indication of the fees for your 2025/26 audit.

Audit Scotland's 2026/27 budget, which sets the 2025/26 audit fees, has undergone a rigorous process of review and challenge by Audit Scotland's Board in advance of our annual budget submission to the [Scottish Commission for Public Audit](#) (SCPA) in the Scottish Parliament which was considered by them on 11 December 2025.

Our budget and fees continue to recognise the difficult financial environment and the challenges facing public services, and public audit's role in helping meet them. High quality, independent public audit is a key foundation of effective scrutiny, governance and improvement in Scotland, and this has a cost. Our budget and fee uplift therefore strike a careful balance between:

- audit quality
- audit delivery
- delivering efficiencies and cost savings
- providing effective scrutiny, challenge, assurance and support.
- staff wellbeing
- managing risk

At the same time Audit Scotland is continuing its significant modernisation and transformation to support effective scrutiny, meeting the needs of the Scottish Parliament, public bodies and the communities of Scotland.

## **Expected audit fees**

**The overall increase in fees for 2025/26 annual audits is 4.3%.** Our budget setting has sought to reduce costs and drive efficiencies within Audit Scotland, but at the same time recognises the ongoing fiscal context for the bodies we audit by only increasing fees by that which is necessary to fulfil

our role effectively. However, an efficient and effective audit requires a strong partnership where audited bodies and appointed auditors work together to deliver their respective statutory responsibilities for accounts and audit. The expected fees assume that effective partnership working is in place.

Expected fees are set to recover the baseline cost of the annual audit work as set out in the [Code of Audit Practice 2021](#) and the [Guidance on Planning 2025-26 Annual Audits](#). The expected fee assumes that each audited body has:

- well-functioning controls
- an effective internal audit service
- an average risk profile
- sound governance arrangements in place and these operated effectively throughout the year
- prepared accurate unaudited financial statements which meet the agreed timetable for audit
- prepared comprehensive working papers to support the accounts.

Where these assumptions are met the expected fee should form the basis for invoicing and no further fee discussions are required.

Where these assumptions are not met, or significant risks and/or material errors are identified during the annual audit, your auditor will need to do additional audit work and discuss the cost for this work with you.

Fees can be increased by varying the auditor remuneration by up to 10% above the level set (20% for bodies with an expected fee below £37,900). Where the 10 per cent/20 per cent range is not sufficient to accommodate the additional work, higher remuneration can be discussed with the prior approval from Audit Scotland.

The construction of expected fees does not provide for:

- Additional audit work at individual audited bodies in response to changes to International Standards on Auditing (UK) (ISAs) such as ISA 315, ISA 600 or the bedding in of IFRS 16 in local government.
- The consideration of objections in local government.
- The cost of auditing section 106 charities.
- The preparation of any statutory reports where these may attract an additional, separate statutory report fee.

A blanket fee increase across all audits would not equitably reflect the local variation in audit work required to address these areas. Additional fees will need to be discussed for these areas where applicable.

The fee for your 2025/26 audit can be identified by clicking on this link [Fee Setting](#) and following the detailed instructions worksheet. On selection of your organisation(s) the expected fee will be provided together with a comparison against the final agreed 2024/25 fee, where confirmed. If you

are unable to access this file, please let us know and we will arrange to send you a copy of your expected fee.

More information on Audit Scotland's approach to setting audit fees and invoicing can be found [here](#). We will be consulting on our fees and funding model in summer 2026 ahead of the tender for the next round of audit appointments covering the audits of financial years 2027/28 to 2031/32.

We have noticed a delay in audit fee payments for some bodies over recent years. While we appreciate the pressures public bodies are under, we too have statutory requirements and with scrutiny from our Board and the Parliament are confident we have set a fair and balanced fee approach. Could I therefore please reiterate that there is a statutory obligation to pay audit fees according to the terms and conditions of our invoices. If you follow a 'No Purchase Order No Pay' policy, please raise a purchase order for the full expected fee and send it to [remit@audit.scot](mailto:remit@audit.scot). We will ensure that all relevant invoices quote the number for processing.

Yours sincerely

Vicki Bibby  
Chief Operating Officer

Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

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<b>Audit Committee</b>		
Agenda Item	<b>7</b>	
Paper Number	<b>AUD0226-7.1</b>	
Date of Meeting	<b>12 February 2026</b>	
Location	<b>MS Teams</b>	
Title of Paper	<b>Business Continuity Plan</b>	
Presented by	<b>K. Hunter</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:	No sensitive or personal information is included in the report	
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:** 4 minutes

## 1. Recommendation

- 1.1. The Audit Committee are asked to discuss the plans in place to consider the impact on business continuity arising from the installation of a new electrical substation, and to provide assurance on contingency arrangements in place.

## 2. Executive Summary

- 2.1 The purpose of this report is to provide an overview of the risk relating to the installation of a new electrical substation as part of the capital project to upgrade of the Dumfries campus heating system to a low carbon heating system. The College will rely on a temporary generator to maintain power supply during the installation, and a number of mitigations have been considered to ensure business continuity.

## 3. Context

- 3.1 The College is progressing a major capital project to increase mains power capacity through the installation of a new electrical substation which will deliver longer term benefits in capacity, resilience, and compliance. A temporary generator will be installed to maintain electrical supply to the building during the transition period which has potential impact on essential digital and facilities systems.
- 3.2 While the project delivers clear strategic benefits, the interim arrangements introduce a short-term but material risk that requires active oversight within the College Business Continuity Plan.
- 3.3 The work is planned to take place between 14<sup>th</sup> and 22<sup>nd</sup> February, which coincides with student holidays, and three days of teaching staff holidays.
- 3.4 A project-specific Business Continuity team are overseeing a plan for the period where there will be reliance on a temporary generator. Critical services and systems have been identified. Key actions taken are as follows:
- **Risk Assessment** reviewed and consideration of controls and mitigations in place
  - **Contractor Risk Assessments** reviewed as part of the planning
  - **Review of Operational Controls** – identification of critical fire, security, and digital services, and defined shutdown, backup, and recovery arrangements
  - **Generator provision** with sufficient capacity for business operations, protocols for support, and pre-testing of back-up generators
  - **Planning and Timing of work** scheduled to minimise operational impact, with coordination of key staff teams and contractors
  - **Health and Safety** assessment completed, and any gaps identified/ actioned
  - **Communication Plan** in place which includes students, staff, and key stakeholders
- 3.5 Overall, the risks are considered to be manageable, and appropriate mitigations and controls have been put in place to reduce the residual risks to within a tolerated level. However, there is a recognition that there is an increased/ short term exposure due to reliance on a temporary power solution and ongoing assurance will be provided by:
- Active risk management throughout the period
  - Testing and verifying contingency arrangements
  - Escalation of issues and reporting to Executive Team as required

#### 4. Strategic Implications

- 4.1 This paper underpins all of the pillars of Mission 2030, to ensure the College continues to operate and deliver its strategic objectives.

#### 5. Risk

Risk	Mitigations
Risk 5. Business Continuity Incident – Fire, Systems, Emergency Procedures, Health (BoM)	Capital projects: <ul style="list-style-type: none"> <li>➤ Identification of critical teaching, assessment and support activities</li> <li>➤ Contingency arrangements including temporary accommodation, Digital Services systems, and teaching delivery</li> <li>➤ Clear communication to staff, students and stakeholders</li> <li>➤ Close working with contractors to identify key work and potential issues</li> </ul>

#### 6. Implications

<b>Financial</b>	<b>YES</b>	Potential additional costs for disruption to systems, unplanned contractor costs and increased staff costs
<b>Legal</b>	<b>NO</b>	
<b>Learning and Teaching</b>	<b>YES</b>	Sustained power outage could result in disruption to teaching and loss of income
<b>Equalities</b>	<b>NO</b>	

**Karen Hunter**

Vice Principal Corporate Services

27 January 2026