

**West College Scotland
AUDIT COMMITTEE**

**4 September 2019 at 4.00 p.m. in
Room 116 (Estates Room), Renfrew Building, Paisley Campus**

AGENDA

General Business

- | | | | |
|----|---|----------|----|
| 1. | Apologies | | |
| 2. | Declaration of Interests | | |
| 3. | Minutes of the meeting held on 23 May 2019 | Enclosed | JM |
| | Actions from the Minutes | Enclosed | JM |
| 4. | Matters arising from the minutes
(and not otherwise on the agenda) | | |
| | .1 AM419.3 Freedom of Information | Verbal | AR |
| | .2 AM385.1 Internal Communications survey | Verbal | AR |

Main Items for Discussion and/or Approval

- | | | | |
|-----|---|----------|----|
| 5. | Review of Committee Remit, Membership and Dates of Meetings | Paper 5 | GM |
| 6. | Monitoring of Regional Outcome Agreement | Paper 6 | DA |
| 7. | Value for Money Policy Report | Paper 7 | AR |
| 8. | Draft 2018-19 Annual Report from the Committee to the Board | Paper 8 | AR |
| 9. | Fraud and Corruption Policy / Public Interest Disclosure Policy | Paper 9 | AR |
| 10. | Audit Assurance Update | Paper 10 | AR |

Internal Audit

- | | | | |
|-----|--|----------|----|
| 11. | Internal Audit Report – Payroll Systems Review | Paper 11 | EY |
| 12. | Rolling Audit Action Plan | Paper 12 | AR |
| 13. | Draft Internal Audit Report 2018-19 | Paper 13 | EY |
| 14. | Internal Audit Annual Plan 2019-20 Update | Paper 14 | EY |

External Audit

15. External Audits Progress Update	Paper 15	AR
16. 2018-19 Accounts Direction for Scotland's Colleges	Paper 16	AR
17. Draft Accountability Report - Corporate Governance	Paper 17	AR

Other

18. Audit Scotland Report – Scotland's Colleges 2019	Paper 18	DA
19. Annual Report on Freedom of Information and Data Protection Act Requests; Register of Interests; and Hospitality/Gifts Register	Paper 19	AR
20. Risk Management - Strategic Risk Register	Paper 20	AR

Items for Information (to note only)

21. Schedule of Business 2019-20	Paper 21	AR
22. Any other business		

Next meetings: Tuesday 19 November 2019 at 4.00 p.m. - joint meeting with the Finance and General Purposes Committee

Thursday 12 December 2019 at 4.00 p.m. – next scheduled meeting of Audit Committee.

Both meetings to be held on the Paisley Campus.

Gwen McArthur
Secretary to the Committee

AUDIT COMMITTEE

MINUTES: 23 May 2019

Present: John McMillan (in the Chair), Andrew Hetherington.

Attending: Liz Connolly (Principal), David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), Gwen McArthur (Secretary to the Committee).

Attending by invitation: Elizabeth Young and Andrew Diffin, Scott-Moncrieff, Internal Auditors; Joanne Buchanan and Suzie Graham, Mazars, External Auditors.

Apologies: Graeme Bold, Wai Wong, Lucy Nutley.

AM413 DECLARATION OF INTERESTS

John McMillan and Liz Connolly declared an interest as Trustees of West College Scotland Foundation. David Alexander declared an interest as a Board member of the Scottish Funding Council and as Chair of the Scottish Funding Council Audit and Compliance Committee.

AM414 MINUTES

The minutes of the meeting held on 14 March 2019 were approved.

AM415 ACTIONS FROM THE MINUTES

The Committee noted a report on the actions taken since the last meeting.

- .1 Policies (AM403)** – it was noted that the Fraud and Corruption Policy and the Public Interest Disclosure (Whistleblowing) Policies would be brought to the next meeting for consideration. **[Action: DA; AR]**

AM416 SFC FUNDING ALLOCATION FOR 2019-20 (AM401)

The Director of Finance and Estates tabled information that showed the funding allocation from the Scottish Funding Council (SFC) to the College for 2019-20. This information had only been received the previous week. The Vice Principal Operations informed the Committee that overall the College would receive a reduction of 3.23% over the previous year's allocation. This was mainly due to a significant reduction in the level of funding in support of estates life cycle maintenance and also for high priority maintenance. Discussions with the SFC were therefore ongoing regarding how the overall level of estates funding might be applied during 2019-20 to ensure that this could be prioritised as required and enable operational maintenance costs to be met. The funding allocation overall would be challenging for the College, and it was estimated that a budget gap of [REDACTED] would require to be addressed in 2019-20 based on the final SFC funding allocation. While the SFC had informed the College that investment in

the Greenock and Paisley Campuses were a high priority it was noted by the Audit Committee that the SFC final funding announcement for 2019-20 did not contain any specific funding to meet the cost of any new college estates projects. The Committee expressed its disappointment at this allocation and noted that the College Executive were already taking measures to address the funding gap identified for 2019-20, and that this would be discussed at the Finance and General Purposes Committee in detail.

AM417 AUDIT ASSURANCE FRAMEWORK UPDATE (AM402)

The Committee noted progress with the development of an assurance framework for the College. It had been agreed previously that the Student Experience area should be the first area to proceed and start to develop the assurance framework. A start had been made on this and liaison with the Internal Auditors was currently underway as to how best to refine this framework to take it forward and roll out to other areas. The Committee welcomed this information and would receive a further update at its next meeting. **[Action: AR]**

AM418 AUDIT STRATEGY MEMORANDUM 2018-19

The External Auditors presented their Audit Strategy Memorandum for the year ending 31 July 2019. This Memorandum provided the Committee with an overview of the External Auditor's preliminary audit planning procedures and approach in relation to the Financial Statements of the College. The Committee noted the audit scope, approach and timeline proposed by the External Auditors, who would be taking a risk based approach. They had already identified some of the significant risks facing the College and had set out their approach to how they would test these areas. A new area for inclusion this year would be the voluntary severance scheme. There would also be some wider scope work undertaken which would include sustainability, and there was scope to include other matters should anything arise during the audit process.

The Committee welcomed this report and noted the audit fee for 2018-19, which showed an increase of 4% over the previous years' fee. The Committee **agreed** that the Audit Strategy Memorandum 2018-19 and audit fee be approved.

AM419 INTERNAL AUDIT REPORTS

The Committee noted and considered the following reports from Internal Audit:

.1 Student Experience

The Committee noted the Internal Audit report on Student Experience which had a particular focus on part-time and evening students and the support that was in place for them. The report was positive in its findings and confirmed that there were several areas of good practice identified. There were seven recommendations for improvement which were already being actioned by the staff concerned. The Committee welcomed this report and **agreed** that this report now be forwarded to the Learning, Teaching and Quality Committee for information and action as appropriate. **[Action: GMcA]**

.2 Safeguarding

The Committee noted the Internal Audit report on Safeguarding. This report confirmed that the College had a number of initiatives and controls in place to meet its statutory obligations under the Children and Young People (Scotland) Act 2014. A number of areas of good practice had been identified and a number of recommendations for improvement had been proposed. The Internal Auditors indicated that staff training was emerging as a theme from a number of the reviews that they had undertaken and the College should consider what further action it should take in relation to this matter.

The Committee welcomed this report and **agreed** that it should be forwarded to the Learning, Teaching and Quality Committee for further consideration and action as appropriate. **[Action: GMcA]**

.3 Freedom of Information

The Committee noted the Internal Audit report on Freedom of Information. This report confirmed that the College has robust and effective controls in place to ensure that the College meets the requirements of the legislation. The report identified areas of good practice and proposed two areas for improvement, one of which was regarding training provided to staff to recognise and process freedom of information requests appropriately. Considering the points emerging from this and the previous Internal Audit reports, the Audit Committee encouraged the College to consider developing a training plan for staff as required in relation to Freedom of Information. **[Action: LC]**

The Committee welcomed this report and noted that the Organisational Development and HR Committee had already received and considered this report at its meeting the previous week.

AM420 INTERNAL AUDIT ANNUAL PLAN 2018-19: UPDATE (AM405)

The Committee noted that the Internal Auditors had completed their planned audit work for session 2018-19 and welcomed this information.

AM421 ROLLING AUDIT ACTION PLAN (AM404)

The Director of Finance and Estates presented the updated Rolling Audit Action Plan. The Committee considered a request for an extension of time for recommendations relating to the Fraud Prevention report, in light of a recent payroll fraud; and the Workforce Planning report, as the update on actions taken had only been considered by the Organisational Development and HR Committee at its meeting the previous week.

The Committee **approved** the Rolling Audit Action Plan and the extension of time requested for the two reports identified above.

AM422 INTERNAL AUDIT PLAN 2019-20 (BM536.6; AM406)

In light of the discussion at the last meeting further consideration had been given to the proposed Internal Audit Plan for session 2019-20. The Senior Management

Team (SMT) had considered the proposed plan and Board members had also been consulted. It was noted that some of the areas identified at the last meeting for possible inclusion in the plan were covered by other external reviews. Other areas were not considered to be of high priority and/or high risk. On balance it was considered that the annual plan proposed represented the best use of the Internal Audit time.

The Committee **agreed** that the Internal Audit Plan for 2019-20 be approved and would cover the following areas:

- Financial System Health Check (6 days)
- Regional Outcome Agreement (7 days)
- Equality and Diversity (6 days)
- Continuing Professional Development (8 days)
- Virtual Learning Resource (8 days)
- Digital Strategy (8 days)
- With the remaining days being used to attend Committee meetings and for follow-up actions.

AM423 ANNUAL EFFECTIVENESS REVIEW OF AUDIT COMMITTEE (AM407)

The Committee noted the report on the outcomes of its annual effectiveness review. It was pleased to note that this feedback was positive and the Committee members were satisfied with the operation of the Committee and the level of information and assurances it received from a range of sources. Both the Internal and External Auditors confirmed that they were satisfied with the operation and effectiveness of the Committee. One matter raised was the development and training provided to Board and Committee members. The Board did have a series of development sessions and encouraged members to attend other development sessions as appropriate. The Committee was also aware that each Board member had an annual review with the Chair of the Board where individual development and training needs were discussed.

The Committee approved the report and would report to the Board on this matter.

AM424 GOVERNANCE COMPLIANCE AND ROA OUTCOMES (AM347)

The Committee noted the report on governance compliance and Regional Outcome Agreement outcomes for 2018-19.

AM425 RISK MANAGEMENT (AM408)

The Director of Finance and Estates provided the Committee with an update on the changes made to the Strategic Risk Register in light of the recent review conducted by the SMT. It was noted that the SMT had been of the view that risk 15, which related to carbon management, could be removed from the risk register as the College had achieved its reduction target early, and this would be considered by the Estates Committee at its meeting the following week, along with the proposal to merge the two existing estates risks into one. It was also noted that another column would be added to the register to show the direction of travel of each risk, for example, whether the risk rating had increased, reduced or remained the same

since the previous report. The Committee was pleased to note that it was the intention to hold a session on developing a risk management appetite statement at the October 2019 meeting of the Board.

The Committee **approved** the revised Strategic Risk Register and had no further changes or additions to make to it.

AM426 NATIONAL FRAUD INITIATIVE 2018: UPDATE REPORT (AM372)

The Committee noted the report on the College engagement with the 2018 National Fraud Initiative (NFI) review. It was also noted that the information captured in this report was subject to External Audit review.

AM427 SCHEDULE OF BUSINESS 2018-19 (AM411)

The Committee noted its Schedule of Business 2018-19 and an indication of the potential business to be undertaken in session 2019-20.

AM428 DATES OF MEETINGS IN 2019-20

The Committee noted its proposed dates of meetings for session 2019-20 as follows:

- Thursday 5 September 2019*
- Tuesday 19 November 2019 – Joint meeting with Finance and General Purposes Committee
- Thursday 12 December 2019
- Thursday 12 March 2020
- Thursday 21 May 2020

The meetings to be held at 4.00 p.m. on the Paisley Campus.

It was noted that 5 September 2019 was not suitable for all members and so an alternative date would be explored for the next meeting. **[Action: GMcA]**

RESERVED BUSINESS

The following items are deemed to be restricted under the Freedom of Information Act as being commercially sensitive.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Audit Committee: Meeting of 23 May 2019

Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
23 May 2019	AM415.1 403	Fraud and Corruption Policy and Public Interest Disclosure (Whistleblowing) Policy to be brought to next meeting	D Alexander A Ritchie		September 2019 meeting
	AM417 402 383	Audit Assurance Framework Update – further progress report to be brought to next meeting	A Ritchie		September 2019 meeting
	AM419.1	Internal Audit Report: Student Experience – report to be forwarded to LTQ Committee	G McArthur	Forwarded to LTQ Committee for its November 2019 meeting	Complete
	AM419.2	Internal Audit Report: Safeguarding – report to be forwarded to Learning, Teaching and Quality Committee	G McArthur	Forwarded to LTQ Committee for its November 2019 meeting	Complete
	AM419.3	Internal Audit Report: Freedom of Information – consideration to be given to developing a training plan for staff in relation to FoI	L Connolly	Report on progress to be provided to next meeting	September 2019 meeting
	AM428	Dates of meetings in 2019-20 – date of September 2019 meeting to be changed	G McArthur	September meeting changed to Wednesday 4 September 2019 at 4.00 p.m.	Complete
	AM429	Annual Evaluation of Internal Auditors: consideration to be given to number of days required for internal audit service in future	D Alexander A Ritchie	To be considered as part of discussion regarding the contract renewal for internal and other audit services	Future meeting
		Actions from previous minutes			
14 March 2019	AM399 381	Other Audit Work – progress report to be brought to next meeting	A Ritchie	Contract for Other Audit Work awarded to Wylie & Bisset LLP for the academic year 2018-19.(AM430)	Complete
	AM406	Draft Internal Audit Plan 2019-20 – areas currently included in draft	J McMillan	Board was informed of areas in the Draft Internal Audit	Complete

		plan to be drawn to attention of Board; - SMT to consider draft plan and Final edition of Audit Plan to be brought to next meeting	D Alexander A Ritchie E Young	Plan at its meeting on 25 March 2019 Internal Audit Plan 2019-20 agreed at May meeting and reported to Board at its June meeting (AM422)	
	AM407 346.1	Annual Effectiveness Review of Audit Committee – questionnaires to be issued and report on feedback to be provided to next meeting	G McArthur	Questionnaires issued and feedback sought by 15 April Report provided to Committee at its May meeting (AM423)	Complete
	AM410	College Governance: Ministerial Statement – Committee to be kept informed of progress with changes	G McArthur		Future meeting
13 Dec 2018	AM385.1	Internal Audit Report: Internal Communications – i.Consideration to be given to scope and timing of an all staff internal communication survey.	i. L Connolly	Survey was issued in May 2019. Committee to be updated at next meeting	September 2019 meeting
	AM388.2 374	Development of Risk Management Framework – Board to consider the introduction of a formal risk management appetite statement	D Alexander A Ritchie G McArthur	Board will consider this matter further at a development session prior to its October 2019 meeting	October Board meeting
6 Sep 2018	AM363.2	Internal Audit Report: Workforce Planning – ODHR Committee to report back once all recommendations have been implemented (May 2019)	D Gunn G McArthur	ODHR Committee received progress report on actions arising from Internal Audit Report on Workforce Plan at its meeting on 15 May 2019 – Committee welcomed report and progress made and noted that actions would now be included in Rolling Audit Action Plan for monitoring (OM248.1)	May 2019

TITLE: **REMIT, MEMBERSHIP AND DATES OF MEETINGS**

Background: The Committee is invited to consider its remit, which is attached, and to consider whether any amendments are required. The remit was revised last session to take account of the need to develop an assurance framework.

The Committee is also invited to note its current membership and dates of meetings for 2019/20.

Action: The Committee is asked to consider and confirm that it is satisfied with its remit and to note its membership and dates of meetings in 2019/20.

Lead: Gwen McArthur, Secretary to the Committee

Status: Open

West College Scotland

Board of Management

Audit Committee

Statement of Purpose

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The role of the Audit Committee is to support the Board in its responsibilities of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the assurance needs of the Board, and by reviewing the reliability and integrity of these assurances through a process of constructive challenge.

1. Remit

.1 General

- To provide advice to the Board on the strategic processes for risk, control and governance;
- To develop and review the assurance framework and receive reports relating to it in order to provide the necessary assurances to the Board or determine any further action or assurances required;
- To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money);
- To advise the Board on the adequacy of the anti-fraud policy and processes, and on the whistle blowing process, and to receive an annual report on any matters raised through these processes;
- To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations;
- To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges;
- To consider the College's Annual Financial Statements at a joint meeting with the Finance and General Purposes Committee, and to recommend to the Board for approval;
- To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year;
- To report to the Board after each meeting;
- To review its own effectiveness at least annually and to report the results of that review to the Board.

.2 Internal Audit

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee;

- To advise the Board on the terms of reference for the Internal Auditors;
- To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters;
- To agree the Internal Audit Plan and review the Internal Audit Annual Report;
- To review the Internal Audit reports, the management response to them and to review implementation of the actions required;
- To review the Rolling Audit Action Plan at each meeting;
- To encourage appropriate liaison and co-ordination between internal and external audit;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors

.3 External Audit

- To receive information on the general terms and conditions of appointment of the External Auditors who are engaged by Audit Scotland to provide audit services to the College;
- To consider the External Auditors report on the Financial Statements and the management letter prior to submission to the Board, and to review the implementation of the recommendations;
- To review the Statement of Corporate Governance prior to finalisation and incorporation into the Financial Statements;
- To review the External Audit strategy and plan;
- To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;
- To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.

.4 Risk

- To review the Risk Management Strategy and recommend to the Board for approval;
- To consider the Strategic Risk Register and to advise the Board accordingly;
- To consider matters of risk at each meeting and to satisfy itself that risks are being managed, including seeking assurances from internal and external audit on the adequacy of their management, and to report to the Board.

.5 Other

- To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; and Hospitality/Gifts Registers;
- To request any member of the College staff to attend and/or to provide a written report on any matter that falls within the remit of the committee;
- To procure ad-hoc specialist advice at the expense of the College as appropriate and when necessary, subject to budgets being agreed by the Board.

2. Membership

Four Members, at least two of whom shall be members of the Board of Management, one of whom will Chair. The Chair of the Committee shall be a member of the Board of Management.

At least one member should have a background in finance, accounting or auditing but membership should not be drawn exclusively from people with such a background.

The Committee will **not** include any of the following as members:

- The Principal or other senior post holders

- The Chair of the Board of Management
- Members of the Finance and General Purposes Committee
- Connected parties such as the employee, partner, spouse or family member of the College's solicitors, bankers, auditors, insurers or other professional advisers.

Attending:

The Principal.
 Vice Principal Operations
 The Director of Finance and Estates
 The College's Internal Auditor.
 The College's External Auditor.

The Committee is empowered to invite other members of the Senior Management/Executive team to attend meetings of the Committee.

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee. Such members will normally be appointed for one year, will be subject to annual review, and may be re-appointed annually up to a maximum of 8 years.

Chairs of other Committees, other than the Chair of the Board of Management, can attend the meetings, with the approval of the Chair of the Audit Committee.

Committee members will be appointed to serve a four- year term, or for the period of their term of office.

Committee members may sit privately without any non-members present for all or part of a meeting if appropriate.

Committee members will meet with the Internal and External Auditors without the Executive Team present at least annually.

External and Internal Auditors will have the right to unrestricted and confidential access to Chair of the Audit Committee.

3. Frequency of Meetings

The committee will meet at least four times per year and will also hold an annual joint meeting with the Finance and General Purposes Committee to consider the Financial Statements. Additional meetings will be convened as necessary.

4 Quorum

A quorum will be two Members of the Committee, one of whom must be a member of the Board.

5 Secretariat

Secretary to the Board of Management

Papers for meetings will be sent out 7 days in advance of the meeting

The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

6 Review

The Remit will be subject to review annually.

Approved by Board – 4 February 2019

MEMBERSHIP 2019/20

	Date Appointed	Re-appointed	End date
Membership			
John McMillan (Chair)	1.02.15	1.02.17	31.01.21
Andrew Hetherington	1.02.15	1.02.17	31.01.21
Graeme Bold (Co-opted)	1.07.17	1.07.19	30.06.20
Wai Wong (Co-opted)	1.03.19		29.02.20

Attending Officers

Principal

David Alexander, Vice Principal Operations

Alan Ritchie, Director of Finance and Estates

Gwen McArthur, Secretary

Internal Auditor – Elizabeth Young & Claire Beattie, Scott Moncrieff

External Auditor – Lucy Nutley & Joanne Buchanan, Mazars

DATES OF MEETINGS 2019/20

Wednesday 4 September 2019

Tuesday 19 November 2019

Thursday 12 December 2019

Thursday 12 March 2020

Thursday 21 May 2020

All meetings to start at 4.00 p.m. (unless otherwise stated) and will be held on the Paisley Campus.

GMcA/26.08.19

TITLE: MONITORING OF REGIONAL OUTCOME AGREEMENT OBJECTIVES

Background: The Board of Management have agreed that each sub-Committee should monitor progress on areas of the Regional Outcome Agreement (ROA) for which they have responsibility and provide a report to the Board of Management.

Action: The Audit Committee is asked to:

- note the background information provided in relation to the Regional Outcome Agreement process;
- note the key objectives of the West College Scotland Regional Outcome Agreement; which covers the period to 31 July 2020; and
- consider and agree the processes in place to enable monitoring of required ROA outcomes and to support provision of the required report to the Board of Management.

Lead: David Alexander, Vice Principal Operations

Status: Open

Monitoring of Regional Outcome Agreement Objectives

1.0 Background

1.1 Regional Outcome Agreements (ROAs) were introduced in 2012-13. They are intended to enable the Scottish Funding Council (SFC) to demonstrate the impact of the sector and its contribution in meeting:

- Scottish Government priorities as set out in the Scottish Economic Strategy; and
- The Scottish Government programme as detailed within the document 'A Nation with Ambition: The Government's Programme for Scotland'.

ROAs are also required by the Financial Memorandum as a term of SFC grant and are intended to build better relationships between the SFC, colleges and key stakeholders to support:

- Increased accountability and confidence in the distribution of resources, ensuring that resources are targeted where there is greater need; and
- Continuous improvement, to maximise the impact on the learner, the employer and the economy.

1.2 The Outcome Agreement process is intended to enable:

- Engagement, to ensure SFC decisions account for the context within which colleges operate, so that SFC can differentiate its approach where appropriate.
- Curriculum and investment planning based on economic, industry, labour market and demographic evidence.
- Consistent methods of operating, to ensure that a fair interpretation of college impact is made, and to enable the SFC to interpret impact consistently at a regional and national level.
- A means by which college regions can discuss with SFC their broader aspirations.

1.3 Ultimately the Outcome Agreement is seen by the SFC to be a joint funding commitment, in which each college sets out:

- The regional context within which the college operates
- Outcomes and outputs a college region will deliver in response to Scottish Government priorities. In most instances these outcomes/outputs correspond to national performance measures, and include reference to a baseline position, current progress and a future ambition or target.

- 1.4 The current College ROA was finalised following the SFC 2019-20 final funding announcement on 17 May 2019 and covers the period until 31 July 2020. The ROA was confirmed as agreed by the SFC on 29 July 2019.

2.0 Monitoring of Regional Outcome Agreement Objectives

- 2.1 The objective of the West College Scotland ROA is to deliver the SFC national priority of:

‘High quality learning and teaching - an outstanding system of learning that is accessible and diverse, where students progress successfully with the ability, ideas and ambition to make a difference.’

The main outcomes required by SFC in support of this priority are:

- Access – a more equal society because learning is accessible and diverse, attracting and providing more equal opportunities for people of all ages, and from all communities and backgrounds.
 - Quality – an outstanding system of learning where all students are progressing successfully and benefitting from a world-class learning experience, in the hands of expert lecturers delivered in modern facilities.
 - Skills and Employability – a more successful economy and society with well prepared and skilled students progressing into jobs with the ability, ideas and ambition to make a difference.
 - High Performing Institutions – a coherent system of high performing, sustainable institutions with modern, transparent and accountable governance arrangements. To ensure students are qualified and prepared for work and to improve and adapt the skills of the region’s workforce.
 - Innovation – greater innovation in the economy – a national culture of enterprise and innovation, leading to a more productive and sustainable economy.
- 2.2 Under the outcomes associated with *High Performing Institutions* colleges are required to comply with the terms of the Financial Memorandum with SFC, and to meet the principles of good governance as set out in the Code of Good Governance.
- 2.3 The remit of the Audit Committee includes a requirement to *‘ensure compliance with corporate governance requirements.’* The Board of Management has agreed that each Board sub-Committee should monitor progress on areas of the Regional Outcome Agreement it is responsible for and provide a final report to the Board.

2.4 The Audit Committee is therefore invited to consider the processes in place to monitor progress against this outcome and support provision of the agreed report to the Board of Management. In considering this matter the Audit Committee may wish to note that the following matters are included within the Schedule of Business (*Agenda Item 21*) for 2019-20:

- Annual report from the external auditors, Mazars;
- Annual report from the internal auditors, Scott Moncrieff;
- A report on the effectiveness of the external auditors, Mazars;
- A report on the effectiveness of the internal auditors, Scott Moncrieff;
- A report on the annual Corporate Governance Statement;
- Review of Anti-Fraud and Corruption Procedures;
- Review of Public Interest Disclosure Policy/Procedures;
- Review at each meeting of the College Strategic Risk Register; and
- Annual review on compliance with the Code of Good Governance, SFC Financial Memorandum, Scottish Public Finance Manual and ROA outcomes.

3.0 Conclusion

3.1 The Audit Committee is asked to:

- note the background information provided in relation to the ROA process;
- note the key objectives of the West College Scotland Regional Outcome Agreement; which covers the period to 31 July 2020; and
- consider and agree the processes in place to enable Audit Committee monitoring of required ROA outcomes and to support provision of the required report to the Board of Management.

TITLE: VALUE FOR MONEY POLICY REPORT

Background: The Audit Committee remit includes the requirement to:

'To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money).'

In fulfilling this part of the Committee remit the College requires to have in place and review a Value for Money Policy. This policy was reviewed and approved by the Committee in September 2018 and is based on current best practice. It provides guidance to College staff and highlights the necessity for publicly funded bodies to demonstrate that their decision making, and service provision represents and delivers Value for Money.

This report has been prepared to assist the Audit Committee in formulating its conclusions in respect of the College's arrangements for securing value for money.

Action: The Audit Committee is requested to consider this report and the steps taken by the College to secure value for money during 2018-19.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1 Introduction

1.1 The Audit Committee remit includes the requirement to:

'To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money).'

1.2 The College's Value for Money Policy was approved in September 2018 and contains the following objectives:

- Integrate and enable the adoption of VFM principles within existing management, planning and review processes;
- Adopt recognised good practice where this makes good sense;
- Ensure that, mainly through the internal audit process, VFM studies are conducted on areas of activity identified as worthy of review;
- Provide the framework to review the College's activities against other similar activities and organisations where this is considered useful;
- Provide the opportunity to enhance the economy, efficiency and effectiveness of activities;
- Promote a culture of continuous improvement;
- Ensure that financial savings for the College will be achieved without compromising any aspect towards the quality of service delivery;
- Provide evidence to both internal and external observers, that the achievement of VFM is sought in all activities undertaken; and
- Communicate to staff the recognition of their continuing obligation to seek VFM for the College as part of their routine activities.

This report has been prepared for the Audit Committee to assist it in formulating conclusions in respect of the College's arrangements for securing value for money during 2018-19.

2 Value for Money Indicators

Teaching - Student Survey

2.1 Apart from grant income from the Scottish Funding Council, student fees represent the single largest source of income to the College. In 2018-19 income from student fees was £6.6m (11% of income). The 2018-19 national Student Survey is an important indicator of students' perceptions of the value for money offered by the College. In the 2018-19 survey 95% (2017-18: 94%) of students who took part satisfied with their learning experience at West College Scotland.

2.2 Across a broad range of areas, the students provided positive feedback with high numbers of respondents agreeing or strongly agreeing. Noted below is a summary of the areas where the College received a satisfaction rate of 90% or above:

- The student survey showed a high satisfaction rate with information and guidance received before starting their course. It also highlighted that students felt the application process was simple and straightforward to use.
- The survey reflected that students are satisfied their timetabled classes fit around their personal commitments.
- Students illustrated a very high satisfaction rate with their learning experience and course content.
- The survey established that a high percentage of students felt overall their WCS learning experience had been a positive one
- The college asked Education Scotland to undertake reviews of learning and teaching and observations across a wide range of curriculum areas and across all campuses. The outcome of this process reported that students are content with their learning experience at the College and are well supported towards achieving their qualification aim.

2.3 The College internal 2018-19 student surveys monitors satisfaction trends for the student funding application process. When asked the question '*Is Applying for funding to support (my) studies was straightforward*' the students showed a positive response rate of 73%, compared with 67% in the previous year. The College received only one complaint last session, representing a declining trend, concerning the student funding application process; compared, for example, to 18 complaints in session 2015-2016.

2.4 Although there is no direct question in relation to fees contained with the student survey the above results indicate that students who attended College felt that the learning experience and supporting services were of a high standard and by implication, they were receiving value for money.

Business Transformation Plan 'Future Proofing our College'

2.5 During 2017-18 the College developed and agreed with the SFC a business transformation plan which was designed to assist the College address the financial challenges it faces in the future. The financial forecast for the next 5 years indicates that savings [REDACTED] will be required in order to ensure that the College is a sustainable organisation. The transformation plan incorporated several projects which will address both the effectiveness and efficiency of how the College delivers its services. In delivering these projects the objective of providing value for money from the public funds provided to the College is at their core. The projects cover a wide range of

activities and are monitored at various Committees, a summary of some of the key activities undertaken during 2018-19 are noted below:

- Workforce planning, realignment and reshaping, with voluntary severance being a key element of this.
 - During 2018-19 the College has undertaken a significant voluntary severance programme which has resulted in 29.2 FTE members of staff leaving the College by 31 July 2019. The College will continue to deliver the same level of SFC activity in the coming year which means a more effective mode of delivery has been established.
 - The College has an approved Workforce Development Plan in place which is designed to assist with transforming the current workforce into what is required to deliver both the future curriculum and support services. The implementation of this plan is monitored by the Organisational Development and OD Committee.
- Realising further efficiencies via improved productivity.
 - The College has continued to target the level of temporary staffing utilised for the delivery of teaching. A key emphasis for the 2018-19 staff budget was the reduction in temporary staffing which resulted in a reduction of 4 FTE from the 2017-18 budget level.
- Continuing to refine and reshape the delivery models for core learning and support activity.
 - Teaching staff savings were achieved through removing more inefficient course provision and amending the College portfolio to introduce shorter and more part-time courses. In addition, a stronger focus on collaborative curriculum delivery enabled a greater level of cross-campus working by permanent staff in overstaffed areas.
 - Through staff realignment, at no additional salary cost, a new post of Student Wellbeing Advisor was created to support the Mental Health agenda and provide out of class support to help retain students in the college.
- Improved use and disposal of current property assets
 - The College has taken steps during 2018-19 to further rationalise its estate costs including:
 - Demolition of 2 redundant properties at the Paisley campus;
 - Demolition and transfer of teaching activities from Barshaw building to other locations at the Paisley campus;
 - Sale of residential property in Clydebank; and

- Implementation of plan to transfer activities from New Street in Paisley to Renfrew Road campus during 2019-20.
- The above actions will result in lower estate costs in the coming years.
- The College has continued to undertake teaching space utilisation surveys twice a year and the College Heads of Department have utilised this data at Paisley to review and improve upon the timetabling of classes for 2019-20.

2.6 A key aspect of the delivery of these projects is that they:

- Promote a culture of continuous improvement; and
- Ensuring that financial savings for the College will be achieved without compromising any aspect towards the quality of service delivery.

Business Process Improvements

2.7 During 2018-19 several business process improvements have been undertaken by the College. The key strategic projects for the year included the following:

Student Journey Project

2.7 The Student Journey project the aim of which was to improve the overall student experience from the first-time students contact the College to when they leave the College. A significant part of this project was the implementation of the 'myday' portal for the students starting with the College for the 2019-20 year. 'myday' is a customised dashboard that collects, displays and pushes information from several College IT systems including attendance, course, student advice, funding and online learning information. It will allow learners to access the information they need to make a success of their learning, whilst enjoying a simple app-like experience from the device of their choice. It is hoped that the design and practical use of the 'myday' portal will increase student participation leading to improved retention with a reduction in IT and administrative costs in future years.

The College has also introduced 'SilverCloud' Health tool for academic year 2019-20. 'SilverCloud' will provide accessible, scalable, digital behavioural healthcare for all our students to access online 24hrs a day 365 days of the year. This will provide first line support in areas such as anxiety, depressions, stress and resilience. It is hoped the introduction of the online service will reduce the waiting list for our counselling team, leading to improved health for our students increasing both retention and attainment.

Procurement

- 2.8 The creation and development of effective procurement practices has continued during 2018-19 through the embedding of the Procurement Team within the College operations. The College continues to report on the implementation of its Procurement Strategy on an annual basis to the Finance and General Purposes Committee.
- 2.9 Procurement activity has provided strong value for money to the College over the year. Tenders were undertaken for 44 (2017-18: 47) contracts and framework agreements on behalf of the College [REDACTED]. Advanced Procurement for Universities and Colleges (APUC) anticipates a saving of circa 5% to be realised from these contracts based on the returns generated from 2017-18 activities. A focus on using collaborative procurement agreements has resulted in the College reporting a collaborative procurement spend of 40% (2017-18: 34%).
- 2.10 During 2018-19 the College has undertaken several significant procurement exercises which have delivered not only cost savings but other non-financial benefits, including:
- Waste Management Services
 - [REDACTED]
 - Community benefits received as part of the tender submissions included employability events, waste awareness training sessions for staff and students, sponsorship of future College events
 - Consolidated service provision
 - Sportswear Provision
 - [REDACTED]
 - Community benefits received as part of the tender submissions included employability events, training sessions for staff and students, work experience placements
 - Transport Services
 - [REDACTED]
[REDACTED]
 - Community benefits received as part of the tender submissions included work experience placements and sponsorship of future College events
 - Consolidated regional suppliers and greater flexibility of service to College students
 - The Supply of Library Books
 - [REDACTED]
 - support for e-procurement and PECOS systems
 - The Provision of Insurance and Insurance Services
 - [REDACTED]

Business Continuity

- 2.11 As well as cost reduction, good management focuses on cost avoidance through risk management, as risks which are not recognised and mitigated could cause disruption and resultant financial and reputational cost. Such significant areas of risk include damage caused by extreme weather and emergencies which cause business interruption e.g. loss of power, flood, fire, terrorism.
- 2.12 During 2018-19 the College has formalised not only its Business Continuity Policy but departmental business continuity plans. This process has resulted in a cloud-based store of plans and other relevant information which is accessible by all relevant staff. The development work has been assisted by staff from Zurich Municipal who have conducted several scenario planning sessions with key staff. This will allow the College to mitigate the impact of any significant business critical events.

Risk Management

- 2.13 In addition to comprehensive business continuity arrangements being in place, the College also has a well-developed Risk Management Strategy. The Strategy has been reviewed by the Board of Management during the year. The evaluation and mitigation of risks faced by the College influence the delivery of value for money by allocating resources to either address the risks face or to mitigate their impacts.
- 2.14 The top five risks currently recorded on the Strategic Risk Register are:
- Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.
 - Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements
 - Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.
 - Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.
 - Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.

- 2.15 The College reviews the Strategic Risk Register on a quarterly basis and assigns resources to address the identified risks as required. Demonstrating the cost effectiveness of risk management is difficult without the occurrence of a major incident. However, in reviewing value for money, the impact of effective risk management / business continuity requires to be considered as a key factor in reducing / minimising future costs. One area where this is shown is regarding the premiums charged for insurance where poor risk management will result in increased premiums.

Estate Management

- 2.16 The College operational estates services are provided by in-house staff and are supported by specialist external advice and support where required. Several operational areas continued to be reviewed during the year to ensure the most effective use of limited College resources were achieved, including:

Energy Costs

The College faces major increases in its energy costs with prices expected to rise by 10% in the coming year. Through the Sustainability Group and working with the Estate Team steps have been taken to reduce the energy consumed as well as continuing to seek best value for deals in purchasing. The actions taken are reported to the Estate Committee on a regular basis including the annual carbon management report which shows how the College is addressing the challenge of climate change.

Waste Management

This again is an area where there are increasing costs. The College has now appointed a single contract to deliver waste management services across the College. During the implementation phase of the contract the contractor will be undertaken a College wide waste audit to determine the waste composition generated by the College. The results of this review is intended to identify other recyclable material which could be removed from the waste stream and save the College money included cardboard, plastic bottles and bags, drinks cans and a large amount of food waste. The results of this work will be reported to the Estate Committee.

IT Infrastructure and Service Delivery

- 2.17 The funding available to develop the College IT infrastructure is limited. However, the IT directorate has focused spending and staff resource across several activities during the year aimed at delivering improved value for money through the services it delivers.
- 2.18 The main outcomes are:
- Completed all actions, including securing Cyber Essentials Plus accreditation for the College, under the Scottish Government's Public Sector Action Plan on Cyber Resilience providing security assurance to users and funders.

- Progressed the user roll-out of Skype for Business, providing staff with enhanced communication and collaborations tools and reducing the need for site-to-site travel.
- Procurement of a new service provider and consolidated and migrated legacy telephone services to more up-to-date and economic services reducing annual expenditure and improving service resilience.
- Further deployed Windows 10 / Office365 desktop software to teaching and support locations, improving software access and taking advantages of the economies of CAMPUS licencing.
- Identified performance management and data analytic software packages (Pentana / PowerBI) for procurement, that will, going forward, help improve the way the College captures performance and distributes information.

Internal Audit

- 2.18 All internal audit work seeks to provide positive assurance to management that the reviewed policies and procedures are complied with, and controls are in place and operate effectively, that risks are adequately mitigated and value for money is achieved, whether this is the consideration of economy – such as compliance with purchasing and tendering procedures - or efficiency and effectiveness. The strategic and annual internal audit plans were therefore designed to provide the Audit Committee with assurance that the College's internal control system is effective in managing the key risks and best value is being achieved.
- 2.19 The following internal audits were undertaken during 2018-19 and the outcomes reported to the Audit Committee:
- Procurement and Tendering
 - Workforce Planning
 - Internal Communications
 - Financial Planning and Monitoring
 - Fraud Prevention
 - Student Experience
 - Safeguarding
 - Freedom of Information
- 2.20 The internal auditor opinion for 2018-19 was that the College had a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.
- 2.21 As a result of the effective operation of internal controls and efficient achievement of the objectives, best value is achieved.

3 Strengthening our Approach

- 3.1 During 2018-19 the College has continued to focus on value for money across all areas and activities, and an outline of key initiatives is provided above.
- 3.2 The Senior Management Team has executive responsibility for consideration of value for money issues. Overall, it is probably fair to say that, whilst the College Policy is to embed value for money, it is probably not as well rooted as risk management. There are several possible reasons for this. One problem is that value for money can be interpreted in a wide range of ways and can become rather bland. The College needs further embed and promote value for money considerations as part of the College's ongoing business activity.
- 3.3 The College intends establishing in the early part of 2019-20 a working group to assist the Director of Finance and Estates on embedding value for money across the College. The group objectives will include:
- To improve the profile of value for money considerations across the College;
 - Develop a reporting format that provides concise information in a timely fashion;
 - Identify a limited number of areas for review during the year to effect value for money changes; and
 - Develop best practice guidance for College staff regarding value for money.
- 3.2 The Audit Committee is requested to consider this report and the steps taken by the College to secure Value for Money during 2018-19.

TITLE: REVIEW OF FRAUD AND CORRUPTION POLICY AND DISCLOSURE POLICY

Background: Following discussion in relation to the frauds perpetrated on the College during 2018-19, it was agreed the Committee would review the College Fraud and Corruption Policy and the Public Interest Disclosure Policy (Whistleblowing) and Procedure.

Action: The Audit Committee is requested to consider and approve the:

- Public Interest Disclosure Policy (Whistleblowing) and Procedure; and
- Fraud and Corruption Policy

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Background

- 1.1 Following consideration of two frauds perpetrated on the College during 2018-19, it was agreed the Audit Committee would review the College Fraud and Corruption Policy and the Public Interest Disclosure Policy and Procedure during September 2019 rather than wait to review these documents in 2020. Updated versions of these Policy documents are therefore provided with this covering paper and a summary of the main amendments that are proposed outlined below.

2. Public Interest Disclosure Policy and Procedure (Whistleblowing)

- 2.1 The Public Interest Disclosure Policy and Procedure was approved by the College Audit and OD and HR Committees in September 2017. This Policy document has now been reviewed and an updated version is enclosed, containing tracked changes for consideration. The College legal advisors have reviewed the Policy to ensure it is up to date and reflects best practice. The main updates/proposed changes related to the reporting lines for staff and Board members.

A tracked change version of the Policy is attached at Appendix A for consideration by the Committee. It should be noted that any changes proposed will also require to be considered by the Board OD and HR Committee given the responsibility for oversight of this Policy document is with the Director of Organisational Development and Human Resources.

3. Fraud and Corruption Policy

- 3.1 The College Fraud and Corruption Policy was the subject of an internal audit review during 2018-19. The Audit Committee received a report on this review at the May 2019 meeting which concluded that:

'The College has robust processes in place for preventing and responding to suspected fraud. The College Fraud and Corruption Policy clearly articulates the College's position, the responsibilities of staff and the process for reporting and investigating suspected cases.'

- 3.2 The internal audit report also contained two minor recommendations and the Policy has been updated (see Section 11) to take account of these – which were as follows:

- Management should annually review fraud risks relevant to their area of operations and confirm they are being adequately controlled; and
- Provide specific training on counter fraud activity to relevant staff identified as at high risk to raise staff awareness of counter fraud processes

The College legal advisors have reviewed the Policy to ensure it is up to date and reflects best practice. A tracked change version of the Policy is attached at Appendix B for consideration by the Audit Committee.

4. Conclusion

4.1 The Audit Committee is requested to consider and approve the:

- Public Interest Disclosure Policy (Whistleblowing); and
- Procedure Fraud and Corruption Policy

TITLE: AUDIT ASSURANCE UPDATE

Background: The Scottish Government issued a revised Audit and Assurance Committee Handbook in April 2018 to replace the previous Audit Committee Handbook published in July 2008. One of the new requirements contained within the updated handbook was for organisations to *‘Develop an assurance framework and consider whether there are gaps or duplication in the assurance that the Committee are receiving.’* In order to address this requirement, the College has been working with Scott Moncrieff to develop an assurance framework and map.

The purpose of this report is to update the Committee on the actions the College has taken and intends to take, in conjunction with Scott Moncrieff, to address the requirements to implement the audit assurance framework.

Action: The Audit Committee is requested to note the content of the report, the work undertaken to date and the actions being taken by the College to address the requirements of the revised Audit and Assurance Committee Handbook.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1 Introduction

1.1 The College has been utilising the following definitions to define what it understands the process of assurance mapping involves:

- **Assurance** is defined by the Chartered Institute of Internal Auditors as “...an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.”
- An **assurance framework** is defined by HM Treasury as “a structured means of identifying and mapping the main sources of assurance in an organisation, and co-ordinating them to best effect.”
- **Assurance mapping** is defined HM Treasury as “a mechanism for linking assurances from various sources to the risks that threaten the achievement of an organisation’s outcomes and objectives. They can be at various levels, dependent upon the scope of the mapping”.

1.2 As the College develops over time, so to do the assurances provided through information about performance, assurances about the accuracy and relevance of that information and information about the effectiveness of procedures, processes, risk management and controls.

1.3 Normally for an organisation like the College, assurances can come from several sources and can be categorised into three types or ‘lines of defence’:

- First line of defence
 - procedures and controls directly undertaken by staff and managers for their areas of responsibility in the College through the normal course of business and management reporting
 - through the execution of internal controls and the upward reporting of those controls
 - quality systems administered by line management embedded in day-to-day operations
- Second line of defence
 - reviews and checks by management including management review functions
 - review by managers from other areas of the business, such as spot checks conducted by another function
 - independent quality assurance or quality control mechanisms and functions

- Third line of defence
 - review by internal audit
 - review by independent bodies such as external regulators or interested parties
 - one off reviews commissioned by senior management or the Board of Management
 - external audit through the statutory financial audit

1.4 While the third line of defence is a stream of assurance activity, apart from the work of internal audit, it is preferable to obtain the assurance from the first and second line of defence. This will avoid the College relying on indirect assurance or otherwise from other external stakeholders and third parties, such as the SFC or government departments or regulators. The college should aim to be sufficiently robust in its first and second line of defence together with its internal audit regime.

1.5 The purpose of developing an assurance map is to understand the control, governance and management oversight environment operating within the College. If the assurances are strong, then it is likely that the College's senior management and the Board of Management could:

- reasonably rely on the information provided to it about the performance of its core functional areas;
- that the 'delivery' systems are working to ensure that the same, if not better performance can continue, and
- the risks to achieving business objectives are reasonably mitigated.

1.6 The Colleges primary objective is to map the six identified assurance activities:

- 1) Student Experience
- 2) Income
- 3) Information Technology
- 4) Corporate
- 5) People
- 6) Finance

and to identify any gaps in assurances and recommend how any of these gaps might be closed.

1.7 The aim was to provide a high-level assurance map and to provide an overview of the key assurance mechanisms in place.

2 Student Experience Assurance Map

- 2.1 This was the first area of assurance to be mapped and is intended to provide an indication of the direction of travel to be taken by the College for the remaining 5 areas to be mapped.
- 2.2 A short life working group was established consisting of members of the Senior Management Team support by staff from Scott Moncrieff. The initial Student Experience Assurance Map is attached at Appendix A for reference.
- 2.3 The group initially defined the assurance areas based on the College internal audit universe. This process looked to identify the main areas where assurance was understood to be required in relation to the student experience given the operation of the College. The assurance areas can be found at page 2 of Appendix A and these were refined and confirmed over course of the group meetings.
- 2.4 With the assurance areas of the map having been defined, the group then turned to collating a list of the assurance activities undertaken by the College as identified from review of the internal audit plans from August 2016 onwards and the output of several staff meetings. The exercise identified the
- Provider of the assurance
 - Scope of the assurance activity
 - Relevant line of defence
- 2.5 The assurance providers and the scope of the assurance they provided was refined over several meetings to arrive at the comprehensive list on page 3 of Appendix A.
- 2.6 Once the assurance providers and scopes had been identified an exercise was undertaken to quality assess the identified assurance activities. This involved the group using a 4-point scale, from very low to very high, to score each assurance activities across four categories:
- The scope of the assurance activity;
 - The expertise of the assurance provider;
 - The frequency of the assurance; and
 - Their independence from the College.
- 2.7 These scores were then combined to produce an overall grade which can be found on pages 4 and 5 of Appendix A.

Low	>0	<8
Medium	>=8	<=12
High	>12	<=50

- 2.8 A low grading does not necessarily represent an area of concern as it requires to be taken in the context of the availability of other assurance providers. However, several low gradings across an area identified as being relevant to the Student Experience, as identified on page 2, may indicate an area for further review. This review could look for further evidence of assurance activities to strength the assurance provided in that area.
- 2.9 The initial grading was carried out by the working group and then reviewed by Scott Moncrieff. This allowed an independent review of the College process and scoring to be carried out.
- 2.10 The group then reviewed the assurance providers against the assurance areas identified at the initial stage of the process. Page 6 of the appendix provides users with a pictorial representation of the assurances provided against each assurance area. An initial review of the level of coverage against each assurance area indicates that all areas have some degree of coverage.
- 2.11 The final stage of the initial process was to map the grades and scores against each of the assurance areas and the results of this exercise can be found on page 6. This provides users with an indication of the assurance coverage provided against each of the identified areas and an early indication of the strength of that assurance.
- 2.12 As can be seen all the agreed areas have some form of assurance present. There are no weak areas, and in some instances, there are multiple assurances provided.
- 2.13 Both the internal working group and Scott Moncrieff have reviewed the output of this initial exercise and agree that it fairly represents the assurances provided in the area of Student Experience.

3. Next Steps

- 3.1 Following the completion of this initial exercise there are several areas where the working group would look to take forward actions to further improve the assurance framework within which it operates, for example the use of surveys as a method of assurance needs to understood more widely, dissemination of performance reports to a wider audience to ensure actions are taken in a timely manner.
- 3.2 The Student Experience assurance map will now be summarised into the College overall assurance map along with the creation of an action plan for implementation over the course of 2019-20.

- 3.3 This initial assurance map will now be used as the basis for the five remaining areas with a short life working group established for each one. One factor to note is the time commitment required in order to deliver the individual assurance maps.
- 3.4 For the next Audit Committee meeting it is intended to complete the income and to have started the information technology mapping exercise. This will allow the Committee to review a draft overall College assurance map and to comment further on the output from the assurance mapping exercise.
- 3.5 The Audit Committee is requested to note the content of the report, the work undertaken to date and the actions being taken by the College to address the requirements of the revised Audit and Assurance Committee Handbook.

TITLE	ROLLING AUDIT ACTION PLAN
Background	<p>The purpose of this report is to update the Audit Committee on the status of the recommendations made by both the internal and external auditors from:</p> <ul style="list-style-type: none">a) internal audit reports received and approved by the Committee; andb) external auditor management letter recommendations received as part of the year end reports made to the Joint Audit / Finance and General Purposes Committee.
Action	The Audit Committee is requested to approve the Rolling Audit Action Plan.
Lead	Alan Ritchie, Director of Finance and Estates
Status	Open

1. Introduction

- 1.1 Appendix A provides an update on the progress made by the College in addressing the internal audit recommendations.

2. Summary of Recommendations

- 2.1 The tables below summarise the movement in relation to the audit recommendations since the last Committee meeting:

Total Number of Recommendations	Internal Audit	External Audit	Total
Total brought forward recommendations	8	0	8
Removed as agreed at previous Audit Committee	0	0	0
Added to the RAAP from prior Committee meeting:			
Student Experience	7	0	7
Safeguarding	3	0	3
Freedom of Information	2	0	2
Total recommendations as per RAAP	20	0	20

Status of Recommendations	RAAP	
Partially complete (Not yet due)	2	10%
Partially implemented (Due for completion – extension requested)	6	30%
Complete pending external auditor review	0	0%
Complete pending validation by internal audit	12	60%
Not implemented	0	0%
Sub total	20	100%
Not yet due	0	0%
Recommend for removal following audit review	0	0%
Total	20	100%

3. Commentary on Recommendations

External Audit

- 3.1 No recommendations arose from the external auditors work in relation to the financial statements for the year ended 31 July 2018.

Internal Audit

3.2 The College is requesting an extension of time in relation to:

- Recommendation (6) - Fraud Prevention from 31/7/19 to 30/11/19
 - This is to allow the required training to take place in the first part of 2019-20 including finance, payroll and other key staff. An initial training session has been arranged for September with a subsequent one planned for November 2019, which will allow the College to have provided refresher training to key finance and payroll staff.
- Recommendation (9) - Freedom of Information from 31/7/19 to 31/8/19
 - The distribution of the staff awareness information was delayed to the start of term to ensure all staff received the information.
- Recommendation (10) – Freedom of Information from 31/7/19 to 30/11/19
 - Training had been booked for key staff but was cancelled by the provider due to lack of numbers. This has been rescheduled for October 2019. Extension requested to end of November to allow for further course cancellations.
- Recommendation (13) – Safeguarding from 31/7/19 to 30/11/19
 - The recommendation requires to be discussed at the Learning Teaching and Quality Committee which is next scheduled to meeting in early November.
- Recommendation (18) – Student Experience from 30/6/19 to 30/9/19
 - The extension in time has been requested to allow the Student Experience team to engage with the new cohort of students who have just started their studies.
- Recommendation (20) – Student Experience from 30/6/19 to 31/10/19
 - The report on student representation requires to be considered by the College Educational Leadership Team based on work to be carried out at the start of the 2019-20 term. The extension has been requested to allow this work to be undertaken.

3.3 The internal audit team are schedule to review the actions taken to address the RAAP in October and will report their findings to the December Audit Committee meeting. It is anticipated that the 13 fully completed recommendations will be removed at this point.

4. Conclusion

4.1 The College continues to proactively address the recommendations made by the internal auditors. The Audit Committee is requested to approve the Rolling Audit Action Plan.

TITLE: ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES 2018-19

Background: The SFC issue mandatory guidance for the preparation of the annual report and accounts each year. This paper provides the Audit Committee with an overview of the detailed requirements for the 2018-19 financial year.

Action: The Audit Committee is requested to note the content of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1 Accounts Direction

- 1.1 The SFC issue mandatory guidance for the preparation of the annual report and accounts each year. On 5 July 2019 the Scottish Funding Council (SFC) issued specific guidance to colleges for the 2018-19 year-end. Page 2 of the guidance sets out the requirements for the preparation of the annual report and accounts along with the deadline for submission of 31 December 2019. Two copies of the College annual report and accounts also require to be sent to the Auditor General for Scotland by 31 December 2019.

2 Changes to Reporting Requirements

- 2.1 A summary of the Accounts Direction requirements and the full SFC circular (Appendix A and B) which includes all changes in reporting requirements is enclosed with this report.
- 2.2 The SFC Accounts Direction guidance advises of a new Statements of Recommended Practice (SORP) which must be adopted for accounting periods beginning on or after 1 January 2019. In line with the FE sector West College Scotland will comply with the new SORP requirement for the reporting year 1 August 2019 to 31 July 2020 and restate the 2018-19 comparative figures as appropriate. The SORP is intended to
- improve the quality of financial reporting by institutions;
 - enhance the relevance and comparability of, and the ability to understand, the information presented in institutions' financial statements;
 - provide clarification, explanation and interpretation of accounting standards and their application to sector-specific transactions; and
 - assist those who are responsible for the preparation of financial statements.

The Committee will be kept apprised of the implications of the new SORP during 2019-20.

- 2.3 The following sections outline the key points arising from the 2018-19 SFC Accounts Direction guidance.

a) Performance Report

- 2.4 In line with prior years the College is required to include a Performance Report in the annual report and accounts. This report provides information on the College, its main objectives and strategies and the principal risks that it faces in a fair, balanced and understandable way. The report contains an overview and performance analysis and requires to be signed by the College Principal.
- 2.5 The College continues to be required to include a summary of its estate management strategy in this section.

b) Adjusted Operating Position

- 2.6 In 2018-19 this was referred to as the Underlying Operating Position and is intended to reflect the underlying financial operating performance of the College after allowing for material one-off or distorting items required by the SORP or other items out with the control of the College – such as loss on disposal of assets, depreciation, impact of annual pension valuations.
- 2.7 The College intends utilising the proposed template and commentary wording, as laid out in Appendix 7 of the Accounts Direction, to present the Adjusted Operating Position (AOP); this template does not differ from how the underlying operating position has been calculated in previous years.
- 2.8 SFC have requested that all colleges submit their AOP note, along with their draft accounts, to the SFC for review prior to the College formally approving the Financial Statements. This is a new process to allow the SFC to ensure consistency of approach and presentation across the sector. The College does not anticipate this will cause any issues and discussions are continuing with the SFC around the timing of the requested submission.

d) Resource Return

- 2.9 The SFC now compile the College resource return statistics from other information supplied during the year, primarily the cash flow analysis. With this development the College is no longer required to compile an annual resource return to 31 March each year. Within the accounts there is no longer a requirement for the College to present data in relation to the fiscal year resource position.

e) Remuneration and Staff Report

- 2.10 The Accounts Direction document specifically requires that Colleges account for the full harmonisation cost of national bargaining support and middle management staff job evaluation and the associated SFC grant in 2018-19. The figures to be used for this should be based on the Colleges Scotland's February 2019 costings spreadsheet. The College is currently in discussion with the external auditors on how this requirement is to be processed through the Financial Statements. Currently the Colleges Scotland calculated figure is a set percentage of the College payroll at a point in time and there is a degree of uncertainty around the timing and quantum of the adjustment. Further guidance is expected shortly and will be reported to the Committee.
- 2.11 The SFC guidance allows for the removal of remuneration table included in the Performance Report as the information is already available in the Notes to the Accounts. Within the Performance Report the College has referenced that the remuneration information is available in the Notes to the Accounts.

f) Parliamentary Accountability Report

2.12 Following discussion with the College external auditors it has been agreed that the College will not require to provide a Parliamentary Accountability Report as part of the 2018-19 annual accounts as this relates to disclosure of:

- Fees and charges in excess of £1m annually;
- contingent liabilities; or
- total losses / special payments exceeding £250,000

and the College does not have any disclosures of nature to make.

g) Corporate Governance

2.13 The College includes in the Annual Report and Accounts a statement covering the responsibilities of the Governing Body in relation to corporate governance. The report requires to state that the College has complied with the 2016 Code of Good Governance for Scotland's Colleges (the Scottish Code). This is consistent with the SFC requirements in prior years and the College will continue to comply with this.

2.14 In May 2019, Audit Scotland published a 'Good practice note on improving the quality of college annual reports and accounts – Governance statements.' The report states that *'There should be a single, coherent narrative running through the whole of the annual report and accounts. The governance statement is a key component and should play its part in telling that single story.'* The College has complied with the Audit Scotland guidance in compiling the governance statements.

2.15 Colleges are required to prepare their annual report and accounts in accordance with an accounts direction from the Scottish Funding Council (SFC) which requires compliance with the governance statement section of the Scottish public finance manual (the SPFM). Together with the Secretary to the Board, the College has considered these requirements and made changes to the Corporate Governance statement including:

- several sections have been reworded to better direct the user towards the information that is key to their understanding of the operations of the College;
- the section on governance evaluation and compliance has been strengthened; and
- the risk management section is now focused on the movement in the risks faced by the College.

(h) Overall Requirement

- 2.16 As in previous years, the College is required to comply with the requirements of the:
- SFC Accounts Direction for Scotland's College 2018-19;
 - Financial Memorandum with the Scottish Funding Council (SFC);
 - 2015 Statement of recommended Practice: Accounting for Further and Higher Education (SORP); and
 - Government Financial Reporting Manual 2018-19.
- in the preparation of the annual report and accounts for the College

3 Conclusion

- 3.1 The Audit Committee is requested to note the content of the report.

TITLE: DRAFT ACCOUNTABILITY REPORT - CORPORATE GOVERNANCE

Background: As part of the year end audit process the Board of Management are required to consider and approve the Corporate Governance Statement which is included within the Accountability Report section of the annual accounts. Best practice is that this statement should be considered as a separate item in advance of the financial statements approval process.

This report presents the draft Accountability Report section for review by the Audit Committee in advance of the finalisation of the annual report and accounts. The format of the report is based upon Accounts Direction issued by the Scottish Funding Council (SFC) which was discussed at Agenda Item 16.

Action: The Audit Committee is requested to review and consider the draft report in advance of the final annual report and accounts being presented to the Joint Audit and Finance & General Purposes Committee in November.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1 The Accountability Report

- 1.1 A copy of the Draft Accountability report is attached at Appendix A. The Report is required to have two sections:
- Corporate Governance Report; and
 - Remuneration and Staff Report (section 4).
- 1.2 The requirement to include a third section 'Parliamentary Accountability' has been reviewed by the College management team, who have concluded that the section is not required. This is in line with the SFC Accounts Direction which states that *'It is not envisaged that the Parliamentary accountability discourses will require to be completed by most institutions unless they are material'*. Further guidance on the potential contents of this report can be found at Agenda Item 16 if required.
- 1.3 Colleges has also referenced the Audit Scotland *'Good practice note on improving the quality of college annual report and accounts - Governance statements'* published in May 2019 in competing the governance statements. Together with the Secretary to the Board, the College has considered these requirements and made changes to the Corporate Governance statement including:
- several sections have been reworded to better direct the user towards the information that is key to their understanding of the operations of the College;
 - use is made of hyperlinks to direct users to already available information and to ensure this information is current;
 - the section on governance evaluation and compliance has been strengthened; and
 - the risk management section is now focused on the movement in the risks faced by the College.

2 Corporate Governance Report

- 2.1 The purpose of the Corporate Governance report is to explain the composition and organisation of the College's governance structures and how they support the achievement of College objectives.
- 3.2 The Corporate Governance Report includes the following sections, and where possible the College has developed the minimum requirements for each one to provide a comprehensive commentary on the governance of the College:
- Introduction;
 - Board of Management Report;
 - Statement of the Board of Management Responsibilities; and
 - Governance Statement.

Board of Management Report

- 3.3 The Board of Management Report sets out the membership of the Board of Management and those members of the Senior Management Team who influence the decisions of the College as a whole.
- 3.4 Details are given of any directorships or other interests which the members have and a reference is made to relevant Register of Interests. A development from the Audit Scotland report is the inclusion of hyperlinks directing users to the current register of interest on the College website.
- 3.5 Information on personal data-related incidents reported to the Information Commissioners Office are also be disclosed, which in the case of 2018-19 is a nil return.

Statement of Board of Management's Responsibilities

- 3.6 The Financial reporting Manual (FReM) requires government bodies to provide a Statement of Accounting Officer's responsibilities. However, the SFC Chief Executive is the Accountable Officer for the college sector and is required to provide a governance certificate of assurance covering all colleges to the Principal Accountable Officer of the Scottish Government, based upon certificates of assurance provided by colleges. Considering this unique arrangement, colleges are required to continue to provide a Statement of Board's Responsibilities within their Corporate Governance Report.
- 3.7 The Statement of Board's Responsibilities within the annual report and accounts has been compiled in line with best practice and will be subject to review by the external auditors.

Governance Statement

- 3.8 The SFC requires colleges to include in their annual report and accounts a statement covering the responsibilities of their governing body in relation to corporate governance. This statement is required to indicate how the college has complied with good practice in this area.
- 3.10 The College has stated that *"The College has complied with the requirements set out in the UK Corporate Governance Code in so far as they apply to the College sector and has complied with the Code of Good Governance for Scotland's Colleges"*. Compliance with the Code of Good Governance for Scotland's College is a condition of grant set out in the Financial Memorandum with the SFC.
- 3.11 As required the College has also included details of its Estates Strategy within the overview section of the Corporate Governance Report.

Remuneration and Staff Report

- 3.12 Incorporated colleges are required to include within their annual report and accounts a Remuneration and Staff Report in accordance with the FReM. The College has followed the example remuneration report as per the SFC Accounts Directions.

3.13 In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the following information must now be published within the remuneration report:

- Relevant union officials.
- Percentage of time spent on facility time.
- Percentage of pay bill spent on facility time.
- Paid trade union activities.

3.14 The College has adopted the SFC example disclosure requirements in order to meet its reporting obligation.

Conclusion

3.15 The Audit Committee is requested to review and consider the draft report in advance of the final annual report and accounts being presented to the Joint Audit and Finance & General Purposes Committee in November.

TITLE: **AUDIT SCOTLAND REPORT – SCOTLAND’S COLLEGES 2019**

Background: Audit Scotland published their annual report of the college sector - *Scotland’s Colleges 2019* – on 4 June 2019. This provided an update on developments taking place within the College sector and, where possible, assessed their impact.

Action: The Audit Committee is asked to consider:

- the Audit Scotland Report and the recommendations arising from this;
- whether there is a need to revise/update the College risk register in light of the report recommendations; and
- whether any actions require to be progressed by the Audit Committee at this time based on the Report.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Background

- 1.1 Audit Scotland published a report on 4 June 2019 – *Scotland's Colleges 2019* (Appendix A) – which provided an update on developments taking place within the college sector and, where possible, assessed their impact.
- 1.2 The methodology using in producing the Audit Scotland report, which focuses mainly upon the 2017-18 college year, involved:
- Analysing relevant Scottish Government budget documentation, colleges' audited accounts and auditors' reports covering the financial periods ending July 2018.
 - Analysing information held by the SFC, including financial, performance and activity data.
 - Interviewing Colleges Scotland, student unions, trade unions, the SFC and the Scottish Government.
 - Analysing data that we requested from colleges' external auditors.
- 1.3 The report is structured into two parts, which are as follows:
- Part 1 – Financial Health
 - Part 2 – Performance
- 1.4 The key messages and recommendations arising from each of these parts are outlined within the report Summary.

2. Key Messages

- 2.1 The Audit Scotland report contains 5 key messages which can be summarised as follows:
- The college sector reported a small, but improved, underlying financial surplus in 2017-18. Colleges are operating within an increasingly tight financial environment and the sector-wide position masks particular financial challenges for some colleges. The gap between colleges' income and expenditure is widening and this is forecast to continue, with 12 incorporated colleges forecasting recurring financial deficits by 2022-23.
 - Colleges face increasing cost pressures. The increase in Scottish Government revenue funding for 2019/20 covers only the additional costs of harmonising pay and conditions across the sector (excluding cost of living increases and increases in employers' pension contributions).

- Current Scottish Government capital funding of £21m falls short of the estimated £99m (life cycle and high priority maintenance) costs of maintaining the college sector estate. The report recognises that the Scottish Government capital funding is insufficient to address colleges' maintenance requirements. The report highlights that estate funding is needed for the maintenance and improvement of College buildings and investment in digital infrastructures. In 2019/20 estate maintenance funding for the sector has fallen to £47.6m (2018-19: £76.7m). After specific capital commitments - including Forth Valley College's new campus are excluded - the SFC is allocating £21 million to address lifecycle and backlog maintenance needs within the college sector against a calculated annual lifecycle/high priority maintenance cost of approximately £100m identified in the 2017 SFC national estates condition survey. The report notes that the Scottish Government is working with the Scottish Futures Trust and the SFC to identify an appropriate funding model for future investment in the college estate.
- The proportion of non-government income that colleges generate has reduced over time, and cash balances and money held by arm's-length foundations has reduced.
- Student numbers increased, and the sector exceeded its learning activity targets. Over the past three years, colleges have been providing less learning to students aged 16-24 and more to students aged 25 and over. Colleges are widening access to disabled, ethnic minority and care-experienced students. After several years of increasing learning delivered to students from deprived areas, the proportion of learning delivered to this group fell slightly in 2017-18.
- There is considerable variation across colleges in terms of student attainment and retention and those going on to positive destinations. Average attainment rates for students in full-time education have remained relatively static in recent years. The attainment rate for full-time further education, at 66 per cent, is some distance from the Scottish Funding Council's (SFC) target of 75 per cent by 2020-21. Attainment gaps still exist for students from the most deprived areas, students with disabilities and for care-experienced students.
- There is scope for the SFC to work with individual colleges and their boards to improve financial planning and to achieve greater transparency in the sector's financial position. The SFC can also be more transparent in how it reports colleges' performance against outcome agreements and student satisfaction data. The SFC has agreed aspirational and stretching targets with colleges in their latest outcome agreements. Based on recent performance trends, achieving some of these targets will be very challenging for colleges.

- 2.2 West College Scotland is referenced within the Audit Scotland report in relation to the following:

Exhibit 6 - Financial indicators

This exhibit summarises the College financial position when compared to other colleges in the sector. The College stands out as having a break-even underlying operating position (required by SFC); a reasonable cash balance and therefore a positive net assets position.

Paragraph 43 – Attainment Targets

Only two college regions met overall attainment targets. West College Scotland met all four targets with Highlands and Islands region meeting both targets for further education.

Exhibit 18 - Performance indicators for full-time further education in colleges

This exhibit presents several performance indicators and is ranked according to the proportion of students from the most deprived areas (Glasgow Kelvin College having the highest proportion). The performance indicators include attainment rates, retention rates, positive destinations and satisfaction levels.

Paragraph 50

The College is referenced for lead involvement in a project which has considered ways of improving attainment and retention

3. Audit Scotland Report - Recommendations

- 3.1 From these key messages, the Audit Scotland report provides 12 recommendations for action by:

- Colleges – 3 recommendations
- College and regional boards – 2 recommendations
- SFC – 4 recommendations
- The Scottish Government and the SFC – 3 recommendations

- 3.2 These recommendations are detailed within the Summary section of the report and are as follows:

- Colleges – 3 recommendations
 - agree their underlying financial position with the SFC prior to finalising their accounts
 - improve data collection and response rates for student satisfaction and publish results
 - use *How good is our college?* effectively to drive improved performance and enhance the quality of service provision

- College and regional boards – 2 recommendations
 - agree medium-term financial plans that set out the mitigating actions to ensure their college's financial sustainability
 - submit agreed medium-term financial plans to the SFC along with financial forecast returns (FFRs)
- SFC – 4 recommendations
 - work with colleges to agree their underlying financial position prior to finalising their accounts
 - require colleges to submit medium-term financial plans to support FFRs in assessing financial sustainability across the sector
 - publish college region performance against all outcome agreement measures
 - publish good-quality student satisfaction data for every college
- The Scottish Government and the SFC – 3 recommendations
 - agree and publish a medium-term capital investment strategy that sets out sector-wide priorities
 - review whether targets for college provision and student outcomes, including for students from deprived areas, remain relevant and realistic, based on current performance trends
 - work with colleges to deliver the necessary improvements in performance to meet agreed outcome agreement targets

4. Conclusion

- 4.1 As outlined above, the Audit Scotland report '*Scotland's Colleges 2019*' provides an update on the various developments taking place within the college sector, and where possible, seeks to assess their impact. The report also identifies key recommendations to be progressed.
- 4.2 The Audit Committee is therefore asked to consider:
- the Audit Scotland Report, and the recommendations arising from it;
 - whether there is a need to revise/update the College risk register in light of the report recommendations; and
 - whether any actions require to be progressed by the Audit Committee at this time based on the Report.

TITLE: ANNUAL REPORT ON FREEDOM OF INFORMATION AND DATA PROTECTION ACT REQUESTS; REGISTER OF INTERESTS; AND HOSPITALITY/GIFTS REGISTER

Background: The remit of the Committee requires it to receive an annual report on:

- a) Public Interest Disclosure;
- b) Freedom of Information and Data Protection Acts requests;
- c) Register of Interests; and
- d) Gifts and Hospitality registers

The report details the status regarding each of the above matters.

Action: The Audit Committee is requested to consider the 2018-19 report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Public Interest Disclosure

- 1.1 The Public Interest Disclosure Act enables and encourages individuals to raise matters of concern that are in the public interest (often referred to as whistleblowing), such as malpractice, impropriety or wrongdoing within the College, without fear of reprisal, so that they may be investigated and where appropriate acted upon.
- 1.2 The College has not had any Public Interest Disclosure cases during the period 1 August 2018 to 31 July 2019.

2. Freedom of Information and Data Protection Acts requests

- 2.1 Appendix 1 provides a summary report on the Freedom of information and Data Protection Act requests compared to the previous year.

3. Register of Interests

- 3.1 The Senior Management Team and those members of the College management team with either budget holding and/or procurement responsibilities were requested to provide a register of interest form. A total of 114 forms were issued and all forms were returned. Following a review of the returns by the Director of Finance and Estates there are no issues recorded which require to be brought to the attention of the Audit Committee.

4. Gifts and Hospitality

- 4.1 The Committee is required to be provided with an annual review of the Gifts and Hospitality Registers, and to highlight that systems are in place to ensure staff members are aware of the need to inform the Director of Finance and Estates and complete the forms where gifts or hospitality are received or given to the value of £25 or over.
- 4.2 Under the Colleges' Policy of receipt of Gifts and Hospitality, all staff are required to register any gifts, hospitality or other benefits received where the value of the item or benefit exceeds an amount of £25.
- 4.3 Details of gifts and hospitality received by staff over the last year are recorded by the Director of Finance and Estates. Staff are reminded quarterly via the College intranet about the requirement to register gifts and hospitality.
- 4.4 There have been 7 declarations of gifts and hospitality (5 in the previous year) in total - 3 by SMT members and 4 entries by staff members.
- 4.5 SMT member declarations were for attendance at events in capacity as employee of the College. The staff entries relate primarily to the provision of hospitality whilst on College related business or attendance at a diner as a guest of a company / partner organisation.

5 Conclusion

- 5.1 The Audit Committee is requested to consider the 2018-19 report.

Appendix 1

Summary of Freedom of Information Requests

Categories of Request	2018-19 No. of requests	2017-18 No. of requests	2017-18 type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	8	10	Number of students on the courses; Counselling services for students; Screening for dyslexic students; Queries regarding schools' classes	0	N/a
HR Data	16	14	Absence levels; Contracts; Pay rises; Tea breaks; Equality Impact Assessments; TU reps – hours and duties; Assaults against staff	0	N/a
Finance Data	5	11	Spend on Estates and consumables; Provision of interim services	2	Initial requests for information not forwarded to FOI team
Other	5	4	Brexit; investments in fossil fuels; graduation; commercial activities; Car park numbers of spaces and transport	0	N/a
Reviews requested	1	1	Request to review exemptions applied	0	N/a
Total Number of Requests	35	40			

Summary of Data Protection Act Requests

Categories of Request	2018-19 No. of requests	2017-18 No. of requests	2018-19 type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	23	19	Complaints data, attendance details, contact details, assessment data, email correspondence, UKVI status, details of internal funding claims, request for CCTV footage	2	1. Data collated within statutory timeframe but delay in releasing. 2. Academic staff member held data, summer break led to delay. Delay agreed with data subject.
Staff Data	5	1	Complaints/disciplinary data, payroll data, employment dates, copy of accident report	0	N/a
Other	0	0		0	N/a
Total	28	20			

TITLE: RISK MANAGEMENT - STRATEGIC RISK REGISTER

Background: Under the Corporate Governance Code, the Board of Management is tasked with ensuring a framework of risk management and control is in place. This paper presents the College Strategic Risk Register for the consideration of the Audit Committee.

Action: The Audit Committee is requested to review and approve the College Strategic Risk Register and in doing so consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The further development of the College risk management framework

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Risk Management Strategy

- 1.1 The West College Scotland Risk Management Strategy was approved by the Board of Management. The College Strategic Risk Register is subject to ongoing review by the Board of Management and all Board of Management Committees, with oversight being provided by the Audit Committee.

2. College Strategic Risk Register Update

- 2.1 Each Board Committee is requested to:
- review the risks included within the register;
 - the risk ratings both pre and post mitigation;
 - whether any other risks should be considered for removal; and
 - whether any new risks should be considered for inclusion.
- 2.2 The College Strategic Risk Register was approved at the June 2019 Board of Management meeting:
- Accepting the proposed adjustments to the Register following the Committee review process; and
 - Noted the inclusion of direction of travel arrows for each risk identified.
 - Noted that the Register would not show much change over the short term as it was a forward-looking document.

Development of the College Risk Strategy

- 2.3 The Board of Management risk management action plan has been implemented over the course of the previous year with the following actions remaining:
- The introduction of a target risk score
The Audit Committee view was that further development and integration of existing risk management processes was required prior to this matter being taken forward. This action will continue to be reviewed over the course of 2019-20
 - Revisions to the Strategic Risk Register following finalisation of the College Corporate Plan
The Strategic Risk Register has been aligned with the new College Corporate Plan. The initial alignment will be considered by Board Committees as part of the upcoming cycle of Committee meetings.

- The introduction of a formal risk management appetite statement

The Board of Management has previously considered that further information around risk and opportunity across a range of College activities might help provide a better understanding of the risk management appetite. The October 2019 Board of Management meeting will commence with an externally facilitated session designed to inform the Board on the various options in relation to the development of a risk appetite statement. The objective of the session is to develop a risk appetite statement for incorporation into the overall Risk Management Strategy.

3. Conclusion

3.1 The Audit Committee is requested to review and approve the Strategic Risk Register and consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The progress made in further developing the College Risk Management framework.



Strategic Risk Register

Strategic Risk Register Dashboard Report

Risk register review period:

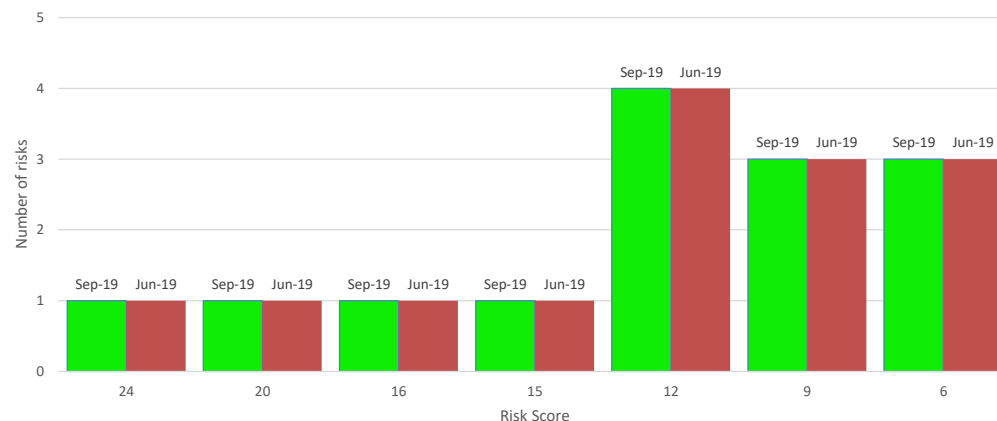
Aug-19

Board / Committee review period:

Sep-19

Top 5 Risks Post Mitigation					
Ref	Risk	Movement	Probability	Impact	Score
WCS 1	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	↔	6	4	24
WCS 3	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	↔	5	4	20
WCS 2	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	↔	4	4	16
WCS 16	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	↔	5	3	15
WCS 4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	↔	4	3	12

Movement in Risk Scores



The most significant risk faced by the College continues to be the volatility of SFC funding.

Continued delays to the business cases for the development of the College estate has moved up the risk register based on the latest developments in Renfrewshire and Inverclyde. This risk is closely linked to the next highest risk which is the failure to secure adequate maintenance funding.

The impact of the UK exit from Europe continues to be a significant risk faced by the College as the level of uncertainty continues.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
1	WCS 1	1.1 1.3 3.1 3.4	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	6	4	24	1) Detail of 2019-20 final SFC funding received 17 May 2019. This shows a level of core funding which is not greater than in 2018-19; a change in the estates funding methodology which will impact upon College operations; and no specific funding in order to meet the cost of any annual pay increases. The College will continue to face a number of financial challenges arising from this settlement. 2) 2019-20 budget approved in conjunction with 5 year future financial scenario planning and detailed assumptions. 3) Transformation Plan submitted to SFC in order to address future financial challenges. Following submission of revised plan in November 2018 the College continues to engage with the SFC on the implementation of the plan. 4) Robust financial forecasting including production and review of monthly management accounts. 5) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 6) Financial modelling of next 5 years being undertaken based upon SFC FFR assumptions. Allows the College to identify funding gap and to continue to take necessary steps to address the gap. 7) Commercial Development Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 8) Robust monitoring of current and future curriculum delivery plans (CMAP) including staffing requirements. 9) Active College representation and involvement in external SFC review groups - funding methodology, CDN Finance network; credit review; access and inclusion; rural and remoteness premium and student funding.	6	4	24	24	↔	VP Operations / VP Educational Leadership
2	WCS 3	1.2 3.1 3.3 3.4	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	6	4	24	1) The College continues to actively engage with SFC, SFT and other key stakeholders re investment and in relation to implementation of national estate condition survey review and future direction of travel. 2) Approved Estate Strategy highlights required estate investment for consideration by SFC and Scottish Government. 3) Draft Outline Business Case for Paisley estate submitted to the SFC. Response received from SFC in regard to Paisley OBC and the College is currently engaging with partners in relation to the collaborative aspects of any proposals. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC 5) Inverclyde local development plan now finalised leading to restrictions on future College developments on preferred site. College continues to engage with partners to find suitable way forward. 6) Ongoing prioritisation of College estates funding in a way which links to priority projects, with update reports being provided to each meeting of the Board of Management Estates Committee. 7) Ongoing involvement in sector/SFC capital working group enables WCS input to ongoing discussions in relation to SFC estates maintenance allocation methodology and capital allocations. 8) Ongoing engagement with SFC	5	4	20	16	↔	VP Operations

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
3	WCS 2	1.1 1.2 2.3 4.1	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	5	4	20	1) College Estate Strategy submitted to SFC, reviewed by internal audit and subject to annual review on implementation and progress by Board of Management Estates Committee. 2) 2019-20 SFC funding for estates has seen a reduction in lifecycle maintenance and priority maintenance funding. The continued reduction in lifecycle maintenance does present an operational challenge as financial modelling assumed flat cash settlement in future years. There is also a need to understand the basis of estates maintenance funding allocation beyond 2019-20. 3) WCS participation in SFC/sector Capital Working Group. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC. Implications of recently published Inverclyde local development plan now being considered and College is engaging with 5) Outline Business Case for Paisley submitted to the SFC and feedback received from the SFC. Discussion with partner organisations remains ongoing.in relation to the collaborative aspects of the proposals, and an updated OBC for Paisley will require to be submitted to SFC. 6) SFC have issued the outcome of a national College estate condition survey. College has discussed and obtained agreement with SFC as to how the 2018-19 high priority maintenance funding will be applied.	4	4	16	16	↔	VP Operations
4	WCS 16	1.3 2.2 3.1 3.4	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	5	3	15	1) College undertaken review of possible impacts of Brexit on operations. Output has been discussed at senior management level and with relevant Board Committees. To note potential impact on EU funded programmes (Modern and Foundation Apprentices). 2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. 3) Close liaison with SFC on future funding arrangements post 2021 when current ESF funding is due to end.	5	3	15	15	↔	Principal
5	WCS 4	1.2 2.1 3.2 3.4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	5	4	20	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. 2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees. 3) Good working relationships with local authorities and school head teachers in order to access attainment funding in support of College activities in this area. 4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit. 5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery. 6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered. 7) The Board of Management considered the College ROA during the meeting in March 2019, and considered the outcomes that will be delivered at that time. The ROA 2019-20 was submitted to the SFC and subsequently approved on 29 July 2019.	4	3	12	12	↔	Principal

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
6	WCS 5	1.1 1.2 1.3 3.4	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	3	18	1) WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). 2) Financial impact assessment / planning scenarios with the financial impacts of National Bargaining subject to ongoing discussion with the SFC. National Bargaining funding distribution for 2019-20 amended in year and agreed with Colleges Scotland and the Scottish Funding Council. 3) 2018-19 final SFC funding included an allocation in order to meet the cost of national bargaining. 4) Business Continuity Planning considers impact of industrial action, with specific plans in place. 5) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on an ongoing basis in order to maintain positive College industrial relations. 6) Robust college sector and WCS communications plan including liaison with Student Association on impact on students. 7) Local workforce planning arrangements subject to positive internal audit review (June 2018). 8) Support staff pay award until September 2019 been settled.	6	2	12	12	↔	Principal
7	WCS 6	1.1 2.1 3.3 4.2	Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	4	4	16	1) IT Strategy, Policies / Procedures and system access processes in place. The Finance and General Purposes Committee have reviewed progress achieved in delivering the IT Strategy as at Year 2 and are satisfied with progress given the level of resource available to the College - although recognise that the College digital ambitions are being constrained by the level of SFC funding. Strategic dialogue with the SFC is ongoing in an effort to secure the required level of funding in order to deliver College digital ambitions. 2) Staff and student feedback and evaluation procedures in place. 3) IT Contingency Plan in place with regular review. 4) College has achieved Cyber Essentials Plus accreditation as required.. 5) College Digital Strategy has been reviewed by SMT and sets out digital ambitions for the College. To be presented to the Board for approval in coming period. 6) Funding bid developed based for submission to SFC to ensure IT systems are fit for purpose. Initial discussions have been held with SFC on IT condition survey and College offered to be model for such a survey. 7) College HR department providing support to staff undertaking national support staff job evaluation, with role profile documentation to be completed by 28 June 2019.	4	3	12	12	↔	VP Operations
8	WCS 15	1.1 2.1 3.4 4.3	Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	4	4	16	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. 2) Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement. 3) Projects have been initiated in line with the plan and are directed by a specific member of SMT. 4) Detailed delivery plan has been created to allow milestones to be set and monitoring to take place. 5) College on track to meet financial objectives outlined in the plan during 2018-19. However future years remain challenging and the plan will require to be further reviewed/updated. SFC indicative funding figures have been published and have crystallised the financial challenges faced by the College. No guidance on future years.	3	4	12	12	↔	Principal

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
9	WCS 9	1.2 1.3 3.4	Inability to maintain positive staff relations	4	3	12	1) Approved Workforce Plan in place to address Audit Scotland recommendations. 2) Internal audit on internal communications reported that that the College had effective internal communication channels to staff and students 3) Clear procedures for communication and engagement with Trade Unions and College staff. 4) Staff engagement session and staff surveys undertaken on regular basis allowing issues to be addressed early. 5) Local trade union consultation and negotiation committees in place for teaching and support staff. 6) College is supportive of staff involvement in national job evaluation scheme and has open dialogue with Unions as to how staff can be supported.	3	3	9	9	↔	Principal
10	WCS 11	1.1 2.3 3.1 3.2	Ability to generate consistent levels of alternative income or to grow alternative income streams.	4	3	12	1) Alternative Income Strategy currently under development in response to requirements of Transformation Plan objectives. Strategy will be subject to review by Corporate Development Committee. 2) Annual financial budget agreed and monitored by the Corporate Development Committee. 3) Strong partnerships with local employers and stakeholders. 4) Operation planning process used to identify potential opportunities for income growth. 5) Adaption of course portfolio to meet student / employer needs. 6) Financial strategy and planning in place to address resource needs and redirect as required. 6) Review of resources required within Curriculum Development Planning procedure. 7) Commercial Development Group meets bi-monthly to review and address challenges of delivering alternative income.	3	3	9	6	↔	VP Educational Leadership
11	WCS 7	1.2 3.4	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery.	3	4	12	1) Business Continuity webpage created to inform all staff and stakeholders of College approach to business continuity planning. 2) Business Continuity Plan available to relevant staff on OneDrive along with associated documents to assist during any incident (including creation of "battle boxes"). 3) College has achieved Cyber Essentials Plus accreditation and has in place IT recovery plans as part of overall business continuity planning process. 4) Training and scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff. 5) Adequate insurance cover to assist in recovery after an incident. 6) Risk assessment process well embedded at strategic level now being further embedded at operational level.	3	3	9	9	↔	VP Operations

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
12	WCS 10	1.3 2.3	Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes	4	3	12	1) College Workforce Plan and associated reporting requirements approved by the Board of Management. 2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP). 3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities. 4) Itrent HR and payroll software developed to provide staff data and reports including an establishment report. 5) Professional Development Policies are aligned to strategic priorities. 6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff. 7) Internal audit reviewed workforce planning as part of 2018-19 audit plan. Internal audit recommendations were subject to final report from OD&HR Committee to the Audit Committee in May 2019 allowing the closure of the issues raised. 8) Staff skills survey being developed to allow the College to identify and address future skills gaps.	3	2	6	6	↔	Principal
13	WCS 13	3.4 4.1	Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	3	3	9	1) Data Protection Officer (DPO) appointed in compliance with legislative requirement. DPO is part of shared services agreement allowing the College to work collaboratively with other institutions. 2) DPO is undertaking review of departmental compliance with data legislation and addressing issues as required. Reports provided to working group on progress and issues identified / rectified. 3) College has a working group covering GDPR and data management issues with involvement from senior staff. The Group has oversight of the information risk assessment process. 4) Data Protection concepts and principles embedded within the operations of the College.	3	2	6	6	↔	Principal
14	WCS 14	1.2 3.4	Normal business activities are unduly affected due to the complexity of sequencing estates investment works	4	2	8	1) Detailed resource planning involving all relevant parties at stage to address any issues in advance of project start date. 2) Staff resource increased during 2018-19 to address the significant increase in level of expenditure and complexity of projects being undertaken. 3) Well embedded project / estate team with knowledge base that allows issues to be identified and addressed. 4) use of external professional advisors to provide oversight and critical review of proposed activities / plans.	3	2	6	6	↔	VP Operations

Corporate Strategy 2019-2025

Priorities		Objectives	
(1) Personalisation	We will deliver the skills solutions that employers are looking for and the learning outcomes that students want,	1.1	Developing Bespoke solutions, Fast
		1.2	Raising Aspirations and Enabling Students to achieve outcomes
		1.3	Recruiting and Retaining Talented People
(2) Collaboration	We will build the immersive relationships and make the connections that enhance value for	2.1	Creating Learning Pathways
		2.2	Immersive Partnerships
		2.3	Delivering Inclusive Growth
(3) Agile and Adaptive	We will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.	3.1	Developing new income opportunities
		3.2	Developing the Market
		3.3	Utilising Specialist Capabilities
		3.4	Managing for Resilience
(4) Digital	We will ensure that the College has the digital capacity and capabilities to deliver in a modern economy.	4.1	Using Data
		4.2	Inspirational Learning
		4.3	Developing the skills base

Tolerance Matrix and Scoring Grid

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

Risks - Probability x Impact Score Grid

Almost Certain 6	6	12	18	24
Very Likely 5	5	10	15	20
Likely 4	4	8	12	16
Possible 3	3	6	9	12
Very Unlikely 2	2	4	6	8
Remote Chance 1	1	2	3	4
	Negligible 1	Marginal 2	Critical 3	Catastrophic 4

Risk Score - Direction of Travel

- ↔

Post mitigation risk score after review has remained static compared to the last time the register was reviewed.
- ↑

Post mitigation risk score after review has increased compared to the last time the register was reviewed.
- ↓

Post mitigation risk score after review has reduced compared to the last time the register was reviewed.

TITLE: SCHEDULE OF BUSINESS 2019-20

Background: This paper outlines the remit of the Audit Committee and how the schedule of business assists in fulfilling this. The schedule of business is also used to inform the Annual Report of the Chair of the Audit Committee to the Board of Management.

Action: The Audit Committee is requested to note and comment upon the contents of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
1) General						
To provide advice to the Board on the strategic processes for risk, control and governance						
<ul style="list-style-type: none"> • Strategic Risk Register Update and Review • Corporate Governance Statement - Financial Statements • Internal audit reports (see section 2) • External audit report (see section 3) • Remit of Committee reviewed against best practice and governance requirements • Review of College Articles of Governance / Scheme of Delegation and Standing Orders (Scheduled for November 2020) • Audit and Assurance Committee Handbook Update 	Y Y Y Y	Y	Y Y Y	Y Y	Y Y	
To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money)						
<ul style="list-style-type: none"> • Internal Audit Annual Report 2018-19 • Review of Fraud / Whistleblowing Policies • External Audit Management Letter as at 31 July 2019 • Internal and external audit reports as received • Update / Report on National Fraud Initiative • Report on Value for Money • Procurement and Commercial Improvement Programme 	Y Y Y Y Y	Y Y Y	Y	Y	Y Y	

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To advise the Board on the adequacy of the whistle blowing process and to receive an annual report on any matters raised through this process						
<ul style="list-style-type: none"> Annual Report on Whistleblowing Committee to be made aware of any issues arising during the year 	Y					
To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations						
<ul style="list-style-type: none"> Reports to be received as requested 			Y		Y	
To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges						
<ul style="list-style-type: none"> Review of Audit Committee effectiveness Internal Audit Annual Report 2018-19 External Audit management letter as at 31 July 2019 Report on compliance with SFC FM and SPFM Monitoring of Regional Outcome Agreement Register of Interest for Board and Committee members Audit and Audit Assurance Handbook Update 	Y Y Y	Y Y	Y Y	Y Y	Y Y Y	Y

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To consider the College's Annual Financial Statements at a joint meeting with the Finance and General Purposes Committee, and to recommend to the Board for approval						
<u>2018-19</u> <ul style="list-style-type: none"> External Audit Management Letter / Letter of representation Audit report on student activity Audit report on student funding activity Audit report on Educational Maintenance Allowances Governance Statement Financial Statements July 2019 	Y	Y Y Y Y Y Y				
<u>2019-20</u> <ul style="list-style-type: none"> External audit fee proposal 2019-20 External Audit Engagement Strategy 2019-20 Contract approval for other audit work 			Y	Y	Y Y Y	
To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year						
<ul style="list-style-type: none"> 2018-19 Annual report to Board of Management from the Audit Committee 	Y	Y				
To report to the Board after each meeting						
<ul style="list-style-type: none"> Minutes and verbal update to each Board Meeting Draft Committee Dates 2020-21 	Y	Y	Y	Y	Y Y	

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To review its own effectiveness at least annually and to report the results of that review to the Board						
<ul style="list-style-type: none"> Review of Committee remit Annual report to Board of Management from the Audit Committee Annual review of effectiveness of the Committee 	Y		Y			
	Y	Y		Y	Y	
2) Internal Audit						
To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Audit Committee						
<ul style="list-style-type: none"> Review of effectiveness of internal audit function 					Y	
To advise the Board on the terms of reference for the Internal Auditors						
<ul style="list-style-type: none"> Internal Audit Plan Update 2019-20 Annual Internal Audit Plan 2020-21 			Y	Y Y	Y Y	
To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters						
<ul style="list-style-type: none"> Annual Report to Board of Management from the Audit Committee Review of effectiveness of internal audit function 	Y	Y			Y	

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To agree the Internal Audit Plan and review the Internal Audit Annual Report						
<ul style="list-style-type: none"> Internal Audit Annual Report 2018-19 Internal Audit Update Report 2019-20 Internal Audit Plan 2020-21 	Y Y	Y	Y	Y Y	Y Y	
To review the Internal Audit reports, the management response to them and to review implementation of the actions required						
<u>2019-20</u> <ul style="list-style-type: none"> ROA (stage 1) Equality and Diversity Financial Systems Health Check Digital Strategy ROA (stage 2) Continuing Professional Development Online Resources 			Y Y	Y Y	Y Y Y	
To review the Rolling Audit Action Plan at each meeting						
<ul style="list-style-type: none"> Report on Rolling Audit Action Plan 	Y		Y	Y	Y	
To encourage appropriate liaison and co-ordination between internal and external audit						
<ul style="list-style-type: none"> Invite / attendance at all Committee meeting by both internal and external auditors 	Y	Y	Y	Y	Y	

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors						
<ul style="list-style-type: none"> Annual review of internal audit function Annual meeting with internal auditor excluding College staff 					Y Y	
3) External Audit						
To receive information on the general terms and conditions of appointment of the External Auditors who are engaged by Audit Scotland to provide audit services to the College						
<ul style="list-style-type: none"> Annual year end audit update by external auditors Annual external audit appointment terms and conditions Approval of External Auditors Audit Planning Memorandum 	Y	Y			Y Y	
To consider the External Auditors report on the Financial Statements and the management letter prior to submission to the Board, and to review the implementation of the recommendations						
<ul style="list-style-type: none"> External Auditors report on the Financial Statements 2018-19 		Y				
To review the Statement of Corporate Governance						
<ul style="list-style-type: none"> Review the statement of Corporate Governance 	Y	Y				

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To review the External Audit strategy and plan						
<ul style="list-style-type: none"> SFC Accounts Direction for Scotland's colleges and universities External Audit 2019-20 Engagement Strategy Process of appointment and approval of auditor to undertake internal and other audit work 	Y		Y	Y	Y	
To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;						
<ul style="list-style-type: none"> Annual review of effectiveness of external audit function Annual meeting with external auditor excluding College staff – Mazars 		Y			Y	
To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.						
<ul style="list-style-type: none"> As required 						
4) Risk						
To review the Risk Management Strategy and recommend to the Board for approval						
<ul style="list-style-type: none"> Review of College Risk Management Strategy 			Y			
To consider the Strategic Risk Register and to advise the Board accordingly						
<ul style="list-style-type: none"> Report on College Strategic Risk Register 	Y	Y	Y	Y	Y	Y

REMIT	DELIVERABLES					
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20	2019-20
To consider matters of risk at each meeting and to satisfy itself that risks are being managed, including seeking assurances from internal and external audit on the adequacy of their management, and to report to the Board.						
• Report on Strategic Risk Register	Y	Y	Y	Y	Y	Y
5) Other						
To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; and Hospitality/Gifts Registers						
a. Freedom of Information and Data Protection Acts requests	Y					Sept 19
b. Register of Interests	Y					Sept 19
c. Hospitality / Gift Registers	Y					Sept 19
To request any member of the College staff to attend and/or to provide a written report on any matter that falls within the remit of the Committee						
• As required						
To procure ad-hoc specialist advice at the expense of the College as appropriate and when necessary, subject to budgets being agreed by the Board						
• As required						