West College Scotland
AUDIT COMMITTEE

12 December 2019 at 4.00 p.m. in
Abercorn 2, Paisley Campus

AGENDA

General Business

1. Apologies

2. Declaration of Interests

3. Minutes of the meeting held on 4 September 2019   Enclosed   JM
   Actions from the Minutes   Enclosed   JM

4. Matters arising from the minutes
   (and not otherwise on the agenda)
   .1 Remit of Committee   Verbal   DM

Main Items for Discussion and/or Approval

5. Audit Assurance Committee Handbook Update   Paper 6   DM

Internal Audit

6. Internal Audit Report – Regional Outcome Agreement (Stage 1)   Paper 7   EY

7. Internal Audit Report – Financial Systems Health Check   Paper 8   EY

8. Internal Audit Annual Plan 2019-20 Update   Paper 9   EY

9. Rolling Audit Action Plan   Paper 10   AR

External Audit

10. External Audit Annual Effectiveness Review   Paper 11   DM

Other

11. Risk Management - Strategic Risk Register   Paper 12   AR

12. Register of Interests Report 2019-20   Paper 13   DM

For Members of the Audit Committee and Attending Officers Only

13. Internal and Other Audit Services Contract   Paper 14   AR

Items for Information (to note only)

14. Schedule of Business 2019-20   Paper 15   AR

15. Any other business

Next meetings: Thursday 12 March 4.00 p.m. in Abercorn 2, Paisley Campus

Drew McGowan
Secretary to the Committee

AUDIT COMMITTEE

MINUTES: 4 September 2019

Present: John McMillan (in the Chair), Graeme Bold, Andrew Hetherington, Wai Wong.

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, Scott-Moncrieff, Internal Auditors; Joanne Buchanan and Suzie Graham, Mazars, External Auditors.

AM433   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.

AM434   MINUTES
The minutes of the meeting held on 23 May 2019 were approved.

AM435   ACTIONS FROM THE MINUTES
The Committee noted a report on the actions taken since the last meeting.

AM436   REMIT, MEMBERSHIP AND DATES OF MEETINGS 2019-20
The Committee noted its remit, membership and dates of meetings in 2019-20.
In considering the remit a query was raised regarding the Committee's role in providing advice to the Board on the accounting policies contained within the financial statements. It was noted that this responsibility lay with the Finance and General Purposes Committee but it was not clearly articulated within the remit of that Committee. It was **agreed** that the Vice Principal Operations would take this matter up with the Chair of the Finance and General Purposes Committee to action as appropriate.   **[Action: DA]**

AM437   REGIONAL OUTCOME AGREEMENT
The Vice Principal Operations provided a paper setting out background information in relation to the process for producing the Regional Outcome Agreement (ROA) and highlighting the College's key objectives that were contained within the ROA. The paper indicated the ROA objectives applicable to the Audit Committee and how these would be monitored during the year. The Committee welcomed this information and **agreed** the processes in place to enable the monitoring and reporting on the ROA.

AM438   VALUE FOR MONEY POLICY REPORT (AM361)
The Director of Finance and Estates presented the annual report on the implementation of the Value for Money Policy. This report highlighted the work that had been undertaken during session 2018-19 and the improvements achieved. It also highlighted the work undertaken by Internal Audit in relation to value for money as part of various audit reports. It was noted that this process was not as well embedded throughout the College as, for example the risk management process, but further staff training was being undertaken.

In discussion it was noted that Audit Scotland had produced further information and a framework to help organisations achieve value for money which might prove useful to the College and help it to embed this process. It was considered that it would be useful to look at this framework to see how the College compared and where any further improvements could be made.

The Committee welcomed the annual report on the Value for Money Policy and **agreed** that, for next year's report, some consideration of how the College compared with the Audit Scotland framework should be conducted and reported to the Committee.   **[Action: AR]**

AM439   DRAFT 2018-19 ANNUAL REPORT FROM AUDIT COMMITTEE TO THE BOARD (AM362)
The Committee considered its draft Annual Report to the Board for 2018-19. It was noted that the report was in a similar format to last year's report but some sections had been expanded. The report would be updated once the external audit process was complete, with the final edition of the Committee's Annual Report being brought to the Joint meeting in November for approval before being presented to the Board of Management.

AM440   REVIEW OF POLICIES: FRAUD AND CORRUPTION POLICY AND PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWING) POLICY (AM415.1)
The Committee received the Fraud and Corruption Policy and the Public Interest Disclosure (Whistleblowing) Policy, both of which had been recently revised by the College and by the Internal Auditors. The Internal Auditors had made two recommended changes to the Fraud and Corruption Policy that had been incorporated into the revised Policy. The revised policies were before the Committee for consideration along with a tabled paper that provided additional feedback from the College's lawyers on the Public Interest Disclosure (Whistleblowing) Policy.

In considering these policies it was queried if the Director of Finance and Estates should be the nominated person to report potential fraud cases to. It was noted that there was no Head of Compliance and so within the College's structure the Director of Finance and Estates was the correct person to consider such cases as he was best placed to understand the issues raised and how to investigate them. The Internal Auditor confirmed that they were satisfied with this arrangement which was similar to others in the sector.

It was noted that the wording of the equality statement in both policies would be considered and refreshed as appropriate by the Equality, Diversity and Inclusion Manager within the College once the policy was approved. Some further minor amendments to the wording of the Whistleblowing Policy should also be made.

The Committee confirmed that it was content with the proposed changes and, subject to some further minor amendments,
RECOMMENDS to the Board that the Fraud and Corruption Policy and the Public Interest Disclosure (Whistleblowing) Policy be approved.   **[Action: JM]**

AM441   AUDIT ASSURANCE FRAMEWORK UPDATE (AM417)
The Committee noted the progress made with the development of an assurance framework for the College. It had been agreed previously that the Student Experience area would be the first area to proceed. A start had been made on this and an assurance map for the Student Experience area had been produced and was now before the Committee. This map identified the assurances that were already in place, the lines of defence, and a score for each of the assurance activities had been produced. The Internal Auditors have been heavily involved in assisting the College staff with developing this process and producing the assurance map. The Internal Auditors confirmed that they were satisfied with the progress made and confirmed that the College was ahead of most of the sector who were also developing assurance maps.

The Committee welcomed this information which provided an excellent starting point. It was considered that by developing an assurance map the College would benefit greatly and the Audit Committee would have more information on assurances throughout the College, some of which they would not normally see. It was the intention to use this approach to develop an assurance map for the next two areas identified, (1) Income and (2) Information Technology, so that eventually an overall assurance map for the College could be produced. It was considered that, in the longer term, the Committee would need to take a view on the scope and frequency of the reviews conducted to keep this assurance map up-to-date.

AM442   INTERNAL AUDIT REPORT: PAYROLL SYSTEMS REVIEW (AM432)
Following a recent payroll fraud the systems and processes around the payroll had been reviewed and revised to take steps to prevent such instances from happening again. Internal Audit had conducted a review of the actions taken and confirmed that these were sufficiently robust and proportionate to address the issues found. Three recommendations for further improvement had been proposed and Internal Audit was pleased to confirm that two of these had already been implemented. The third recommendation was regarding staff training and consideration was being given by the College to identifying suitable additional training for the staff concerned. It was proposed that this training would take place during the second quarter of 2019-20. The Committee welcomed this report and the actions taken.

AM443   ROLLING AUDIT ACTION PLAN (AM421)

The Director of Finance and Estates presented the updated Rolling Audit Action Plan. The Committee noted that 12 recommendations were now complete and a further two were partially complete. A request for an extension of time for six recommendations, as detailed in the report, was considered.

The Committee **approved** the Rolling Audit Action Plan and the extension of time requested for the six recommendations identified.

It was also noted that the communications survey, as recommended by Internal Audit in their audit report on Internal Communications, had been conducted and the outcomes considered by the Senior Management Team (SMT). The outcomes would be provided to the next meeting of the Corporate Development Committee for consideration.

AM444   DRAFT INTERNAL AUDIT ANNUAL REPORT 2018-19

The Internal Auditor presented the Draft Internal Audit Report for 2018-19. This was a positive report. The Internal Auditors opinion confirmed that *'West College Scotland has 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'.*   The final report from Internal Audit would be presented to the Joint meeting of the Audit and Finance and General Purposes Committee in November. The Committee noted this report.

AM445   INTERNAL AUDIT ANNUAL PLAN 2019-20: PROGRESS REPORT (AM422)

The Committee noted the satisfactory progress report from Internal Audit on their Annual Plan for 2019-20.

AM446   EXTERNAL AUDIT PROGRESS UPDATE (AM418)

The Committee noted a satisfactory progress report from the External Auditors on their work undertaken so far to deliver their responsibilities for the year ending 31 July 2019. The External Auditors confirmed that they were getting good co-operation from the College and were on schedule to complete the external audit work as planned. The fieldwork would commence on 16 September 2019. The Committee welcomed this report.

AM447   ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES 2018-19

The Committee noted the guidance issued by the Scottish Funding Council (SFC), 2018-19 Accounts Direction for Scotland's Colleges and Glasgow Colleges Regional Board (5 July 2019) and SFC Detailed notes for guidance on completion of 2018-19 financial statements. In particular it was noted that:
-   The adjusted operating position note, along with the draft accounts, had to be sent to the SFC for review prior to the Board formally approving the Financial Statements;
-   The College was no longer required to compile an annual resource return to 31 March each year; and

- The College had followed guidance issued by Audit Scotland in relation to the wording of the corporate governance statement.

AM448   DRAFT ACCOUNTABILITY REPORT: CORPORATE GOVERNANCE STATEMENT
As mentioned above the corporate governance statement to be included in the Accountability Report had been refreshed in line with guidance issued by Audit Scotland. The Committee noted the draft report and that the final report would be brought to the Joint Meeting with Finance and General Purposes Committee in November.

AM449   AUDIT SCOTLAND REPORT: SCOTLAND'S COLLEGES 2019
The Committee noted the Audit Scotland Report: Scotland's Colleges 2019. The Vice Principal Operations informed the Committee that the Scottish Government's Public Audit Committee would be debating this report at its meeting on 19 September 2019.

AM450   ANNUAL REPORT ON FREEDOM OF INFORMATION AND DATA PROTECTION ACT REQUESTS, REGISTER OF INTERESTS, AND HOSPITALITY/GIFTS REGISTER (AM373)
The Committee noted the above annual report.

AM451   RISK MANAGEMENT – STRATEGIC RISK REGISTER (AM425)
The Committee noted that there had been no movement in the rating or number of strategic risks faced by the College since it was last reviewed, and that some mitigating actions had been updated. It was noted that the Board, at its meeting in June, had agreed to remove the risk relating to carbon emissions, as the College had already exceeded its target for this area.

In discussion it was proposed that an annual update of the trends in the top five risks would be included in the dashboard report for the Committee to consider.

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

AM452   SCHEDULE OF BUSINESS 2019-20 (AM427)
The Committee noted its Schedule of Business 2019-20. One addition would be made to this schedule – consideration of the Internal Audit and Other Audit Services Tender.   **[Action: AR]**

AM453   DATES OF MEETINGS IN 2019-20
The Joint meeting with the Finance and General Purposes Committee will be held on Tuesday 19 November 2019 at 4.00 p.m. on the Paisley Campus.
The next meeting of the Audit Committee will be held on Thursday 12 December 2019 at 4.00 p.m. on the Paisley Campus.

Audit Committee: Meeting of 4 September 2019

Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
4 Sep 2019	AM436	Remit – the Committee's role in relation to the accounting policies contained within the financial statements was queried. This responsibility lay with FGP Committee but was not clearly articulated in that remit. Matter to be raised with Chair of FGP Committee.	D Alexander	Matter raised with Chair of FGP Committee and report to be made to next meeting	December 2019 meeting
	AM438	Value for Money Policy Report – consideration on how the College compared with Audit Scotland's framework should be conducted and outcomes provided in next year's annual report	A Ritchie		September 2020
	AM440 415.1 403	Review of Policies: Fraud and Corruption Policy and Public Interest Disclosure (Whistleblowing) Policy – some minor amendments to be made and then recommended to Board for approval	J McMillan	Minor amendments made as agreed. Board approved both these policies at its meeting on 7 October 2019	Complete
	AM452	Schedule of Business 2019-20 – consideration of the Internal Audit and Other Audit Services tender to be included in this schedule	A Ritchie	Updated Schedule of Business to be brought to next meeting	December meeting
		Actions from previous minutes			
	AM417 402 383	Audit Assurance Framework Update – further progress report to be brought to next meeting	A Ritchie	Progress report provided (AM441)	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	RAAP confirmed that FoI training had been arranged for key staff. This will take place in October – extension of time to complete this was approved by the Committee (AM443)	December 2019 meeting
	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
	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 has been conducted and feedback analysed. Report will go to Corporate Development Committee in October (AM443)	Complete
	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 – Board deferred this session until December 2019	December 2019 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)	Complete

TITLE: **AUDIT AND ASSURANCE COMMITTEE HANDBOOK 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.

                    An initial report was provided to the Audit Committee, along with a training session, in December 2018 on the implications from the revised handbook, with further updates provided at the March and September 2019 Audit Committee meetings.

                    The purpose of this report is to inform the Audit Committee on the actions the College has taken, in conjunction with Scott Moncrieff, to progress the requirements of the updated Scottish Government Handbook.

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

Lead: Drew McGowan, Secretary to the Board

Status: Open

1. Introduction

1.1   The Scottish Government issued a revised Audit and Assurance Committee Handbook in April 2018 to replace the previous version published in July 2008. The 2018 Handbook includes several minor amendments and one major addition that affects various aspects of governance and Audit Committee responsibilities.

1.2   The purpose of this report is to inform the Committee on the actions the College has taken, in conjunction with Scott Moncrieff, to address these amendments.

2. Changes from the Revised Handbook

2.1   The major change in the revised handbook is an increased responsibility for the Audit Committee to develop an assurance framework and to understand the various sources of assurance it receives and the role that each assurance provider plays. The new Handbook advocates using 'three lines of assurance' to help articulate this framework, which are detailed in Section 2.5, below.

2.2   These changes meant that Audit Committees require to:

a)   Consider training for Audit Committee members on the new assurance framework and other changes to the Handbook;
b)   Refresh their Terms of Reference to comply with the changes outlined in the new Handbook; and
c)   Develop an assurance framework and consider whether there are gaps or duplication in the assurance that the Committee are receiving.

2.3   The approach that the College has taken in relation to (a) to (c) are noted below.

a)   Training

2.4   Scott Moncrieff provided a presentation to the Audit Committee in December 2018 on the changes that the revised Handbook has introduced. A training session on assurance mapping was then held with representatives from the College management team on 31 January 2019. The session updated the management team on the requirements of the updated handbook and the requirement to develop an assurance framework.

2.5   Scott Moncrieff also introduced Board members and College staff to the College's three lines of assurance and sources of assurance which are defined as follows:
- *First line*: management assurance from the front line or business operational areas;
- *Second line*: oversight of management activity, including effective management information, separate from those responsible for delivery, but not independent of the organisation's management chain; and
- *Third line*: independent and more objective assurance, including the role of Internal Audit and assurance from other external bodies.

The Audit Committee has been updated at each meeting on the progress being made by the College in addressing each of the three areas of change identified.

b) Terms of Reference

2.6   The Audit Committee reviewed and amended their terms of reference in line with the requirements of the revised handbook at its meeting in December 2018. The Committee did not consider that a change of name was required, and the remit was amended to include the requirement to review and receive regular reports on the development of the College assurance framework. The Board of Management approved the revised Audit Committee remit at its meeting on 4 February 2019.

c) Development of an Assurance Framework

2.7   The outline plan for the delivery of the assurance framework is as follows:

   i.   Workshop and training session for the College Senior Management Team was held in January 2019 facilitated by Scott Moncrieff.
   ii.   The College identified 6 areas which will form the core items within the overall assurance framework - Student Experience, Income, Information Technology, Corporate, People and Finance. These areas were discussed and agreed at the March 2019 Audit Committee meeting to take forward for inclusion in the audit assurance framework.
   iii. Student Experience was chosen as the first area to be considered given that it is core to the overall objectives of the College.
   iv.   Other areas of the assurance framework will be developed by the College based in the model established at (iii).
   v.   An update on progress has been provided at each meeting to the Audit Committee.
   vi.   Scott Moncrieff has reviewed the College progress on the assurance framework and provide feedback on the work to date.
   vii. An outline Student Assurance framework was presented to the September 2019 Audit Committee for review and comment.
   viii. Work has commenced on the Information Technology and Finance assurance frameworks and these will be reported to the March 2020 Committee meeting.
   ix.   It was anticipated that a final framework would be presented to the Committee by the end of 2019. Given the level of work required in relation to each area it is likely that the overall framework will not be available until the end of 2020. The College has discussed this with Scott Moncrieff who consider that the College continues to make good progress in this area.

2.8   The above timetable has been discussed with Scott Moncrieff who have indicated that the College is making good progress in seeking to complete the assurance framework by the end of 2020, with there not being a specific date provided by the Scottish Government for this. Neither the internal nor external auditors are required to comment on the assurance framework within their year-end / annual reports.

3.   Conclusion

3.1   The Audit Committee is requested to note the content of the report and the intended actions being taken by the College to address the requirements of the revised Audit and Assurance Committee Handbook.

TITLE: **INTERNAL AUDIT REPORT – REGIONAL OUTCOME AGREEMENT (STAGE 1)**

Background: As part of the internal audit programme for 2019-20 Scott Moncrieff conducted a review to provide assurance over the process for agreeing the College Regional Outcome Agreement (ROA) with the SFC.

It was previously agreed that due to the timing associated with the creation, agreement and implementation of the Regional Outcome Agreement the audit would be a two-stage review covering:

- Stage (1) - the initial planning followed by stage; and
- Stage (2) - the delivery stages of the ROA.

This report presents the findings of the stage (1) audit work. This report will be presented to the 26 February 2020 Learning, Teaching and Quality Committee for review.

Action: The Audit Committee is requested to approve the contents of this report.

Lead: Elizabeth Young, Director

Status: Open

1. **Introduction**

1.1 Regional Outcome Agreements are used by the Scottish Funding Council to assess the contribution of colleges towards Scottish Government priority outcomes and measure the impact of funding allocations. The Scottish Government's expressed desire is for intensification of the outcome agreement process and the establishment of clearer links between investment and outcomes. As a result, colleges now face increasing pressure to deliver ever more challenging targets. It is vital that colleges can negotiate and agree targets which are achievable but also evidence the wider contribution of the College in a national and regional context.

1.2 In accordance with the 2019-20 Internal Audit Plan, Scott Moncrieff have reviewed the processes in place for agreeing the Regional Outcome Agreement (ROA) including linkage to strategic and operational plans, SMART objective and target setting and effective engagement with internal and external stakeholders.

1.3 This review is a two-stage audit. This interim report sets out their findings from the first stage review assessing the College's planning processes for the development of the 2020/21 ROA. The stage two audit review, which will take place in late March 2020, will consider the finalisation of the ROA. Once Scott Moncrieff have completed a review of both stages, they will produce a combined assurance report consolidating their findings arising from the overall review of the ROA.

2. **Conclusion**

2.1 The internal audit review concluded that the College has committed considerable effort and resource to the development of the three-year Outcome Agreement. The ROA processes are clearly defined and embedded to ensure that the College efficiently prepares the ROA within the required SFC submission dates.

2.2 The report identifies several areas of good practice and notes one area for improvement that will help to strengthen the College's ROA processes.

2.3 The initial findings and area for improvement will be incorporated into the final report to be received by the March 2020 Committee.

3. **Recommendation**

3.1 The Audit Committee is requested to approve the contents of this report.

West College Scotland

Internal Audit Report 2019/20

Regional Outcome Agreement – Interim Review

November 2019

Scott-Moncrieff
business advisers and accountants

West College Scotland

Internal Audit Report 2019/20

Regional Outcome Agreement

Sponsor Key Contacts	Audit team
Stephanie Graham, Vice Principal Educational Leadership	Elizabeth Young, Head of Internal Audit Claire Beattie, Audit Manager Christopher Young, Senior Auditor Cara Doyle, Internal Auditor

Executive summary

Background

Regional Outcome Agreements are used by the Scottish Funding Council to assess the contribution of colleges towards Scottish Government priority outcomes and measure the impact of funding allocations. The Scottish Government's expressed desire is for intensification of the outcome agreement process and the establishment of clearer links between investment and outcomes. As a result, colleges now face increasing pressure to deliver ever more challenging targets. It is vital that colleges can negotiate and agree targets which are achievable but also evidence the wider contribution of the College in a national and regional context.

Scope

In accordance with the 2019/20 Internal Audit Plan, we have reviewed the processes in place for agreeing the Regional Outcome Agreement (ROA) including linkage to strategic and operational plans, SMART objective and target setting and effective engagement with internal and external stakeholders.

This review is a two-stage audit. This interim report sets out our findings from the first stage review assessing the College's planning processes for the development of the 2020/21 ROA. Stage two will consider the finalisation of the ROA. Once we have completed both stages, we will produce a standard assurance report consolidating our findings arising from the review overall.

Acknowledgements

We would like to thank all staff consulted during this review to date for their assistance and co-operation.

Interim observations and commentary

Conclusion

As part of our interim review, we assessed WCS's achievement of the following objectives:

- A clearly defined process is in place for the negotiation of Outcome Agreements with the SFC;
- Responsibilities and timescales for the College Board of Management and senior management to negotiate outcome agreements with the SFC are clearly outlined; and
- The College has planned for effective engagement with internal and external stakeholders.

We found that WCS has committed considerable effort and resource to the development of the three-year Outcome Agreement. The ROA processes are clearly defined and embedded to ensure that the College efficiently prepares the ROA within the required SFC submission dates.

This paper contains a short summary of our initial findings, with fuller detail to be provided after the conclusion of the whole audit.

Audit Fieldwork

Our primary focus for stage one of the ROA review was to consider the planning processes in place for the 2020/21 ROA.

We met with the Vice Principal of Educational Leadership, our main point of contact throughout the audit, to gain an overview of the process that the College follows. We then obtained and documentary evidence to substantiate the processes that had been outlined to us. We also confirmed these processes adhered to the SFC guidance to ensure the necessary outputs and timelines were being adhered to by the College. We have noted our findings from this review within the 'Good Practice' section below.

We also reviewed Board papers and minutes to verify the Board of Management are aware of the process and have appropriate oversight during the planning stages. We obtained evidence that showed SFC feedback in relation to ROA targets in relation to the prior year, which was presented in a Board report and will be considered throughout the process moving forward.

For the areas of the process that have not yet occurred, we will obtain the evidence to verify this in the second stage of our review.

We identified a number of areas of good practice and we have noted one area for improvement that will help to strengthen the College's ROA processes.

Good practice

- WCS has a clearly defined ROA completion plan that is fully aligned with SFC Guidance. The ROA planning process is geared towards ensuring both the draft ROA and the final ROA are submitted to the SFC within the required timescales of the 13 December 2019 and 30 April 2020, respectively. The College has in the past met these timelines in reporting both the draft and final ROA documents to the SFC

- The Board of Management are aware of their roles and responsibilities for the preparation of the ROA and we confirmed that the ROA is on track to be delivered within the agreed timetable. The document development process was discussed at the Learning, Teaching and Quality Committee in November 2019. The initial draft ROA will be submitted to the SFC by the required submission date of 13 December and then presented to the Board of Management in February 2020, along with any initial feedback from the SFC.

- The ROA development process requires each sub-committee to be fully engaged in the development and monitoring of the ROA. Sub-committees are required to aid the development of the ROA in the areas they have delegated responsibility for. This approach ensures there is clear engagement with relevant internal stakeholders.

Areas for further development

- The College should consider how it can improve its engagement with external stakeholders on the ROA. Management advised that the College does try to liaise with external stakeholders during the development of the ROA, however achieving this type of engagement can be challenging due to the timescales involved. The College could consider involving the Community Planning Partnership (CPP) during the development stage of the ROA to ensure their input is taken into consideration. Engagement with the CCP will reduce the risk of the ROA not being fully inclusive of setting outcomes/targets that are important to both the College and the communities it operates within.

TITLE: **INTERNAL AUDIT REPORT – FINANCIAL SYSTEMS HEALTH CHECK**

Background: As part of the internal audit programme for 2019-20 Scott Moncrieff conducted a review to provide assurance in relation to College financial systems controls. covering expenditure and creditors. This report presents the findings from the audit review.

Action: The Audit Committee is requested to approve the contents of this report.

Lead: Elizabeth Young, Director

Status: Open

1. Introduction

1.1 The boards of all public bodies need assurance that assets and other resources are used effectively and efficiently and that financial affairs are well managed. Internal financial controls are essential checks and procedures that help public bodies:

- meet their legal duties to safeguard public assets
- administer public funding in a way that identifies and manages risk
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

1.2 Internal financial controls reduce, but do not eliminate, the risk of losses through theft and fraud, bad decisions, human error, breaches of controls, management override of controls and unforeseeable circumstances.

1.3 In accordance with the 2019-20 Internal Audit Plan, Scott Moncrieff have reviewed the controls over financial systems covering non-pay expenditure and creditors.

2. Conclusion

2.1 The internal audit review concluded that the College's accounts payable systems and controls have been well designed and are operating effectively.

2.2 The review identified several areas of good practice including:

- well-defined policies and procedures for non-pay expenditure available to all staff with the key document, the Financial Regulations, being reviewed annually.

- There is a clear system in place for adding new or amending suppliers to the finance system that staff adhere to. This includes independent verification of bank details with the supplier, prior to adding or updating their details on the system.

- Well-designed process for raising and approving purchase orders, matching these to invoices and ensuring the relevant goods/services had been received prior to payment.

- Management accounts are prepared monthly before being presented to management, the Finance and General Purposes Committee and ultimately the Board.

2.3 There are no audit recommendations arising from the audit work.

3. Recommendation

3.1 The Audit Committee is requested to approve the contents of this report.

West College Scotland

Internal Audit Report 2019/20

Financial Systems Health Check

November 2019

Scott-Moncrieff
business advisers and accountants

West College Scotland

Internal Audit Report 2019/20

Financial Systems Health Check

Audit Sponsor	Key Contacts	Audit team
Alan Ritchie, Director of Finance and Estates	*Vivienne Mulholland, Head of Finance and Student Funding* *Jigna Bhatt, Finance Manager*	*Elizabeth Young, Director* *Claire Beattie, Audit Manager* *Cara Doyle, Internal Auditor*

Executive Summary

Conclusion

> West College Scotland's accounts payable systems and controls have been well designed and are operating effectively.

Background and scope

The boards of all public bodies need assurance that assets and other resources are used effectively and efficiently and that financial affairs are well managed.

Internal financial controls are essential checks and procedures that help public bodies:

- meet their legal duties to safeguard public assets
- administer public funding in a way that identifies and manages risk
- ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.

Internal financial controls reduce, but do not eliminate, the risk of losses through theft and fraud, bad decisions, human error, breaches of controls, management override of controls and unforeseeable circumstances

In accordance with the 2019/20 Internal Audit Plan, we have reviewed the controls over financial systems covering non-pay expenditure and creditors.

Control assessment
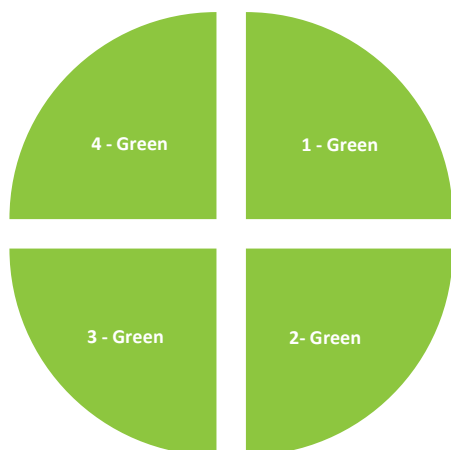
■ 1. Policies and procedues for non-pay expenditure are aligned to best practice.

■ 2. Payments are made only in respect of valid and approved creditor accounts for goods and services received.

■ 3. Payments are made in accordance with the payment policy with expenditure being accurately reflected in the financial ledger.

■ 4. Timely, relevant and accurate management information is available and is reviewed on a regular basis.

Improvement actions by type and priority
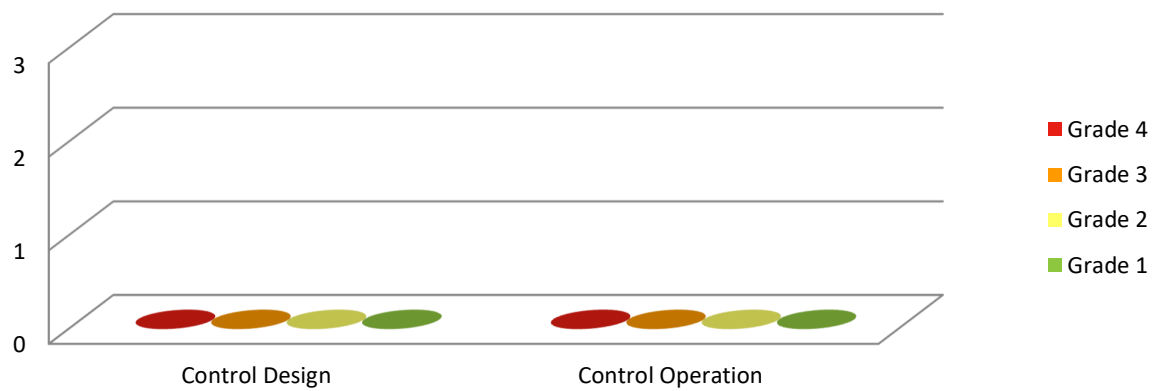
No improvement actions have been identified from this review. See Appendix A for definitions of colour coding.

Key findings

Good practice

West College Scotland's procedures reflect good practice in several areas:

- The College has well-defined policies and procedures for non-pay expenditure. These are available to all staff, via the staff intranet and are subject to regular review with the key document, the Financial Regulations, being reviewed annually.

- There is a clear system in place for adding new or amending suppliers to the finance system that staff adhere to. This includes independent verification of bank details with the supplier, prior to adding or updating their details on the system. There is also thorough review and authorisation process in place before the supplier details are uploaded.

- We found there to be a well-designed process for raising and approving purchase orders, matching these to invoices and ensuring the relevant goods/services had been received prior to payment. We found this process ensured appropriate segregation of duties and has been adhered to for all the items within our sample testing. User roles are enforced through the access restrictions within the finance system which is an important preventative control to ensure appropriate authorisation is sought for each transaction.

- The College aims to approve and pay all invoices due within 30 days of receipt. This is regularly monitored, with action taken to remind budget holders to approve invoices timeously. Any disputed or aged invoices are automatically picked up in the next payment run after the outstanding issues have been resolved and the invoice approved.

- Management accounts are prepared monthly before being presented to management, the Finance and General Purposes Committee and ultimately the Board. These are subject to robust scrutiny and regular review by senior finance management with review notes provided to demonstrate this.

These are further discussed in the Management Action Plan below.

Impact on risk register

This review is not directly linked to any of the identified risks within the Strategic Risk Register. More generally, the robust expenditure controls that we have found to be in place help mitigate a number of business risks, including the risk of supplier fraud.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: Policies and procedures for non-pay expenditure are aligned to best practice.

Green

No weakness identified

West College Scotland has clear policies and procedures for non-pay expenditure in place that are aligned to best practice. The key document relevant to accounts payable is the Financial Regulations. The Regulations were recently subject to an in-depth review with several changes being made. The updated Regulations were approved by the Finance and General Purposes Committee at their meeting on 19 November 2019.

We also confirmed the Financial Regulations were readily available to staff. The College has made this available within the policies and procedures section on the staff intranet.

Control Objective 2: Payments are made only in respect of valid and approved creditor accounts for goods and services received.

Green

No weaknesses identified

West College Scotland have a clear and appropriate system in place for adding new and amending supplier details on the finance system. There is a standard form in place that requires dual authorisation prior to changes being recorded on the system. Where bank detail additions or changes are required, finance also independently contact the supplier to request they confirm their details on letter headed paper. We tested a sample of 24 new suppliers and 24 supplier amendments and confirmed that the standard form was used for changes, was appropriately authorised and supported by bank detail confirmations on letter headed paper. We also confirmed that amendments are checked prior to payment runs being made.

The Financial Regulations clearly outlines the approval levels required for purchase orders. We selected a sample of 24 purchase orders and confirmed that these were approved by the appropriate individual. We also confirmed that invoices, purchase orders and goods received are matched and authorised by a second individual prior to payments being made. This ensures there is appropriate segregation of duties, amounts paid are agreed to the original orders and that payments are not made until the goods/services have been received.

We also confirmed that access to the finance system is appropriately restricted. The system is password controlled with individual users having varying levels of access dependent on their role. Access rights are re-confirmed annually through a joint review by finance and budget holders. During the year, finance process authorised requests to amend system access for individuals and receive a monthly staff listing from human resources that allows them to identify any leavers that require to be removed.

Control Objective 3: Payments are made in accordance with the payment policy with expenditure being accurately reflected in the financial ledger.

Green

No weaknesses identified

The College complies with the Confederation of British Industry Prompt Payment Code and has a policy of paying its suppliers at the end of the month following the date of invoice or supply unless supplier payment terms are different, in which case payment is made in accordance with those terms. The College produce monthly reports on their average invoice payment times, which from review of a sample of reports we confirmed was within 30 days.

The finance system automatically selects for payment all authorised invoices that fall due on or before the payment run date i.e. 30 days after the invoice date. The Finance Officer and Finance Manager review the aged creditors every month and there is an automatic reminder to budget holders to authorise any outstanding invoices. Any aged/disputed invoices are paid in the next payment run after the invoice is authorised.

During our sample testing, we noted that the aged creditor review for July 2019 had not been signed off. We confirmed however that the review had taken place; the front cover was not signed due to it having been reprinted and the second copy mistakenly was not signed. Accordingly, we confirmed this was a housekeeping issue and the control in place had in fact operated effectively.

The Finance Officer also prepares monthly reconciliations between the creditors control account and the ledger balance to ensure the ledger is up-to-date and accurate. The Finance Manager then reviews and signs these off. The Treasury Assistant also prepares monthly bank reconciliations that are then reviewed by the Finance Manager to ensure all transactions are accurately recorded.

Control Objective 4: Timely, relevant and accurate management information is available and is reviewed on a regular basis.

Green

No weaknesses identified

The College produces management accounts each month other than August due to this being the College's year end. The Principal Accountant works to a 10-day deadline to prepare the management accounts, which are then reviewed by the Head of Finance and Student Funding with any key points being discussed between the Director of Finance and Estates and the Head of Finance and Student Funding.

The management accounts information packs are presented to the Finance and General Purposes Committee and then to the Board of Management for review on a quarterly basis.

We confirmed that the management accounts are produced monthly and are subject to robust scrutiny and review by senior management. We also confirmed that there is minimal manual intervention or manipulation of data involved in producing the management accounts thereby reducing the likelihood of error.

Appendix A – Definitions

Control assessments

R — Fundamental absence or failure of key controls.

A — Control objective not achieved - controls are inadequate or ineffective.

Y — Control objective achieved - no major weaknesses but scope for improvement.

G — Control objective achieved - controls are adequate, effective and efficient.
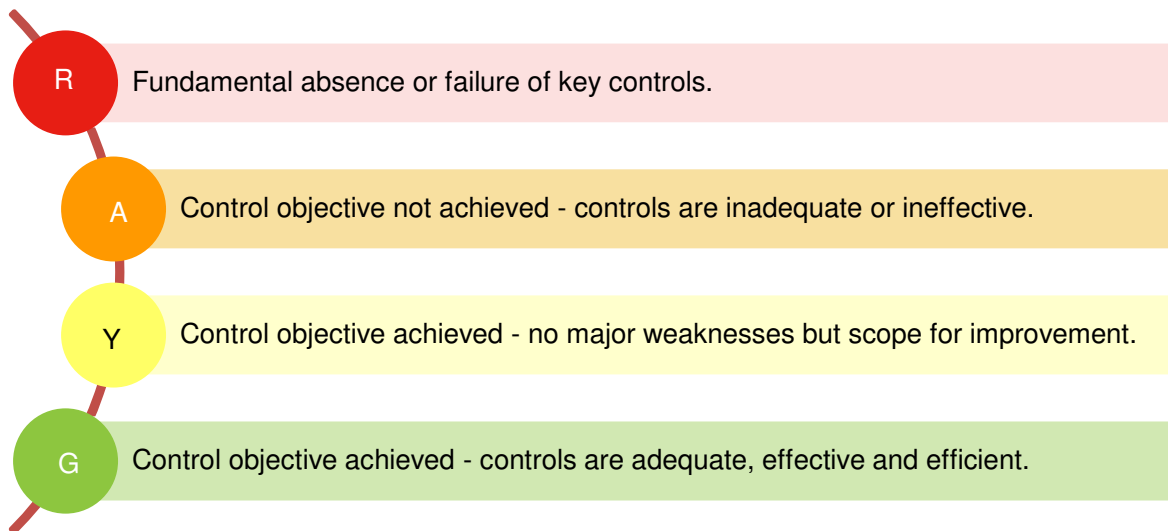
Management action grades

4 — • Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.

3 — • High risk exposure - absence / failure of key controls that create significant risks within the organisation.

2 — • Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.

1 — • Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

TITLE: **INTERNAL AUDIT ANNUAL PLAN 2019-20 UPDATE**

Background: The Audit Committee approved the 2019-20 College internal audit plan in May 2019. This paper provides the Audit Committee with an update on 2019-20 internal audit activity to date. The internal auditors have, in line with the agreed programme of work, completed two reviews in the period since the previous Committee meeting:

- Regional Outcome Agreement (Part1); and
- Financial Systems Health Check

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

Lead: Elizabeth Young, Director – Scott Moncrieff

Status: Open

West College Scotland

Internal Audit Progress Report

December 2019

Scott-Moncrieff
business advisers and accountants

West College Scotland

Internal Audit Progress Report

Summary of progress

This paper provides the Audit Committee with a summary of internal audit activity since its last meeting and confirms the reviews planned for the coming quarter, identifying any changes to the original annual plan.

Progress against annual audit plan

We have completed our financial systems health-check audit and the first stage of our regional outcome agreement (ROA) review in the period to December 2019. We also commenced the fieldwork for the Equality and Diversity audit and planned the remaining two audits that are due to be presented at the March Audit Committee with management.

Status of internal audit reviews

- Complete
- Draft report
- Planned
- Planning
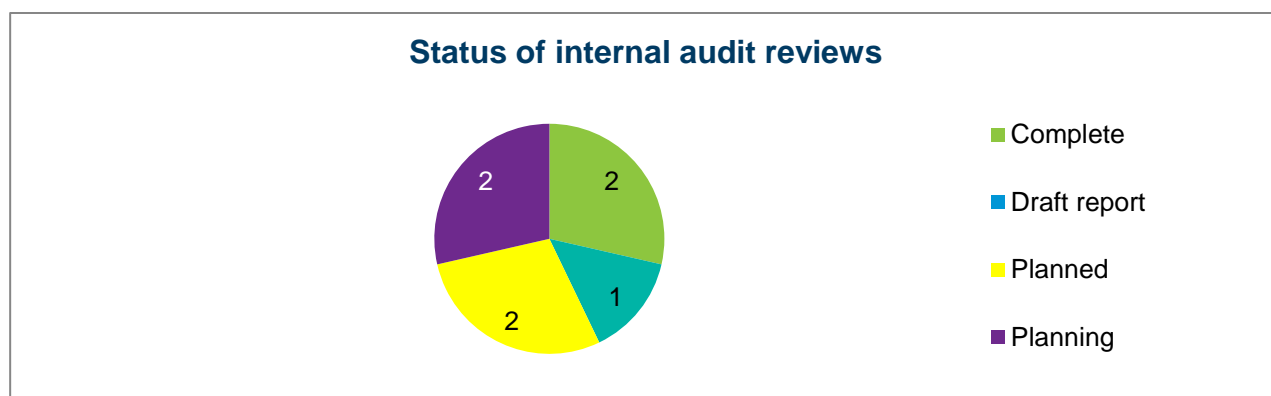
Appendix 1 sets out the status of the 2019/20 internal audit programme.

Plan for next quarter

We will present the following reports to the March 2020 Audit Committee:

- Equality and Diversity
- Regional Outcome Agreement
- Digital Strategy
- RAAP

Action for Audit Committee

The Audit Committee is asked to note the contents of this report and to approve the plan for the next quarter. We also invite any comments on the format or content of this report. Contact details are as follows:

Chris Brown, Engagement Partner	chris.brown@scott-moncrieff.com	0131 473 3500
Elizabeth Young, Chief Audit Executive	elizabeth.young@scott-moncrieff.com	0141 567 4500
Claire Beattie, Audit Manager	claire.beattie@scott-moncrieff.com	0141 567 4500

Audits completed

The table below sets out the reports completed since the last Audit Committee meeting. There were no Grade 4 recommendations (very high risk exposure) and there are no control objectives assessed as red. Full definitions for the colour coding and the grading structure are set out below.

Review	Control objective assessment	No of issues per grading			
		4	3	2	1
A.1 Financial systems health-check		-	-	-	1
B.1a Regional Outcome Agreement (ROA) – stage 1	*N/A – advisory style report. Assurance report will be issued following the stage 2 review.*				

The full reports will be presented to this meeting under separate agenda items.

Definitions

We use the following definitions to describe the effectiveness of controls in the area under review.

Assessment	Definition
RED	Critical: fundamental absence or failure of key controls
AMBER	High: control objective not achieved - controls are inadequate or ineffective
YELLOW	Moderate: Control objective achieved - no major weaknesses but scope for improvement
GREEN	Low: Control objective achieved - controls are adequate, effective and efficient

Recommendations are graded as follows:

Ranking	Definition
4	Very high risk exposure - major concerns requiring immediate senior management attention.
3	High risk exposure - absence / failure of key controls.
2	Moderate risk exposure - controls not working effectively and efficiently.
1	Limited risk exposure - controls are working effectively, but could be strengthened.

Appendix 1 – Progress against 2019/20 internal audit plan

Ref and Name of report	Audit Sponsor	Status	Quarter	Planned Audit C'ttee	Actual Audit C'ttee
A.1 Financial systems health-check	Director of Finance and Estates	Complete	Q2	Mar 20	Dec 19
B.1a Regional Outcome Agreement (ROA)	Vice Principal Educational Leadership	Complete	Q1	Dec 19	Dec 19
B.1b Regional Outcome Agreement (ROA)	Vice Principal Educational Leadership	Planned	Q3	Mar 20	
C.1 Equality and diversity	Director of Organisational Development and HR	Fieldwork in progress	Q2	Dec 19[1]	
C.3 Continuing professional development	Director of Organisational Development and HR	Planning	Q3	May 20	
D.2 Online Resources	Director of Business, Enterprise and Innovation	Planning	Q3	May 20	
E.1 Digital Strategy	Director of IT	Planned	Q2	Mar 20	
F.1 Follow Up	Director of Finance and Estates	N/A – every quarter	N/A	All	All

Key:	
Complete	Audit work complete and report has been agreed and finalised
Draft Report	A draft report has been issued
Fieldwork complete	The audit work is complete but the draft report has not yet been issued.
Fieldwork in progress	The audit work is in progress.
Planned	The scope and timing have been agreed with management
Planning	The scope of the audit has yet to be agreed with management

[1] Postponed to Mar 20 as agreed with management

TITLE   **ROLLING AUDIT ACTION PLAN**

Background   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:

a) internal audit reports received and approved by the Committee; and

b) 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:

a) the inclusion of the six recommendations arising from the completion of the year ended 31 July 2019 external audit work;

b) the removal of 15 internal audit recommendations following the completion of the review work carried out by the internal auditor;

c) an extension of time for four recommendations; and

d) 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	**20**	**0**	**20**
Proposed for removal following audit follow up work	(15)	0	0
Added to the RAAP – audit reports approved at prior Committee meeting:			
	0	0	0
Added to the RAAP from Joint Committee meeting:			
Student Credit Report 2018-19	0	6	6
Total recommendations as per RAAP	**20**	**6**	**26**

Note: The Committee received a report on the Payroll Systems Review at September 2019 meeting. This report contained several actions which had all been completed at the time of the report, so these have not been added to the rolling audit action plan.

Status of Recommendations	Internal Audit	External Audit	Total
Total recommendations as per RAAP	20	6	26
Recommend for removal following Committee review	(15)	0	(15)
Number of recommendations remaining	**5**	**6**	**11**
Status of remaining recommendations			
Partially complete (Not yet due)	1	5	6
Partially implemented (Due for completion – extension requested)	4	0	4
Complete pending external auditor review	0	1	1
Complete pending internal audit review	0	0	0
Total recommendations remaining	**5**	**6**	**11**

3.   **Commentary on Audit Recommendations**

External Audit

3.1   The finalisation of the external audit work for the year ended 31 July 2019 resulted in the following recommendations:

- Annual report and financial statements
  - o There was 1 recommendation following the completion of this audit.
  - o As per the external audit annual report this recommendation was fully implemented during the audit period and is therefore not recorded on the RAAP.

- Educational Maintenance Allowance Audit
  - o There were no audit recommendations following the completion of this audit.
  - o The audit report contained 3 observations which were discussed as part of the year end reporting. These were not considered material and are therefore not recorded on the RAAP.

- SFC Credits Audit
  - o There were six low category recommendations following the completion of this audit.
  - o These have been recorded on the attached RAAP.

- Student Support Funds Audit
  - o There were no audit recommendations following the completion of this audit.

3.2   The implementation of the above recommendations will be monitored during the year and reviewed by the external auditor as part of their year ended 31 July 2020 audit work.

Internal Audit

3.3   Following review by the internal auditors, the College is requesting to remove 15 of the 20 recommendations as noted on the attached RAAP.

3.4   The College is requesting an extension of time in relation to four recommendations, three of which relate to the same area of review and have a related context:

- Recommendation (4) – Fraud Risk Assessment from 30/9/19 to 31/1/20
  - o The College has undertaken most of the work required in relation to this recommendation including initial risk assessment, training of key staff and further generic risk training. The external training has been arranged but is out with the current revised completion date. The extension will allow the final element of the training package to be delivered to a wider audience.

- Recommendation (18) – Student Experience from 30/9/19 to 31/1/20
    - Due to a limited uptake of the request for class representatives the College is now looking to directly engage with evening students. Work has commenced to allow the Student Experience team to engage with the new cohort of students who have started their studies. The extension of time is to allow this work to be satisfactorily completed.

- Recommendation (19) – Student Intranet from 30/6/19 to 31/1/20
    - The overall review of the content of the student intranet has been completed in advance of the start of term. The extension of time has been requested to allow the process of the future monitoring of the intranet pages content to be finalised.

- Recommendation (20) – Student Experience from 31/10/19 TO 31/12/19
    - There was a limited response from evening students and the student engagement team are now running specific focus groups with evening students during the later part of November 2019 to encourage class representatives to come forward. The extension of time is to allow for this process of active engagement to be completed.

4.   Conclusion

4.1   The RAAP is reviewed by the relevant staff on a continual basis and the College considers that good progress is being made addressing the recommendations made by both the internal and external auditors.

4.2   The Audit Committee is requested to approve:

a)   the inclusion of the six recommendations arising from the completion of the year ended 31 July 2019 external audit work;

b)   the removal of 15 internal audit recommendations following the completion of the review work carried out by the internal auditor;

c)   an extension of time for four recommendations; and

d)   the Rolling Audit Action Plan.

West College Scotland

Rolling Audit Action Plan 2019-20

Internal Audit Recommendations

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
1	2018-19	2018-19-05 - Financial Planning and Monitoring	3.1 - Reporting on the Financial Strategy	The College develops its five year forecast and Financial Strategy in line with development of the annual budget. The finance staff develop the budget using a zero-based approach and obtain input from staff across the College on their anticipated income and expenditure predictions. Staff then use the budget as the starting point for creating the Financial Strategy and projecting the future financial position, taking into account assumptions about changes in expected income and expenditure. The budget and Financial Strategy include prior year actual figures for comparison, but do not outline whether those figures were consistent with the budgets set and whether assumptions used proved to be accurate.	The College may miss the opportunity to provide assurance to the Board of Management that financial forecasts are accurate and achievable, or to refine its current processes for identifying expected income/costs and financial assumptions.	The College should consider including information on the accuracy of budgets and assumptions set in previous years. Inclusion of this information would provide an opportunity for management to reflect upon whether the budgeted figures set for the current year are likely to be achievable and whether forecasting assumptions are reasonable and consistent with experience. It may also provide opportunities to improve budgeting processes or identify more accurate assumptions.	1	30/06/2019	30/06/2019	Alan Ritchie	The College Board of Management approved in June 2019 the 2019-20 budget and 4 year financial forecasting. The updated Strategy included both the budget and forecast for 2018-19 for comparison purposes. A commentary on the performance of the College has also been included to provide context to the year end position.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
2	2018-19	2018-19-05 - Financial Planning and Monitoring	1.1 - Sensitivity Analysis	The College's Financial Strategy outlines expected income and expenditure over the next five years. Staff predict the future financial position using assumptions based on external and internal factors affecting the College, including whether the College's SFC funding is likely to increase or decrease. The Strategy contains a section that sets out the College's confidence level in the assumptions it has made. Each assumption is assigned a RAG (red, amber, green) rating based on the College's confidence in the predicted financial movement and whether that movement is likely to result in a material change to the College's financial position. The Strategy then separately includes a sensitivity analysis that quantifies the impact of changes to the assumptions made and also notes changes considered to be unquantifiable due to the lack of information available, such as a change in the SFC's funding model.	There is a risk the Board of Management are unclear on the financial impact that changes in certain assumptions could have on the College's financial position, which could impact on strategic decision-making.	The College should combine its confidence and sensitivity analyses for the Financial Strategy assumptions. Staff should outline against each assumption what the expected financial impact would be, or confirm where the impact cannot be quantified. This will provide the Board of Management with a clearer picture of the significance of changes to the assumptions underpinning the Financial Strategy.	1	30/06/2019	30/06/2019	Alan Ritchie	The College Board of Management approved the 2019-20 budget and financial forecasting in June 2019. The updated Budget / Strategy included the combination of the confidence and sensitivity analysis which was included in the previous document as two separate documents.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
3	2018-19	2018-19-06 - Internal Communications	1 - Internal Communications Objectives	The College has an overarching Corporate Plan that sets out the College's strategic priorities. Each Directorate within the College then develops an operational plan for each year. Within the Communications, Policy and Planning Directorate's operational plan, the Directorate includes objectives for internal communications. During our review, we noted the following: ·The objectives contained within the 2018/19 operational plan are not SMART. For example, the plan states staff will take action to develop internal communications, but it is unclear what specific action they will take to deliver the objective or how achievement of the objective will be demonstrated. We have raised this point on operational planning in prior reviews within other areas of the College and not solely within this Directorate. ·Staff confirmed that quarterly progress reporting with the Vice Principal (VP) of Corporate Development was intermittent and not carried out consistently.	There is a risk that the College may not implement desired improvements to internal communications, due to the lack of SMART objectives and intermittent monitoring. This could impact on staff relations and prevent effective communication to support delivery of the College's strategic priorities.	The Communications, Policy and Planning Directorate should take cognisance of our prior recommendation on SMART objectives when developing their future operational plan. Following our testing we recognise some of the objectives set in the previous year are SMART however we would expect all internal communications objectives to be SMART. The College should ensure that quarterly progress review meetings take place to allow sufficient oversight of performance to be provided.	2	31/07/2019	31/07/2019	Diarmid O'Hara	The Directorate submitted its 2019-20 Operational Plan to the College's Executive in June 2019. This plan includes a number of SMART objectives in relation to internal communications. The plan will be monitored in line with the review process established for 2019-20	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
4	2018-19	2018-19-04 - Fraud Prevention	1.1 - Fraud risk assessment	The College maintains a Fraud and Corruption Policy that outlines the College's approach to preventing fraud and investigating suspected cases. The Policy states that line managers are expected to understand fraud risks within their areas and be aware of where there might be any risk arising from processes. The College previously completed an informal exercise to identify high risk fraud areas that should be addressed, but there is no requirement for managers to review these risks on a regular basis or confirm that appropriate controls are in place to manage them.	Fraud risks may not be adequately managed where changes in operational circumstances i.e. technological advances, result in an increased risk of fraud.	Management should document the fraud risks within their area and review these risks on an annual basis to ensure there are adequate controls in place to prevent/detect fraud. This could be carried out as part of the annual control checklist completed to support the Governance Statement.	2	30/04/2019	30/09/2019 31/01/2020	Alan Ritchie	The College has completed fraud awareness training for areas of high risk (purchase ledger and payroll). The College has completed an initial exercise to review the fraud risks across the key operational areas of the organisation. From this review a training need was identified for cyber essentials refresher training to be undertaken by all staff. The College is undertaking generic fraud awareness training session with the Heads of Department and Operational Managers on 27 Nov 2019 and 28 Jan 2020.	Partially Complete	Partially Complete
5	2018-19	2018-19-06 - Internal Communications	2 - Review of Internal Communications	The College issues internal communications using a variety of methods, including the staff intranet, blogs and meetings. During our review we noted some examples of the College considering whether the methods used were fit-for-purpose and implementing improvement actions where they were found to be not fit-for-purpose. For example, the Directorate received informal feedback that staff felt they received too many internal emails that contained irrelevant information. Staff updated the intranet to create different areas for staff to post news to. Instead of receiving all staff emails covering a number of topics, staff can now sign up to an area on the intranet and receive emails on updates posted to those areas only. The College does not on a formal basis routinely seek staff views or assess whether communication methods are fit-for-purpose.	There is a risk that staff do not perceive internal communication methods as fit for purpose, as their views are not regularly sought on whether improvements could be made. This could impact on staff engagement with internal messaging and prevent effective communication to support delivery of the College's strategic priorities.	The Directorate has committed to undertaking an annual staff survey on internal communications within its operational plan (see recommendation 4.1). The Directorate should seek staff views within the survey on the methods of communication used and whether they are fit-for-purpose. The Directorate should consider this information alongside other evidence, such as monthly statistics on intranet usage, to assess whether the current communication mechanisms are appropriate. Where staff identify that improvements are required, the Directorate should include actions to deliver these improvements within the annual operational plan.	1	31/07/2019	31/07/2019	Diarmid O'Hara	An all staff internal communications survey was undertaken and completed in June 2019. The findings can be found here www.surveymonkey.com/results/SM-J37VPZ2K7/ The results were discussed with the Senior Management Team in August 2019 and will inform future actions concerning all aspects of internal communications.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
6	2018-19	2018-19-04 - Fraud Prevention	2.1 - Induction Training	The College previously provided ad-hoc training sessions on counter fraud processes where a specific need in a particular operational area was identified. Due to the recent purchase ledger fraud, the College provided targeted counter fraud training to Finance and Student Support staff in November and further training is due to be provided in January 2019 to a wider group of relevant staff. The College also intends to introduce regular fraud refresher training from 2019 onwards to maintain Finance, Procurement and Student Support staff awareness and keep staff knowledge up-to-date. When new employees join the College, they are informed of the Fraud and Corruption Policy as part of their induction. There is not, however, specific training provided on fraud prevention and detection for relevant staff, particularly in relation to the high-risk areas identified from the fraud risk assessment work noted under MAP 1.1.	There is a risk that staff in the identified high-risk areas may not have sufficient awareness of counter fraud processes within the College, due to the lack of timely and sufficient training. This could increase the College's risk exposure to potential frauds.	We endorse the College's proposal to introduce refresher training on fraud to core finance related staff and other staff identified as in high risk areas and encourage the College to agree the longer term responsibilities, actions and time scales for ensuring this takes place. The current timeline set for the initial refresher training is 22 January 2019 and this will then be run annually. The College should also introduce high-level counter fraud training as part of the induction process to ensure that staff working in the identified high risk areas are aware of the College's processes for counter fraud. This should be supplemented by more detailed area-specific training where appropriate, that inducts new employees on specific processes designed to prevent/detect fraud in their area of operations.	2	31/07/2019	30/11/2019	Alan Ritchie	The College has completed an initial exercise to review the fraud risks across the key operational areas of the organisation. Due to the summer break this document was not reviewed by the SMT until September and training requirements / actions have been established based on that review. Training will be undertaken in the period to 30 November 2019.	Partially Complete	Complete and agreed to be removed
7	2018-19	2018-19-06 - Internal Communications	4 - Internal Communications Survey	Since 2016/17, the Directorate has committed within its operational plan to perform a survey to obtain feedback on internal communications. We noted however, through discussions with staff that this survey has to date not occurred and that there are no other formal mechanisms in place to gather feedback on internal communications.	There is a risk that the College is not providing staff with timely information relevant to their role as there is no mechanism for regularly seeking college-wide staff views on internal communications. The College may not be meeting staff information needs, which could prevent effective communication on internal matters and other information that supports delivery of the College's strategic aims.	The College should perform an annual survey seeking feedback on internal communications and ensure that any actions resulting from this work is captured within the 2018/19 operational plan. The survey should assess the types of information staff do and do not want to receive within internal communications, their views on how timely the information is and whether the current mechanisms used are effective (see recommendation 2.1). Subsequent surveys should then assess whether or not staff expectations are continuing to be met. The Directorate should assess the feedback received and identify whether any improvements are required. Improvement actions should be captured either within the operational plan or a separate action plan specific to the survey. Progress should be monitored until full	2	31/05/2019	31/05/2019	Diarmid O'Hara	An all staff internal communications survey was undertaken and completed in June 2019. The findings can be found here www.surveymonkey.com/results/SM-J37VPZ2K7/ The results were discussed with the Senior Management Team in August 2019 and will inform future actions concerning all aspects of internal communications.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
8	2017-18	Workforce Planning	Audit Committee September 2018	N/a	N/a	It was agreed that the Organisational Development and HR (ODHR) Committee should continue to monitor progress with the People Strategy, including the Workforce Planning framework. One overall recommendation would be added to the rolling audit action plan to enable the Audit Committee to monitor progress. It was noted that the last implementation date for the recommendations was February 2019 and the ODHR Committee would report back to the Audit Committee on implementation of the recommendations in this report once it had reviewed the progress made, this was likely to be reviewed at its meeting in May 2019.	N/a	31/05/2019	30/09/2019	David Gunn	A report has been prepared for consideration by the OD&HR Committee in May 2019. This report updates the Committee on the recommendations made by internal auditors to address Workforce Planning. The Committee concluded that the internal audit recommendations had been implemented and no further review was required.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
9	2018-19	2018-19-08 - Freedom of Information	01 - College wide awareness of FOI	WCS has documented procedures in place for addressing the requirements of FOISA. Documents are reviewed on a regular basis, updated where necessary and accessible to all relevant members of staff. There are procedures in place in relation to logging and processing all FOI requests this supporting guidance is in place to ensure WCS staff can respond to FOI requirements. Template letters are also available for staff to use.	There is a risk that the College does not meet the requirements of the Freedom of Information Scotland Act, caused by a failure to ensure that the FOI procedure has been made available to all College staff. The College risks financial penalties and reputational damage as a result.	West College Scotland should implement a policy on their staff intranet that details the Freedom of Information and Publication Scheme roles and responsibilities. This should also be reviewed in line with the review cycle.	2	31/07/2019	31/08/2019	David Gunn	The College has produced and distribute via the intranet a staff guide on how to deal with FOI requests. This was distributed during the first week of the teaching year to ensure all staff received it.	Partially Complete	Complete and agreed to be removed
10	2018-19	2018-19-08 - Freedom of Information	02 - Forward looking training plan	Staff regularly administering and processing FOI requests have undertaken training as and when there are changes to the FOI. Training is in the form of online modules and practitioners conferences. The staff are currently booked in for 'Act Now' FOISA Conference on 1st May. The Head of Organisational Development and HR has explained the training modules that are being considered through Cylix and have yet to be considered in a plan for future training. We identified during our review: - The Head of Organisational Development and HR did not complete the online training module until 2019, despite having been in post since 2016; and - The College has not built regular refresher training on FOISA into the training plans for relevant staff.	There is a risk that the College cannot demonstrate ongoing compliance with the FOISA caused by a failure to ensure training is planned in advance for all staff with involvement in the process.	West College Scotland should implement their training intentions into a formal forward looking training plan. This could cover GDPR, cyber resilience and FOI all in the one plan.	1	31/07/2019	30/11/2019	Joe Rafferty	The College had arranged refresher training for key FOI staff in the latter part of 2018-19, however due to lack of participants this training was cancelled. The course has been rebooked for late October 2019. The College staff training plan for 2019-20 includes a section on Cyber Essentials which incorporates elements of FOI training and induction materials. This will be rolled out to staff in October 2019.	Partially Complete	Complete and agreed to be removed

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
11	2018-19	2018-19-07 - Safeguarding	3.1 - Mandatory safeguarding training included in induction checklist		There is a risk that new staff do not follow established procedures or best practice due to a lack of appropriate training. This may result in the College failing to meet its duty of care and commitment to students.	West College Scotland should ensure that reading the safeguarding policy and the completion of mandatory training is included within the safeguarding checklist	2	31/07/2019		Iain Forster-Smith	The staff induction checklist has been amended to include the requirement to complete the on-line safeguarding training for all future new staff.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
12	2018-19	2018-19-07 - Safeguarding	3.2 - Completion of mandatory Safeguarding training for all staff	West College Scotland is currently using an online Safeguarding Essentials course which staff can access in Staff Room Moodle site. Discussions with client that all new staff members are required to complete this course as part of the Induction process.

Prior to Cylix eLearning programme WCS staff members were required to complete the College Development Network Safeguarding Students and Staff online course. On completion of the course staff submitted their certificate to the HR Team for recording on the HR system. Around 9 months ago purchased new modules from the training provider Cylix as the College felt it was a better way of understanding safeguarding and how to deal with it rather than just solely the legislative element.

We confirmed that all of the safeguarding team have undertaken the training. | Safeguarding concerns are not handled appropriately, as staff have not received adequate training, leading to cases going unreported impacting the well-being of young and vulnerable people. | West College Scotland should monitor who have not completed the safeguarding training in a timely basis and decide the action to take when following up on this, this could also be reviewed at the annual CPD Reviews to ensure all staff are completing the training.

A risk based approach should be applied to ensure all relevant staff receive the appropriate training in a timely manner. Staff with a high level of student contact should be prioritised with training. | 3 | 31/12/2019 | | Iain Forster-Smith | As part of the quarterly review meetings held with the Safeguarding Team a review of training and induction requirements is undertaken. The output from these reviews is included in CPD requests where appropriate. | Partially Complete | Partially Complete |
| 13 | 2018-19 | 2018-19-07 - Safeguarding | 4.1 - Reporting of safeguarding to an appropriate committee | There is currently no statistical reporting to the appropriate committee/Board. There is not a safeguarding committee as such however the Learning Teaching & Quality Committee has discussed various safeguarding elements.

As every case is unique the College could report on how many cases in the year, how many cases are open and how long a staff member spent on the case. This way they are capturing the amount of time that is spent on cases and the hard work provided from this voluntary team and especially if work load gets too much. | If safeguarding concerns are not reported regularly, the College's safeguarding policy and procedures may become unfit for purpose if lessons learned are not communicated timely to allow for appropriate consideration of further safeguarding policies to be put in place | The College should establish an appropriate mechanism for oversight and reporting on student safeguarding cases and the operation of the student safeguarding group. Reporting should incorporate quantitative and qualitative measures that will enable the College to measure and demonstrate the impact of safeguarding. | 2 | 31/07/2019 | 30/11/2019 | Iain Forster-Smith | Consideration of this recommendation will be taken and discussed with the Learning Teaching Quality Committee on the appropriateness of current reporting formats and content. Due to timing of the Committee this has not been possible before the due date. The issue will be discussed at the next Committee meeting in November 2019. | Partially Complete | Complete and agreed to be removed |
| 14 | 2018-19 | 2018-19-03- Student Experience | 1.1 Referral Tracking | Student Advisory Services (SAS) provides a range of assistance to both prospective and current students regarding a range of issues from enrolment through to graduation and beyond. Individuals can self-refer to SAS or be referred through a variety of avenues. Out with care experienced students there is not a formal referrals tracking system in place,
We did observe that in certain instances SAS maintains a record of interaction for students judged by staff to be particularly vulnerable. We were unable to confirm that this was the result of an explicit policy decision and it appears that the practice has developed informally within the team. The approach to record keeping for these students mirrors the process that is applied to the monitoring of care experienced students. | There is a risk that an inconsistent approach to identification of vulnerable students and the monitoring of interactions or referral outcomes, leads to missed opportunities to offer support where it is needed. In addition, the lack of a stated procedure may lead to a lack of clarity as to when additional monitoring is a requirement of safeguarding or corporate parenting obligations, and when it is desirable but not obligatory. | The College should document the process to be undertaken when student queries and referrals are logged and what information should be recorded. This should be supported by a tracking and follow up process. | 2 | 31/07/2019 | | Iain Forster-Smith | The College has previously reviewed and discounted the requirement for a computerised referral system. To address the recommendation, the College has created an information sheet for teaching staff indicating where student referrals should be directed to as first point of contact. The student induction process has also been reviewed and amended to ensure that vulnerable students are referred to Student Advisory Services as required. | Fully Implemented subject to audit confirmation | Complete and agreed to be removed |
| 15 | 2018-19 | 2018-19-03- Student Experience | 1.2 Enquiry Management | SAS receive enquiries from students in a variety of means, including:
- face to face;
- phone;
- instant message; and
- e-mail.
We understand that queries received face to face, by phone, or through instant message are dealt with immediately and there is an expectation that email queries will be dealt with within one day. SAS does not have a system in place that enables them to record the volumes of queries received, response times or other management information about the services provided.
SAS teams have developed an approach to sharing responsibility for the various student enquiries channels, but there is no quantitative data available to support effective workload management. The expectation is that a developing backlog will be flagged with the campus Student Advisory Services Coordinator, who is then able to | In the absence of a clearly defined process, there is a risk that student enquiries are not dealt with in a consistent, efficient or timely manner, leading to failure to effectively communicate with potential or established students. | The College should develop and document a consistent approach to the management of the SAS enquiry workload, including the steps to be taken in the event that expected response times cannot be adhered to. This can be accomplished by documenting existing established practice. | 1 | 31/05/2019 | | Scott Campbell | The current practice whereby each campus takes responsibility for clearance of enquiries has been formally documented including an escalation process in the event of a perceived backlog. This information has been shared with all members of the team. | Fully Implemented subject to audit confirmation | Complete and agreed to be removed |

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
16	2018-19	2018-19-03- Student Experience	2.1 Staff Training	There is a programme of mandatory training for all staff that covers areas such as safeguarding and General Data Protection Regulation (GDPR). The programme is intended to be address the requirements of all departments, and is not specific to particular roles. The programme incorporates specific Safeguarding training, which is of particular relevance to the enrolment and student support functions. We were unable to obtain evidence that any periodic review of training needs is performed for members of staff within SAS. We reviewed the training records of a sample of three members of staff from within SAS to determine whether they had completed mandatory Safeguarding training. We observed that in one case, this training had not been completed.	In the absence of a regular review of the training needs of staff there is a risk that staff training is not adequate or up to date, leading to failure to offer adequate support to students.	Managers within the SAS team should periodically review training needs of key staff and ensure a training plan is developed and delivered in a timely manner to ensure that: a) Mandatory training is undertaken by all staff on a timely basis; and b) A consistent approach is taken to updating SAS staff on matters relevant to their area of work.	2	31/05/2019		Scott Campbell	The management team will ensure that bi-annual reviews of staff training requirements ae undertaken including ensuring that mandatory training has been undertaken by all SAS staff. The training needs of staff is a standing item on the bi-weekly "toolbox" talks undertaken at each campus with the SAS staff.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
17	2018-19	2018-19-03- Student Experience	2.2 Enrolment reporting	We were unable to identify a consistent structure for the reporting of enrolment progress, beyond the provision of summary statistics in relation to full-time enrolment to the Learning, Teaching and Quality Committee. Enrolment progress is tracked through the College's electronic systems, with summary data available to teaching and administration staff on a self-service basis. Teaching and administration staff within individual faculties have adopted differing approaches to the monitoring of enrolment, depending upon their particular needs. Whilst the responsibilities of teaching and administrative staff appear to be understood within sectors, they are not clearly allocated by the College's documented procedure for enrolment and there are variations across the different faculties. As a result, it is unclear who is accountable for addressing a lack of satisfactory enrolment progress and what action is required by key individuals.	There is a risk that action is not taken to address a lack of satisfactory enrolment progress, as the responsibility for monitoring progress is not clearly allocated, leading to failure to enrol potential students.	The College should clearly allocate and document the responsibility for monitoring the progress of enrolment, including reporting lines and the escalation process.	2	30/06/2019		Iain Forster-Smith	The College has created an information sheet for teaching staff indicating where student referrals should be directed to as first point of contact. The student induction process has also been reviewed and amended to ensure that vulnerable students are referred to Student Advisory Services as required.	Fully Implemented subject to audit confirmation	Complete and agreed to be removed
18	2018-19	2018-19-03- Student Experience	3.1 Guidance Tutors	Students enrolled on full time courses are allocated a named guidance tutor and timetabled guidance sessions. This allows for periodic monitoring of attendance and progress with the aim of identifying and referring students in need of additional support. This arrangement is not replicated for part time and evening students, partly because of the limited contact time available. Instead, this guidance and support role is filled by the class lecturer. Though this appears to be well understood within faculties and among teaching staff, we have not been able to confirm that this is explicitly communicated to part time and evening students. Therefore part-time and evening students may not be aware that they are able to refer directly to their lecturer for guidance and support matters, as opposed to SAS or other College support services which may not be available at suitable times.	There is a risk that part time and evening students are not able to access appropriate support as they are not aware of all referral process available to them, resulting in reduced student satisfaction or performance.	Communication to part time and evening students should clearly highlight all sources of support and guidance available to them, including the role of class lecturers.	2	30/06/2019	30/09/2019 31/01/2020	Cathy McNab	The Student Association and Student Experience Team engaged with evening class students in the first two weeks of September. This engagement took the form of a student experience leaflet and an online induction presence via the student portal 'MyDay'. Given the level of repsonse a further call for class reps was made via the MyDay app accessible by all students. The College is reviewing evening and twilight class provision including induction, guidance and suppport available for students. This work is now expected to be complete by the end of January 2020.	Partially Complete	Partially Complete
19	2018-19	2018-19-03- Student Experience	3.2 Student Intranet	We reviewed the guidance material available through the student intranet and noted that, while these often feature version numbers, the date for review is not consistently included. We identified two instances of clearly outdated documents available for download. - 'Reporting and Payment Dates - Quick Guide' is a calendar of student funding payment dates for the session 2016/17. We were unable to locate an equivalent document covering the current session. - 'Policy - Student Conduct' is a statement of the College's position on unacceptable or improper behaviour on the part of students. The document available through the student intranet bears version control information, including a review date of September 2015. This document appears to have been superseded by the newer Student Behaviour Policy, which is available through the staff intranet, but does not appear to have been published on the student intranet. A number of other documents such as 'Tackling Assessments' make explicit reference to the academic session 2016/17 and thus give the impression of being out of date, however the information that they contain appears to be general information applicable to any academic session.	There is a risk that support mechanisms are not fully utilised as students only have access to out of date information.	Responsibility for the review and update of content made available via the student intranet should be clearly assigned. Version control information should include dates for review to ensure these documents remain up to date.	1	30/06/2019	31/01/2020	Iain Forster-Smith	The Assistant Principal Student Life and Skills has undertaken an initial review of the student intranet to ensure that all documents included in the portal are up to date and relevant. http://student.westcollegescotland.ac.uk/index.php /advice/documents-and-guides/ Process for review and update to be confirmed with individual departments responsible for content management with Marketing Team undertaking a twice yearly review of student intranet content to ensure that it is all up to date and relevant.	Fully Implemented subject to audit confirmation	Partially Complete

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
20	2018-19	2018-19-03- Student Experience	4.1 Student Representatives	Students enrolled on full time courses are expected to elect class representatives, who provide a channel to feedback student concerns through the Student Association. Part time and evening students have the option to do so, however we understand that this is not typically taken up. Though students without access to a class representative can provide feedback through the bi-annual student survey, there is no clear alternative feedback channel which is student-led.	There is a risk that part time and evening students are excluded from the collation of feedback. This may result in a failure to identify issues or identify issues affecting part time or evening cohorts.	We understand that the College cannot compel part time and evening classes to elect student representatives. As such we recommend that the College, in conjunction with the Student Association, should consider if an alternative means of providing feedback can be implemented. Any such mechanism should be student-led and clearly communicated to relevant student groups.	1	30/06/2019	31/10/2019 31/12/2019	Cathy McNab	The Student Association are running focus groups on Tuesday and Thursday evenings in the week beginning 18 November across all campuses offering evening class provision. The College will collate the repsonses received from the focus groups along the general themes and areas for discussion. This work will be completed by the end of December 2019.	Partially Complete	Partially Complete

External Audit Recommendations

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2019	Previous Report Progress Status	Status update November 2019
1	2018-19	SFC Credits Audit	Infill Courses	Infill courses should have the prefix 'I' in the course code and the word 'infill' in the course title.	There is a risk that the College's statistical information is not correct in terms of the classification of its infill courses and credits.	We recommend that care be taken when deciding whether a course should be treated as an infill course. The College should only use the prefix 'I' in the course code and the word 'infill' in the course title when the course is an infill course. All other non full time courses should have a different prefix to the course code and should not have the work 'infill' in the title.	Low	31/01/2020	N/a	Head of Student Services	The College is in the process of issuing updated guidance to curriculum teams highlighting when particular modes of attendance should be used especially in relation to the use of infill versus part time. The use of the infill category will be monitored during the year for compliance.		Partially Complete
2	2018-19	SFC Credits Audit	Price Group 5	Price Group 5 credits should be calculated by using the planned learning hours divided by 40.	There is a risk that the College over/under states its credit count for those courses classified as Price Group 5.	We recommend that care be taken when calculating the credits for the Price Group 5 courses. The calculation should be based on the planned learning hours divided by 40.	Low	31/01/2020	N/a	Head of Student Services	The College has issued updated guidance to Heads of Sector to ensure that credit calculations for Price Group 5 courses is carried out using 40 hours. The implementation of this guidance will be monitored during the year through the issuing of regular reports to Heads of Sector to validate the credits claimed.		Partially Complete
3	2018-19	SFC Credits Audit	Student Attendance	Credits should only be allocated to students if they have attended beyond the required date and are actively participating in the course.	There is a risk that credits may be claimed for students who do not meet the attendance criteria and thus credits are overstated.	We recommend that care be taken when including students in the credits count. Student should only be included if the College can demonstrate that the student has actively participated in the course.	Low	31/01/2020	N/a	Head of Student Services	The College has issued updated guidance to CQLs to ensure that there is improved clarity concerning student attendance, engagement and withdrawals processes is understood. Course participation will be monitored on a regular basis through the generation of regular reports which will be issued to the CQLs for validation and early intervention where necessary.		Partially Complete
4	2018-19	SFC Credits Audit	Work Based Learning	Credits should only be claimed for those students on work based learning courses if there is sufficient evidence available to provide evidence of course progression and staff support.	There is a risk that the College could overstated its credits count.	We recommend that the College ensures that all work based learning students have evidence of course progression and staff support on file.	Low	31/01/2020	N/a	Head of Enterprise & Employability	The College has revised the process for the enrolment of work based learning students to ensure that they are only enrolled on a subject after there is sufficient evidence of participation and staff support.		Fully Implemented subject to audit confirmation
5	2018-19	SFC Credits Audit	Fee Waiver	Evidence in support of the student's fee waiver claim should be noted on the fee waiver form (enrolment form) by the Enrolling Officer. For the outreach centres the fee waiver is part of the enrolment form. In these circumstances the fee waiver is approved by the lecturer. The lecturer is supposed to have sight of the supporting documentation prior to agreeing the fee can be waived.	There is a risk that fee waivers are given without the proper evidence being seen by the Enrolling Officer.	We recommend that the outreach enrolment form is amended to include a box for the enrolling officer to indicate what evidence they have seen in support of the student's claim for their fees to be waived. We also recommend that staff are reminded that they should sign the enrolment form.	Low	31/01/2020	N/a	Head of Learning Communities	The College has amended the outreach enrolment form to enable the enrolling staff member to specify what evidence was presented to justify the fee waiver being claimed. It continues to monitor for unsigned outreach enrolment forms which will be returned to the relevant staff for completion.		Partially Complete
6	2018-19	SFC Credits Audit	Open/Distance Learning	Credits should only be claimed for students on open/distance learning provision if there is evidence of progression by the student.	There is a risk that credits are overstated.	We recommend that the College ensures that all open/distance learning students have evidence of work completed and progression on their course before claiming Credits.	Low	31/01/2020	N/a	Head of Business Development and Innovation	The College has updated its process for the enrolment of open/distance learning students to ensure that students are only enrolled on a subject after there is sufficient evidence of participation. This revised process will be monitored throughout the year.		Partially Complete

TITLE: **EXTERNAL AUDIT ANNUAL EFFECTIVENESS REVIEW SUMMARY**

Background: The Audit Committee remit includes a requirement to:
'To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;'.

This report presents the findings from the 2019 review of the effectiveness of the College external auditors, Mazars LLP.

Action: The Audit Committee is asked to comment upon this summary of the annual evaluations of the external auditors.

Lead: Drew McGowan, Interim Secretary to the Committee

Status: Open

1.   **Introduction**

1.1   The Audit Committee has a responsibility to evaluate the effectiveness and efficiency of the external audit arrangements of the College.

1.2   At the Joint Audit and Finance & General Purposes Committee meeting in November 2019, members of the Audit Committee agreed to the process to be followed in undertaking the 2019 effectiveness review of the College's external auditors. It was agreed that the Interim Secretary to the Board would distribute the agreed questionnaire to Audit Committee members and to senior College staff and that a report on the evaluation questionnaires would be presented for the Committee's consideration.

2.   **Findings**

2.1   The evaluations completed by members of the Committee indicate that they are satisfied with the performance, reliability, advice and independence of the external auditors.

2.2   There were two questions where members provided differing answers:
   • One instance was where the external audit report brought to the attention of the Committee the ongoing issue of asset valuation, which was discussed and noted at the Joint Committee; and
   • The other instance related to the audit fee charged where two members expressed an interest in understanding whether the audit fee was fair and reasonable.

2.3   Members commented that the external auditors have demonstrated an awareness and understanding of the challenges facing the college sector, particularly financial sustainability and estates maintenance.

2.4   The evaluations submitted by the attending officers of the Committee indicate a high level of satisfaction in the relationship with, and work of the external auditors. Attending officers were complimentary of the external auditors' professionalism, conduct and expertise.

2.5   Attending officers described their relationship with the auditors as stable and commented that there was a consistent audit team in place, with a good knowledge base of the college sector, and that they worked with the College in a collaborative manner throughout the audit process.

2.6   When answering the section on the auditors identifying problems or potential issues to the College's attention in enough time, one attending officer cited the example of the McCloud judgement and its implications for the College in relation to pensions. It was felt that this issue was highlighted in enough time and with the appropriate focus that allowed the issue to be addressed in a timely and constructive manner.

2.7   The evaluations show that attending officers would be happy to hire the firm to conduct next years audit with no suggested changes as to how this audit work is carried out were made.

3.   Conclusion

3.1   The Audit Committee is asked to comment upon this summary of the annual evaluations of the external auditors.

TITLE: **STRATEGIC RISK REGISTER**

Background: Under the Corporate Governance Code, the College 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 and provides an update on the actions taken by the College to embed risk management across the organisation.

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   The Board of Management approved a version of the risk register at its meeting in October 2019.

2.2   Since that meeting the Senior Management Team (SMT) has continued to carry out a review of the strategic risk register. In several instances, the mitigating controls have been updated to take account of items such as the ongoing interactions with the SFC and the outcome of internal / external audit reports.

2.3   The College Senior Management Team consider that the operating environment within which the College functions has not materially changed since the risk register was reviewed by the Board of Management in October 2019. Thus:

- No risk score has been amended; and
- No strategic risk has been removed or no new risks have been included.

2.4   After consideration by the Senior Management Team, the Strategic Risk Register has been presented to the following Committees:

- Corporate Development – 22 October 2019
- Learning, Teaching and Quality – 13 November 2019
- Finance and General Purposes – 19 November 2019

2.5   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.

2.6   After due consideration of the business undertaken by the Committee and the operating environment in which the College functions there were no further changes proposed by the Committees to the risk or mitigating actions. However, it should be noted that the Finance and General Purposes Committee agreed to keep the matter of sufficient funding being provided by the SFC to meet student support requirements under review.

2.7   The detailed risk register has been aligned to the new Corporate Strategy and this alignment will be refined over the course of 2019-20. A copy of the current Strategic Risk Register is attached to this report.

Development of the College Risk Strategy

2.8   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 his matter being taken forward. This matter will therefore be subject to further consideration during 2020.

- The introduction of a formal risk management appetite statement

   The Board of Management 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 December 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 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 progress made in further developing the College Risk Management framework.

Strategic Risk Register

Strategic Risk Register Dashboard Report

Risk register review period: Oct-19
Board / Committee review period: Nov-19

<table>
<tr><th colspan="7">Top 5 Risks Post Mitigation</th></tr>
<tr><th>Ref</th><th>Risk</th><th>Movement since previous register</th><th>Probability</th><th>Impact</th><th>Score Nov 19</th><th>Score Nov 18</th></tr>
<tr><td>WCS 1</td><td>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.</td><td>↔</td><td>6</td><td>4</td><td>24</td><td>24</td></tr>
<tr><td>WCS 3</td><td>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</td><td>↔</td><td>5</td><td>4</td><td>20</td><td>16</td></tr>
<tr><td>WCS 2</td><td>Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.</td><td>↔</td><td>4</td><td>4</td><td>16</td><td>16</td></tr>
<tr><td>WCS 16</td><td>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.</td><td>↔</td><td>5</td><td>3</td><td>15</td><td>10</td></tr>
<tr><td>WCS 4</td><td>Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.</td><td>↔</td><td>4</td><td>3</td><td>12</td><td>12</td></tr>
</table>

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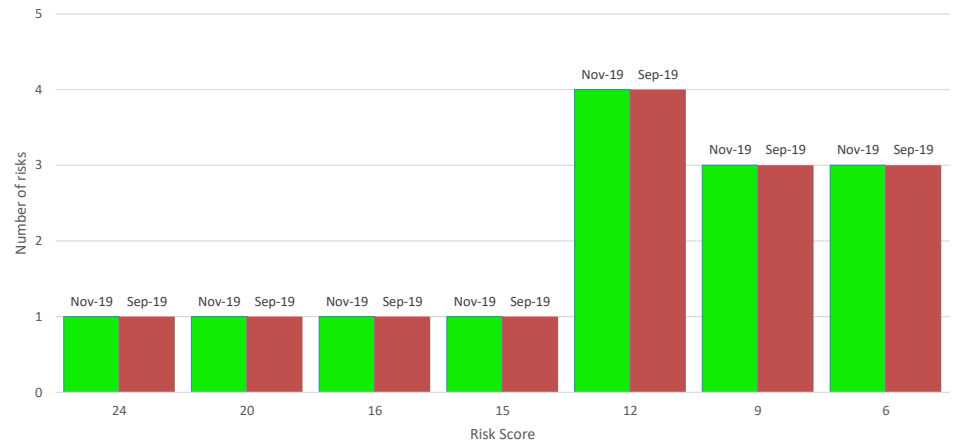
The most significant risk faced by the College continues to be the volatility of SFC funding.

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 contiues to be a signifiacnt risk faced by the College as the level of uncertainty continues.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				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 confirmed and 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. The College continues to engage with the SFC on the implementation of the plan including review of curriculum delivery in Renfrewshire. 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 and Credits 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 engage with SFC, SFT, local councils 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 potential 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

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				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) The College has updated the estate condition work undertaken in 2015. This provides robust data showing the level of investment required in order to get the College estate up to an acceptable standard.	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. 8) Internal audit have carried out phase 1 of review of processes behind the generation of the ROA. No material recommendations at this stage.	4	3	12	12	↔	Principal

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				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

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				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

Risk No.	Risk Reference	Strategic Objective	Risk	Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
				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

	Negligible 1	Marginal 2	Critical 3	Catastrophic 4
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

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: **REGISTER OF INTERESTS 2019-20**

Action: The Register of Interests for the Board and committee members has been updated and a summary is attached for the Committee.

Lead: Drew McGowan, Interim Secretary to the Committee

Status: Open

West College Scotland

Register of Members Interests 2019/20

Board of Management and Co-opted Committee Members

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
Keith McKellar Chair	Chief Executive Officer, Hannah Dairy Research Foundation; CEO of the Royal College of Physicians Edinburgh	Director of the Journal of Dairy Research (owned by Hannah Dairy Research Foundation); Regional Chair, West College Scotland (Board Member); Partner, Ashwood Management (currently inactive); Acting Treasurer, Presbytery of Ayr (Board Member)	Trustee & Chairman, Ardgowan University Teaching Hospice; Trustee, Ardgowan Deed of Trust; Non-executive Director of Colleges Scotland; (Member of Good Governance Steering Group & Remuneration Committee); Trustee, Portland	None	None	None	Blackford Analysis Limited - ordinary class shares, minority holding.	None	None

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
			Parish Church of Scotland; Non-executive Director & Trustee, Belmont House School, Glasgow.						
Liz Connolly	Principal & Chief Executive, West College Scotland	None	Board Member, Developing the Young Workforce Board; Board Member, Interface Strategic Board; Board Member, Targeting Innovation Board; Member Renfrewshire Economic Leadership Panel	None	None	None	None	None	None

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
Nick Allan	Self employed Nick Allan and Associates Ltd Property Consultancy Strategic Asset Management	Director, Community Empowerment Scotland Ltd; Surveyor Member, First-tier Tribunal for Scotland, Scottish Tribunals Service; Associate, Chartered Institute of Public Finance and Accountancy (CIPFA)	Non-Executive Director of Dunbartonshire Chamber of Commerce; Trustee, Built Environment Forum Scotland; Board Member, Shire Housing Association; Trustee, Dumbarton Stations Improvement Trust	None	None	None	None	None	None
Jim Hannigan	NMIS Programme Manager, Skills Development Scotland	None	None	None	None	None	None	None	None
Jacqueline Henry Vice Chair of the Board of Management	Part-time Researcher,	None	None	None	None	None	None	None	Member of Labour Party; Member of Co-operative Party;

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
Andrew Hetherington	Retired	None	None	None	None	None	None	None	None
Jenifer Johnston	External Affairs Manager, Citizens Advice Scotland	None	None	None	None	None	None	None	Member, National Union of Journalists; Member, Chartered Institute of Public Relations.
Linda Johnston	Business Strategy Manager, North Lanarkshire Council	None	None	None	None	None	None	None	None
John Leburn	Principal Consultant and Founder of Exponentiate.uk.		Associate of the University of Edinburgh; Group Mentor with the Renfrewshire Chamber of Commerce.	None	None	None	None	None	None
John McMillan	Retired	None	Trustee, West College Scotland Foundation,	None	None	None	None	None	None

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
			Director of RAMH						
Mark Newlands	Head of Partnerships, Scottish Enterprise	None	Renfrewshire CPP Board and Executive Group, Inverclyde Alliance Board, Renfrewshire Economic Leadership Panel	None	None	None	None	None	None
Angela Wilson	Strategic Director West Dunbartonshire Council	None	None	None	None	None	None	None	None
David Watson	Teaching Staff, West College Scotland	None	None	None	None	None	None	None	Member of EIS
Steven Cairney	Support Staff, West College Scotland	None	None	None	None	None	None	None	Member of UNISON
Vanessa Thomson	Students Association President	None	None	None	None	None	None	None	None
Priya Kaur	Students Association Vice President	None	None	None	None	None	None	None	None

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
Sabira Akram	Senior Business Analyst, Scottish Qualifications Authority	None	None	None	None	None	None	None	Scottish Children's Panel
Fiona McKerrell	Self Employed, Partner, Shepherd and Wedderburn LLP	None	None	None	None	None	None	None	Member of executive committee of Helensburgh 1~ Scouts Organisations.
Co-opted Committee Members									
Graeme Bold Audit Committee	Director of Workplace Pensions, Scottish Widows	None	Board Trustee and Member of Finance Committee at Royal Blind	None	None	None	None	None	None
David Mark	None	None	Director, Straps of Gourock Retail; Panel Member with Children's Hearings Scotland	None	None	None	None	None	None
Ruth Binks	Corporate Director of Education,	None	None	None	None	None	None	None	None

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
	Communities and Organisational Development, Inverclyde Council								
Wai Chung Wong	Secretary to the Trustee of the Elementis Group Pension Scheme. 2 days a week as an independent, self-employed consultant.	Director of EGPS Trustees Limited, the corporate trustee of the Elementis Group Pension Scheme.	None	None	None	None	None	None	None
Mark Hamilton	Facilitator, Action for Children	None	None	None	None	None	None	None	Non active member of UNISON, Project Scotland Youth Board

As at 01.12.19

TITLE: **INTERNAL AND OTHER AUDIT SERVICE CONTRACT**

Background: The current College contract with Scott Moncrieff for the provision of internal audit services is due to conclude on 31 July 2020. The current contract for other audit services, which incorporates the audit of several student support funds, also concludes with a review of the 31 July 2019 year. The Audit Committee agreed that a single contract therefore be put in place to cover all these required audit reviews from 2020-21.

                      This report provides an update to the Audit Committee on the procurement route the College intends to take to contract for the provision of internal and other audit services.

Action: The Audit Committee is requested to:

- approve the proposed procurement approach, utilising the APUC framework; and
- consider the number of internal and other audit days to be procured.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1.   Introduction

1.1   The College has a contract in place with Scott Moncrieff to provide internal audit services which is due to conclude on 31 July 2020. The contract for other audit services, which incorporates the audit of several student support funds, was awarded for 1 year to Wylie & Bisset to provide the work required to complete the year ended 31 July 2019 audits. Both contracts therefore conclude at the same time.

1.2   Since merger both these audit requirements have been procured through two separate contracts. The Audit Committee previously agreed that from 2020-21 the College approach should be to seek to combine these two contracts into one contract, combining the two requirements of internal audit and other audit services into one. It is hoped that this approach will assist in securing greater value for money by creating contract efficiencies and realising the cost benefits of not managing two separate contracts, and lead to one managed audit approach in undertaking all reviews

1.3   It is proposed that the new contract will be for a period of 3 years from 1 August 2020 to 31 July 2023 with the option to extend for a further 2 two years (to 31 July 2025) if felt appropriate by the Audit Committee to do so.

2.   Services to be Provided

2.1   The College is seeking to procure the following services:

a)   <u>Internal Audit Service</u>
The role of internal audit is to provide independent assurance that the College's risk management, governance and internal control processes are operating effectively. The auditors provide an internal audit plan for Audit Committee and Board of Management approval which is based on a risk assurance approach. Internal auditors have a professional duty to provide an unbiased and objective view. The appointed firm must be independent from the operations they evaluate and report to the Board of Management through the Audit Committee.

b)   <u>Other Audit Services</u>
The College is required by the SFC/SAAS to ensure that audit reviews are undertaken for the following funds:

- •   Scottish Funding Council (SFC) Student Activity;
- •   SFC Student Support Fund;
- •   Educational Maintenance Allowance; and
- •   SAAS Funding.

In completing these audit reviews, the auditor is required to provide an audit report and certificate in accordance with the requirements of the fund provider.

2.2   The Audit Committee previously agreed that the current 55 days of internal audit review activity be considered in seeking to progress the new contractual requirements. The overall College annual spend, and the number of days allocated to carry out these combined requirements based on the 2018-19 and 2019-20 review periods are as follows:

Audit Area	No of days	Total Cost £
Internal Audit	55	36,000
Scottish Funding Council (SFC) Student Activity Audit	7	3,300
SFC Student Support Fund Audit	5	2,400
Educational Maintenance Allowance Audit	3	1,200
Total	**70**	**42,900**

2.3   The decision as to the number of days taken to provide these services is based upon the College risk profile rather than the actual cost to be incurred. The College has, via a survey carried out by the Finance Directors Development Network, reviewed the approach undertaken by other institutions in relation to the provision of these audit services. From this, it seems most institutions are like West College Scotland in terms of the number of days review relating to the other audit services, however the number of internal audit days seems to be between 40 and 50 days.

2.4   It is therefore proposed, based upon the review of the number of audit review days procured by other colleges and the well embedded control environment within which the College operates, that the Audit Committee consider revising the number of internal audit days required in progressing this procurement.

3.   **Procurement Route**

3.1   The proposed procurement route will be to utilise the Advanced Procurement for Universities and Colleges (APUC) Framework for Audit Services – Internal, External and Tax. There are eight service providers included within this Framework approach would all be invited to submit a response as per the framework terms. The eight service providers are:

    1) BDO
    2) Scott Moncrieff
    3) RSM
    4) Wylie & Bissett
    5) TIAA
    6) MHA Henderson Loggie
    7) KPMG
    8) Mazars

3.2   The College will look for providers to supply additional community benefits as part of the tender package. These are considered as a contribution voluntarily donated by suppliers should they be successful in being awarded the contract. However, given the overall value of the contract it is anticipated that if any benefits are offered, they will perhaps be of a nature which includes provision of seminars, student placements and/or free inhouse training in relation to relevant topics. The tender will also include questions in relation to the Scottish Living Wage in order to establish whether the supplier is accredited.

3.3   The award criteria set for this framework is 70% technical and 30% price and will be split as noted below:

Award Criteria	%	%
Service Delivery – Methodology	15	
Service Delivery – Quality Assurance, Security and Confidentiality	15	
Key Personnel	10	
Sustainable Procurement	5	
Presentation - Specification and Service Delivery	25	
Technical Criteria		**70**
Price Criteria		**30**

3.4   The proposed timetable for the procurement is noted below:

Tender Timeline	
Issue of tender	10 January 2020
Tender return	31 January 2020
Presentations by bidders	12 - 21 February 2020
Final Evaluation of tenders	24 February 2020
Approval at Audit Committee	12 March 2020
Award contract	16 March 2020

3.5   Those service providers who return a tender will be invited to make a presentation to the evaluation panel as part of the tender process. It is proposed that the evaluation panel would be composed of the Vice Principal Operations, Director of Finance and Estates and the Head of Finance and Student Funding.

3.7   The presentation will focus on the specification and delivery of the required audit services and not on any other aspect of the submitted tender required. The details of the presentation, including any questions to be asked and weightings/scorings that will apply to the evaluation of the presentation will be included in the Invitation to Tender documentation to ensure fairness and transparency for all bidders.

3.6   The Contract will be for 3 years from 1 August 2020 to 31 July 2023 with the option to extend for a further two years to 31 July 2025.

4. **Recommendation**

4.1   The Audit Committee is requested to:
- approve the proposed procurement approach, utilising the APUC framework; and
- consider the number of internal and other audit days to be procured.

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
1) General					
To provide advice to the Board on the strategic processes for risk, control and governance					
• Strategic Risk Register Update and Review	Y	Y	Y	Y	Y
• Corporate Governance Statement - Financial Statements	Y				
• Internal audit reports (see section 2)					
• External audit report (see section 3)	Y				
• 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
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)					
• Internal Audit Annual Report 2018-19		Y			
• Review of Fraud / Whistleblowing Policies	Y				
• External Audit Management Letter as at 31 July 2019		Y			
• Internal and external audit reports as received	Y		Y	Y	Y
• Update / Report on National Fraud Initiative	Y				Y
• Report on Value for Money	Y				
• Procurement and Commercial Improvement Programme	Y			Y	
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					
• Annual Report on Whistleblowing	Y				
• Committee to be made aware of any issues arising during the year (ongoing as required)					

REMIT	DELIVERABLES				
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20
To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations					
• Reports to be received as requested (ongoing as required)			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					
• Review of Audit Committee effectiveness				Y	Y
• Internal Audit Annual Report 2018-19		Y			
• External Audit management letter as at 31 July 2019		Y			
• Report on compliance with SFC FM and SPFM					Y
• Monitoring of Regional Outcome Agreement	Y				Y
• Register of Interest for Board and Committee members	Y				
• Audit and Audit Assurance Handbook Update	Y		Y	Y	Y
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					
2018-19					
• External Audit Management Letter / Letter of representation		Y			
• Audit report on student activity		Y			
• Audit report on student funding activity		Y			
• Audit report on Educational Maintenance Allowances		Y			
• Governance Statement	Y	Y			
• Financial Statements July 2019		Y			
2019-20					
• External audit fee proposal 2019-20					Y

REMIT	DELIVERABLES				
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20
• External Audit Engagement Strategy 2019-20 • Contract for internal audit and other audit services			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					
• 2018-19 Annual report to Board of Management from the Audit Committee	Y	Y			
To report to the Board after each meeting					
• Minutes and verbal update to each Board Meeting • Draft Committee Dates 2020-21	Y	Y	Y	Y	Y Y
To review its own effectiveness at least annually and to report the results of that review to the Board					
• 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
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					
• Review of effectiveness of internal audit function • Appointment of internal auditors and other audit services			Y	Y	Y
To advise the Board on the terms of reference for the Internal Auditors					
• Internal Audit Plan Update 2019-20 • Annual Internal Audit Plan 2020-21			Y	Y	Y Y

REMIT	DELIVERABLES				
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20
To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters					
• Annual Report to Board of Management from the Audit Committee	Y	Y			
• Review of effectiveness of internal audit function					Y
To agree the Internal Audit Plan and review the Internal Audit Annual Report					
• Internal Audit Annual Report 2018-19	Y	Y			
• Internal Audit Update Report 2019-20	Y		Y	Y	Y
• Internal Audit Plan 2020-21					Y
To review the Internal Audit reports, the management response to them and to review implementation of the actions required					
2019-20					
• ROA (stage 1)			Y		
• Equality and Diversity				Y	
• Financial Systems Health Check			Y		
• Digital Strategy				Y	
• ROA (stage 2)				Y	
• Continuing Professional Development					Y
• Online Resources					Y
To review the Rolling Audit Action Plan at each meeting					
• Report on Rolling Audit Action Plan	Y		Y	Y	Y
To encourage appropriate liaison and co-ordination between internal and external audit					
• 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
To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors					
• Annual review of internal audit function				Y	Y
• Annual meeting with internal auditor excluding College staff					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					
• Annual year end audit update by external auditors	Y	Y			
• Annual external audit appointment terms and conditions					Y
• Approval of External Auditors Audit Planning Memorandum					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					
• External Auditors report on the Financial Statements 2018-19		Y			
To review the Statement of Corporate Governance					
• Review the statement of Corporate Governance	Y	Y			
To review the External Audit strategy and plan					
• SFC Accounts Direction for Scotland's colleges and universities	Y				
• External Audit 2019-20 Engagement Strategy					Y
• Process of appointment and approval of auditor to undertake internal and other audit work			Y	Y	
To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;					
• Annual review of effectiveness of external audit function		Y	Y		
• Annual meeting with external auditor excluding College staff – Mazars / Wylie & Bisset		Y			

REMIT	DELIVERABLES				
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20
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.					
• As required					
4) Risk					
To review the Risk Management Strategy and recommend to the Board for approval					
• Review of College Risk Management Strategy				Y	
To consider the Strategic Risk Register and to advise the Board accordingly					
• Report on College Strategic Risk Register	Y	Y	Y	Y	Y
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
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				
b. Register of Interests	Y				
c. Hospitality / Gift Registers	Y				
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					

REMIT	DELIVERABLES				
	5/9/19	19/11/19 (Joint Meeting)	12/12/19	12/3/20	21/5/20
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					