West College Scotland

AUDIT COMMITTEE

3 DECEMBER 2020 at 4.00 p.m.
by TEAMS

AGENDA

General Business

1. Welcome and Apologies

2. Declaration of Interests

3. Minutes of the meeting held on 3 September 2020   Enclosed   JM
    Actions from the Minutes   Enclosed   JM

4. Matters arising from the minutes
    (and not otherwise on the agenda)
    .1 No matters arising

Items for Discussion/Approval

Internal Audit

5. Internal Audit Report – Assurance Mapping   Paper 5   SP

6. Internal Audit Report – Fraud Awareness   Paper 6   SP

7. Internal Audit Annual Plan 2020-21 Update   Paper 7   SP

8. Rolling Audit Action Plan   Paper 8   AR

External Audit

9. External Audit Annual Effectiveness Review   Paper 9   SG

Other

10. Risk Management Strategy and Strategic Risk Register   Paper 10   AR

11. Register of Interest for Board and Committee Members   Paper 11   SG

12. Committee Membership Extension to Co-opt member Tenure Paper 12   SG

Items for Information (to note only)

13. Schedule of Business 2020-21   Paper 13   AR

14. Any other business

Next meetings: Thursday 11 March 2021 (Location: TBC)

Shirley Gordon
Secretary to the Committee

AUDIT COMMITTEE

MINUTES: Thursday 3 September 2020.

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

ATTENDING: Liz Connolly (Principal), David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance), Shirley Gordon (Secretary to the Committee), Martin Joyce (Director of Infrastructure).

ATTENDING   Suzie Graham (Mazars), Joanne Buchanan (Mazars)
BY   Stephen Pringle (Wylie & Bisset)
INVITATION:

APOLOGIES: None received.

AM511   WELCOME AND APOLOGIES
The Chair welcomed everyone to the meeting and introduced Martin Joyce the newly appointed Director of Infrastructure who was in attendance as an observer as part of his induction.

No apologies were intimated.

AM512   DECLARATIONS OF INTERESTS
- John McMillan and Liz Connolly - Trustees of West College Scotland Foundation.
- David Alexander - Board member of the Scottish Funding Council and Chair of the Scottish Funding Council Audit and Compliance Committee.

AM513   MINUTES
The minutes of the meeting held on Thursday 21 May 2020 **were approved.**

AM514   ACTIONS FROM THE MINUTES
The Committee **noted** the actions taken and outstanding since the last meeting.

AM515   MATTERS ARISING FROM THE MINUTES (AND NOT OTHERWISE ON THE AGENDA)
The following matters arising were raised:

- Audit and Assurance Update – Mr Ritchie reported that the internal auditors were currently conducting a review of assurance mapping and this would be reported in further detail at the November meeting. So far, good progress had been made with the new format of the assurance map being simplified and linked with the College corporate plan and risk strategy to provide a rounded approach.

- Value for Money Report – Mr Ritchie reported that this would be presented to the Committee at its November meeting for review prior to being considered by the Board in December.

    The Committee noted the matters arising.

AM516   COMMITTEE MEMBERSHIP, REMIT AND MEETING DATES
The Secretary asked the Committee to consider and approve the Audit Committee remit, current membership and 2020/21 meeting dates.

The Committee approved its remit, membership and 2020/21 meeting dates.

AM517   MONITORING OF REGIONAL OUTCOME AGREEMENT
The Vice Principal Operations explained that the Board of Management had agreed that each Committee should monitor progress on areas of the Regional Outcome Agreement (ROA) for which it had responsibility and provide a report to the Board of Management at the end of the academic year.

The Vice Principal Operations reported that the College ROA (to cover the period 2020-21) was finalised following the SFC 2020-21 final funding announcement on 9 June 2020. The annual process that had operated, in prior years to date, would then have seen formal agreement of the ROA reached with the SFC by 31 July 2020. The College received correspondence, however, from the SFC on 29 May 2020 and Mr Alexander summarised the detail and implications of that which ultimately concluded that the SFC would not ask governing bodies (College Boards and University Courts) to sign off the AY2020-21 Outcome Agreements in the usual way, would not publish the AY2020-21 Outcome Agreements on its website and would attach the allocation of core funding in AY2020-21 to refocused sector commitments and activity which would provide them with reassurance on use of designated funding.

Given this, Mr Alexander explained that the College awaited SFC confirmation of the refocused sector commitments and activity. For now, the College was, therefore, proceeding on the basis that the key outcomes previously detailed within the final draft 2020-21 would remain and required to be delivered. It was not expected that any changes in funding would arise as a result of the SFC correspondence of 29 May 2020 and further updates would be provided to the Committee and Board at future meetings.

Mr Alexander offered assurance that engagement with all College partners had continued throughout all stages of the pandemic. In terms of ensuring outcomes were achieved, he explained that, although the delivery format of some College courses may change going forward, the College process for the measurement of outcomes would remain consistent to that in previous years.

In relation to the Programme for Government announced by the First Minister on 1 September 2020 for the coming parliamentary year, the Principal alluded to the commitments / investment for the sector and confirmed that work continued with the SFC and SDS to explore opportunities for economic recovery which may help inform how any funding was allocated.

The Audit Committee:
• **Noted the background information provided in relation to the ROA process.**
• **Noted the key objectives of the West College Scotland Regional Outcome Agreement; which covered the period to 31 July 2021.**
• **Noted that further information in relation to the 2020-21 ROA process and refocused sector commitments and activity required to be provided by the SFC, and that further updates on this matter would be provided to the Committee and Board of Management on these matters.**
• **Considered and agreed that the required processes were in place to enable Audit Committee monitoring of required 2020-21 ROA outcomes and to**

support provision of the required report to the Board of Management. In agreeing that it was also noted that, should the further information to follow from the SFC regarding the 2020-21 ROA process require a revision of these processes, then this would be able to be considered by the Committee at a future meeting.

AM518   DRAFT 2019-20 ANNUAL REPORT FROM THE COMMITTEE TO THE BOARD
The Chair of the Audit Committee detailed the work carried out by the Audit Committee during the period 1 August 2019 to 31 July 2020 and explained that the Annual Report was a requirement of both the Scottish Funding Council (SFC) Financial Memorandum and the Scottish Public Finance Manual and the report complied with the requirements of these documents.

The Chair led the Committee through the report and noted that, despite the governance and operational challenges faced by the College, the 2019-20 schedule of Committee business was completed within the year.

The Audit Committee approved the content of the draft Annual Report from the Audit Committee to the Board of Management.

AM519   FRAUD UPDATE REPORT (RESTRICTED)

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AM520   INTERNAL AUDIT ANNUAL PLAN 2020-21 UPDATE
Stephen Pringle, Senior Manager, Wylie & Bisset, provided an update on 2020-21 planned internal audit activity for the year based on the areas of review agreed by the Audit Committee in May 2020, including:

• Agreed timings of the approved internal audit assignments;
• Dates that the Committee can expect to receive the internal audit reports; and
• Agreed timings for other year end audit work to be undertaken.

Mr Pringle explained that a detailed assignment plan would be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan would be agreed and signed off by an appropriate sponsor from the College.

The Audit Committee noted the contents of this report.

AM521   ROLLING AUDIT ACTION PLAN

The Director of Finance explained that the purpose of the Rolling Audit Action Plan (RAAP) was to update the Audit Committee on the status of the recommendations made by both the internal and external auditors arising from:

a) Internal audit reports received and approved by the Committee.
b) External auditor management letter recommendations received as part of the year end reports made to the Joint Audit / Finance and General Purposes Committee.

The Director of Finance led the Committee through the report, summarising the movement in relation to audit recommendations made since the last meeting and confirmed that the RAAP was reviewed by relevant staff on a continual basis. The College considered good progress was being made addressing the recommendations made by both internal and external auditors.

In recognising the progress made, the Committee extended its thanks to Mr Ritchie and his team for their endeavours under difficult and unprecedented circumstances.

The Audit Committee approved:
a) An extension of time for 1 recommendation.
b) The removal of 2 completed recommendations.
c) The Rolling Audit Action Plan.

AM522   EXTERNAL AUDIT PROGRESS UPDATE

Joanne Buchanan, Audit Senior Manager, Mazars, provided a report on the progress made by Mazars in delivering their responsibilities as the College's external auditors. She also highlighted key emerging national issues and developments of interest to members of the Committee.

Ms Buchanan reported that the pandemic had resulted in significant disruption for public bodies (and their capacity for financial reporting) and to auditors of the public sector. Due to this, the Auditor General for Scotland and the Accounts Commission for Scotland intended to extend the current audit appointments by one year in the first instance. This was in line with provisions in the current contracts that allowed for extensions of up to two years. These appointments were for the audit of public bodies for the financial years of 2016/17 to 2020/21 inclusive. The intended extension would be through to the audit of the 2021/22 year. The Auditor General would confirm both the extension and the time period in Autumn 2020.

Ms Buchanan summarised key audit stages adding that overall, work was on track and there were no significant issues arising. She remained cognisant of the potential impact of the pandemic and would flex the timetable with the College, as appropriate, if required.

She outlined audit progress since the issue of the Audit Strategy Memorandum in May 2020 explaining that the final audit fieldwork was due to begin on 14 September 2020. She would work in line with Government guidelines in force at the time of the audit fieldwork, and this may mean that onsite working was limited. Where fieldwork was primarily undertaken remotely, she would facilitate this by setting up secure online portals for sharing information. This ensured easier tracking of information provided and was accessible to all members of the audit and finance team.

Detailed arrangements would be discussed and made with the finance team in the coming weeks to ensure the audit was as efficient as possible. Ms Buchanan would report to the Joint Audit and Finance & General Purposes Committee on 24 November 2020 with the Annual Audit Report and draft opinion on the financial statements. The accounts were due to be approved by the West College Scotland Board on 14 December 2020.

The Committee welcomed the update on national publications and, in particular, the key points from the SFC briefing note exploring the impact of Covid-19 on the further and higher education sector and outlining what was being done to help.

The Committee noted the content of the report.

AM523   **2019-20 ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES**
The Director of Finance reported that the SFC issued mandatory guidance for the preparation of the annual report and accounts each year. He provided the Committee with an overview of the detailed requirements for the 2019-20 financial year.

The Director of Finance set out the requirements for the preparation of the annual report and accounts the deadline of which was 31 December 2020. Two copies of the College annual report and accounts also required to be sent to the Auditor General for Scotland by 31 December 2020. The College was complying with the requirement for the reporting year to 31 July 2020 and Mr Ritchie highlighted key points arising from the 2019-20 SFC Accounts Direction and Guidance notes.

The Audit Committee noted the content of the report.

AM524   **DRAFT ACCOUNTABILITY REPORT - CORPORATE GOVERNANCE**
The Director of Finance presented the draft Accountability Report section for review by the Audit Committee in advance of the finalisation of the annual report and accounts. The format of the report was based upon Accounts Direction issued by the Scottish Funding Council (SFC) which was discussed earlier.

The Director of Finance led the Committee through the detail of both sections of the report:

- Corporate Governance - which explained the composition and organisation of the College's governance structures and how they supported the achievement of College objectives.
- Remuneration and Staff - required to include within the annual report and accounts in accordance with the FReM. The College had followed the example remuneration report as per the SFC Accounts Directions.

The Committee recalled that the responsibility for providing advice to the Board on the College's accounting policies now lay with the Finance and General Purposes Committee and that its remit had been adjusted to reflect that. It was agreed that this amendment be noted on Page 30 of the report which summarised the role of the Finance and General Purposes Committee.   **{ACTION - AR}**

Mr Ritchie confirmed that the Board had a reasonable expectation that the College had adequate resources to continue in operational existence for the foreseeable future. For that reason, it continued to adopt the going concern basis in preparing the Financial Statements. Mr Ritchie agreed to add further detail to the "going concern" section of the Report following further advice issued by Colleges

Scotland. Similarly, he would update the text relating to financial covenants prior to the report being finalised by the Committee at its November meeting.

{ACTION – AR}

The Audit Committee reviewed and considered the draft report in advance of the final annual report and accounts being presented to the Joint Audit and Finance & General Purposes Committee in November 2020.

AM525   **RISK MANAGEMENT STRATEGY AND STRATEGIC RISK REGISTER**
The Director of Finance reported that, in accordance with the Corporate Governance Code, the College Board of Management was tasked with ensuring a framework of risk management and control was in place. He provided:

- An update on the actions taken by the College to develop the College Risk Management Strategy;
- The next steps in the development of the College Risk Management Strategy.
- The current College Strategic Risk Register for the consideration of the Audit Committee.

The Director of Finance explained that the Board of Management approved the current version of the risk register at its meeting in June 2020. Since that meeting, the Senior Management Team (SMT) had continued to carry out a review of the College Strategic Risk Register. The mitigating controls had been updated to take account of items such as the ongoing interactions with the SFC, the outcomes of internal / external audit reports and any Scottish Government / Scottish Funding Council (SFC) announcements.

Mr Richie led the Committee through the current version of the College Strategic Risk Register explaining that it was proposed to amend the format of the current Register so that a revised layout captured and presented the content in a user-friendly way. He provided an exemplar of the proposed revised format and summarised the primary changes. The Committee agreed that the revised format was a significant improvement in terms of structure, layout and overall accessibility.

Mr Richie agreed to reflect the Committee's suggested inclusions in the next iteration of the Register with the addition of proximity added to the risks (immediate, medium / long term etc), risk trends (preferably quarterly to provide some visibility around any movements) and some textual detail / commentary around work that had been undertaken locally by the College as well as sector / UK-wide to address the ramifications of Covid-19.   **{ACTION – AR}**

The Committee agreed that the Strategy and Register provided reassurance that good robust plans / controls / mitigations were in place especially in such exceptional circumstances when the College's ability to influence some of these areas was limited.

The Audit Committee:
• Noted the update on the actions taken to embed risk across the College;
• Considered and approved a revised format for the Risk Register report;
• Approved the next steps in the development of the College Risk Management Strategy; and
• Reviewed and approved the current Strategic Risk Register and in doing so considered:
    o The risks included in the register;
    o The revised risk rating both pre and post mitigation;

     o **Whether any other risks should be considered for removal; and**
     o **Whether any new risks should be considered for inclusion.**

AM526   **ANNUAL REPORT ON PUBLIC INTEREST DISCLOSURE FREEDOM OF INFORMATION AND DATA PROTECTION ACT REQUESTS; REGISTER OF INTERESTS; AND HOSPITALITY/GIFTS REGISTER**
The Director of Finance reported that the remit of the Committee required it to receive an annual report on:

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

Mr Ritchie detailed an update regarding each of the above areas.

The Audit Committee noted the 2019-20 report.

AM527   **SCHEDULE OF BUSINESS 2020-21**
The Director of Finance outlined the remit of the Audit Committee and how the schedule of business assisted in fulfilling this. The schedule of business was also used to inform the Annual Report of the Chair of the Audit Committee to the Board of Management.

The Committee noted the 2020-21 Schedule of Business.

AM528   **ANY OTHER BUSINESS**
- Date of Next meeting - Thursday 3 December 2020.

- The Principal provided an update on the College handling of the pandemic including moving to remote working, working in lockdown, mobilisation for Academic Year 2020-21, Curriculum Planning and student recruitment and supporting College communities. The College newsletter 'Homeworking Times' had been an excellent communication tool for staff and the Principal agreed to circulate recent editions to Co-opted members for their information.

{ACTION – SECRETARY}

Audit Committee: Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
3 Sept 2020	AM524	**Draft Accountability Report - Corporate Governance** 1 - the Committee recalled that the responsibility for providing advice to the Board on the College's accounting policies now lay with the Finance and General Purposes Committee and that its remit had been adjusted to reflect that. It was agreed that this amendment be noted on Page 30 of the report which summarised the role of the Finance and General Purposes Committee. 2 - agreed to add further detail to the "going concern" section of the Report since issue of the paper from Colleges Scotland. Similarly, he would update the text relating to financial covenants prior to the report being finalised by the Committee at its November meeting.	1 - A Ritchie 2 - A Ritchie		To be presented at the joint 24 November 2020 meeting of the Financial and General Purposes Committee and Audit Committee
"	AM525	**Risk Management Strategy and Strategic Risk Register -** agreed to reflect the Committee's suggested inclusions in the next iteration of the Register with the addition of timings added to the risks (immediate, medium / long term etc), risk trends (preferably quarterly to provide some	A Ritchie		3 December 2020 – next meeting of Audit Committee

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
		visibility around any movements) and some textual detail / commentary around work that had been undertaken locally by the College as well as sector / UK-wide to address the ramifications of Covid-19.			
"	AM497	**Internal Audit Report– Online Resources** - The Committee approved the report and agreed that it should be considered at the next LTQC meeting.	S Gordon	On the LTQC agenda for it 11 November 2020 meeting	November LTQ 2020 meeting
"	AM498	**Internal Audit Report– Regional Outcome Agreement (Stage 2) -** The Committee approved the report and agreed that it should be considered at the next LTQC meeting.	S Gordon	On the LTQC agenda for it 11 November 2020 meeting	November LTQ 2020 meeting
"	AM502	**Draft Internal Audit Plan 2020-21 – 1 -** Audit Universe, it was reported that would be looked at as part of the assurance mapping exercise. **2 -** The grading structure being used by the incoming auditors be made comparable to that of the outgoing auditors for consistency.	1 – A Ritchie 2 – A Ritchie		1 – Ongoing 2 – Ongoing
"	AM504	**Risk Management Strategy and Strategic Risk Register – U**pdate the Strategy in relation to roles, responsibilities and controls and to reflect further developments to the Risk Register reporting format.	D Alexander		3 December 2020 – next meeting of Audit Committee
		Actions from previous minutes			
12 Mar 2020	AM475	**Audit and Assurance Committee Handbook Update**	A Ritchie		Future Meeting

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
		Committee would continue to be updated on developments.			
"	AM481	**Risk Management Strategy Report** The Vice Principal Operations proposed to share, with the Committee Chair, a draft of a new format of the report could be adopted going forward (to ensure it was presented in a way that was as accessible and easy to follow as possible). The Committee agreed to this approach.	D Alexander		Complete
4 Sep 2019	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		To be presented at the joint 24 November 2020 meeting of the Financial and General Purposes Committee and Audit Committee
	AM410	**College Governance: Ministerial Statement** Committee to be kept informed of progress with changes	S Gordon		Future meeting

TITLE: **INTERNAL AUDIT REPORT – ASSURANCE MAPPING**

Background: As part of the 2020-21 Internal Audit Plan, Wylie & Bisset conduct a review of the College assurance mapping arrangements which considered:

- The College assurance mapping arrangements in place; and

- The methods of assurance in place and whether these are appropriate.

As part of the review the Audit Committee is provided with a draft assurance map which builds upon the internal auditors' assurance needs assessment.

This report presents to the Audit Committee the outcome of the Assurance Mapping internal audit review and the recommendations arising from this.

Action: The Audit Committee is requested to:

- approve the contents of this report;

- note the six recommendations made in the report and that these will be recorded on the College Rolling Audit Action Plan for future monitoring; and

- consider the content and format of the Draft Assurance Map (*Appendix A* of the report) and approve this for further development.

Lead: Stephen Pringle, Director
Alan Ritchie, Director of Finance

Status: Open

1.   Introduction

1.1   An assurance map provides a tool for centralizing risk identification and assessment. By mapping the various risk management and testing activities performed in relation to strategic risks, assurance maps help answer the question, "What are we missing?". Assurance maps are a useful tool that provide a structured way to identify the main sources and types of assurance in an organisation, and to ensure they are coordinated. Ultimately assurance mapping is a technique which enables a visual representation of comfort (assurance) activities as they apply to a specific set of risks or compliance requirements facing the College.

1.2   As part of the internal audit programme for 2020-21 Wylie & Bisset reviewed the College assurance mapping arrangements.

1.3   The work of the review encompassed establishing what assurance mapping arrangements are in place, the appropriateness of the methods of assurance and to provide the College with a draft assurance map and recommendations for improvement.

2.   Conclusion

2.1   The internal audit review concluded that Wylie & Bisset:

'… *can provide a substantial level of assurance over the process which the College is adopting for its risk and assurance framework. Over the last few years, the College has been working on its risk management framework. The College is planning on using its risk management process to provide an assurance map to the Board of Management and Audit Committee that they are receiving the appropriate level of assurance*.'

2.2   The level of assurance assigned by the auditors is 'Substantial' which is defined as noted below:

- Strong   Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.

- Substantial   Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.

- Weak   Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.

- No   No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

2.3   The report identified three areas of good practice and these are listed on page 9 of the report and include:

- Good linkages between the evolving assurance map and the College Strategic Risk Register and Corporate Plan objectives;
- Robust risk management arrangements with Board and Committee reviews; and
- Various sources of assurance are provided.

2.4   The report identified six recommendations (four medium and two low – see below for the recommendation classification definitions) for improvement that, if addressed, will strengthen the College's control framework. These are as follows:

1) Risk mitigations / controls should be assigned to most appropriate person.
2) All mitigating controls / actions should be reviewed and updated at regular intervals to ensure that these are still mitigating the impact of identified risks.
3) The College should try to mitigate the identified risks to a level which it deems acceptable.
4) The documents/reports being used to provide the necessary assurance should be up to date and readily available.
5) There should be action plans in place in respect of further work required to provide the appropriate level of assurance to the Board and Committees.
6) There should be a process in place to ensure that the necessary assurances are obtain for areas which are not included in the Strategic Risk Register.

Recommendation Grading Classification Definitions

- High   Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the College as a matter of urgency.

- Medium   Significant issue or weakness which should be addressed by the College as soon as possible.

- Low   Minor issue or weakness reported where management may wish to consider our recommendation.

2.5   College management have accepted the recommendations and initiated the management actions noted in the report. The recommendations will be added to the Rolling Audit Action Plan for monitoring purposes going forward.

2.6   The Auditors have also included a draft assurance map at *Appendix A* for the consideration of the Audit Committee. The draft map starts with the Corporate Plan 2019-2025 strategic objectives and notes the risk which are associated with the delivery of these objectives. The map then notes the various sources of assurance that the Board of Management and Audit Committee can rely upon in addressing these risks.

2.7   This is a draft assurance map for the consideration of the Audit Committee based upon the work undertaken by the College to date. It will be further enhanced through engagement with the Senior Management Team and College operational managers along with the implementation of the recommendations contained within the report. If approved by the Audit Committee, the assurance map will be brought to the next Committee meeting for further consideration.

3.   Recommendation

3.1   The Audit Committee is requested to:

- approve the contents of this report;

- note the six recommendations made in the report will be recorded on the Rolling Audit Action Plan; and

- consider the content and format of the Draft Assurance Map (*Appendix A* of the report) and approve this for further development.

West College Scotland

Internal Audit 2020-21

Assurance Mapping
September 2020

Overall Conclusion
Substantial

The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for the West College Scotland's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

The purpose of this assignment was to assist the College in reviewing and developing their assurance mapping arrangements. This included a review of the current arrangements and a review of the methods of assurance in place in order to ensure the College has assurance over its key business objectives.

This assignment forms part of our 2020/21 Annual Internal Audit Plan.

Scope of review

Our objectives for this review were to:

➢ Establish what assurance mapping arrangements are in place within the College.

➢ Review the methods of assurance in place and consider whether these are appropriate.

➢ Provide the College with a draft assurance map and recommendations for improvement to the current process.

Limitation of scope

There are no limitations of scope.

Background Information

Assurance Mapping

Assurance maps are a powerful tool providing an increased insight for the Board of Management, the Senior Management Team, and the Audit Committee. The assurance map links the College Corporate Plan objectives to the Strategic Risk Register and thereby allows the Board of Management to have the evidence to support their annual assertions as to the state of the College internal controls, which is vital for public reporting purposes. The assurance map will present to the Board of Management a structured factual analysis of the state of assurance against the main areas of risk. It will enable the Board of Management to ask focused questions about the nature of the assurance and any residual risk and to consider whether the assurance provided meets their needs. By asking these questions it is intended that the College will be able to identify any gaps or overlaps in the assurance provided. The assurance mapping exercise should also have the effect of improving the level of understanding across the Board of Management of the controls in place and enable a clearer focus on accountability and ownership of risk and the assurance against it in each case.

The assurance map provides the Audit Committee with access to a well-structured analysis of assurance sources to enable them to evidence the state of the internal controls and to focus resource on specific areas of concern. It enables better decision making and how best to use the internal auditors and other assurance providers against the strategic risk faced by the College.

The College invests heavily in risk management and the benefits of identifying and managing strategic and operational risks, within the boundaries of the College risk appetite, has been recognised by the Board of Management. The Board of Management, its Committees and the SMT receive regular risk reports which set out the key controls and mitigations strategies in place to manage the risks and to bring the risks to levels compatible with the overall College risk appetite. An effective assurance map will enable the College to show how various stakeholders get assurance regarding the effectiveness of the controls and mitigations.

The College Assurance Map

The College does not have one overarching document which documents the assurances provided across the whole College. There are various individual pieces of assurance (reports, documents, statistics etc) which are available and are presented to the Board of Management, Board of Management Committees via the Senior Management Team (SMT) and Educational Leadership Team (ELT). However, these assurances were not pulled together into an overarching College assurance map. The Board of Management and its Committees believe that they are receiving the appropriate assurance to enable them to discharge their duties. Inspection reports from HMI, Education Scotland and internal audit have generally had positive outcomes, thus it would appear that the appropriate level of assurance is in place over the College's activities. 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. The revised handbook places 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 College undertook to provide an overarching assurance document which records the overall assurances in place for the main areas of risk, in line with the recommendation in the 2018 Handbook.

The assurance mapping process started with the previous internal auditors undertaking an exercise to develop an assurance map. This initial exercise looked to provide assurance under six headings (Finance, Student Experience, Income, People, IT and Corporate) which the Audit Committee endorsed as areas they believed an assurance map should look to cover. The initial exercise, although helpful, produced a very detailed report for the Student Experience area which it was felt would be very onerous to maintain going forward. Based in the belief that the College was already supplying a high degree of assurance, it wanted something which could be done alongside its normal business of risk and control management not something which required a significant additional input of time and resources.

The Director of Finance has started to re-consider the layout for an overarching assurance document using the College Strategic Risk Register as a basis. The revised assurance map was based on the Strategic Risk Register with a section at the bottom detailing where the assurances come from and whether these are first, second or third line of defence. The Director of Finance used our assurance mapping document within the original Audit Needs Assessment (ANA) as a basis for the proposed document. For the purposes of this report we have used a similar layout as that in our original ANA document to produce a draft assurance map. See Appendix A for our initial assurance map for the College. This is based on our discussion with the Director of Finance, the Director of Organisational Development & HR and the Assistant Principal Student Life & Skills.

From our review of this document, we can confirm that it is a good basis for producing the required assurance map. The layout will enable it to be reviewed at least annually by the Audit Committee and Board of Management in conjunction with the current Strategic Risk Register, thus tying these two processes together. By using the Strategic Risk Register as a base document, the College is ensuring that it is addressing the prominent areas of concern for the College in terms of its strategic objectives and priorities and providing evidence that it is obtaining sufficient assurance over these objectives and priorities.

The pre-requisites for successful creation of an assurance framework include:

- Support and direction from the Accounting Officer and ownership for the framework at Board of Management level;
- Clarity on what the College wishes to achieve (particularly encompassing Board and Accounting Officer needs);
- Building the assurance framework within a manageable boundary (beginning with the high level strategic and key process risks);
- Simplicity – don't try to cover too much in a single assurance map (some organisations have different maps at different levels or separate maps for planning and evaluation); and
- Avoid technical jargon; processes should aim to foster a common clearly understood language.

The assurance map should be a core part of the College's arrangements for managing risk, rather than a separate exercise and should be integral to the risk management framework used for the effective delivery of the College's outcomes and objectives. Management already have several sources of assurance over the key risks and an assurance framework is designed to bring these assurances together so that they are obtained more efficiently and effectively.

Strategic Risk Register

The College's main assurance document is its Strategic Risk Register. This gives details of the risk and the controls in place to mitigate these risks. The Strategic Risk Register also categorises the identified risk under ten categories including political, finance, students and governance. The College believes that the 10 categories identified in the Risk Management Strategy expand upon the initial six assurance areas identified when the assurance mapping exercise commenced. The College is looking to use the Strategic Risk Register as its starting point in assessing the assurances in place and what is required.

Over the last year the College and the Board of Management have been working to refine its risk management framework and have updated its Risk Management Strategy and the risk appetite for the College. The format of the Strategic Risk Register has also been refined to allow for an improved user experience and this will be refined during the coming year.

Individual risks are assigned to Senior Management Team member with the overall Strategic Risk Register being discuss at regular intervals the SMT meetings. At present the mitigating controls are also assigned to the SMT members rather than the person who is directly involved with the control. We have raised a recommendation in relation to this.

Work Undertaken

Our work in this area included the following:

➢ We discussed with relevant staff the current arrangements in place regarding assurance mapping. We evaluated this for robustness and to confirm whether it is fit for purpose.

➢ We looked at the process for identifying what the College need assurance over and considered what assurances the College have in place.

➢ We obtained the most recent Strategic Risk Register and discussed and evaluated the process for identifying, evaluating, and measuring risks. We discussed the process of identifying the mitigating controls for each of these risks and assessed whether this is sufficient to mitigate/manage and provide assurance that the College's risks are being appropriately managed.

➢ We reviewed how the controls in place link with the management of risks. We considered whether there is a transparent link between the controls relied upon and the risks. We considered whether the controls in place are still relevant to the College.

➢ We discussed with a sample of staff how they identify what they need to get assurance over; the process for this; the process for identifying where they are getting the assurance from; who is responsible for ensuring that the appropriate level of assurance is in place; who decides

what the appropriate level of assurance is; who is responsible for reviewing the assurances in place to ensure these are still appropriate; and how is this done. We also discussed what comfort they are getting for the assurances in place.

➢ We discussed how the College monitors the assurances it has in place to ensure that these are still relevant and up to date. We established whether there are action plans in place for assurances relied upon by the College.

➢ We established if the Board of Management or College receive any reports regarding assurance and where actions are required, we ensured that these are being completed in a timely manner. We considered the process in place to ensure that this is robust and will ensure that any actions are being appropriately completed.

➢ For a sample of the risks included in the Strategic Risk Register we obtained details of how these are controlled and the areas of assurance the College takes for these. We evaluated these to ensure that they are sufficient and fit for purpose. We mapped the assurances to the risk register.

➢ We highlighted any gaps in the processes used by the College and provided an initial draft assurance map for consideration by the Audit Committee.

Conclusion

Overall conclusion

Overall Conclusion: Substantial
We can provide a substantial level of assurance over the process which the College is adopting for its risk and assurance framework. Over the last few years, the College has been working on its risk management framework. The College is planning on using its risk management process to provide an assurance map to the Board of Management and Audit Committee that they are receiving the appropriate level of assurance. We have raised 6 recommendation to improve the process which is in place within the College.

Summary of recommendations

Grading of recommendations				
	High	**Medium**	**Low**	**Total**
Assurance Mapping	0	4	2	6

As can be seen from the above table there were no recommendations made which we have given a grading of high.

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.	
1.	The process which the College is putting into place to identify what the College need assurance over is based on the Strategic Risk Register which is linked to the overarching strategic objectives of the College. In this way there is a link between the assurance levels and the strategic objectives of the College.
2.	The College and the Board of Management have spent time on the risk management process and have an established Risk Management Strategy and recently integrated into the Strategy the risk appetite of the College. At each Board of Management and Board Committee meetings the risk register is presented for discussion and review.
3.	From discussion with members of the Senior Management Team it was apparent that the College does have various sources of assurance. This assurance stems from internally produced reports using data from different sources and external assurance, i.e. internal/external audit reports, external agency reports, benchmarking etc.

Risk Management Controls			
Ref.	Finding and Risk	Grade	Recommendation
1.	All risks should have mitigating controls/actions assigned to the most appropriate person within the College. From our review of the risk register and discussion with a sample of Senior Management Team (SMT) members we found that the management of the overall risk is assigned to a member of the Executive. The individual Executive member who is assigned the overall risk may not have the operational responsibility for the associated controls/actions. There is a risk that mitigating controls/actions are not maintained or updated due to the most appropriate person not being given responsibility for these.	**Medium**	We recommend that the risk management process is developed further to assign the mitigating controls /actions to the most appropriate member of the SMT.

Management response	Responsibility and implementation date
The Strategic Risk Register will be reviewed by the Senior Management Team and mitigating controls / actions will be assigned to a responsible member of the SMT. The person responsible will be recorded on the Pentana Risk Management System and they will be responsible for providing updates on the operation of the control/action.	*Responsible Officer:* Director of Finance *Implementation Date:* 31 March 2021

Validation of Controls			
Ref.	Finding and Risk	Grade	Recommendation
2.	All mitigating controls / actions should be reviewed and updated at regular intervals to ensure that these are still mitigating the impact of identified risks. From our review and discussion with a sample of SMT members, we found that the controls were reviewed regularly however there was no hard evidence that this was being undertaken. From our review of some of the controls we found that these were quite generic, were not always date specific and sometimes sounded more like aspirations than what was in place to mitigate the risks. There is a risk that mitigating controls / actions are no longer relevant in mitigating the identified risks.	**Medium**	We recommend that the process of checking and validating the mitigating controls / actions in place to mitigate risks is undertaken on a regular basis. Sufficient evidence should be retained to evidence that the controls are being checked to ensure that these are still appropriate and working as expected. We also recommend that the College consider making the controls more in line with SMART controls. This should ensure that the controls continue to be relevant in mitigating the risks.

Management response	Responsibility and implementation date
As noted above the College does undertake regular reviews at SMT level and these reviews are supplemented by further discussion at both Board Committee and Board of Management level. The review process will be further strengthened using the Pentana system. The mitigating actions / controls will be reviewed and where necessary will be updated to make them SMART. Once updated they will be uploaded onto the Pentana system and will include review dates. At that point the responsible SMT member will undertake a review of the mitigating control / actions and where necessary the control / mitigating action will be updated. A log of the changes will automatically be held by Pentana allowing an evidence trail to be created.	*Responsible Officer:* Director of Finance *Implementation Date:* 31 March 2021

Risk Register			
Ref.	Finding and Risk	Grade	Recommendation
3.	The College should try to mitigate the identified risks to a level which it deems acceptable. From our review of the risk register and discussion with members of the SMT we found that the risk register does not reflect the target level of risk for each of its identified risks, i.e. the risk level that the College would be able to tolerate for the individual risks. The College has developed its risk appetite for the 10 categories of risk, however for the individual risks it does not state what an acceptable risk score would be for these. We also found that the risk register does not give actions to improve or mitigate further the risks. We have seen these included on the risk and assurance frameworks for other organisations. There is a risk that further mitigation of the risks to reduce this to an acceptable level does not take place.	**Medium**	We recommend that the College consider including a section on its risk register relating to actions to improve/mitigate the risk further. We also recommend that the College considers, as a longer-term goal, including a target status for the risk.

Management response	Responsibility and implementation date
The College would intend discussing with the Audit Committee what potential further actions should be included in the Strategic Risk Development Plan to deliver the College Risk Management Strategy. In line with the audit recommendation this discussion will include the following: • The inclusion of actions to be taken to further improve the mitigating controls; and • Consideration of the inclusion of a target risk score in the Strategic Risk Register.	*Responsible Officer:* Director of Finance *Implementation Date:* 31 July 2021

Link to Documents/Reports Providing Assurance			
Ref.	Finding and Risk	Grade	Recommendation
4.	The documents/reports etc., being used to provide the necessary assurance should be up to date and readily available. From our review of the initial assurance mapping document we found that this does not contain links or reference to where the documentation etc. could be found. There is a risk that assurance documentation is not readily available, thus making it not effective in providing the necessary assurance required.	**Medium**	We recommend that the Assurance Map should include links to the documents/reports etc., being used to provide the assurance or give reference to where these could be found.
Management response		Responsibility and implementation date	
In compiling the Assurance Map hyperlinks will be embedded in the documents to allow readers to go directly to the relevant source of assurance. Where the documents are not readily available reference will be made to where the documents can be found.		*Responsible Officer:* Director of Finance *Implementation Date:* 31 May 2021	

Assurance Action Plans				
Ref.	Finding and Risk		Grade	Recommendation
5.	From our review and discussion with a sample of SMT members we found that there was no single document to record where the assurance comes from and what these assurances are. There is also no mechanism to record any required action in respect of these assurances. There should be action plans in place in respect of further work required to provide the appropriate level of assurance to the Board and Committees. There is a risk that actions to improve the assurance received are not implemented resulting in a lower level of assurance being provided.		**Low**	We recommend that the College, once it has refined the assurance mapping process, ensures that there is a step for action plans to be produced, reviewed, implemented, and monitored. Potentially any actions being raised should be included on the relevant department's operational plan to ensure that this is being monitored.
Management response			Responsibility and implementation date	
The College Assurance Map will include a section on actions to be taken following any review of the Assurance Map. The actions will be specific, time bound and will be allocated to a member of the management team. If required these will be incorporated into the relevant departmental operational plan. It is intended that the Assurance Map be reviewed annually by each Board Committee and by the Board of Management. This review will be undertaken in the second half of each year allowing departments to address any actions in the coming year as part of the operational planning process.			*Responsible Officer:* Director of Finance *Implementation Date:* 31 May 2021	

Assurance Over Areas not on the Risk Register			
Ref.	Finding and Risk	Grade	Recommendation
6.	There should be a process in place to ensure that the necessary assurances are obtained for areas which are not included in the Strategic Risk Register. From our review and discussion with a sample of SMT members we found that there is no mechanism in place to record assurances obtained for areas which are not included in the Strategic Risk Register. From our review, we believe that the most appropriate place for such risk to be recorded would be within the departmental operational plans. In this way, the operational plans would provide the necessary background information for consideration by the College as to whether such risk constitute a strategic risk. There is a risk that not all risk/assurances are being identified and recorded.	**Low**	We recommend that for each of the objectives set within the departmental operational plans that the College request that the submitting departments include any relevant risks and also any assurances as to how the risk is to be mitigated.
Management response		Responsibility and implementation date	
A review will be undertaken of the departmental operational plans and the noted risks included against each objective. These will be collated and reviewed by the Senior Management Team or a smaller working group of appropriate staff to identify any strategic risks for consideration by the wider SMT.		*Responsible Officer:* Director of Finance *Implementation Date:* 31 May 2021	

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	31 August 2020
Closing meeting	18 September 2020
Draft report issued	18 September 2020
Receipt of management responses	6 November 2020 & 23 November 2020 (final management responses)
Final report issued	24 November 2020
Audit Committee	3 December 2020
Number of audit days	6 days

4   KEY PERSONNEL

We detail below our staff who undertook the review together with the College's staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Senior Manager	Stephen Pringle	Senior Internal Audit Manager	stephen.pringle@wyliebisset.com
Senior	Audrey Cowan	Internal Audit Supervisor	audrey.cowan@wyliebisset.com

West College Scotland			
Key Contact	Alan Ritchie	Director of Finance	Alan.Ritchie@wcs.ac.uk
Key Contact	David Gunn	Director of Organisational Development & HR	David.Gunn@wcs.ac.uk
Key Contact	Iain Forster-Smith	Assistant Principal Student Life & Skills	iain.forster-smith@wcs.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

The following is based on our discussions with the Director of Finance, the Director of Organisational Development & HR and the Assistant Principal Student Life & Skills and our knowledge of the College and the sector.   We have used the College's risk register as a basis for our sample assurance map.

				Assurance Mapping		
Strategic Objective	Risk	Key Control	Residual Risk	1st Line of Defence	2nd Line of Defence	3rd Line of Defence
1.2 - Raising Aspirations and Enabling Students to achieve outcomes **3.4 - Managing for Resilience**	**Business / Cyber Resilience Planning (1 / WCS 7)** Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	Business Continuity Plans available to relevant staff along with associated documents to assist during any incident. 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. Closure of College campus undertaken successfully in March and planning has commenced to enable remobilisation.	24	Regional Outcome Agreement. Regular minuted meetings with both support and teaching staff unions.	Business Continuity Plan – Approved plan and ongoing review and scenario planning. IT Business Continuity Plan.	Internal Audit Review 2018-19 - Business Continuity Planning. Scottish Government Cyber Resilience Certificated.

A ASSURANCE MAP

Strategic Objective	Risk	Key Control	Residual Risk	Assurance Mapping		
				1st Line of Defence	2nd Line of Defence	3rd Line of Defence
1.1 - Developing Bespoke solutions, Fast **1.3 - Recruiting and Retaining Talented People** **3.1 - Developing new income opportunities** **3.4 - Managing for Resilience**	**SFC Funding and Funding Methodology (2 / WCS1)** 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.	Final SFC Funding confirmation. 5-year future financial scenario planning and detailed assumptions. Robust financial forecasting including production and review of monthly management accounts.	24	Monthly management accounts. MIS reports.	Budget and 5-year financial planning. Transformation Plan – accepted by SFC. Estates Strategy.	SFC Funding letter. Credits/Funding audits. Audited financial statements. Internal Audit review of financial systems.
1.2 - Raising Aspirations and Enabling Students to achieve outcomes **3.1 - Developing new income opportunities** **3.3 - Utilising Specialist Capabilities** **3.4 - Managing for Resilience**	**Estate Strategy (3 / WCS3)** 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	The College engages 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. Approved Estate Strategy and annual implementation highlights required estate investment for consideration by SFC and Scottish Government.	20	Operational Plans. Individual Health & Safety Plans. Staff & Student Health & Wellbeing Strategy/Plans.	Estates Strategy. Approved Outline Business Case for Paisley campus. Board of Management approval of Strategy & Business Cases. Reports to Board and Estates Committee.	Internal Audit review of Estates Strategy.

Strategic Objective	Risk	Key Control	Residual Risk	1st Line of Defence	Assurance Mapping 2nd Line of Defence	3rd Line of Defence
	and address legislative requirements.					
1.1 Developing Bespoke solutions, Fast 1.2 Raising Aspirations and Enabling Students to achieve outcomes 2.3 Delivering Inclusive Growth 4.1 Using Data	**Estates maintenance / capital funding (4 / WCS2)** Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	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. WCS participation in SFC/sector Capital Working Group and wider consultation exercises where possible.	16	Updated Estates condition data.	Estates Strategy. Board of Management and Estates Committee updates and annual progress reports/review	Internal Audit review of Estates Strategy. SFC Capital Working Group meetings.
1.3 Recruiting and Retaining Talented People 2.2 Immersive Partnerships 3.1 Developing new income opportunities 3.4 Managing for Resilience	**Brexit (5 / WCS16)** 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.	College has considered possible impacts of Brexit on operations and continues to keep this under review. The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector.	15	MIS reports. Attendance at sector working groups	Business Continuity Plan and scenario planning. Financial plans – 5-year plan.	External scenario planning (Zurich Insurance). Credits/funding audits. SFC correspondence.

Strategic Objective	Risk	Key Control	Residual Risk	Assurance Mapping		
				1st Line of Defence	2nd Line of Defence	3rd Line of Defence
1.2 Raising Aspirations and Enabling Students to achieve outcomes 2.1 Creating Learning Pathways 3.2 Developing the Market 3.4 Managing for Resilience	<u>**SFC Regional Outcome Agreement (6 / WCS4)**</u> Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	Positive engagement with SFC in relation to ROA development and monitoring for current and future years. Internal audit of ROA process indicated robust planning arrangements in place regarding development of ROA.	12	MIS reports. Curriculum Plans. Operational Plans.	School/College Partnership Agreement. Learning & Teaching Committee reports and minutes. Board of Management reports and minutes.	Internal Audit report on the Regional Outcome Agreement process. Internal Audit review of the Curriculum Planning process (CMAP). Internal Audit review of Curriculum Planning & Timetabling. Internal Audit review of Student Recruitment/Admissions/Enrolment.
1.1 Developing Bespoke solutions, Fast 1.2 Raising Aspirations and Enabling Students to achieve outcomes 1.3 Recruiting and Retaining Talented People 3.4 Managing for Resilience	<u>**National Pay Bargaining (7 / WCS5)**</u> Impact and outcome of National Pay Bargaining for both teaching and support staff.	WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). Business Continuity Planning considers impact of industrial action, with specific plans in place.	12	Minutes of NJNC meetings. Local Trade Union Consultation & Negotiating Committee minutes. Local workforce planning.	Business Continuity Plan. Communication Plan. Financial scenario planning – financial modelling based on SFC FFR assumptions.	Internal Audit review of Workforce Planning.

Strategic Objective	Risk	Key Control	Residual Risk	Assurance Mapping		
				1st Line of Defence	2nd Line of Defence	3rd Line of Defence
1.1 Developing Bespoke solutions, Fast **2.1 Creating Learning Pathways** **3.3 Utilising Specialist Capabilities** **4.2 Inspirational Learning**	**IT Systems and Infrastructure (8 / WCS6)** Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	IT Contingency Plan in place with regular review. IT Strategy, Policies / Procedures and system access processes in place. College has renewed its Cyber Essentials Plus accreditation as required. Work commencing on updating the Scottish Government Cyber Resilience Framework.	12	Staff and student survey outcomes.	IT Strategy. IT Contingency Plan. Finance & General Purposes Committee reports and minutes. College Digital Strategy.	Cyber Essential Plus accreditation. Internal audit review of IT Systems and IT Strategy. Internal Audit review of Digital Drivers & Technology. Internal Audit review of Delivery & Online Learning.
1.1 Developing Bespoke solutions, Fast **2.1 Creating Learning Pathways** **3.4 Managing for Resilience** **4.3 Developing the skills base**	**College Transformation Plan (9 / WCS15)** Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	Transformation Plan has been developed by the College and discussed in detail with the SFC. Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement.	12	Project reports. Operational plans. MIS reports. HR reports.	Transformation Plan. Board approval of Transformation Plan. Finance & General Purposes Committee ongoing review and monitoring of plan. Finance & General Purposes Committee reports and minutes.	Internal Audit of overall financial controls. Internal Audit review of procurement and tendering.

Strategic Objective	Risk	Key Control	Residual Risk	Assurance Mapping		
				1st Line of Defence	2nd Line of Defence	3rd Line of Defence
					Financial planning (budgets and 5-year forecasts).	
1.2 Raising Aspirations and Enabling Students to achieve outcomes 1.3 Recruiting and Retaining Talented People 3.4 Managing for Resilience	**Staff Relations (10 / WCS9)** Inability to maintain positive staff relations	Approved Workforce Plan in place to address Audit Scotland recommendations and implementation reviewed by the Board CDC and HR Committee. Clear procedures for communication and engagement with Trade Unions and College staff.	9	Workforce planning. Staff survey outcomes. Local Trade Union Consultation and Negotiation Committee minutes. Staff Development Group minutes.	Updates of Workforce plan action plan provided to Operational Development & HR Committee. People Strategy.	Internal Audit review on internal and external communications. Internal Audit review of sickness & absence reporting. External bodies accreditation, e.g. IIP etc. Recognition & Procedure Agreement with the Educational Institute of Scotland.
1.1 Developing Bespoke solutions, Fast 2.3 Delivering Inclusive Growth 3.1 Developing new income opportunities 3.2 Developing the Market	**Alternative Income Growth (11 / WCS11)** Ability to generate consistent levels of alternative income or to grow alternative income streams.	Alternative Income Strategy currently under development in response to requirements of College Transformation Plan objectives. Strategy will be subject to review by Corporate Development Committee.	9	Departmental operational plans. Curriculum planning. MIS reports. Commercial Development Group minutes.	Corporate Development Committee minutes and reports. Financial planning and budgets. Alternative Income Strategy.	Credits/Funding reports

Strategic Objective	Risk	Key Control	Residual Risk	1st Line of Defence	**Assurance Mapping** 2nd Line of Defence	3rd Line of Defence
		Annual financial budget agreed and monitored by the Corporate Development Committee.		Individual projects.		
1.3 Recruiting and Retaining Talented People **2.3 Delivering Inclusive Growth**	**Workforce Planning (12 / WCS10)** Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes.	College Workforce Plan and associated reporting requirements approved by the Board of Management. Detailed teaching resource planning through use of curriculum mapping tool (CMAP).	6	Workforce plans. Establishment reports. Curriculum planning. Staff skills survey. Operational plans. Annual training programme. Leadership Development Programme Handbook. Staff Communications.	EMT minutes. HR reports. Professional Development Policies. CPD Procedures. Organisational Development & HR Committee reports and minutes.	Internal Audit review of sickness and absence reporting. Internal Audit review of workforce planning. External bodies accreditation, e.g IIP etc.
3.4 Managing for Resilience **4.1 Using Data**	**General Data Protection**	Data Protection Officer (DPO) appointed in compliance with legislative requirement. DPO is	6	Privacy notices.	GDPR compliance audits.	

Strategic Objective	Risk	Key Control	Residual Risk	1st Line of Defence	Assurance Mapping 2nd Line of Defence	3rd Line of Defence
	Regulations 13/ WCS13) Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	part of shared services agreement allowing the College to work collaboratively with other institutions. 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.		Retention & Destruction schedules.	GDPR working group minutes and reports. Data Breach Policy. GDPR/Data Protection Policy. Finance & General Purposes Committee reports and minutes.	
1.2 Raising Aspirations and Enabling Students to achieve outcomes 3.4 Managing for Resilience	**Estate Investment Works (14 / WCS14)** Normal business activities are unduly affected due to the complexity of sequencing estates investment works.	Detailed resource planning involving all relevant parties at stage to address any issues in advance of project start date.	6	Workforce plans. Project plans. Project Working Groups.	Estates Strategy.	Internal Audit review of the Estates Strategy. External professional advisors review of plans etc.

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

B   GRADING STRUCTURE

For each recommendation we assign a grading either as High, Medium or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the College as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the College as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

The purpose of this assignment is to assist the College in reviewing and developing their assurance mapping arrangements. This will include a review of the current arrangements, a review of the methods of assurance in place in order to ensure the College has assurance over its key business objectives.

This assignment forms part of our 2020/21 Annual Internal Audit Plan.

Scope of review

Our objectives for this review are to ensure:

➤ Establish what, if any, assurance mapping arrangements are in place within the College.

➤ Review the methods of assurance in place and consider whether this is appropriate.

➤ Provide the College with an assurance map.

Limitation of scope

There are no limitations of scope.

Audit approach

Our approach to the review will be:

➤ Discussion with relevant staff to establish the current arrangements in place regarding assurance mapping. We shall evaluate this for robustness and to confirm whether it is fit for purpose.

➤ We shall look at the process for identifying what the College need assurance over and consider what assurance the College have in place.

➤ We shall obtain the most recent risk register and discuss and evaluate the process for identifying, evaluating, and measuring risks. We shall discuss the process of identifying the controls for each of these risks and assess whether this is sufficient to mitigate/manage and provide assurance that the College's risks are being appropriately managed.

➤ We shall review how the controls in place link with the management of risks. We shall consider whether there is a transparent link between the controls relied upon and the risks. We shall consider whether the controls in place are still relevant to the College.

➤ We shall discuss with a sample of staff how they identify what they need to get assurance over; the process for this; the process for identifying where they are getting the assurance from; who is responsible for ensuring that the appropriate level of assurance is in place; who decides what the appropriate level of assurance is; who is responsible for reviewing the assurances in place to ensure these are still appropriate; and how is this done. We shall also discuss what comfort they are getting for the assurances in place.

➤ We shall discuss how the College monitors the assurances it has in place to ensure that these are still relevant and up to date. We shall establish whether there are action plans in place for assurances relied upon by the College.

➤ We shall establish if the College/Board receive any reports regarding assurance and where actions are required, we should ensure that these are being completed in a timely manner. We shall consider the process in place to ensure that this is robust and will ensure that any actions are being appropriately completed.

➤ For the risks included in the risk register we shall obtain details of how these are controlled and the areas of assurance the College takes for these. We shall evaluate these to ensure that they are sufficient and fit for purpose. We shall map the assurance to the risk register and highlight any gaps arising from this exercise.

➤ We shall highlight any gaps in the processes used by the College and also provide a draft assurance map.

Potential key risks

The potential key risks associated with the area under review are:

➢   The College does not have appropriate assurance mapping arrangements in place which could lead to insufficient control of risks.

➢   The methods of assurance that the College is relying on are not appropriate, complete, and sufficient to provide the College and the Board with the appropriate assurance to enable them to make correct decisions.

TITLE: **INTERNAL AUDIT REPORT – FRAUD AWARENESS**

Background: As part of the 2020-21 Internal Audit Plan, Wylie & Bisset conduct an internal audit of Fraud Awareness which reviewed and considered:

- recommendations arising from the College March 2020 purchase ledger fraud investigation, in order to ensure these have been implemented and staff are adhering to these as required;

- the College's Fraud and Corruption Policy and any associated procedures to ensure that these are robust, up to date and fit for purpose;

- the College's Fraud Response Plan to ensure this is robust and fit for purpose; and

- fraud training which is in place and has been provided to College staff.

This report presents to the Audit Committee the outcome of the Fraud Awareness internal audit review along with any recommendations arising from the audit work carried out.

Action: The Audit Committee is requested to:

- approve the contents of this report; and

- note that the two low level recommendations made in the report will be recorded on the College Rolling Audit Action Plan.

Lead: Stephen Pringle, Director
Alan Ritchie, Director of Finacne

Status: Open

1.   Introduction

1.1   As part of the internal audit programme for 2020-21 Wylie & Bisset conducted a review to ensure that College staff are aware of the Fraud and Corruption Policy and that associated e procedures are in place and operating as required.

1.2   As part of this work Wylie & Bisset also considered whether the recommendations arising from a review of the March 2020 purchase ledger fraud perpetrated upon the College had been fully implemented and were being adhered to by staff.

2.   Conclusion

2.1   The review concluded that Wylie & Bisset:

'… *can provide a strong level of assurance over the College's fraud awareness policies and Fraud Response Plan. We can also confirm that the recommendations raised in respect of the purchase ledger fraud investigation have been implemented. Fraud awareness training has been provided to the Finance Team, and training on the new procedure for changes to supplier's bank details has been provided specifically to the Purchase Ledger team.*'

2.2   The level of assurance assigned by the auditors is 'Strong' which is defined as noted below:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

2.3   The report identified four areas of good practice and these are listed on page 8 of the report and include:

- Good procedures which involved the Finance team in their development;
- The College Fraud and Corruption Policy follows good practice;
- The College Fraud Response Plan is in line with expectations; and
- Fraud awareness training has been provided to staff.

2.4   The report identified two low level recommendations for improvement that, if addressed, will strengthen the College's control framework. These are as follows

- Wider availability of fraud awareness training; and
- Periodic checks on revised processes.

2.5   College management have accepted the recommendations and initiated the management actions noted in the report. The recommendations will be added to the Rolling Audit Action Plan for monitoring purposes going forward.

2.6   The auditors also made two further observations which can be found on page 12 of the report. The first relates to the introduction of a checklist relating to the new Change in Bank procedure. As noted, the revised procedure is detailed enough to effectively meet the control aspect that would arise from this checklist. The second relates to the Fraud and Corruption Policy noting that the name could be changed tom Anti-Fraud and Corruption Policy, which the College will action.

2.7   The report will be presented to the next Finance and General Purposes Committee for their information.

3.   Recommendation

3.1   The Audit Committee is requested to:

- approve the contents of this report; and

- note that the two low level recommendations made in the report will be recorded on the Rolling Audit Action Plan.

West College Scotland

Internal Audit 2020-21

Fraud Awareness
November 2020

Overall Conclusion
Strong

The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for West College Scotland's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

The purpose of this review was to ensure that the College's staff are aware of the Fraud and Corruption Policy and that the procedures are operating as required to ensure appropriate reporting is in place. We ensured that the recommendations raised as a result of the March 2020 purchase ledger fraud have been fully implemented by the College and are being adhere to by the relevant staff.

As part of this assignment we agreed to provide a fraud awareness session to finance, student support and procurement staff on some of the examples of fraud which we have dealt with in recent years and the controls in place to prevent fraud.

This assignment forms part of our 2020/21 Annual Internal Audit Plan.

Scope of review

Our objectives for this review were to:

➢ Review the recommendations from the College March 2020 purchase ledger fraud investigation to ensure that these have been implemented and that the relevant staff are adhering to these.

➢ Obtain and review the College's Fraud and Corruption Policy and any associated procedures to ensure that these are robust, up to date and fit for purpose.

➢ Obtain and review the College's Fraud Response Plan to ensure that this is robust and fit for purpose.

➢ Consider the fraud training in place for staff and what fraud training has been given to staff. This will consider the Finance staff and the wider College staff.

Limitation of scope

There are no limitations of scope.

Background Information

From our review we found that the College had implemented the recommendations raised from the March 2020 purchase ledger fraud investigation. From our testing we can confirm that the new Supplier Bank Detail Changes Procedures are robust and include all steps we would expect to find to help mitigate potential fraud. The Finance Team have all received training on this as well as wider fraud awareness training. From our testing we can confirm that the Finance staff are adhering to the requirements of the new Supplier Bank Details Change Procedures.

Anti-Fraud and Corruption Policy

The College has a Fraud and Corruption Policy in place, which is included on the staff intranet to which all staff have access. The policy was fully reviewed and updated in light of the 2018/19 fraud investigation and legal review. This was approved on 7 October 2019 and is due for its next review on 7 October 2021. The Policy includes the College's Fraud Response Plan at section 9.

The Policy has the following sections:

1. **Introduction**
2. **Purpose** – this states the purpose is to "provide guidance to all staff on the action, which should and will be taken when fraud, theft or corruption is suspected. Such occurrences may involve employees of the College, suppliers/contractors or a third party". It sets out "Board of Management's response plan for detected or suspected fraud". This section also states that it is not the purpose of the Policy to "provide direction on the prevention of fraud".
3. **Definitions** - this section gives definitions of fraud, corruption and bribery.
4. **Awareness** – this section relates to keeping the Board members, staff and students aware of the Colleges anti-fraud and corruption stance and its Policy in relation to fraud.

5. **Scope** - per this section, the Policy applies to "all employees, Board members including co-opted members and volunteers of West College Scotland. This also applies to business partners where a relationship is in place for them to undertake duties on behalf of the College". This Policy also states the "policy will refer to 'fraud' which shall encompass all the behaviours set out in the definitions, except where the context indicates otherwise". This sets out the scope for the Policy.

6. **Public Service Values** - this section gives details of the public sector values which are impacted by fraud as well as the statutory frauds and the relevant legislation which covers these. The College participates with the National Fraud Initiative (NFI). This section gives key features of the NFI.

7. **Board of Management Policy** - this section states that "In line with the Public Interest Disclosure Act 1998, the Board of Management wishes to encourage staff or public, having reasonable suspicion of fraud, to report the incident. It is College policy that no staff member should suffer in any way by reporting in good faith any reasonably held suspicions". This section also gives details of what is covered by the term 'fraud', i.e. corruption, deception, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It also covers computer fraud. This section also gives brief details of who you should report suspicions of fraud to in the first instance and then thereafter.

8. **Roles and Responsibilities -** this section details the roles and responsibilities of those involved with investigating suspicions of fraud. It also gives the roles and responsibilities of the various levels of College staff in respect of the prevention of fraud.

9. **Response Plan** - this section details the process which the College will follow when it has been alerted to a suspicion of fraud. It includes sections on Reporting Fraud; Managing the Investigation; Gathering Evidence; Interview Procedures; Reporting Process; Disclosure of Loss from Fraud; Police Involvement and Press Release.

10. **Resourcing of the Investigation** - this section deals with the staffing etc of the investigation and whether this should be inhouse staff, Director level, internal/external auditors, specialist consultant or the police.

11. **Risk Assessment/Training** – this section relates to the annual fraud risk assessment by management and any resulting training needs identified.

12. **The Law and Its Remedies** - this section relates to both criminal and civil law routes available to the Board of Management and the College.

The Policy also has an appendix which gives details of further guidance on fraud. From our comparison of the College's Fraud & Corruption Policy with guidance from the Fraud Advisory Panel (FAP) we found that the College's Fraud & Corruption Policy contains all elements which the FAP suggest should be included in such a policy.

As noted above, the College's Fraud Response Plan is part of the College's Fraud & Corruption Policy. The College's Fraud Response Plan covers the following areas:

- Introduction
- Reporting Fraud
- Managing the Investigation
- Gathering Evidence
- Interview Procedures
- Reporting Process
- Disclosure of Loss from Fraud
- Police Involvement
- Press Release

From our comparison of the College's Fraud Response Plan with the FAP's aims of a good fraud response plan we found that the College's Fraud Response Plan includes all elements which the FAP consider should be covered by a Fraud Response Plan.

Staff Fraud Awareness

Wylie & Bisset constructed a short survey designed to gauge awareness within the employees from the Finance, Procurement and Student Funding area of the College on the Fraud Policy and requirements.

At the time of writing we had only received 19 completed surveys out of 25 surveys issued.   The results of those 19 completed surveys are noted below:

➢ All 19 stated that the College did have a policy covering fraud.

➢ All 19 stated that they knew where to find the Policy, with 17 out of the 19 stating this could be found on the College's intranet and the other 2 stating it could be found on the O Drive in the Finance folder.

- All 19 stated that they knew who to report any concerns or suspicions of potential acts of fraud, with all stating that it would be either their line manager, Finance Officer or Finance Manager.

- All 19 gave examples of what constitutes a fraud.

As can be seen from the survey results the staff who responded to our questionnaire were aware of the existence of the College's documentation covering fraud.

Work Undertaken

Our work for this assignment included the following:

- Discussions with key staff to establish the status of the recommendations from the purchase ledger fraud investigation. We obtained a copy of these and assessed what the College has put in place to address the recommendations. We also assessed whether the recommendations are being adhered to by the relevant staff. We have also made comment upon additional actions that could have been taken by the College in light of the fraud.

- We obtained and assessed the College's policies and procedures in respect of fraud, i.e. Fraud and Corruption, Anti-Bribery etc. We considered whether these are robust, up to date, accessible to all staff and are fit for purpose.

- We obtained and reviewed the College's Fraud Response Plan. We assessed whether this is robust, up to date and fit for purpose.

- We discussed with relevant staff the fraud training provided to the staff. We considered when this training took place and which members of staff received this training.

- We surveyed the Finance, Student Support and Procurement staff to assess their awareness of the documentation, controls and processes the College has in place to deter fraud.

Conclusion

Overall conclusion

Overall Conclusion: Strong

We can provide a strong level of assurance over the College's fraud awareness policies and Fraud Response Plan. We can also confirm that the recommendations raised in respect of the purchase ledger fraud investigation have been implemented. Fraud awareness training has been provided to the Finance Team and training on the new procedure for changes to supplier's bank details has been provided specifically to the Purchase Ledger Team.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Fraud Awareness	0	0	2	2

As can be seen from the above table there were no recommendations made which we have given a grading of high or medium.

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.	
1.	The Finance Team have updated their Change to Supplier Bank Details Procedure to make this more robust. All members of the Purchase Ledger Team were involved in this process. Once the updated procedure had been finalised, training was given on this to the Purchase Ledger Team. This training took place on 17 September 2020 and involved discussion of fraud scenarios and a fraud quiz, as well as going over the new Change of Supplier Bank Details Procedures to make sure that all staff fully understood these and what was required of them in relation to these procedures.
2.	The College has a Fraud and Corruption Policy in place which was updated during September/October 2019. This is due for review during October 2021. This covers the main areas we would expect to find in a Fraud and Corruption Policy. From our comparison of the College's Policy with guidance from the Fraud Advisory Panel we can confirm that the College's Policy is in line with this guidance.
3.	We can confirm that the College has a Fraud Response Plan which forms part of its Fraud and Corruption Policy. From our review of the Fraud Response Plan we can confirm that this is in line with what we would expect to see in a Fraud Response Plan. We can also confirm that the College's Fraud Response Plan is in line with guidance from the Fraud Advisory Panel in respect of the content of such a Plan.
4.	Fraud awareness training has been provided in terms of weblinks, leaflets and webinars delivered by Royal Bank of Scotland (RBS) and Bank of Scotland. These are part of the ongoing fraud awareness activities run by banks which the College has relationships with.

Fraud Awareness Training			
Ref.	Finding and Risk	Grade	Recommendation
1.	The Finance Team and other relevant staff should receive periodic fraud awareness training to ensure that they are kept up to date with the latest scams and what to look out for in terms of identifying fraud. From our review we found that the Senior Management Team, PA Support Team, Finance Team and other departments including HR, payroll, some teaching departments, student funding and procurement attended fraud awareness sessions in April and September 2020. This was building upon training / awareness sessions which have been taking place since November 2018 on a regular basis. There is a risk that due to lack of fraud awareness training, the College's staff may not be aware of what to look out for in respect of potential frauds.	**Low**	We recommend that the College considers running fraud awareness sessions for staff across the whole College. Refresher sessions should also be offered to the wider staff base on an annual basis, to ensure that all staff have an understanding of fraud, the latest scams and what to look out for in terms of identifying fraud.

Management response	Responsibility and implementation date
The College will look to include fraud awareness training as part of the introductory training to be undertaken by new staff. Fraud awareness training will be added to the suite of courses to be undertaken by staff during each year. The Finance Team will continue to receive ongoing updates in relation to fraud training along with specific refresher training at the start of each year.	*Responsible Officer:* Director of Organisational Development and HR *Implementation Date:* 31 March 2021

Checking of Process			
Ref.	Finding and Risk	Grade	Recommendation
2.	The new Supplier Bank Details Change procedures should be followed by staff. There should be a check in place to ensure that staff are adhering to this new procedure. From our discussion with the Head of Finance & Student Funding we were informed that at present checks have not been undertaken on a sample of changes to supplier's bank details to ensure that the staff are adhering to the documented process. There is a risk that staff start to omit stages in the process if this is not being independently checked.	**Low**	We recommend that on a quarterly basis the Head of Finance & Student Funding undertakes a check on a sample of supplier's bank detail changes to make sure that the process is being followed by staff.
Management response		Responsibility and implementation date	
The Head of Finance and Student Funding will undertake quarterly checks on a sample of change of supplier details transactions. The changes to supplier details transactions that have been checked will be identified on the master control sheet.		*Responsible Officer:* Head of Finance and Student Funding *Implementation Date:* 31 March 2021	

The following is a list of observations from our review	
1.	One of the recommendations to come out of the College's investigation into the fraud was to "consider implementation of a checklist to ensure individuals understand their role within the process and what should be done at each step". From our discussion with the Head of Finance & Student Funding and the Finance Manager we were informed that the checklist had not been completed as all Finance staff had an input into the updating of the procedure. As such all were able to question why things were being done as well as their role in the process. Our audit work confirmed that the existing monitoring log was extended to take account of all stages in the new process. Given the work undertaken to develop the updated procedure the implementation of a checklist is not required on the basis that any new member of the Purchase Ledger Team is taken through the new procedure in a detailed manner and they agree they understand the procedure..
2.	We noted from our review that the College has a Fraud and Corruption Policy, this could imply that it is a policy on committing frauds. Good practice and the Fraud Advisory Panel refers to such as policy as Anti-Fraud and Corruption. This makes it clear that it is a policy against fraud. The College may wish to consider changing the name of its policy to Anti-Fraud and Corruption Policy. We have not raised a formal recommendation for this as we are satisfied that the contents of the policy are in line with the Fraud Advisory Panel's guidance.

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	19 October 2020
Closing meeting	21 October 2020
Draft report issued	02 November 2020
Receipt of management responses	09 November 2020
Final report issued	13 November 2020
Audit Committee	3 December 2020
Number of audit days	5 days*

*this includes the time for providing a fraud awareness training session to College staff. The College have to provide some potential dates for this training to take place.

We detail below our staff who undertook the review together with the College's staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Senior Manager	Stephen Pringle	Senior Internal Audit Manager	stephen.pringle@wyliebisset.com
Supervisor	Audrey Cowan	Internal Audit Supervisor	audrey.cowan@wyliebisset.com

West College Scotland			
Key Contact	Alan Ritchie	Director of Finance	Alan.Ritchie@wcs.ac.uk
Key Contact	Jigna Bhatt	Finance Manager	Jigna.Bhatt@wcs.ac.uk
Key Contact	Vivienne Mulholland	Head of Finance & Student Funding	Vivienne.Mulholland@wcs.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

For each recommendation we assign a grading either as High, Medium, or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the College as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the College as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

The purpose of this review is to ensure that the College's staff are aware of the Fraud and Corruption Policy and that there are procedures in place to ensure appropriate reporting is in place. In particular, we shall ensure that the recommendations raised as a result of the March 2020 purchase ledger fraud have, where possible, been fully implemented by the College and are being adhere to by the relevant staff.

We shall also provide a fraud awareness session to finance, student support and procurement staff on some of the examples of fraud which we have dealt with in recent years and the controls in place to prevent fraud.

This assignment forms part of our 2020/21 Annual Internal Audit Plan.

Scope of review

Our objectives for this review are to:

➢   Review the recommendations from the College March 2020 purchase ledger fraud investigation to ensure that these have, where possible, been implemented and that the relevant staff are adhering to these.

➢   Obtain and review the College's Fraud and Corruption Policy and any associated procedures to ensure that these are robust, up to date and fit for purpose.

➢   Obtain and review the College's Fraud Response Plan to ensure that this is robust and fit for purpose.

➢   Consider the fraud training in place for staff and what fraud training has been given to staff. This will consider the Finance staff and the wider College staff.

Limitation of scope

There are no limitations of scope.

Audit approach

Our approach to the review will be:

➢ Discussion with key staff to establish the status of the recommendations from the purchase ledger fraud investigation. We shall obtain a copy of these and assess what the College has put in place to address the recommendations. We shall also assess whether the recommendations are being adhered to by the relevant staff. If necessary, we will make comment upon additional actions that could have been taken by the College in light of the fraud.

➢ Obtain and assess the College's policies and procedures in respect of Fraud, i.e. Anti-Fraud and Corruption, Anti-Bribery etc. We shall consider whether these are robust, up to date, accessible to all staff and are fit for purpose.

➢ Obtain and review the College's Fraud Response Plan. We shall assess whether this is robust, up to date and fit for purpose.

➢ We shall discuss with relevant staff the fraud training provided to the staff. We shall consider when this training took place, and which members of staff received this training.

➢ We shall survey a sample of staff to assess their awareness of the documentations, controls and processes the College has in place to deter fraud.

➢ We shall provide a fraud awareness session to staff on some of the recent examples of fraud which we have dealt with.

Potential key risks

The potential key risks associated with the area under review are:

➢ The recommendations raised in respect of the purchase ledger fraud at the College have not been implemented or are not being adhered to be staff leading to the potential for further purchase ledger frauds.

➢ If the College does not have robust, up to date Fraud and Corruption Policy and associated procedures, there is a risk that due to staff being unaware of what constitutes a fraud, potential frauds go unnoticed or unreported to College Management.

➢ The College does not have a robust and up to date Fraud Response Plan in place which could lead to potential frauds not being properly reported or investigated.

➢ If the College's staff do not receive fraud training, they may not be aware of things to look out for in respect of potential frauds.

TITLE: **INTERNAL AUDIT ANNUAL PLAN 2020-21 UPDATE**

Background: The Audit Committee approved the 2020-21 College internal audit plan in May 2020. The attached report provides the Audit Committee with an update on 2020-21 planned internal audit activity for the year including:

- Agreed timings of the approved internal audit assignments;
- Dates that the Committee can expect to receive the internal audit reports; and
- Agreed timings for the other audit work to be undertaken.

              Stephen Pringle Senior Manager at Wylie & Bisset will update the Committee on the agreed audit plan.

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

Lead: Stephen Pringle, Senior Manager, Wylie & Bisset

Status: Open

West College Scotland

Audit Needs Assessment

2020 - 2023

August 2020

Internal Audit Plan 2020/21

Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the College.

Key Dates

Phase	Audit Areas	Key College Personnel	Date for Visit	Date of Issue of Draft Report	Status	Date to the Audit Committee
Phase 1	Assurance Mapping	Alan Ritchie	31 August 2020	18 September 2020	Complete	3 December 2020
	SSF	Vivienne Mulholland	14 September 2020	29 September 2020	Complete	24 November 2020
	EMA	Ian Foster Smith	14 September 2020	29 September 2020	Complete	24 November 2020
	Credits	Vivienne Mulholland	21 September 2020	29 September 2020	Complete	24 November 2020
	Fraud Awareness	Alan Ritchie	19 October 2020	2 November 2020	Complete	3 December 2020
Phase 2	Overall Financial Controls	Alan Ritchie	11 January 2021	29 January 2021		11 March 2021
	HR: Sickness and Absence Reporting	David Gunn	11 January 2021	29 January 2021		
	Study of effects of Covid-19	TBC	1 February 2021	19 February 2021		
Phase 3	External Communication – Website	TBC	22 March 2021	9 April 2021		20 May 2021
	Complaints Handling	Cathy McNab	22 March 2021	9 April 2021		
	Study of effects of Covid-19	Diarmid O'Hara	19 April 2021	7 May 2021		

TITLE	**ROLLING AUDIT ACTION PLAN**

Background   The purpose of this report is to update the Audit Committee on the status of recommendations made by the College internal and external auditors.

Action   The Audit Committee is requested to approve:

- the removal of two internal audit recommendations;

- the removal of six 2018-19 external audit recommendations;

- an extension of time for two internal audit recommendations; and

- the Rolling Audit Action Plan.

Lead   Alan Ritchie, Director of Finance

Status   Open

1.   **Introduction**

1.1   Appendix A provides an update on the progress made by the College in addressing the recommendations arising from the work of both the internal and external auditors.

2.   **Summary of Recommendations**

2.1   The tables below summarise the movement in relation to the audit recommendations since the last Audit Committee meeting in September 2020:

Total Number of Recommendations	Internal Audit	External Audit	Total
Total brought forward recommendations	**14**	**6**	**20**
Proposed for removal following audit follow up work	(6)	(2)	(12)
Added to the RAAP – audit reports approved at prior Committee meeting:			
SFC Student Credits Audit 2019-20	0	0	0
SFC / SAAS Student Support Funds Audits 2019-20	0	0	0
External Audit Annual Report 2019-20	0	0	0
Total recommendations as per RAAP	**8**	**4**	**12**

Status of remaining recommendations	Internal Audit	External Audit	Total
Partially Implemented Not Yet Due	6	1	7
Partially Implemented Due for completion – extension requested	2	0	2
Complete Pending external auditor review	0	3	3
Total recommendations remaining	**8**	**4**	**12**

3.   **Commentary on Audit Recommendations**

External Audit

3.1   The Joint Audit and Finance and General Purposes Committee meeting on 24 November 2020 considered and approved for presentation to the Board of Management the follow reports:

- The Annual External Audit Report 2019-20 from Mazars - which contained no recommendations requiring action to be taken by the College;

- The Student Support Funds 2019-20 Report from Wylie & Bisset – which contained no recommendations requiring action to be taken by the College; and

- The SFC Credit Activity Report 2019-20 - which contained four low level recommendations, meaning that two of the recommendations arising from 2018-19 are proposed for removal as these have been actioned.

3.2 Of the four 2019-20 recommendation, the College has implemented three of these and these will be reviewed by the external auditor as part of their year ended 31 July 2021 audit work.

Internal Audit

3.3 The College has continued to progress addressing the 2019-20 internal audit recommendations.

3.4 The internal auditors have, as part of the 2020-21 internal audit, plan completed the first of three follow up reviews of outstanding recommendations. The internal auditors are content to recommend to the Audit Committee the removal of six recommendations based upon the evidence submitted to them by the College – 1, 3, 4, 5, 10 and 12

3.5 The College is requesting an extension of time in relation to two recommendations:

- Recommendation (9) – Continuing Professional Development
  We support the College's approach to migrate Moodle data to the HR iTrent database to support the effective monitoring of mandatory training. The College must ensure they regularly monitor the completion of all mandatory training and send reminder emails to staff who fail to complete the training within the required timeframe. In addition, line managers should also be informed of staff who haven't completed mandatory training and they should actively encourage staff to complete the training as soon as possible.

- An extension is requested from 30/11/20 to 30/04/21
  Work to provide an overarching IT solution to link data held in the staff development area of Moodle and the Organisational Development system in iTrent has been delayed due to the covid-19 lockdown requiring that available resource to be prioritised in meeting Teams and other operational/critical IT needs. The work is back on track and anticipated to be ready for deployment in the early part of 2021. The reports indicating which staff have yet to complete the required training with then be reviewed and action taken where appropriate.

- Recommendation (13) – Utilisation of Moodle pages
  We recommend that as part of the annual housekeeping review process, CQLs should analyse in more detail the utilisation of individual Moodle course pages, including a review of which functions are most utilised by students. This analysis will allow the College to undertake a root cause analysis to better understand the effectiveness of the College's current approach, as a means of supporting continuous improvement in the provision of online resources.

- An extension is requested from 31/10/20 to 31/3/21

    The refocusing of staff resource to move to Microsoft TEAMS delivery and the implications for the new tiering system restrictions has resulted in a delay in assessing the reports on Moodle activity levels. The extension request is to allow for a suitable window to be found to undertake the required review with the teaching departments.

4.   Conclusion

4.1   The RAAP is reviewed by staff with responsibility for actions on an ongoing basis and the College considers that despite the challenges of Covid-19, good progress has been made in addressing the recommendations made by both the internal and external auditors.

4.2   The Audit Committee is requested to approve:
- the removal of two internal audit recommendations;
- the removal of six 2018-19 external audit recommendations;
- an extension of time for two internal audit recommendations; and
- the Rolling Audit Action Plan.

West College Scotland

Rolling Audit Action Plan 2020-21

25/11/2020

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 2020	Previous Report Progress Status	Status update November 2020
1	2018-19	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.\n\nPrior 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.\n\nWe confirmed that all of the safeguarding team have undertaken the training.\n\nWe identified during our testing that not all staff had completed the	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.\n\nA 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	30/04/2020 agreed to extend to 31/7/2020	Iain Forster-Smith	The College Safeguarding Team have all undertaken the required training and follow up reviews have been held with team members to assess any other training needs.\n\nThe April 2020 Internal Audit Report on Continuing Professional Development (CPD) references the requirement for all staff to undertake mandatory training across several areas including Safeguarding Essentials.\n\nThe requirement for staff to undertake mandatory training was highlighted in the 2019-20 CPD internal audit. A recommendation was initiated following that audit regarding mandatory training and this recommendation is now consolidated into the work required to complete RAAP (9) below. For that reason the College considers this action complete.	Partially Complete	Complete and agreed to be removed
2	2019-20	Equality and Diversity	2.1 EDI training for temporary staff	The College's Equal Opportunities Policy and Procedure requires all staff to undertake equality, diversity and inclusion (EDI) training. Management advised that the EDI training is difficult to deliver to temporary staff due to their hours of work, the part time nature of their work and sometimes short tenure of their role.\n\nThe Policy does not specify a minimum length of service for individuals to have with the College before completing the EDI training but during our testing, management explained that due to the difficulties of delivering face to face training to temporary staff, this was not routinely scheduled in the same way as permanent members of staff. The College has attempted to address this difficulty through the use of an on-line EDI training package.	There is a risk that temporary employees, who may have been working for the College for a period of time, are not being provided with EDI training, increasing the risk of temporary staff not being aware of their rights and responsibilities under the Equality Act 2010. This may result in non-compliance with the Equality Act leading to the reputational damage of the College.	The College has a responsibility to ensure all staff, permanent and temporary, are aware of their roles and responsibilities and to seek compliance with College polices. As a result, the College should ensure that all staff complete EDI mandatory training within a specified time period.	3	31/07/2020	Revised to 30/1/2021	David Gunn	The College Equal Opportunities Policy and Procedure has been updated to reflect the requirement that all staff will be required to complete EDI training within 3 months of starting employment. The change in practice includes an escalation route should the training not be undertaken.\n\nProgress has been made in relation to ensuring current staff have undertaken the required EDI training with 67% now having completed the required training (August 2020: 45%). There has been a clear impact from Covid-19 with staff time and effort being focused on delivery of core learning and teaching along with the associated support services.\n\nAll staff that require to complete the EDI online module have been sent an email reminder that they are require to complete this course by the end of January 2021. A summary list has been sent to the relevant line manager to assist with ensuring the training is undertaken.	Partially Complete	Partially Complete
3	2019-20	Equality and Diversity	2.2 Completion of Equality, Diversity and Inclusion Training	College staff are required to complete online EDI training during their induction. We tested a sample of seven new starts to verify their completion of the EDI training, but could only obtain evidence of completion by three of these employees.\n\nWe also noted that there are no guidelines in place setting out the timescale staff are required to complete the training by, nor could we find any evidence of line managers actively encouraging staff members to complete outstanding EDI training. Management has informed us that the OD Manager has in the past sent out general reminder emails to all staff to remind them to undertake the required training.	The non-completion of EDI training for new starts, increases the risk of staff not being aware of their rights and responsibilities under the Equality Act 2010. This may result in non-compliance with the Act leading to the reputational damage of the College.	The College must ensure all new members of staff complete mandatory EDI training within an agreed timeframe. Also, line managers should be actively encouraged to monitor the completion of mandatory training by new starts and, where required, follow up uncompleted training areas with the new employee and explain the importance of completing such training.	2	31/07/2020	N/a	David Gunn	The College induction checklist for new staff has been updated to include the necessity for all new staff to undertake the required mandatory training. The form is now a three part form allowing new staff, their manager and HR to complete it independently.\n\nThe HR new starter procedure has also been amended to ensure that the induction checklist is reviewed by the responsible HR Manager. Where there is mandatory training outstanding the OD Manager will discuss this with the new starters Line Manager to ensure that all relevant training is undertaken within 6 months of the employees start date. These revisions to the induction procedure will be combined with the actions identified above whereby staff who have not completed the required training are identified on a quarterly basis.	Partially Complete	Complete and agreed to be removed
4	2019-20	Digital Strategy	4.1 Governance Arrangements and Operational Plans	At the time of our audit work, whilst the Digital Strategy had been approved by the College Board of Management, a formal delivery plan had not yet been developed. Management stated that it is intended to develop this within the first half of 2020 and that oversight for the Strategy will sit with the Board of Management Learning, Teaching and Quality Committee.\n\nWe recognise that there has been some progress in implementing the principles outline within the Strategy.\nThis includes piloting new technologies and taking a 'Digital First' approach. This has resulted in the digitisation\nof several processes such as a fully digitised student funding application process, the use of Skype for\nBusiness to broadcast lectures live across all three campuses and the planned use to build on this with the\npiloting and introduction of Microsoft Teams to improve interact and engagement for staff and students.	There is a risk that, without delivery plans which set out planned activities/initiatives and supporting governance arrangements, the College will not be able to deliver the Digital Strategy in a coherent and cost-effective manner.	We recommend that the College develops an overarching delivery plan for the Digital Strategy. This should set out the planned activities to be undertaken that will achieve the objectives set out within the digital and corporate strategies. In developing the delivery plan, management should also ensure this is integrated with the College Financial Strategy which identifies the estimated capital and revenue costs of all planned activities. In developing the delivery plan and the Financial Strategy which supports it, there will need to be appropriate prioritisation of activities to recognise financial constraints not only to deliver agreed strategic imperatives but also to maintain business as usual technologies/services.	2	31/05/2020	31/05/2020 agreed to extend to 31/10/2020	Angela Pignatelli	The College established a Core Digital Oversight Group consisting of both senior and operational managers to address the objectives of the Digital Strategy in March. The Oversight Group, hereafter referred to as the WCS Core Digital Strategy Group agreed a remit which included the matters noted within the audit report including the creation of a delivery action plan including SMART targets aimed at delivering the Digital Strategy objectives.\n\nThe impact of Covid-19 on College operations has resulted in staff becoming involved in addressing these immediate challenges including digital CPD for staff; digital platform recommendations, digital infrastructure decisions, advice and digital resources toolkit recommendations and support for learners. The Core Digital Strategy Group have created and implemented 8 Business Critical Digital Workstreams and a Covid-19 Arrangements Action plan. The work of these two threads will be transferred across to the College Pentana system which will enable live monitoring of these actions.	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 2020	Previous Report Progress Status	Status update November 2020
5	2019-20	Continuing Professional Development	Mandatory induction training	During our review we were advised that the College issued a staff announcement in February 2020 to advise that a new mandatory training module had been introduced, Information Security Essentials. The introduction of the new mandatory learning module has not been reflected within the Staff Induction Procedure (last updated in August 2019). We confirmed however that new starts are being instructed to complete this training.	Failure to incorporate all required mandatory training courses within the College's Staff Induction Procedure, may result in staff not completing the required mandatory training, leading to staff not being aware their assigned roles and responsibilities. This could ultimately lead to non-compliance with College policies and potentially non-compliance with legislation and regulations, which may negatively impact the reputation of the College.	The College should revise the Staff Induction Procedure to incorporate all required mandatory training courses, including the newly released Information Security Essentials module. Once revised, the latest version of the Staff Induction Procedure should be issued to all College staff.	1	31/07/2020	N/a	Gary McIntyre	The Staff Induction Procedure has been updated to reflect the required mandatory training courses and has be published on the staff intranet. The Procedure will be reviewed after any material amendments are made and will be updated annually as a minimum. After any update the revised document will be published on the staff intranet.		Complete and agreed to be removed
6	2019-20	Continuing Professional Development	Alignment of staff training with the College's strategic objectives	The College's annual training planning process includes: • As part of the College Operational Planning process the development of an annual operational Organisational Development and HR (ODHR) Plan. We reviewed the plan and noted that the plan sets out training targets and outcomes for the period from February 2019 to January 2020, and each training area identified is linked to the appropriate College strategy such as the Workforce Plan, People Strategy, Efficiency Savings, etc. • The development of an annual Staff Development Programme. We reviewed this programme and noted that the plan lists the training sessions that have been agreed for the period from August 2019 to June 2020, however the proposed training areas are not linked to the College's Corporate Strategy 2019-2025 or other supporting strategies such as the People Strategy, Workforce Strategy, etc.	There is a risk that the College's Corporate Strategy will not be achieved due to the College failing to assess and identify appropriate training and development areas that staff are required to undertake to provide them with the skills needed to support the achievement of the College's strategic objectives, ultimately impact the reputation of the College. In addition, failure to cross reference the College's two training programmes may result in duplicate training being provided to staff members, resulting in unnecessary resource and expenditure costs, which may impact the reputation of the College.	The College should review the Annual Staff Development Programme planning process to ensure a comprehensive training plan is developed that is fully aligned with, and supports the achievement of, the College's strategic objectives. In addition, it would be good practice to align the ODHR Operational Plan and Annual Staff Development Training Programme timetables to ensure the plans are covering the same time periods, as doing so will allow the College to compare both plans before they are agreed to ensure there is no duplication and efficiencies are achieved where possible.	2	31/03/2021	N/a	Joe Rafferty	As part of the 2020-21 Staff Development Training Plan, the College has published the dates of all the courses that it intends running during the year. The recommendation continues to be relevant even though Covid-19 has resulted in a dramatic realignment of training methods towards digital delivery. The rollout of TEAMS, as necessitated by homeworking and digital delivery, has pushed digital capability to the top of the training needs agenda. The College intends to publish a 2020-21 Staff Development Training Plan and this is currently being reconfigured to incorporate revised approaches to the delivery of future training through primarily digital means. The next suitable point to align both the operational and annual training planning cycles will be during the third quarter of 2020-21 ending April 2021 when both documents will be due to be refreshed and updated.	Partially Complete	Partially Complete
7	2019-20	Continuing Professional Development	Completion of CPD Review	From our review of the College's CPDR records and our discussion with management, we noted that there is no quality review process undertaken for completed CPDR forms to ensure they are being appropriately completed and are fully compliant with the CPDR Procedure. A robust quality assurance process would better enable the College to ensure forms are completed consistently, and that interim reviews are completed on a timely basis.	The absence of completing CPDR reviews, there is a risk that the College may not identify staff training needs, which may result in staff not having the required skills and knowledge needed to effectively deliver their roles. This could lead to poor staff performance which will ultimately impact the performance of the College	The College should consider relaunching the CPDR process with staff being reminded that the completion of the process is a mandatory requirement, this will ensure the College has a clear understanding of individual staff skill gaps and training needs. In addition, the College must ensure the CPDR process is being fully applied when a staff member participate in the process, thus all annual and interim reviews must be scheduled and completed. Management should also implement a quality assurance regime to ensure that all reviews take place in line with the CPDR procedure.	3	31/03/2021	N/a	David Gunn	The College plans to relaunch the CPDR process and implement a quality assurance regime to ensure all reviews are carried out in accordance with the CPDR process. Due to the operational challenges created by Covid-19 there has not been a sufficiently clear window of opportunity to ensure that all staff are fully capable of engaging with the CPDR process. Discussions at SMT on a future planning calendar will provide a framework within which the CPDR process will sit. The College still intends to establish a suitable point to relaunch the CPDR process and to implement the required quality assurance process relating to completion and quality of the forms.	Partially Complete	Partially Complete
8	2019-20	Continuing Professional Development	Alignment of CPDR development plans with corporate objectives and operational priorities	The College CPDR Procedure requires staff to complete the standard CPDR electronic template which is accessible to all managers and staff. The Procedure requires staff and line managers to link individual CPD objectives to job description, Department/Sector Operational Plan and College Strategic Objectives. We reviewed a sample of 15 completed CPD forms and noted 8 instances where the forms failed to demonstrate an appropriate connection between an individual's objectives and the College's strategic objectives and/or Sector operational plans. All objectives were linked with the staff members job description and self-evaluation only.	Failure to align CPDR plans with the College's strategic and operational priorities, increases the risk of the College agreeing and delivering training to staff that will not provide them with the skills and knowledge needed to support the College achieving its strategic objectives, ultimately resulting in the College's stagey failing and the reputation of the College being damaged.	The College must ensure line managers are reminded of the importance of linking staff personal objectives with those of the wider College. Quality assurance checks should be completed by the College to ensure the process is being properly applied by staff and line managers.	2	31/03/2021	N/a	Gary McIntyre	The relaunch of the CPDR process will make explicit the requirement to link staff personal objectives to the College Strategic Objectives. Quality assurance checks will be completed to ensure that the staff member CPDR forms are being completed as required.	Partially Complete	Partially Complete
9	2019-20	Continuing Professional Development	Mandatory induction training	All new members of College staff have direct access to online mandatory training courses via the Staff Room area in Moodle. The Staff Induction Procedure requires all new members of staff to complete all mandatory training modules within 3 months from their start of employment. We obtained the most up to date mandatory training statistics and noted that completion of mandatory training by new starts was low in all areas: • Safeguarding Essentials - 31% • Equality & Diversity Essentials - 42% • Data Protection - 54% • Information Security Essentials - 31% • Fire Safety - 31%, and • Understanding Health & Safety - 29%. We tested a sample of 8 new starts and noted that only 2 of these had completed all mandatory induction training within the required 3 months' timescale.	If completion of mandatory induction training not appropriately monitored, there is a risk that staff will be unaware of the College's legal, regulatory and operational requirements. This could result in staff not complying with College policies and potentially laws and regulations, resulting in potential financial sanctions and reputational damage to the College.	We support the College's approach to migrate Moodle data to the HR iTrent database to support the effective monitoring of mandatory training. The College must ensure they regularly monitor the completion of all mandatory training and send reminder emails to staff who fail to complete the training within the required timeframe. In addition, line managers should also be informed of staff who haven't completed mandatory training and they should actively encourage staff to complete the training as soon as possible.	2	30/11/2020	Request to extend to 30/04/2021	Gary McIntyre	An IT solution was developed for tracking the completion of staff mandatory training has been piloted amended following staff feedback. Due to staff shortages the completion of this work has not been possible since the last update. The work to complete the project was recommenced in mid October with the intention that the work will be completed by the end of January 2021. During January 2021 managers will be informed of the staff who have not as yet completed the required training. These staff will be required to finalise their training by the end of February 2021. The updated quality assurance process will involve quarterly monitoring of staff completion rates with staff who have not completed the required training being notified by email.	Partially Complete	Partially Complete

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10	2019-20	Continuing Professional Development	New start mandatory training email notifications	The College issues email notifications to all new members of staff that set out the mandatory training courses that new starts must complete along with the due dates for completion. We undertook detailed testing to confirm training emails had been issued to new starts on a timely basis. From our sample of 8 new starts, who joined the College after 1 April 2019, we noted that: • In 4 instances, the email notification was issued within 10 days of the employee start date; and • For all other sampled employees, the email notification was issued more than 30 days after the employee start date, with one email notification exceeding 70 days.	Failure to notify new starts of the requirement to complete introductory mandatory training on a timely basis could result in staff members not being aware of their roles and responsibilities, leading to non-compliance with College requirements and potentially legislation. This could ultimately result in financial sanctions and reputational damage to the College.	The College should ensure new employees are consistently advised of the College's mandatory training requirements on their start date. This will ensure staff are aware of the training completion deadlines as early as possible allowing them to schedule time to complete the required training within the assigned due dates.	3	31/07/2020	N/a	David Gunn	A process is in place which ensures that all new starts are advised not only of the requirements to complete the mandatory training but of the dates this training must be undertaken by. The new start member of staff is requested to confirm receipt of the notification. The College wide training log is updated to record this information and is reviewed each month by the Organisational Development Manager to ensure the notifications have been issued and responded to in a timely manner		Complete and agreed to be removed
11	2019-20	Continuing Professional Development	CPD and Induction training reports	A HR Report is provided annually to the Board of Management. The HR Report includes a CPDR section, providing information on the courses offered to staff and levels of attendance that were achieved at these courses. However, we noted that the CPDR reporting section within the annual HR report does not contain information on the uptake and completion of the CPD review process by staff members, nor does it provide any data on the completion of mandatory training by staff. We were advised that operational updates on CPD and mandatory training are provided on an ad-hoc basis to Senior Management Team (SMT), the ODHR Committee and to the Staff Development Group. We obtained copies of these updates and noted these were sufficient and provided management with appropriate information on CPD development plans, processes updates, technical solutions etc. Staff are informed on CPD and mandatory training updates through the Staff Announcements that are published on the College's intranet.	The failure to include CPD Review and Staff Induction progress data within the Board of Management reports, increases the risk that the Board of Management are unaware of underperformance in these areas, resulting in the issues not being discussed and improvement actions being identified and agreed, leading to ineffective high level governance and the continuance of poor staff learning and development processes, ultimately leading to reputational damage.	The College should incorporate CPD Review and mandatory training completion data within the annual HR report. This will ensure transparency of the CPD and mandatory training processes with Board members and will provide an audit trail to demonstrate the progress the College has made towards improving these processes.	2	30/04/2021	N/a	Joe Rafferty	CPD review and mandatory training data, including completion data, will be incorporated into the annual HR Report along with a commentary on any applicable trends and actions to be taken in the coming year. The OD & HR department will commence the compilation of the annual report in January 2021.	Partially Complete	Partially Complete
12	2019-20	Online Resources	Version control on user guides	The College has developed user guides for both Moodle and MyDay. These are reviewed annually by the Learning Technology Team Leader and the Systems Development Team Leader at the rollover of the platforms in advance of the start of the next academic year.. Process documents are also published that provide step-by-step guidance on how to complete key tasks on the Moodle system, for example: • Adding a page • Creating and adding files to a folder • Enabling pop-ups Each of the process documents have month and year included to demonstrate the last date of review. We noted however, that there is no documentation of the next scheduled review, or a summary of the changes that have been made. We also found that there was no central list of all the process documents, to ensure that each one has been updated prior to the start of the new academic year.	There is a risk that the review and update of process documents are not consistently completed, where there is no central review schedule in place. Documents may not be effective of the most up to date practices as a result.	We recommend the College prepares a schedule that details each of the Moodle / MyDay process documents, their last date of review, and the next planned review. Staff can then use this schedule as a checklist to ensure that each document is reviewed and updated on a timely basis.	1	31/08/2020	N/a	Sara Rae	The College has amended the tracked change section of the process documents to include date of last review, a summary of the changes made and the date of the next planned review		Complete and agreed to be removed
13	2019-20	Online Resources	Utilisation of course Moodle pages	The Learning and Technology Team run a housekeeping report annually that highlights how many people are accessing various Moodle courses. The team do not investigate which specific sections of Moodle course pages are being accessed and utilised. We understand that this functionality does exist within the system but is not currently being used due to resource limitations. Without a clear understanding of how Moodle pages are being utilised, Curriculum Quality Leaders (CQLs) are unable to understand which areas of Moodle course pages are being most used and those which require more attention.	There is a risk that CQLs and other teaching staff are not able to support continuous improvement of their Moodle course pages, caused by a failure to ensure detailed monitoring of utilisation on a regular basis.	We recommend that as part of the annual housekeeping review process, CQLs should analyse in more detail the utilisation of individual Moodle course pages, including a review of which functions are most utilised by students. This analysis will allow the College to undertake a root cause analysis to better understand the effectiveness of the College's current approach, as a means of supporting continuous improvement in the provision of online resources.	2	31/10/2020	Request to extend to 31/3/2021	Sara Rae	An initial benchmarking report was produced as part of the annual housekeeping review process. That report provided an end of academic year view of Moodle utilisation by Sector. Since then there has been an effort (due to the pandemic and need to do more remote learning) by staff to use Microsoft TEAMS as the main channel to deliver learning and teaching. This has taken a considerable effort by all staff concerned. Due to this refocusing of activity, the intended October 2020 reporting will now not take place until early in 2020-21. This will allow the College to obtain an initial view on how active the teaching sectors have been in utilising Moodle. The College will not see a full actual comparison until the end of the academic year.	Partially Complete	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 2020	Previous Report Progress Status	Status update November 2020
14	2019-20	Online Resources	Utilisation targets for staff and students	The College makes use of analytics to identify how often students are using MyDay and Moodle. We found however, that the College does not have any utilisation targets in place for staff or student usage of their online resources to put current utilisation into context. Management advised that this is because delivery methods vary across subject groups and individual lecturer styles, and as such there is no standard approach to inform expected utilisation. In addition, whilst utilisation is monitored from a student perspective, we found that this is not the case for College staff. There is no guidance as to the minimum content that lecturers are expected to upload to Moodle, however staff are asked to review and refresh the content of their Moodle course pages during the last few weeks of each term. Staff receive a system generated notification to remind them to do so.	If staff fail to update and maintain online resources on a regular basis, there is a risk that content becomes out of date or includes irrelevant information. Further, without utilisation targets, there is a risk that the College is unable to identify and act upon poor utilisation of online resources.	We recommend that the College develops utilisation benchmarks, targets or other means of assessing performance for both Moodle and MyDay to help identify areas of poor utilisation. This will allow poor utilisation to be identified and also support sharing of good practice where areas of higher utilisation are identified. We also recommend that staff usage of Moodle is monitored to ensure that content is being reviewed and updated on a regular basis.	2	31/01/2021	N/a	Sara Rae	The College has produced an initial high level utilisation benchmark report which allows the performance to be monitored and action taken where necessary for both Moodle and MyDay.

The results have as yet to be disseminated to the Heads/CQLs to allow good practice to be shared. It is intended to share these results early in 2021 along with the output from the above overall utilisation of Moodle activity.

The College is scheduled to undertake a review in January 2021 and June 2021 of the staff usage of Moodle to ensure that content is being reviewed and updated. | 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 2020	Previous Report Progress Status	Status update November 2020
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 has issued 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 continues to be monitored during 2019-20 to ensure it is appropriately use.		Complete and agreed to be removed
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 continues to be monitored during 2019-20 through the issuing of regular reports to Heads of Sector to validate the Credits claimed.		Complete and agreed to be removed
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 is being monitored on a regular basis through the generation of regular reports which are being issued to CQLs for validation and early intervention where necessary.		Complete and agreed to be removed
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.		Complete and agreed to be removed
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. the revised procedure continues to monitor for unsigned outreach enrolment forms which are being returned to the relevant staff member for completion.		Complete and agreed to be removed
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 continues to be monitored to ensure the correct level of Credits are being claimed.		Complete and agreed to be removed
7	2019-20	SFC Credits Audit	Student Attendance	From our review of students' attendance across all of our testing we found 5 students had been allocated credits, but they had only attended once or twice after the required date and had sporadic attendance prior to the required date. We queried these with the College who agreed that credits should not be claimed from these students. The College amended its credit claim for these student, which reduced the count by 50.75 credits.	There is a risk that credits may be claimed for students who do not meet the attendance criteria and thus credits are overstated.	We reiterate our recommendation raised in 2018/19, that students should only be included in the credits count if the College can demonstrate that the student has actively participated in the course.	Low	31/01/2021	N/a	Assistant Principal: Student Life & Skills	The College has issued a new Student and Attendance Engagement procedure with enhanced data capturing and this will be monitored from teaching team level up to put in place support plans for students identified at risk due to a lack of engagement and progression. A review of the implementation of the new procedure will be undertaken in January 2021		Partially Complete
8	2019-20	SFC Credits Audit	Work Based Learning	From our sample of 10 work based learning students we found that 1 did not have sufficient evidence of course progression for the student. We informed the College of this, who agreed that the credits should be removed for this student. There was 1 credit associated with this student.	There is a risk that the College could overstated its credits count.	We reiterate our recommendation above that the College ensures that all work based learning students have evidence of course progression and staff support on file.	Low	30/11/2020	N/a	Assistant Principal: Enterprise and Skills	The College has written to all reiterating the requirement that only work based learning students who have gained sufficient evidence of participation and staff support should be enrolled on a course. The Head of Sector will monitor the collation of the required evidence in advance of the next audit.		Fully Implemented subject to audit confirmation
9	2019-20	SFC Credits Audit	Fee Waiver	From our review of 10 student's claiming a fee waiver we were not provided with a fee waiver form or evidence in support of the fee waiver claim for 2 students. It should be noted that there is no impact on the credits for these 2 students as we were able to trace the student to enrolment forms and evidence of attendance beyond the required date.	There is a risk that fee waivers are given without the proper evidence being seen by the Enrolling Officer.	We recommend that staff are reminded that there should be sufficient support evidence available to provide a transparent audit trail for the students claiming a fee waiver.	Low	30/11/2020	N/a	Assistant Principal: Student Life & Skills	The College has issued a reminder to all staff involved in the enrolment process that there should be sufficient support evidence available to provide a transparent audit trail for the students claiming a fee waiver. The College has also reviewed the on line enrolment form to ensure that all forms of evidence are recorded or that there is a supplementary commentary box to allow additional information to be recorded.		Fully Implemented subject to audit confirmation

Number	Audit Period	Audit	Action	Finding Description	Finding Risk	Recommendation	Grade	Original Due Date	Revised Due Date	Client Action Owner	Client Update at November 2020	Previous Report Progress Status	Status update November 2020
10	2019-20	SFC Credits Audit	Open/Distance Learning	From our review of 10 students studying on open/distance learning we identified 1 student who did not have sufficient evidence of work/progression on their course. We informed the College of this and they agreed that the credits should be removed for this student. The total credits cancelled was 2 credits.	There is a risk that credits are overstated.	We reiterate our 2018/19 recommendation that the College ensures all open/distance learning students have evidence of work completed and progression on their course before claiming credits.	Low	30/11/2020	N/a	Vice Principal Educational Leadership	The College has reiterated to all curriculum staff who deliver distance / open learning courses, of the requirement to ensure that students are only enrolled on a subject after there is sufficient evidence of participation.		Fully Implemented subject to audit confirmation

TITLE: **RISK MANAGEMENT STRATEGY AND 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 provides:

- an updated College Risk Management Strategy for consideration. The Strategy is reviewed on an annual basis and has been updated to reflect developments in the College's risk management approach;

- the next steps in the development of the College Risk Management Strategy; and

- presents the current College Strategic Risk Register for the consideration of the Audit Committee.

Action: The Audit Committee is requested to:

- consider and approve the updated Risk Management Strategy;

- note the next steps in the development of the College Risk Management Strategy; and

- review the current Strategic Risk Register and in doing so consider:
  o The risks included in the register;
  o The revised risk rating both pre and post mitigation;
  o Whether any other risks should be considered for removal; and
  o Whether any new risks should be considered for inclusion.

Lead: Alan Ritchie, Director of Finance

Status: Open

1.   Risk Management Strategy

1.1   The College Risk Management Strategy details and communicates the College's approach to risk management and assurance and is an integral part of the College's internal control and corporate governance arrangements. The Risk Management Strategy was approved in September 2017 and has been updated annually to reflect required changes.

1.2   Given the work undertaken by the Board of Management during 2019-20 to further develop the College approach to risk management - including the assessment of the risk appetite of the College - the Risk Management Strategy now requires to be reviewed and updated.

1.3   The updated College Risk Management Strategy is attached at *Appendix A* for the consideration of the Audit Committee. The document format has been revised with staff role / Committee titles updated where required. The document contains the changes noted below:

- Introduction
    - The requirements of the Scottish Public Finance Manual have been included in the introduction. (1.2)

    - The linkage of the Risk Management Strategy to the College Corporate Plan 2019-2025 has been highlighted. (1.5)

    - The Chair and Principal details have been updated.

- Risk Management Overview
    - The definition of '*Risk Management'* has been updated. (2.3)

    - The definitions of '*Risk*', '*Risk Appetite'* have been updated to reflect current best practice, along with the inclusion of '*Risk Owner'*. (2.3)

    - The Roles and Responsibilities section introduction has been updated to reflect the key role of the Board of Management. (2.4)

- Risk Management Process and Approach
    - The order of this section has been amended to reflect the operational practice of Risk Management within the College – risk identification, assessment and evaluation, plan mitigations and monitoring and control. The previous Strategy had all these elements but in a differing order.

    - The Risk Identification section (previously 4.3) has been updated to reflect the current process that the College undertakes to identify risks. (4.3):

- This section now refers to the revised Strategic Risk Register template which has been approved by the Board of Management and can be found at *Appendix 2* of the revised Strategy. (4.6)
- The details that should be recorded for each risk have been updated to reflect the revised format of the Strategic Risk Register along with the updated Risk Categories. (4.7)

  o The Risk Assessment and Evaluation section (previously 4.4) has been updated to include an expanded section covering:
    - A definition of Risk Appetite. (4.11)
    - A detailed definition of the levels of Risk Appetite willing to be borne by the College. (4.14)
    - The Strategy now includes the College Risk Appetite Statement (4.15) with the full statement available at *Appendix C*.
    - For each of the Risk Categories, based upon the work undertaken by the Board of Management, the College Risk Appetite, is stated. (4.18)
    - The Risk Scoring section (previously 4.4) has been updated to include the definitions of gross and net risk scores (4.24)

  o The Plan Mitigations (previously 4.6) section has been expended to provide an overview of the factors those who are responsible for stating the mitigating actions should consider when assessing both the Gross to Net risk ratings. (4.29)

  o The Monitor and Control (previously 4.7) section has been expanded to reflect the operating practice now in place, highlighting the ongoing nature of risk review, updating of mitigating controls and overall Board / Committee monitoring arrangements. (4.34)

- Section 5 – Measuring the Effectiveness of the Risk Management Process
  o This is a new section and specifically links the Strategic Risk Register to the work of both the internal and external auditors.

  o The section also continues to state the Strategy review period as being on an annual basis.

- Appendix 1 - Categories of Risk
  o The risk categories have been updated to reflect recent Board of Management considerations.

- Appendix 2 – Format of Strategic Risk Register
  o The format of the revised risk register has been included based upon the Board of Management approved version.

- Appendix 3 – Risk Appetite Statement
  - The full College Risk Appetite Statement is now been included within the Strategy.

2. Development of the College Risk Management Framework

2.1 The revised College Risk Management Strategy, as outlined above, requires consideration by the Audit Committee prior to approval being requested at the Board of Management meeting on at the 14 December 2020.

2.2 In addition to the Strategy update, the College approach to risk management also continues to develop and evolve with all strategic College risks now uploaded to the Pentana system. This electronic platform will enable College Senior Management Team members to monitor and update risks, controls and mitigations they are responsible for directly in real time, on an ongoing basis. The overall responsibility for oversight and management of the risk register will continue to reside with the College Executive Team.

2.3 The College is currently reviewing and updating how it intends to develop the 2021-22 operational planning regime. As part of this review process the further integration of risk management into the operational planning cycle will aid the development of the overall College approach to risk management.

3. College Strategic Risk Register Update and Considerations

3.1 The College Strategic Risk Register was approved at the October 2020 Board of Management meeting. A copy of the current register is attached at *Appendix B*.

3.2 The Senior Management Team (SMT) has continued to review the Strategic Risk Register.

3.3 In carrying out the review process, the following considerations / adjustments have been made to the Strategic Risk Register:

- Based on knowledge of the current operating environment, the SMT do not consider that there is a requirement to amend the top five risks nor the associated risk pre and post mitigation scoring. There have been no changes to the remaining strategic risk scores.

- Due to the changes in the College operating environment and with the challenges arising as a result of Covid-19, Risk (6) has been updated as follows:

  - Prior Risk
    <u>SFC Regional Outcome Agreement</u>
    Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.

  - Revised Risk
    <u>SFC Regional Outcome Agreement</u>
    Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource, ***competition and challenging economic environment due to Covid-19,*** results in future credit and/or funding adjustments.

  - The SMT have included a further mitigating control relating to the delivery of the College Marketing Strategy as a method of addressing the challenges faced by the College in achieving the objectives set in the Regional Outcome Agreement.

- The mitigating controls across all risks have been updated to take account of the outcomes of internal / external audit reports and any relevant Scottish Government/Scottish Funding Council announcements. More specifically the following additional controls have been included:

  - Risk (1) – The response to Covid-19 has been amended to include the Executive Covid-19 Review Group, the inclusion of sanitisation teams and the work being carried out to deliver the College Digital Strategy.

  - Risk (8) – The review process the College undertakes to ensure that data is robust and up to date to ensure strategic decision making is based on the best available data. This section refers to the review of data distributed from the College core IT systems including student records, finance, human resources and payroll.

- The College remains in discussion with the SFC regarding the implementation of the College Business Transformation Plan as noted in Risk (9). The latest discussion regarding this matter took place between the College and SFC on 13 November 2020. Following that meeting the SFC have requested some time to assess the overall college sector position and the level of credit activity involving a third party that West College Scotland has requested to deliver during 2020-21. Until the outcome of that meeting is conveyed to the College by the SFC Regional Outcome Manager, the risk rating and controls have remained unchanged.

- The SMT considered Staff Relations – risk (10) given the ongoing impacts arising from Covid-19 operating restrictions. The view of the SMT was that the current transitory period required to be fully navigated to understand the challenges and opportunities that may emerge for working models, and with this what the impact upon staff relations were likely to be. The SMT did not therefore consider that the risk rating required to be amended at this time.

4 Conclusion

4.1 The Audit Committee is requested to:

- consider and approve a revised Risk Management Strategy;

- note the next steps in the development of the College Risk Management Strategy; and

- review the current Strategic Risk Register and in doing so consider:

  o The risks included in the register;
  o The revised risk rating both pre and post mitigation;
  o Whether any other risks should be considered for removal; and
    Whether any new risks should be considered for inclusion

Risk Management Strategy

Document control

Version	Date	Review	Summary of changes made
V1.0 Draft	01-09-15	A Ritchie	Initial strategy document for review
V1.2	12-09-15	A Ritchie	Final Strategy for approval
V2.0	04-12-17	A Ritchie	Strategy document review
V3.0	24-11-20	A Ritchie	Updated following Board of Management approval of risk appetite levels; style updated, and content amended to reflect current operations
V3.0	14-12-20	A Ritchie	To be presented to the Board of Management for approval

CONTENTS

1.   Introduction from Chair of Board of Management and the Principal

1.1   The Financial Memorandum with the Scottish Funding Council (SFC) requires that the governing body complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The Financial Memorandum also requires the governing body to ensure that:

- The College has an effective policy of risk management and risk management arrangements;

- Internal audit must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance and value-for- money; and

- The College undertakes careful appraisal of the risks before accepting any contingent liability.

1.2   The College is also required to comply with the requirements of the Scottish Public Finance Manual (SPFM). The SPFM requires that the College must '*develop a framework for assessing risks that evaluates both the likelihood of the risk being realised, and of the impact if the risk is realised. Risk assessment should be recorded in a way that demonstrates clearly the key stages of the process.*'

1.3   This Risk Management Strategy has therefore been written taking account of the requirements of both the Financial Memorandum with the SFC and Scottish Public Finance Manual.

1.4   In addition to the above requirements the internal auditor must produce an Annual Report to the Board of Management on their activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control and governance. This Strategy therefore forms a key component in allowing the internal auditors to be able to report without qualification that the College is complying with these requirements.

1.5   <u>The Risk Management Strategy is a key document in ensuring that the four Priorities of Personalisation, Collaboration, Agile and Adaptive and Digital contained within the 2019-2025 College Strategy are delivered. The Risk Management Strategy aims to ensure that the College community is aware of the level of risk that the organisation is willing to accept; that some risks will always exist and will never be eliminated, however mitigation can be put in place to minimise their impacts.</u>

1.6   The College recognises that it has a responsibility to manage risks and supports a structured and focused approach to managing them through application of the Risk Management Strategy. In this way the College will better achieve its four strategic priorities and enhance the value of services it provides to the wider community.

1.7   The approach of the Risk Management Strategy is that it is owned and led by the Board of Management and it is intended to deliver a more dynamic and inclusive approach to risk management. The Risk Management Strategy aims to ensure that the Strategic Risk Register will be informed by the College Operational Planning process and from all Board of Management Committees with the objective of being outward facing and strategically focused.

1.8   The College's Risk Management Strategy objectives are to:

- Integrate risk management into the culture of the College;

- Manage risk in accordance with best practice;

- Anticipate and respond to changing requirements;

- Prevent injury, damage, losses and reduce the cost of risk; and

- Raise awareness of the need for risk management by all those connected with delivering the College's Strategic Priorities.

1.9   These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the College for risk management;

- Providing opportunities for shared learning on risk management across the College;

- Reinforcing the importance of effective risk management as part of everyday work by offering training;

- Incorporating risk management considerations into the annual internal audit plan and any internal / external audit work carried out; and

- Monitoring arrangements on an on-going basis.

1.10   The Risk Management Strategy aligns with the Regional Outcome Agreement (ROA) with SFC and will be reviewed and presented to the Board of Management annually for approval.

1.11   The Board of Management and Senior Management Team are fully committed to the principles of risk management and the approach outlined within this Strategy.

Approved by:

Dr Waiyin Hatton   **Liz Connolly**

Chair of the Board of Management   **Principal**

2.   Risk Management Overview

Purpose

2.1   The purpose of the Risk Management Strategy is to:

- outline West College Scotland's approach to risk management; and

- describe the procedures for the management of risk within the College while detailing the roles and responsibilities of the key business areas.

Objectives

2.2   To ensure the effective delivery of the College Risk Management Strategy, the following objectives will require to be progressed by the College Senior Management Team:

- To undertake an annual review of the College Risk Management Strategy. The review will ensure clear roles, responsibilities and a reporting framework for the managing of risk across the College is maintained and developed;

- To develop operational planning guidance on risk identification and its translation into strategic risk where appropriate;

- To monitor and report on risk management arrangements to the Board of Management Audit Committee;

- To continue to integrate risk management into the culture of the College and to raise awareness of the need to manage risk effectively throughout the College; and

- To comply with corporate governance requirements and integrate effective processes to allow the Board of Management to approve the annual Accountability Report including the section on Risk Management and Internal Controls.

Definitions

2.3   The following represents the meaning of terminology that is used throughout the Strategy document:

- **Risk Management:** The coordinated activities, systems and processes in place to direct and control the College regarding the management of risk.

- **Risk:** ~~An uncertain event, which, should it occur, will have an effect on the achievement of objectives. Risks may have a negative effect, in which case they are recorded as threats, or a positive effect, denoted as opportunities.~~

  The potential '*effect of uncertainty on objectives*', where an effect is a deviation from an intended or expected outcome. A risk will be considered as either a threat (negative) to the College's ability to achieve any given objective or as uncertainty resulting from an opportunity (positive) which offers potential benefits to the institution.

- **Issue:** A certain event which is known and will impact upon the achievement of the College's Priorities and Objectives.

- **Risk Appetite:** ~~The level of risk which is deemed acceptable to the organisation in the pursuit of its objectives~~.

  This refers to the level of risk the College is willing to tolerate or accept in the pursuit of its objectives. When considering threats, risk appetite defines the acceptable level of exposure deemed tolerable or justifiable by the College; when considering opportunities, risk appetite defines how much the College is prepared to actively put at risk in order to realise potential or expected benefits.

- **Risk Exposure:** The calculated level of risk which the organisation is exposed to in pursuit of its objectives.

- **Risk Owner:** this is the person, persons or entity in authority who is accountable for the effective management of a risk.

Roles and Responsibilities

2.4   To be effective, the risk process is recognised as the responsibility of the Board of Management and of all members of staff and will integrate with College operating requirements.

Owner	Role
Board of Management • *Has a fundamental role to play in the management of risk*	• Provide authority and responsibility for the establishment, maintenance, support and evaluation of the Risk Management Strategy • Set the tone and promote a positive risk culture within the College • Delegate the overall implementation of risk management to the SMT

Owner	Role
	• Have knowledge of the significant risks facing the College
Audit Committee • *Has a fundamental role to play in the review and management of risk*	• To ensure compliance with corporate governance requirements • To review the Strategic Risk Register and approve for presentation to the Board • To review internal processes and systems and work closely with internal and external auditors to obtain reports on these
Senior Management Team • *Support and implement policies approved by the Board of Management.* • *The Senior Management Team consists of the Principal, Vice Principals, Assistant Principals and Directors.*	• Implementation of Risk Management Strategy • Overall co-ordination of risk management • Promotion of a holistic approach to risk management • To review the probability and impact assessments of risks on a regular basis • Ensure appropriate levels of awareness throughout the College
College Management Team • *Encouraging and embedding good risk management practice within their area of activity.* • *The College Management Team consists of all those managers who are directly line managed by SMT.*	• Co-ordinating and ensuring that the operational objectives are implemented in line with the Risk Management Strategy • Have an awareness and understanding of risks which fall into their area of responsibility, the impacts these may have, and monitor outcomes against the risks identified ensuring that response plans detail corrective action to minimise risk • Report any new risks identified or failures of existing control measures to SMT • Report on current 'active' risks highlighting mitigating actions and effect towards risk reduction
College Staff • *Encouraging and embedding good risk management practice*	• Understand their accountability for individual risks

Owner	Role
within their area of activity	- Understand how they can enable continuous improvement of risk management and risk awareness - Report systematically and promptly to a member of the College Management Team or Senior Management Team any perceived new risks or failures of existing control measures
Internal/External Audit • *Ensuring the effectiveness of organisational and financial control systems, including monitoring performance against quality assurance standards.*	- To review risks and limitations of existing control measures - To review the adequacy of internal control systems designed to minimise risk - To make appropriate recommendations following on from any internal / external audit reports to the SMT, which will effectively improve systems of control

Partnership and Projects

2.5   For the College, it is important to ensure partnerships and projects are considered in a Risk Management context, as well as core services. Where the College is involved in strategic projects and partnerships, it will look to develop joint risk management practices with relevant partners as required.

3.   Risk Management Framework

3.1   The overall responsibility for ensuring the College has effective risk management framework is with the Board of Management but this is implemented and co-ordinated by the College Senior Management Team (SMT). Risk management at the College is closely aligned to corporate governance, internal/external audit, business continuity management (BCM), insurance, health and safety and occupational health and safety arrangements. These different elements act as support mechanisms for the delivery of the Risk Management Strategy at the College. Internal and external audit also plays a key role in scrutinising the mitigations and controls implemented by the College.

Figure 1 below summarises the overall College risk management framework:

Figure 1 - Risk Management Framework
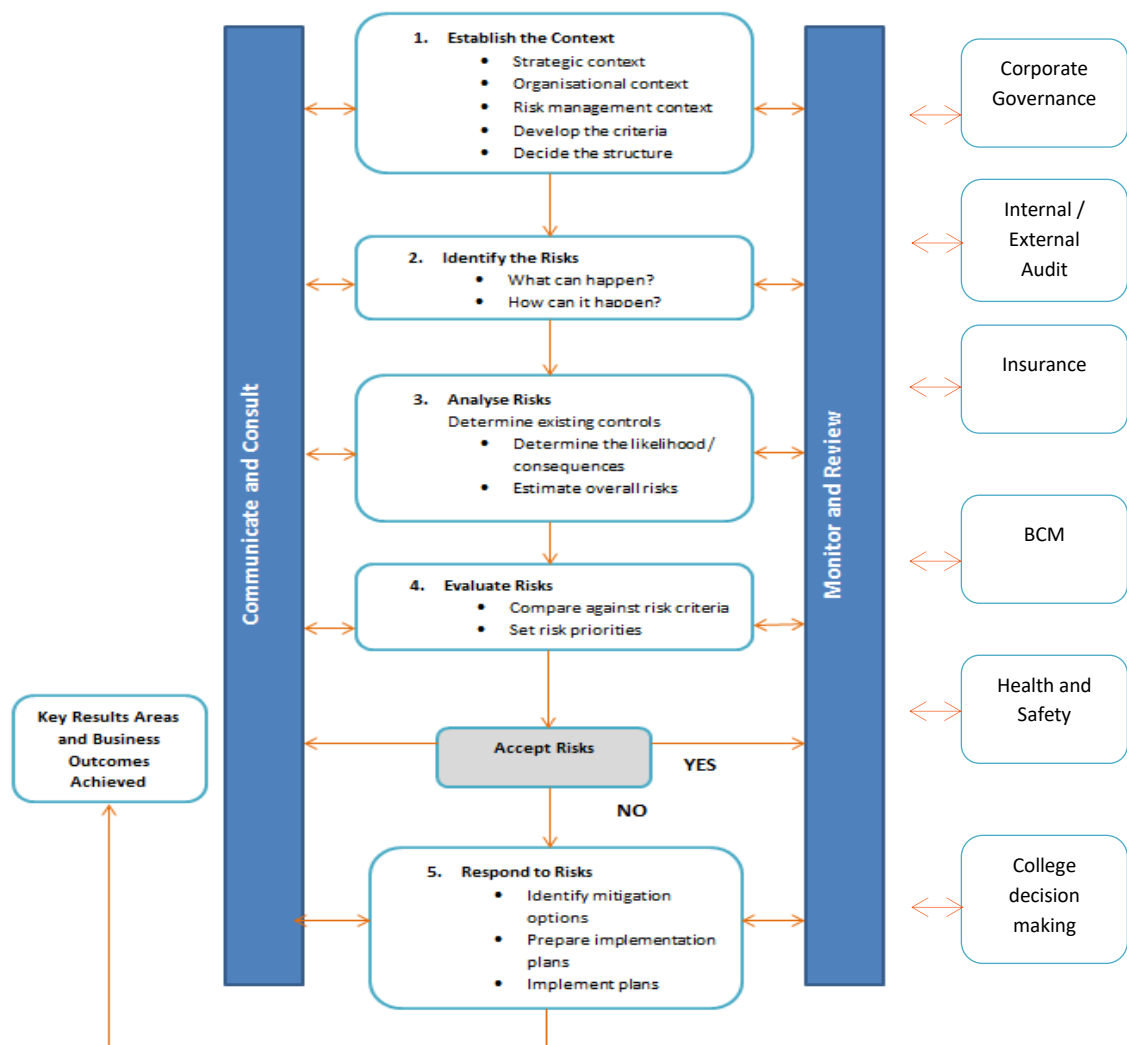
Code of Corporate Governance

3.2   The Board of Management is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve the College strategic priorities and can only provide reasonable and not absolute assurance against material misstatement or loss.

3.3   The Board of Management has delegated the day-to-day responsibility to the Principal, as Chief Executive, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and asset.

Internal / External Audit

3.4   Internal audit will assess the effectiveness of the College's internal controls and review risk management as part of the Corporate Governance arrangements. Internal audit will use the information on the Strategic Risk Register to inform their annual audit plan.

3.5   External audit will annually undertake an overall review of the corporate governance arrangements and processes of internal control in place at the College. Based on their audit work and the findings made by the internal auditors they will form an opinion on adequacy of the systems in place to comply with corporate governance requirements.

Insurance

3.6   Insurance is one method the College uses to transfer risk. The implementation of an effective Risk Management Strategy will have an impact upon the premiums paid by the College. The prevalence of insurance claims will need to be monitored as these will have a bearing on the Strategic Risk Register.

Business Continuity Management (BCM)

3.7   Business continuity underpins risk management and is concerned with how the College can overcome disruption in the event of an adverse incident or situation and continue to deliver key services at an agreed, pre-determined level. It is the low probability/high impact risks that if they occurred could result in the failure of key services or systems.

Health and Safety

3.8   There are clear and well-established links between the health and safety and risk management. The College is committed to achieving best practice in health and safety management and is fully committed to controlling risk and preventing harm to people.

3.9   The College will use the guidance in Managing for Health and Safety at Work (MFHS), which supports the model of managing health and safety with a 'Plan, Do, Check and Act' approach. This model helps to achieve a balance between the systems and behavioural aspects of management.

3.10   The Board of Management has a primary objective to ensure health and safety is integrated into the College's core business management activities and that suitably resourced health and safety management systems are implemented which are also influenced by risk management arrangements.

Risk Implications – Decision Making Process

3.11   Effective risk management is crucial to the achievement of the College's Strategic Priorities and the success of the strategic operation and provision of College services. It is important to recognise that there are risks associated with decisions taken in respect of the delivery of College business.

3.12   The nature, impact and probability of these risks will vary depending on a wide range of circumstances or potential outcomes.

4.   Risk Management Process and Approach

4.1   Risk management is a cyclical process – new risks will emergeing while some old risks become outdated/obsolete – and is based upon the following basic workflow:

a) Identify Risks

b) Risk Assessment and Evaluation

c) Plan Mitigations

d) Monitor and Control

4.2   The following sections explain in detail what each of the above steps require.

a) IDENTIFY RISKS

4.3   The first step in the risk management process is risk identification. The process of risk identification will vary depending on context and the level at which risks are being assessed. For example, strategic risks should correlate with the key College objectives linked to the 2019-2025 Strategy and should therefore be identified as part of the cyclical College planning process. Similarly, at departmental level, risks should align with the key objectives set out in Operational Plans and should therefore be identified as part of that process. Within a project setting, key risks should be identified at the start of the project lifecycle, during the project initiation/planning phase and until conclusion.

4.4   A variety of methods can be used for identifying risks. For example, sessions or workshops involving key stakeholders are common approaches. At project level, risk identification may be carried out using standardised checklists which identify risks commonly associated with project-based work, or by benchmarking against similar projects undertaken in the past.

4.5   The risk management process is continuous and therefore risk identification is not a one-off exercise; it is an ongoing process which is necessary to identify risks which might affect the College's ability to achieve objectives.

Recording the Identified Risks

4.6 All identified risks will be recorded in the Strategic Risk Register using the College's standardised risk register template (Appendix 2). Within the Strategic Risk Register there are several fields to populate.

4.7 Each risk should have:

a) A risk number and a title which should be concise but contain enough information to distinguish the nature of the risk.

b) A risk description containing information on the three composite parts of a risk; the cause, the risk event and the impact on the College Strategic Priorities:

   'As a result of <cause/statement of fact>, there is a risk that <uncertain event> may occur, which would result in <an effect on Strategic Priorities>.

c) A list of which College Strategic Objectives may be impacted by the identified risk.

d) An identified risk category/categories. The College classifies each risk according to one of ten categories as noted in Figure 2, below, and Appendix 1 contains a full definition of each risk category.

Figure 2 – Risk Categories
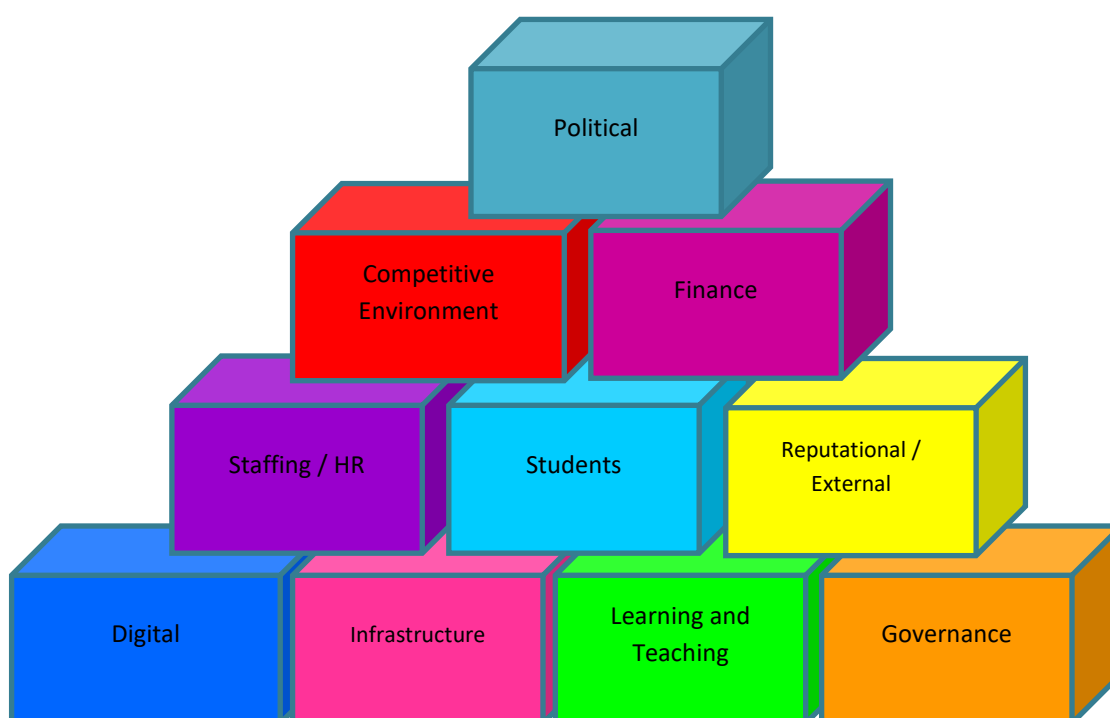
e)   An indication of the proximity of the risk occurring ranging from immediate through to medium or long term.

f)   A risk owner who is a member of the Senior Management Team. This risk owner has been given the responsibility and authority to manage a risk/set of risks and is accountable for doing so.

4.8   The risk category is linked to the risk appetite that the College is willing to be exposed to and the methodology for arriving at the risk appetite is explained below.

4.9   The information collected and recorded within the Strategic Risk Register to this point should enable initial assessment and scoring of the risk.

b)   **RISK ASSESSMENT AND EVALUATION**

4.10   Risk assessment and evaluation takes account of various key components.

Risk Appetite

4.11   The next step in the risk management cycle is to establish the risk appetite level that the Board of Management is willing to accept in pursuit of its Strategic Priorities.

4.12   The College accepts that it must take risks, to some extent, in order to achieve Priorities and realise expected benefits. The College is committed to ensuring that all risks taken will be proactively controlled and exposure will be kept to an acceptable level. The College acknowledges that the level of exposure carried by different activities will vary and the threshold for accepting varying levels of risk will change depending on the risk area under consideration, the specific objectives involved, the subsequent activities undertaken and projected benefits.

4.13   However, the College is clear that it will reject or closely manage any activity that has the potential to cause significant financial or reputation harm to the institution, most notably where these might endanger the College's ongoing viability, ability to achieve key strategic priorities or the ability to meet regulatory and/or legal obligations.

4.14   The College defines Risk Appetite based on the following categories:

Classification	Description
AVERSE	Avoidance of risk and uncertainty is a key organisational objective.
MINIMALIST	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
CAUTIOUS	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
OPEN	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.)
HUNGRY	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

4.15 Based on these categories, the College's institutional baseline Risk Appetite is defined as 'cautious to open'. This means that, while maintaining a level of prudence, the College is generally willing to consider all options and will accept moderate levels of risk in the pursuit of its Priorities, albeit with a preference for options or activities that limit exposure, even if the rewards are likely to be similarly limited.

4.16 A full definition of the College risk appetite for each category of risk can be found at Appendix 3.

4.17 While a general appetite of cautious to open is in place, it is recognised that risk appetite will vary according to the Priorities pursued and the linked activities undertaken. For example, the College would give consideration to options or activities which carry elevated levels of risk, where it can be shown that the anticipated outcomes are realistically achievable, and likely to deliver enhanced benefits; acceptance of risk, irrespective of risk appetite, should always take account of the likely benefits an activity will deliver.

4.18 At a strategic level, risk appetite is applied to the College's identified risk areas as follows:

	Averse	Minimalist	Cautious	Open	Hungry
Finance		■			
Political			■		
Governance			■		
Competitive Environment				■	
Staffing and HR				■	
Student				■	
Reputational / External				■	
Infrastructure				■	
Learning and Teaching				■	
Digital					■

4.19 It should also be noted that risk appetite will likely vary according to context; for example, capital projects provide a different context and should be considered on individual merit, as projects are usually stand-alone, and fall out with the business as usual activities of the College. Consequently, the College may be prepared to accept higher levels of risk for a project that will feasibly deliver transformative change or bring significant rewards.

Risk Scoring

4.20 Risk scoring will be undertaken in the first instance to prioritise risks using a standard 6 by 4 semi-quantitative scale (shown in Figure 3) for risk probability and impact.

4.21 This use of a standard scoring threshold promotes consistency in risk assessment.

Figure 3 - Risk Scoring Thresholds

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		

4.22   When assessing impact, it is important that a holistic analysis of the categories of risk be considered, in terms of how the issue would impact on the College (a partnership, a service or a specific project). The agreed approach to the assessment of risk at the College is undertaken based on existing control measures.

4.23   When assessing probability, a consideration of historical information, external drivers, trends and statistics can be useful in determining an appropriate level.

4.24   Each risk should be allocated two risk scores, as follows:

- Gross Risk Score
- Net Risk Score

4.25   The Gross Risk Score is populated and refers to the level of risk an activity would pose if no controls or mitigating actions were in place.

4.26   The Net Risk Score refers to the level of risk remaining after controls and mitigating actions are considered and should ideally reflect the applicable risk appetite.

4.27   Risks identified within the Strategic and Operational Risk Register will be plotted on a probability impact grid, as shown in Figure 4 below, to provide a pictorial representation of risk exposure. Risks which fall into the upper boundary (Red RAG status) will be considered as critical for management attention and as greater than the acceptable risk appetite. Efforts will be made to reduce risk exposure below the upper boundary.

Figure 4 - Risk Probability Impact Grid

Probability 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

4.28   Risks with low probability but high impact scores will be elevated for attention of the Board of Management. Risk response plans will be developed which seek to reduce the potential impact of the risk.

c) PLAN MITIGATIONS

4.29   When considering the appropriate risk response, the controls already in place should be recorded under the Controls section in the Strategic Risk Register and potential mitigating actions should be identified, where applicable.

4.30   Mitigating actions should change or reduce either the probability of a risk materialising, or its impact if it does (or both).They should also be recorded in the Strategic Risk Register, assigned a responsible person/lead and set a target date for completion where possible.

4.31   Taking account of the mitigations the Gross Risk Score should be re-assessed and revised, and a Net Risk Score agreed. The Net Risk Score should always be lower than the Gross Risk Score (either in terms of impact, or probability, or both), because again, it refers to the level of risk remaining after controls and mitigating actions are considered.

4.32   After mitigations and risk scores have been identified, the process is effectively complete, and the agreed plans should be taken forward for implementation.

4.33   Control strategies / plans may align with the categories detailed in Figure 5, below:

Figure 5 – Risk Mitigation Measures

Risk Response	Commentary
Tolerate	The exposure may be tolerable without any further action being taken. It may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised
Transfer	Transfers the risk to a third party. Be aware that the entirety of a risk is practically impossible to transfer
Terminate	Some risks are only treatable by terminating an activity. Alternative plans and/or processes will require developing
Treat	Action is taken to constrain the risk to an acceptable level. This includes reducing the probability of occurrence and/or the impact of the risk
Take	Implement actions to exploit the identified opportunity

d) MONITOR AND CONTROL

4.34 Risks should be monitored and controlled on an ongoing basis as part of the Risk Management Process. Responsibility for monitoring and control lies with the Risk Owner and should be ongoing at the appropriate levels.

4.35 Each element of the Strategic Risk Register should be revisited on an ongoing basis; for example, mitigating actions should be regularly reviewed for their impact and effectiveness in controlling the risk and in reducing the risk score. Where a mitigating action is complete, it should be removed from the relevant column and where appropriate, referred to under Controls. Where a risk score has escalated, action should be taken to identify and implement control measures in order to reduce the risk score.

4.36 Reporting arrangements also provide an additional level of monitoring and control. At College level, the Board of Management will receive a report on risk at each meeting. The report will provide a summary update on the risks included in the Strategic Risk Register, giving current risk scores and notification of any significant changes.

4.37 Each Board Committee will receive a report on all strategic risks for their consideration and review based upon the business undertaken at each Committee meeting.

4.38 The College Senior Management Team will receive reports on risk for the Strategic Risk Register. Risks at departmental level will be monitored and controlled as part of the operational planning process.

4.39 It is the responsibility of the SMT to highlight risks within their Directorates that are considered to have strategic significance. The College reporting framework is outlined below:
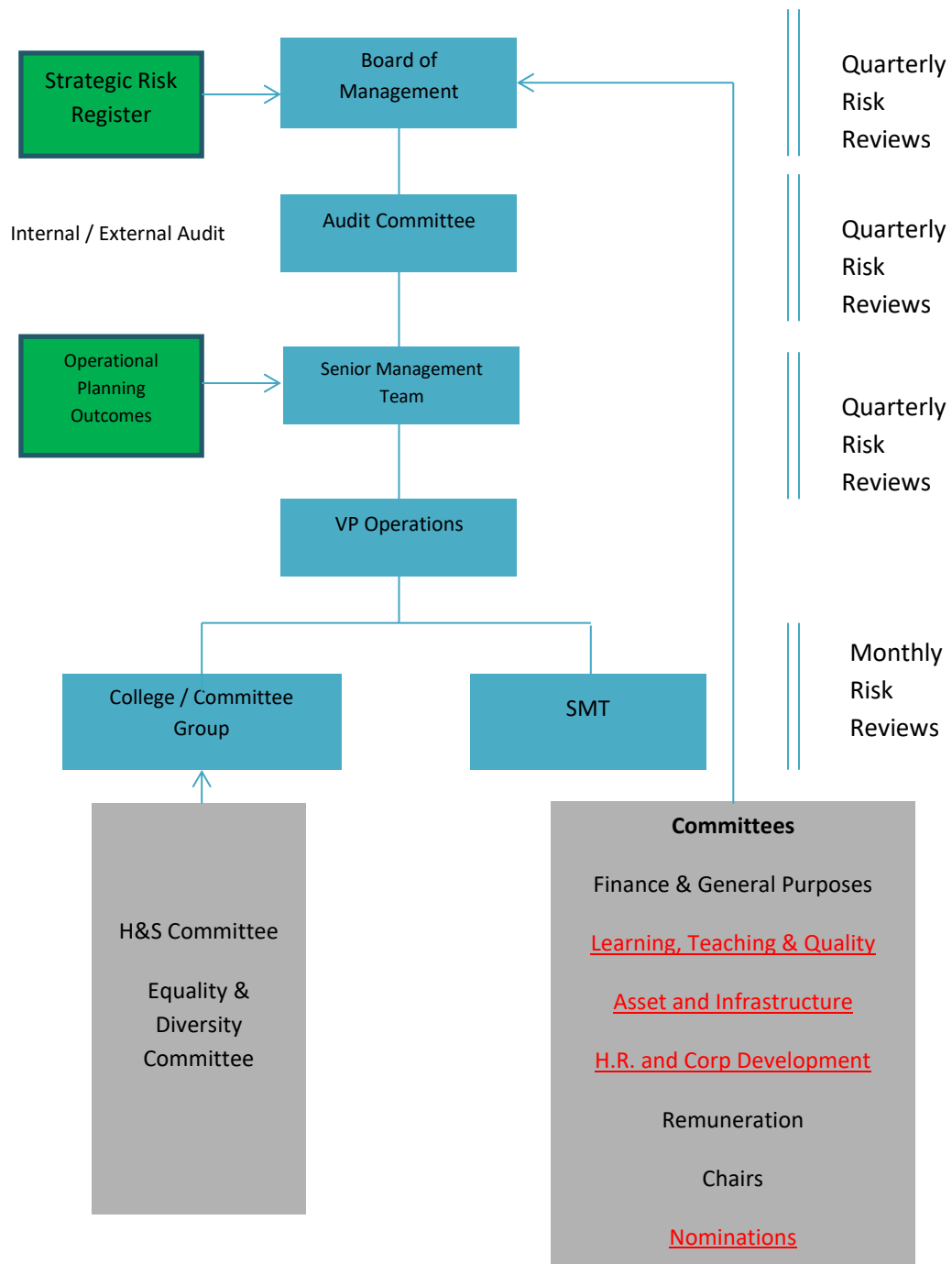
5.   Measuring the Effectiveness of the Risk Management Process

Internal Audit

5.1   The Audit Committee must be satisfied as to the College's risk management arrangements and will receive the Strategic Risk Register at each meeting. The overall risk management framework (of which this document is an integral part) is also subject to review by the College's internal auditors both formally through the internal audit process and through the auditor's reliance on the College Strategic Risk Register in formulating Audit Needs Assessment. The College's external auditor also takes account of the College Strategic Risk Register in planning their work.

Review of Procedures

5.2   This Strategy will be reviewed annually and presented to the Board of Management for approval.

Appendix 1: Risk Categories

Category	Description of Risk
1) **Political**	Those affecting the College Strategic Priorities normally at a national political level.
2) **Competitive Environment**	Those affecting the competitiveness of the College to deliver its services in terms of cost, quality, ability to deliver best value and to attract customers / partners to the College.
3) **Finance**	Those related to financial planning and control and the adequacy of insurance cover.
4) **Staffing and HR**	Those affecting the recruitment, retention and morale of staff.
5) **Students**	Those affecting the recruitment, retention, attainment and morale of students.
6) **Reputational / External**	Those affecting the reputation of the College and/or external partnerships / projects / community in which the College is involved.
7) **Digital**	Those affecting the ability of the College to deliver the objectives set out in its Digital Strategy.
8) **Infrastructure**	Those affecting the College's physical assets including buildings and IT systems.
9) **Learning and Teaching**	Those affecting the successful delivery of the College's curriculum including student experience, performance and associated ROA targets.
10) **Governance**	Those that impose requirements on the College which could affect priorities / funding / reputation.

Appendix 2: Format of the College Strategic Risk Register

Risk number	**05**	**WCS 4**
Risk description	**SFC Regional Outcome Agreement** Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 2.1 3.2 3.4	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	5 x 4	
Gross Risk Score	**20**	
Controls *A control is a framework in place to mitigate the risk.*	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. Internal audit of ROA process indicated robust planning arrangements in place regarding development of ROA.	
	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 schools 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.	
Net Risk Score	**12**	
Trend	↔	
Risk Owner	Principal	

Appendix 3: Risk Appetite Statement

The College's approach is to minimise its exposure to Finance, Political and Governance risks, whilst accepting and encouraging an increased degree of risk in pursuit of its mission and objectives. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

The College's appetite for risk across its activities is provided in the following statements:

(3) Finance

The College aims to maintain its long-term financial viability and its overall financial strength. Whilst targets for financial achievement will be challenging the College has a minimalist appetite for risk that puts in peril the long-term sustainability of the College.

(1) Political

The College aims to make a significant, sustainable, and socially responsible contribution to the West of Scotland and to Scotland through education, knowledge exchange and operational activities. It recognises that this should involve a cautious approach to political risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(10) Governance

The College places great importance on governance, and has no appetite for any breaches in statute, regulation, professional standards, bribery or fraud. It wishes to maintain accreditations related to courses or standards of operation and has cautious appetite for risk relating to actions that may put accreditations in jeopardy.

The above statements take priority over the statements of areas of risk appetite below.

(2) Competitive Environment

The College wishes to be amongst the leaders in transforming knowledge, ideas, skills and expertise into teaching, innovation and enterprise, thereby enriching our stakeholders and wider society. It recognises that developing this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(4) Staffing and HR

The College aims to value, support, develop and utilise the full potential of our staff to make the College a stimulating and safe place to work. It places importance on a culture of equality and diversity, dignity and respect, collegiality, annual reviews, the development of staff, and the health and safety of staff, students and visitors. It recognises that in fulfilling the potential of the College staff, this may involve an increased degree of risk and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before any deviation from its standards in these areas are authorised and that sensible measures to mitigate risk are established.

(5) Student

The College aims to ensure that we recruit the correct student onto the correct course, retain those students and ensure that they have a productive time at College. It recognises that in order to compete with other institutions that it must accept an increased degree of risk in order to attract and retain those students. It is comfortable in accepting this risk subject to a) limitations imposed by ethical considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(6) Reputational / External

It is regarded as critical that the College preserves its high reputation whilst at the same time it is open to exploring new / innovative external partnerships. The College has an open appetite for risk in the conduct of any of its activities that puts its reputation in jeopardy, could lead to undue adverse publicity, or could lead to loss of confidence by the political establishment and funders of its activities.

(8) Infrastructure (including estate projects, IT and equipment)

Major change activities are required periodically to develop the College, and to adapt to changes in the regulatory and technological environment and in the nature and conduct of the College's activities. The College expects such changes to be managed according to best practice in project and change management but given the operating environment in which it operates has open appetite for investment in this area where the benefits can be shown to outweigh the costs.

(9) Learning and Teaching

The College wishes to stimulate students to develop a wish to engage in lifelong learning, encourage an independent attitude and an aspiration to achieve success. It recognises that this should involve an increased degree of risk in developing education and the student experience and is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

(7) Digital

The College wishes to be at the leading edge in the digital arena and wishes to grow its digital ambitions. It recognises that that this will involve an increased degree of risk in developing digital solutions and is comfortable in accepting this risk subject to a) limitations imposed by financial considerations, and b) ensuring that potential benefits and risks are fully understood before developments are authorised and that sensible measures to mitigate risk are established.

Strategic

Risk

Register

Proximity: when might the risk occur.

Description	Timing
Immediate	Now
Medium-term	Within three to six months
Longer-term	Greater than six months

Impact: this is the estimated effect of the risk on the Strategic Priorities.

Impact		Criteria
Catastrophic	4	Significant and unacceptable impact on objectives that would require a material change to approach, procedure or process.
Critical	3	Moderate impact on Priorities that may require minor changes in approach, procedure or process.
Marginal	2	Minor impact on Priorities, which requires little overall change in approach.
Negligible	1	No real impact on achieving Priorities.

Probability: this is the estimated chance of the risk occurring.

Likelihood		Criteria
Almost certain	6	Extremely likely to occur
Very likely	5	Almost certain to occur
Likely	4	Most likely to occur than not
Possible	3	May occur
Very unlikely	2	Unlikely to occur
Remote chance	1	Extremely unlikely to occur

Risk Score: Impact x Probability

Impact		Result			
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
		1	2	3	4
Probability		Negligible	Marginal	Critical	Catastrophic

Risk Score: the overall risk level.

Risk level	Score	Description
High	16 - 24	Unacceptable level of risk exposure that requires a review of controls and immediate mitigating action
Medium	6 - 15	Acceptable level of risk exposure subject to regular monitoring
Low	1 - 5	Acceptable level of risk exposure subject to periodic monitoring

Net Risk Score: the overall risk level after controls and mitigating actions are put in place

Trend: after controls and mitigating actions are considered

↑	New or increasing risk
↔	No change to risk
↓	Declining risk

Risk Appetite

	Averse	Minimalist	Cautious	Open	Hungry
Finance		■			
Political			■		
Governance			■		
Competitive Environment				■	
Staffing and HR				■	
Student				■	
Reputational / External				■	
Infrastructure				■	
Learning and Teaching				■	
Digital					■

Classification	Description
AVERSE	Avoidance of risk and uncertainty is a key organisational objective.
MINIMALIST	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
CAUTIOUS	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
OPEN	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
HUNGRY	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

College 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, in a way that suits individual students.	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 customers and stakeholders by creating learning pathways, developing new delivery partnerships and integrating learning into wider local strategies.	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	

Risk Register: Summary of Top 5 Risks

Risk No.	Risk Description	Proximity	Gross	Net	Prior	Trend since last report
1	**Business Continuity / Cyber Resilience Planning** Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	Medium-term	24	24	24	↔
2	**SFC Funding and Funding Methodology** 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.	Immediate	24	24	24	↔
3	**Estate Strategy** 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.	Long-term	24	20	20	↔
4	**Estates maintenance / capital funding** Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	Medium-term	20	16	16	↔
5	**Brexit** 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.	Medium-term	15	15	15	↔

Risk number	1		WCS 7
Risk description	**Business Continuity / Cyber Resilience Planning** Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.		
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.4 - Managing for Resilience		
Risk category / appetite	Reputational/External	Open	
Proximity	Medium-term		
Impact/Likelihood	6 x 4		
Gross Risk Score	24		
Controls *A control is a framework in place to mitigate the risk.*	1) Business Continuity Plan available on the College intranet to staff along with departmental plans to assist during any incident.		Director of Finance
	2) Business Continuity scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff.		Director of Finance
	3) College Mobilisation Group established to oversee the reopening of campuses for teaching purposes. Group is chaired by the Director of OD & HR and has representatives from staff, unions and Student Association. The Group meets weekly and is assisted by a Project Manager. The mobilisation Group reports weekly to an Executive Group led by the Principal who oversees the overall College Covid-19 response.		Director of OD & HR
	4) Good interaction with staff, trade unions and Student Associations with regular meetings taking place and information being supplied to all parties on a timely basis normally via the College intranet, with the use of the Homeworking Times publication being key.		Director of OD & HR
	5) Continued engagement with Scottish Funding Council, Skills Development Scotland and other funding bodies to gain clarity on future funding and determine impacts upon College financial sustainability.		Principal

	6) Return to on-site campus activity for 2020-21 academic session achieved from 21 September 2020, including: - development of online materials across all areas of learning and teaching; - purchase and dispersal of IT equipment to support students where there is an identified need; - estate adaptations including specified access / egress points to all campuses; improved signage; increased cleaning regime; and development of policy manuals – circulation; cleaning and catering; - on-going monitoring of supply chains based upon risk analysis supplied by APUC; - investment in dedicated sanitisation teams who work across all circulation spaces ensuring regularly touched areas are cleaned.	Director of OD & HR
	7) The delivery of the work streams associated with the College Digital Strategy will ensure that the needs of both students and staff are addressed in relation to learning and teaching and delivery of support services.	Assistant Principal: Creativity and Skills Assistant Principal: Enterprise and Skills
Probability/Impact	6 x 4	
Net Risk Score	**24**	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number / Reference	2	WCS1
Risk description	**SFC Funding and Funding Methodology** 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.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority*	1.1 - Developing Bespoke solutions, Fast 1.3 - Recruiting and Retaining Talented People 3.1 - Developing new income opportunities 3.4 - Managing for Resilience	
Risk category / appetite	Finance	Minimalist
Proximity	Immediate	
Probability/Impact	**6 x 4**	
Gross Risk Score	**24**	
Controls *A control is a framework in place to mitigate the risk.*	1. Detail of 2020-21 SFC core funding for teaching, estate and student funding confirmed. Ongoing engagement with SFC on funding for period poverty and support for voluntary severance programme.	Vice Principal Operations
	2. Break-even adjusted operating position (excluding the costs of voluntary severance) budget approved for 2020-21 by the Board of Management on 20 July 2020 along with 3-year financial scenario plan. Budget will be monitored continuously by SMT and quarterly by the Board of Management through provision of management accounts.	Vice Principal Operations
	3. Transformation Plan agreed with SFC to take effect from 2020-21 onwards and funding / credit level confirmed by SFC to support this. Requirement for College to deliver 2020-21 curriculum activity in accordance with the agreed Business Transformation Plan.	Principal
	4. Estates Strategy 2016-2026 includes objective to improve / rationalise the College estate utilising estate maintenance funding. Annual Strategy update provided to Asset and Infrastructure Committee including progress towards achievement of objectives.	Vice Principal Operations
	5. College Commercial Development and Credit Group report to HR and Corporate Development Committee at each meeting on level of SFC credit activity	Assistant Principal: Enterprise and Skills

	and on actions taken to maintain ESF income and to grow other non-SFC income.	
	6. Commercial Development and Credit Group monitor current and future curriculum delivery plans including credit delivery and staffing requirements. Report provided to each SMT meeting on credit activity.	Assistant Principal: Enterprise and Skills
Probability/Impact	**6 x 4**	
Net Risk Score	**24**	
Trend	↔	
Overall Risk Owner	VP Operations / VP Educational Leadership	

Risk number	3	WCS 3
Risk description	**Estate Strategy** Failure to deliver Estate Strategy 2016-2026 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.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.1 - Developing new income opportunities 3.3 - Utilising Specialist Capabilities 3.4 - Managing for Resilience	
Risk category / appetite	Infrastructure	Open
Proximity	Long-term	
Impact/Likelihood	**6 x 4**	
Gross Risk Score	**24**	
Controls *A control is a framework in place to mitigate the risk.*	1. Asset and Infrastructure Committee (A&I) receive VP Update Report at each meeting on College engagement with stakeholders including SFC, SFT, local councils and other key stakeholders.	Vice Principal Operations
	2. Board approved Estate Strategy 2016-2026 with A&I Committee receiving annual implementation update which highlight required estate investment for consideration by SFC and Scottish Government.	Vice Principal Operations
	3. Outline Business Cases for Paisley and Greenock estate submitted to the SFC. Update on progress made in relation to OBCs made to each A&I Committee including engagement with SFC and local councils.	Vice Principal Operations
	4. Update report provided to each meeting of the A&I Committee which indicates how the College has prioritised the use of SFC estate maintenance funding to address the College 2019 Estate Condition Survey results.	Director of Infrastructure
Probability/Impact	**5 x 4**	
Net Risk Score	**20**	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	4	WCS 2
Risk description	**Estates maintenance / capital funding** Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.1 - Developing Bespoke solutions, Fast 1.2 - Raising Aspirations and Enabling Students to achieve outcomes 2.3 - Delivering Inclusive Growth 4.1 - Using Data	
Risk category / appetite	Infrastructure	Open
Proximity	Medium-term	
Impact/Likelihood	**5 x 4**	
Gross Risk Score	**20**	
Controls *A control is a framework in place to mitigate the risk.*	1. College Estate Strategy 2016-2026 submitted to SFC highlighted significant need of investment in College. Annual update report on implementation and progress to Asset and Infrastructure Committee. SFC updated at least twice a year on estate challenges faced by the College.	Vice Principal Operations
	2. A&I Committee receive report on the level of SFC estate maintenance funding which is for 2020-21 only. A&I Committee receive report on planned level of expenditure compared to need and how the College is prioritising the use of the amount allocated to it. Update reports provided to each Committee on use of SFC estate maintenance funds.	Director of Infrastructure
	3. The College regularly engages both formally and informally with both Renfrewshire and Inverclyde Councils to discuss opportunities for development of College facilities. Update report on progress provided to A&I Committee at each meeting.	Principal
	4. Outline Business Cases for Paisley and Greenock submitted to the SFC following Board of Management approval. College pursuing with SFC wider curriculum horizon scanning exercise to allow the College to provide holistic approach to curriculum delivery across the regions it serves.	Vice Principal Operations
	5. The College has undertaken an estate condition survey in 2019 to provide up to	Vice Principal Operations

	date information of the investment required to bring the estate to Condition B status and to maintain it at this level. A presentation on the 2019 results was made to March 2020 A&I Committee and the detail of this provided to the Board of Management. SFC have received a copy of the presentation for their information as well as being updated by the Vice Principal Operations. A Board of Management development session to consider estates challenges and opportunities was undertaken on 28 October 2020 with the outcomes being reported to the December A&I Committee along with the next steps.	
Probability/Impact	**4 x 4**	
Net Risk Score	**16**	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	5	WCS 16
Risk description	**<u>Brexit</u>** 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.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.3 - Recruiting and Retaining Talented People 2.2 - Immersive Partnerships 3.1 - Developing new income opportunities 3.4 - Managing for Resilience	
Risk category / appetite	Governance	Cautious
Proximity	Medium-term	
Impact/Likelihood	**5 x 3**	
Gross Risk Score	**15**	
Controls *A control is a framework in place to mitigate the risk.*	1) College has undertaken a review of possible impacts of Brexit on operations and continues to keep this under review. This has been discussed at senior management level and with Board Committees.	Assistant Principal: Enterprise and Skills
	2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. The College continues to consider to review developments as they arise on a continuous basis.	Assistant Principal: Enterprise and Skills
	3) On-going liaison with SFC on future funding arrangements post 31 July 2023 when current ESF funding is due to end.	Director of Finance
Probability/Impact	**5 x 3**	
Net Risk Score	**15**	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	6	WCS 4
Risk description	**SFC Regional Outcome Agreement** Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource, competition and challenging economic environment due to Covid-19, results in future credit and/or funding adjustments.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 2.1 - Creating Learning Pathways 3.2 - Developing the Market 3.4 - Managing for Resilience	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	**5 x 4**	
Gross Risk Score	**20**	
Controls *A control is a framework in place to mitigate the risk.*	1) 2020-21 ROA finalised however revised SFC guidance awaited on monitoring of 2020-21 outcomes given impact of Covid-19 upon targets. Board of Management updated of revised SFC ROA requirements for 2020-21. ROA reported to Board of Management and individual Committees made aware of ROA objectives relevant to their remit.	Vice Principal Educational Leadership
	2) Effective ROA monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees.	Vice Principal Educational Leadership
	3) Regular contact and review meetings with local authorities and schools in order to access attainment funding in support of College activities.	Assistant Principal Student Life and Skills
	4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit.	Vice Principal Educational Leadership
	5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery.	Vice Principal Educational Leadership
	6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered.	Vice Principal Educational Leadership
	7) College Marketing Strategy ensures that the College is seen as the place to come to be educated. Internal communication plans subject to internal audit review	Principal

	with limited number of recommendations for improvement. External communications subject to internal audit review as part of 2020-21 audit plan.
Probability/Impact	**4 x 3**
Net Risk Score	**12**
Trend	↔
Overall Risk Owner	Principal

Risk number	7	WCS 5
Risk description	**National Pay Bargaining** Impact and outcome of National Pay Bargaining for both teaching and support staff has an adverse effect on either efficiency of delivery or 2020-21 budget.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.1 - Developing Bespoke solutions, Fast 1.2 - Raising Aspirations and Enabling Students to achieve outcomes 1.3 - Recruiting and Retaining Talented People 3.4 - Managing for Resilience	
Risk category / appetite	Staffing and HR	Open
Proximity	Medium-term	
Impact/Likelihood	**6 x 3**	
Gross Risk Score	**18**	
Controls *A control is a framework in place to mitigate the risk.*	1) College representation and involvement at senior level in national Employers Association and national joint negotiating committee (NJNC). Update reports provided to both SMT and Board of Management Committees.	Vice Principal Operations – support staff Director of Finance – teaching staff
	2) Financial impact assessment / planning scenarios on the impacts of National Bargaining included within the planning of 2020-21 budget and three-year forecast.	Director of Finance
	3) Business Continuity Planning considered impact of industrial action, with specific plans in place.	Director of Finance
	4) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on a regular basis in order to maintain positive College industrial relations.	Director of Organisational Development & HR
	5) Robust sector and College communication plan including liaison with Student Association on potential impact on students and staff of outcome from National Bargaining negotiations as required.	Principal
	6) Workforce planning being carried out at departmental level based on national agreements. Results of latest round of planning incorporated into Human Resources Annual Report 2019.	Director of Organisational Development & HR
Probability/Impact	**4 x 3**	
Net Risk Score	**12**	

Trend	↔
Overall Risk Owner	Principal

Risk number	8	WCS 6
Risk description	**IT Systems and Infrastructure** Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.1 - Developing Bespoke solutions, Fast 2.1 - Creating Learning Pathways 3.3 - Utilising Specialist Capabilities 4.2 - Inspirational Learning	
Risk category / appetite	Digital	Hungry
Proximity	Medium-term	
Impact/Likelihood	**4 x 4**	
Gross Risk Score	**16**	
Controls *A control is a framework in place to mitigate the risk.*	1) IT Strategy, Policies / Procedures and system access processes in place. The Asset and Infrastructure Committee review progress achieved in delivering the IT Strategy on an annual basis.	Director of Infrastructure
	2) College involvement in national college sector digital group has concluded. One off SFC funding of £221k utilised in order to fund purchase IT devices for students.	Assistant Principal: Creativity and Skills Assistant Principal: Enterprise and Skills
	3) Staff and student feedback and evaluation procedures in place. Action planning in place to address issues raised through feedback mechanisms.	Assistant Principal: Performance and Skills
	4) IT Contingency Plan in place with regular review and update undertaken.	Director of Infrastructure
	5) College has renewed Cyber Essentials Plus accreditation as required. Work commencing on updating the Scottish Government Cyber Resilience Framework.	Director of Infrastructure
	6) College Digital Strategy sets out digital ambitions for the College, presented and approved by the Board of Management. Annual Strategy update report provided to Learning, Teaching and Quality Committee with regular updates provided to SMT. This will provide a basis for College digital developments and a basis for seeking required levels of Scottish Government and SFC funding to support this.	Assistant Principal: Creativity and Skills / Assistant Principal: Enterprise and Skills
	7) Data from major IT systems reviewed on ongoing basis to ensure that	Principal

	information upon which strategic decisions are based is robust and up to date.	
Probability/Impact	**4 x 3**	
Net Risk Score	**12**	
Trend	↔	
Overall Risk Owner	VP Operations	

Risk number	9	WCS 15
Risk description	**College Transformation Plan** Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.1 - Developing Bespoke solutions, Fast 2.1 - Creating Learning Pathways 3.4 - Managing for Resilience 4.3 - Developing the skills base	
Risk category / appetite	Governance	Cautious
Proximity	Long-term	
Impact/Likelihood	**4 x 4**	
Gross Risk Score	**16**	
Controls *A control is a framework in place to mitigate the risk.*	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. Plan formally agreed and funding provided by SFC from 2020-21 to support this. Requirement for College to deliver the Transformation Plan from 2020-21 and reduce the level of third-party distance learning.	Principal
	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.	Principal
Probability/Impact	**3 x 4**	
Net Risk Score	**12**	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	10	WCS 9
Risk description	**Staff Relations** Inability to maintain positive staff relations.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 1.3 - Recruiting and Retaining Talented People 3.4 - Managing for Resilience	
Risk category / appetite	Staffing and HR	Open
Proximity	Long-term	
Impact/Likelihood	**4 x 3**	
Gross Risk Score	**12**	
Controls *A control is a framework in place to mitigate the risk.*	1) Approved Workforce Plan in place and implementation reviewed by the HR and Corporate Development Committee.	Director of Organisational Development & HR
	2) Clear procedures for communication and engagement with Trade Unions and College staff verified by 2018-19 internal audit on internal communications	Director of Organisational Development & HR
	3) Staff engagement sessions and staff surveys undertaken on regular basis allowing matters to be raised and issues to be addressed early.	Principal
	4) Local trade union consultation and negotiation committees in place for teaching and support staff. Minutes of the meetings are provided to staff via the College intranet.	Director of Organisational Development & HR
	5) College is supportive of staff involvement in national negotiations and has open dialogue with trade unions at local and national levels as to how staff can be supported.	Director of Organisational Development & HR
Probability/Impact	**3 x 3**	
Net Risk Score	**9**	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	11	WCS 11
Risk description	**Alternative Income Growth** Ability to generate consistent levels of alternative income or to grow alternative income streams.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.1 - Developing Bespoke solutions, Fast 2.3 - Delivering Inclusive Growth 3.1 - Developing new income opportunities 3.2 - Developing the Market	
Risk category / appetite	Competitive Environment	Open
Proximity	Long-term	
Impact/Likelihood	4 x 3	
Gross Risk Score	12	
Controls *A control is a framework in place to mitigate the risk.*	1) Alternative Income plans, targets and activities developed annually as part of the Operational Planning Process and shared across the College. Income plans and ambitions are in response to requirements of College Transformation Plan objectives. Reporting and monitoring on activity and progress will be subject to review by HR and Corporate Development Committee.	Assistant Principal: Enterprise and Skills
	2) 2020-21 Alternative income budget and forecast agreed and monitored by the HR and Corporate Development Committee.	Assistant Principal: Enterprise and Skills
	3) Update report provided to HR and Corporate Development committee on partnership working with local employers and stakeholders.	Assistant Principal: Enterprise and Skills
	4) Operation planning combined with Curriculum Development Planning procedure used to identify potential opportunities for income growth.	Vice Principal Educational Leadership
	5) Adaption of course portfolio to meet student / employer needs.	Vice Principal Educational Leadership
	6) Financial strategy and planning in place to address variations.	Director of Finance
	7) Commercial Development and Credit Group meet twice a month to review budget / create forecast and address challenges of delivering alternative income.	Assistant Principal: Enterprise and Skills
Probability/Impact	3 x 3	
Net Risk Score	9	

Trend	↔
Overall Risk Owner	VP Educational Leadership

Risk number	12		WCS 10
Risk description	**Workforce Planning** Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes		
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.3 - Recruiting and Retaining Talented People 2.3 - Delivering Inclusive Growth		
Risk category / appetite	Staffing and HR		Open
Proximity	Long-term		
Impact/Likelihood	**4 x 3**		
Gross Risk Score	**12**		
Controls *A control is a framework in place to mitigate the risk.*	1) Board of Management approved College Workforce Plan in place and annual update report provided to HR and Corporate Development Committee.		Director of Organisational Development & HR
	2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP).		Vice Principal Educational Leadership
	3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities.		Principal
	4) ITrent HR and payroll software developed to provide staff data and reports including a College establishment report.		Director of Organisational Development & HR
	5) Professional Development Policies are aligned to strategic priorities.		Director of Organisational Development & HR
	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.		Director of Organisational Development & HR
	7) Results from staff skills survey being used to allow the College to identify and address future skills gaps.		Director of Organisational Development & HR
Probability/Impact	**3 x 2**		
Net Risk Score	**6**		
Trend	↔		
Overall Risk Owner	Principal		

Risk number	**13**	**WCS 13**
Risk description	**General Data Protection Regulations** Inability to ensure a holistic response to data and information governance, including compliance with the General Data Protection Regulations (GDPR).	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	3.4 - Managing for Resilience 4.1 - Using Data	
Risk category / appetite	Governance	Cautious
Proximity	Long-term	
Impact/Likelihood	**3 x 3**	
Gross Risk Score	**9**	
Controls *A control is a framework in place to mitigate the risk.*	1) The College has appointed a Data Protection Officer (DPO) in compliance with legislative requirement.	Director of Organisational Development & HR
	2) Ongoing review by DPO of departmental compliance with data legislation and addressing issues as required. Report provided to SMT on progress and issues identified / rectified.	Director of Organisational Development & HR
	3) College GDPR and Data Management Working Group which involves SMT and wider staff involvement as required. The Group has oversight of the information risk assessment process and provides reports to SMT as required.	Director of Organisational Development & HR
	4) Data Protection concepts and principles embedded within the operations of the College.	Director of Organisational Development & HR
Probability/Impact	**3 x 2**	
Net Risk Score	**6**	
Trend	↔	
Overall Risk Owner	Principal	

Risk number	14	WCS 14
Risk description	**<u>Estate Investment Works</u>** Normal business activities are unduly affected due to the complexity of sequencing estates investment works.	
Link to the Strategic Priority *Refers to the relevant Strategic Priority.*	1.2 - Raising Aspirations and Enabling Students to achieve outcomes 3.4 - Managing for Resilience	
Risk category / appetite	Learning and Teaching	Open
Proximity	Long-term	
Impact/Likelihood	**4 x 2**	
Gross Risk Score	**8**	
Controls *A control is a framework in place to mitigate the risk.*	1) Detailed resource planning involving all relevant parties at early stages to address any issues in advance of project start date.	Director of Infrastructure
	2) Staff resource increased though recruitment of additional Project Manager to address the significant increase in level of expenditure and complexity of projects being undertaken.	Director of Infrastructure
	3) Well embedded Project / Estate Team with knowledge base that allows issues to be identified and addressed.	Director of Infrastructure
	4) Use of external professional advisors to provide oversight and critical review of proposed activities / plans.	Director of Infrastructure
Probability/Impact	**3 x 2**	
Net Risk Score	**6**	
Trend	↔	
Overall Risk Owner	VP Operations	

TITLE: **REGISTER OF INTEREST FOR BOARD AND COMMITTEE MEMBERS**

Action: The Register of Interests for the Board of Management and Committee members has been updated and is attached for information.

Lead: Shirley Gordon, Secretary to the Committee

Status: Open

West College Scotland

Register of Members Interests 2020/21

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
Waiyin Hatton Chair	Owner/Founder, Wai Beyond People and organisational development consultancy Associate, Harvey McMillan People and organisational development consultancy		Board Member, Colleges Scotland Board Chair, Action Against Stalking Charity. Monthly Board meetings. Non-executive Director Scottish Chamber of Commerce.	None	None	None	None	None	None
Liz Connolly	Principal & Chief Executive, West College Scotland	None	Board Member, Developing the Young Workforce Board; Trustee, West College Scotland Foundation, Board Member, Interface Strategic Board; Board Member, Targeting Innovation Board; Member Renfrewshire Economic	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
			Leadership Panel; Board Member, Colleges Scotland Board, Board Member, Renfrewshire Chamber of Commerce; Board Member, Renfrewshire CPP and West Dunbartonshire CPP						
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 Courts & 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	Part-time Researcher,	None	None	None	None	None	None	None	Member of Labour Party;

Board Member	Remunerated employment	Other remunerated positions	Non-remunerated positions	Related undertakings	Contracts	House, land & buildings	Shares & securities	Gifts & hospitality	Other relevant information
Vice Chair of the Board of Management									Member of Co-operative Party
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	Member of the North Lanarkshire CPP Strategic Leadership Board.	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, Director of RAMH	None	None	None	None	None	None
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	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
	West Dunbartonshire Council								
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
Stefana Margarint	Students Association Vice President	None	None	None	None	None	None	None	None
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	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
			with Children's Hearings Scotland						
Ruth Binks	Corporate Director of Education, Communities and Organisational Development, Inverclyde Council	None	None	None	None	None	None	None	None
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 30 Sep 2020

Title: **COMMITTEE MEMBERSHIP EXTENSION TO CO-OPT MEMBER TENURE**

Background: The Committee is asked to note that the tenure of co-opted member Wai Wong expires on 28 February 2021.

Action: The Committee is asked to note that the tenure of co-opted member, Wai Wong, expires on 28 February 2021 and recommend the extension of his co-opt term of office for approval at the December 2020 Board meeting. As such, the Chair of the Committee will request that Wai be reappointed for a further one year (1 March 2021 to 28 February 2022) and will ask the Chair of the Board to present this for approval to the Board meeting scheduled for Monday 14 December 2020.

The next meeting of the Audit Committee is 11 March 2021 so, due to the timescale and Wai's term ending on 28 February 2021, the Committee is required note the intended action to be taken.

Lead: Shirley Gordon, Secretary to the Committee

Status: Open

TITLE: **SCHEDULE OF BUSINESS 2020-21**

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				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
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
• Corporate Governance Statement - Financial Statements	Y	Y			
• Internal audit reports (see section 2)					
• External audit report (see section 3)					
• Remit of Committee reviewed against best practice and governance requirements	Y				
• 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 2019-20		Y			
• External Audit Management Letter as at 31 July 2020		Y			
• Internal and external audit reports as received			Y	Y	Y
• Update / Report on National Fraud Initiative	Y			Y	
• Report / Update on Value for Money		Y		Y	
• Procurement and Commercial Improvement Programme – every 2 years next due 2021					
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				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
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) • Fraud investigation report	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
• Internal Audit Annual Report 2019-20		Y			
• External Audit management letter as at 31 July 2020		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				
• Assurance Framework Update	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					
2019-20					
• 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 2020		Y			

REMIT	DELIVERABLES				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
<u>2020-21</u> • External audit fee proposal 2020-21 • External Audit Engagement Strategy 2020-21					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					
• 2019-20 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 2021-22	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
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				Y	Y

REMIT	DELIVERABLES				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
To advise the Board on the terms of reference for the Internal Auditors					
• Internal Audit Plan Update 2020-21	Y		Y	Y	Y
• Annual Internal Audit Plan 2021-22					Y
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 2019-20		Y			
• Internal Audit Update Report 2020-21	Y		Y	Y	Y
• Internal Audit Plan 2021-22					Y
To review the Internal Audit reports, the management response to them and to review implementation of the actions required					
2020-21					
• Audit Assurance Mapping			Y		
• Fraud Awareness			Y		
• Overall Financial Controls				Y	
• Study of effects of Covid-19 (1)				Y	
• Study of effects of Covid-19 (2)					Y
• HR: Sickness and Absence					Y
• External Communications					Y
• Complaint Handline					Y

REMIT	DELIVERABLES				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
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
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 2019-20		Y			
To review the Statement of Corporate Governance					
• Review the statement of Corporate Governance	Y	Y			

REMIT	DELIVERABLES				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
To review the External Audit strategy and plan					
• SFC Accounts Direction for Scotland's colleges	Y				
• External Audit 2020-21 Engagement Strategy					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		Y			
To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.					
• As required					
4) Risk					
To review the Risk Management Strategy and recommend to the Board for approval					
• Annual 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

REMIT	DELIVERABLES				
	03-09-2020	24-11-2020 (Joint Meeting)	03-12-2020	11-03-2021	20-05-2021
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					
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					