

**West College Scotland
AUDIT COMMITTEE**

**8 September 2021 at 4.00 p.m.
By TEAMS**

AGENDA

General Business

- | | | |
|---|----------|-------|
| 1. Welcome and Apologies | | Chair |
| 2. Declaration of Interests | | Chair |
| 3. Minutes of the meeting held on 20 May 2021 | Enclosed | Chair |
| Actions from the Minutes | Enclosed | Chair |
| 4. Matters arising from the minutes not otherwise on the agenda | | |
| .1 IT Incident Report | Verbal | AR |

Main Items for Discussion and/or Approval

- | | | |
|---|---------|----|
| 5. Committee Remit, Membership and Dates of Meetings in 2021-22 | Paper 5 | SG |
| 6. Draft 2020-21 Annual Report from the Committee to the Board | Paper 6 | AR |
| 7. Anti-Fraud and Corruption Policy | Paper 7 | AR |

External Audit

- | | | |
|---|---------|----|
| 8. 2020-21 External Audit Progress Update | Paper 8 | JB |
| 9. Accounts Direction for Scotland's Colleges 2020-21 | Paper 9 | AR |

Internal Audit

- | | | |
|-----------------------------------|----------|----|
| 10. Internal Audit Report 2020-21 | Paper 10 | SP |
| 11. Rolling Audit Action Plan | Paper 11 | AR |

Other

- | | | |
|---------------------------------------|----------|----|
| 12. Review of Strategic Risk Register | Paper 12 | AR |
|---------------------------------------|----------|----|

Items for Information (to note only)

- | | | |
|--|----------|----|
| 13. Report on Freedom of Information and Data Protection Act Requests / Hospitality and Gifts Register | Paper 13 | AR |
| 14. Schedule of Business 2021-22 | Paper 14 | AR |
| 15. Any other business | | |

Next meetings:

Joint Committee
Audit Committee

23 November 2021 at 4.00pm by TEAMS
1 December 2021 at 4.00 p.m. by TEAMS

Shirley Gordon
Secretary to the Committee

AUDIT COMMITTEE

MINUTES: Thursday 20 May 2021.

PRESENT: Graeme Bold (in the Chair), Grant Lyall, Wai Wong.

ATTENDING: Liz Connolly (Principal), Alan Ritchie (Director of Finance), Shirley Gordon (Secretary to the Committee), Vivienne Mulholland (Head of Finance and Student Funding).

**ATTENDING
BY**

INVITATION: Stephen Pringle (Wylie & Bisset), Lucy Nutley (Mazars), Joanne Buchanan (Mazars).

APOLOGIES: Sabira Akram, David Alexander (Vice Principle, Operations).

AM561 ANNUAL EVALUATION OF INTERNAL AUDITORS – restricted item
The Audit Committee met with College staff only.



AM562 CLOSED SESSION REVIEW WITH INTERNAL AUDITORS
The Audit Committee met with Internal Auditors only.

The Internal Auditors confirmed that they had positive open working relationships with all staff who had been engaged in the internal audit processes during the year, and particularly with the Senior Management Team (SMT). Teams within the College were knowledgeable, willing to engage and receptive to the audit reports and acted on all points raised. It was recorded that management also challenged the auditors, which led to improved overall reporting and helped the auditors better understand how the College operated. The Committee welcomed this information and thanked the Internal Auditors for their comments.

AM563 WELCOME AND APOLOGIES
The Chair welcomed everyone to meeting and apologies were noted.

AM564 DECLARATIONS OF INTERESTS

- Liz Connolly - Trustee of West College Scotland Foundation; Member of Developing the Young Workforce (DYW) west regional Board.
- Sabira Akram - Scottish Qualifications Authority.

AM565 MINUTES
The minutes of the meeting held on Thursday 11 March 2021 **were approved.**

Regarding Minute No AM550 (IT Incident Update Report), it was acknowledged that the Committee supported the next steps as set out by Mr Alexander at the meeting, in particular, the independent testing of the College's networks by Trusted IA and the establishment of a new protocol for remote access. Mr Alexander had advised the Audit Committee that the College was in the process of seeking its annual Cyber Essential Plus accreditation and the Committee would be advised when accreditation was achieved.

Mr Ritchie explained that oversight of the College's progress in embedding, maintaining and developing the organisational approach to the Scottish Government's Cyber Resilience Framework sat with the Corporate Development Committee. It was due to receive an update report at its meeting on 1 June 2021. Following consideration by the Corporate Development Committee, this would be added to the Assurance Map for Audit Committee visibility. Mr Ritchie agreed to circulate to Audit Committee members the final report on the College's approach to addressing the Scottish Government's Cyber Resilience Framework after consideration at a future Corporate Development Committee meeting.

{ACTION – AR}

AM566 ACTIONS FROM THE MINUTES

The Committee **noted** the actions taken and outstanding since the last meeting and **agreed** that the completed actions could now be removed.

AM567 MATTERS ARISING FROM THE MINUTES (AND NOT OTHERWISE ON THE AGENDA)

One matter arising was raised that was not already covered by agenda items.

.1 IT Incident Update – the Director of Finance reported that the Trusted IA audit work was well underway, and an update report would be considered by the Corporate Development Committee at its meeting on 1 June 2021. As committed to earlier (Minute No AM565), Mr Ritchie would circulate the final report to Audit Committee members for information after consideration by the Corporate Development Committee.

{ACTION – AR}

AM568 ANNUAL REVIEW OF EFFECTIVENESS OF THE COMMITTEE

The Secretary to the Committee led members through the report on the outcomes of its annual effectiveness review. The Committee was pleased to note that this feedback was positive, and members were satisfied with the operation of the Committee and the level of information and assurances it received from a range of sources. Both the Internal and External Auditors confirmed that they were satisfied with the operation and effectiveness of the Committee.

In recognition of the suggestion to reduce the volume of papers going forward, it was agreed that, where possible, hyperlinks be used in the body of Committee papers for supporting information / appendices.

The Committee approved the report and would report the outcome as part of the Annual Report to the Board of Management.

AM569 EXTERNAL AUDIT ENGAGEMENT STRATEGY 2020-21 INCLUDING AUDIT FEE

The Director - Public Services Audit, Mazars LLP (external auditor) presented their Audit Engagement Strategy and fee proposal for the review of the 2020-21 financial statements. Ms Nutley explained that the Audit Engagement Strategy 2020-21 would also be presented to the Corporate Development Committee on 1 June 2021 given there was joint responsibility along with the Audit Committee for approving the College Annual Financial Statements.

Ms Nutley reported that the Audit Engagement Strategy provided the Audit Committee with an overview of their preliminary audit planning procedures and approach in relation to the financial statements of the College for the year ended 31 July 2021. The strategy also provided an overview of significant risks and key judgement areas and noted the four dimensions of wider scope work which the auditors required to make a judgement as follows:

- Financial sustainability.
- Financial management
- Governance and transparency.
- Value for money.

Within the dimension “Financial Sustainability”, she clarified, in response to a question, that they were extending their work on the going concern assumption in the financial statements looking forward two to five years from the reporting date, reviewing and assessing the College’s arrangements for financial planning and affordable and sustainable service delivery. Ms Nutley summarised their planned approach to undertake this work.

Ms Nutley added that Mazars had set its fee for the audit within the fee range set by Audit Scotland.

The Audit Committee approved the content of the 2020-21 Audit Engagement Strategy and the audit fee.

AM570 INTERNAL AUDIT REPORT – COVID 19 (PHASE 1)

Stephen Pringle explained that, as part of the 2020-21 Internal Audit Plan, Wylie & Bisset conducted an internal audit to assess the impact of Covid-19 on teaching and learning. This work was undertaken in two phases with the initial audit work assessing the digital technology improvements and challenges brought about due to the pandemic.

Mr Pringle presented the outcome of the internal audit review which concluded that Wylie & Bisset ‘...can provide a strong level of assurance over the College’s working practices in response to the Covid-19 pandemic and the impact these arrangements have had on its teaching and learning. We can also confirm that the College has established appropriate processes for identifying and resolving the digital technology improvements and challenges as a result of Covid-19. We have raised no recommendations from our review and have highlighted various areas of good practice which are in place....’

The report identified several areas where the College was operating effectively and following good practice and made no recommendations for improvement.

The Audit Committee noted that this report would also be presented to the next Learning, Teaching and Quality Committee for its review. **{ACTION – SG}**

The Audit Committee considered and noted the contents of the report.

AM571 INTERNAL AUDIT REPORT – COVID 19 (PHASE 2)

Stephen Pringle explained that, as part of the 2020-21 Internal Audit Plan, Wylie & Bisset conducted an internal audit to assess the impact of Covid-19 on the operations of the College. This work was undertaken in two phases with Phase 1 discussed earlier at Minute Ref AM570.

Mr Pringle presented the outcome of the internal audit review which concluded that Wylie & Bisset ‘... can provide a strong level of assurance over the College's overall response to the Covid-19 pandemic. We can also confirm that the College has taken cognisance of all aspects of the Audit Scotland: ‘Covid-19: Guide for Audit and Risk Committees’. We have raised no recommendations from this review.’

The report identified several areas where the College was operating effectively and following good practice and made no recommendations for improvement.

The Audit Committee considered and noted the contents of the report.

AM572 INTERNAL AUDIT REPORT – COMPLAINT HANDLING

Stephen Pringle explained that, as part of the 2020-21 Internal Audit Plan, Wylie & Bisset conducted an internal audit to review the processes in place for the management, monitoring and reporting of complaints.

Mr Pringle presented the outcome of the internal audit review which concluded that Wylie & Bisset ‘... can provide a substantial level of assurance regarding the controls in place for complaint handling. We have raised 9 recommendations, 3 of which have been graded medium and 6 as low. We have also raised 8 good practice points,’

The report identified several areas where the College was operating effectively and following good practice and made nine recommendations in total – three medium and six low.

The Committee discussed the proposed implementation dates for some of the recommendations and Mr Ritchie indicated that the College would work to complete the recommendations in advance of some of the agreed dates where possible. The Committee would continue to monitor compliance with the recommendation action dates via the Rolling Audit Action Plan report.

The Audit Committee noted that this report would also be presented to the next Learning, Teaching and Quality Committee for its review. **{ACTION – SG}**

The Audit Committee considered and noted the contents of the report.

AM573 INTERNAL AUDIT REPORT – EXTERNAL COMMUNICATIONS (WEBSITE)

Stephen Pringle explained that, as part of the 2020-21 Internal Audit Plan, Wylie & Bisset conducted an internal audit to ensure there was sufficient website analytical information in place at the College. The review considered the College website traffic and the reporting arrangements in place, to assess whether the arrangements in place were sufficient and whether the website met the current EU directives on accessibility.

Mr Pringle presented the outcome of the internal audit review which concluded that Wylie & Bisset ‘... can only give weak assurance on the website analytical information and the reporting arrangements in place at the College. We can confirm that the College is working towards ensuring its website is meeting the current EU directives on accessibility. We have raised 5 recommendations, 1 of which has been graded high, 3 medium and 1 low. We have also raised 2 good practice points,.....’

The report identified several areas where the College was operating effectively and following good practice and made five recommendations in total – one high, three medium and one low.

The Committee discussed the proposed implementation dates for the recommendations and Ms Connolly reported that the College had appointed a new Director of Marketing, Communications and Engagement who was taking up post in July 2021. A priority would be to draft a Marketing and Communications Strategy to incorporate many of the issues highlighted in the internal audit review including accessibility and engagement via the College website and its social media platforms. The Committee would continue to monitor compliance with the recommendation action dates via the Rolling Audit Action Plan report.

The Audit Committee noted that this report would also be presented to the next Corporate Development Committee for its review. **{ACTION – AR}**

The Audit Committee considered and noted the contents of the report.

AM574 INTERNAL AUDIT REPORT – FRAUD RESPONSE REVIEW - restricted item

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

AM575 INTERNAL AUDIT ANNUAL PLAN 2020-21 UPDATE

Stephen Pringle explained that the Audit Committee approved the 2020-21 College internal audit plan in May 2020, and he led the Committee through an update on 2020-21 actual internal audit activity for the year which had now been completed. He added that the September 2021 Audit Committee meeting would receive the Internal Audit Annual Report.

Mr Pringle summarised the appointment letter for the provision of the College internal audit service.

The Audit Committee noted the contents of this report.

AM576 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.

The Director of Finance led the Committee through the report, summarising the movement in relation to the audit recommendations made since the last meeting and confirmed that the RAAP was reviewed by the staff with responsibility for the implementation of the audit recommendations on an ongoing basis. Mr Ritchie reported that the College considered that, despite the continuing challenges of Covid-19, good progress had been and was being made in addressing the recommendations made by the internal and external auditors.

The Audit Committee:

- **Considered the Rolling Audit Action Plan Progress Review Report.**
- **Approved the removal of 7 internal audit recommendations.**
- **Approved the Rolling Audit Action Plan.**

AM577 NATIONAL FRAUD INITIATIVE UPDATE

The Director of Finance led the Committee through the approach adopted by the College in relation to the 2020-21 National Fraud Initiative review (NFI).

Mr Ritchie explained that the NFI review was undertaken every two years and the 2021 exercise was the third such request from Audit Scotland for the College to participate. The College had an established internal process for review of the outcomes notified by NFI. Where an outcome was recorded the College was required to investigate the query, and respond via the secure web site, on the outcome of the investigation.

The Committee welcomed the detail in the report and Mr Ritchie confirmed the detail of the investigations would be added to the Assurance Map.

The Audit Committee noted the outcome of the 2020-21 NFI exercise.

AM578 GOVERNANCE COMPLIANCE AND ROA OUTCOMES

The Director of Finance provided assurance that the College was operating in compliance with the:

- Financial Memorandum with the SFC.
- Scottish Public Finance Manual.
- Code of Good Governance.

Mr Ritchie explained that there was a need for the Committee to demonstrate it had met its requirements in relation to the relevant areas of the 2020-21 Regional Outcome Agreement and confirm this to the Board of Management.

The Audit Committee noted the assurance provided in relation to governance compliance as well as progress that had been made to those Regional Outcome Agreement areas for which the Audit Committee had responsibility and agreed to provide an update on the ROA areas it was responsible for to the Board of Management as and when required.

AM579 COLLEGE ASSURANCE MAP

The Director of Finance explained that the Scottish Government issued a revised Audit and Assurance Committee Handbook in 2018 to replace the previous Handbook published in July 2008. The updated document contained a requirement for organisations to *‘develop an assurance framework and consider whether there were gaps or duplication in the assurance that the Committee was receiving.’* To address that requirement, the College had been working with Wylie & Bisset to develop an assurance framework.

Mr Ritchie presented the draft College Assurance Map and updated on the actions taken to develop the College assurance framework.

The Committee discussed the detail of the Map and commended the visible linkages it provided to Internal Audit Reports, the Internal Audit Plan, the External Audit Engagement Strategy, the Rolling Audit Action Plan as well as the Strategic Risk Register.

The Committee requested that the College include both the gross and net strategic risk scores to allow an increased level of visibility on the risks faced by the College.

The Audit Committee:

- **Considered and reviewed the content of the report.**
- **Reviewed the content of the Assurance Map as the basis for consideration of the Draft Internal Audit Plan 2021-22 (Minute Ref AM580).**

AM580 DRAFT INTERNAL AUDIT PLAN 2021-22

Stephen Pringle explained that, in March 2020, the Audit Committee approved the appointment of Wylie & Bisset to provide internal and other audit services to the College for three years to 31 July 2023, with the option to extend the contract for a further two years until 31 July 2025.

Mr Pringle presented the draft internal audit plan for 2021-22 which had been compiled following discussion with the College Senior Management Team alongside a detailed review of the strategic risk register, assurance map and other key College documents by the audit team.

Mr Pringle led the Committee through the report highlighting the twelve areas of work which the internal auditors proposed undertaking during 2021-22.

The Committee supported these areas of review for internal audit purposes going forward and recognised their importance in terms of linkages to the College Strategic Plan 2019-2025 and College Strategic Risk Register.

In terms of the work proposed to be undertaken in 2022-23, Mr Pringle noted that the proposed assignments would be subject to review as part of the planning for 2022-23. The Committee was being asked to agree in principle, based upon the review of the assurance map undertaken, the twelve areas which would be subject to review by internal audit.

The Committee welcomed the flexible approach used to determine the areas of work that the internal auditors proposed undertaking as it ensured a tailored plan based on current need. Members suggested that, if modifications were indeed made to the plan, they be shown alongside some context and this was agreed. **{ACTION – AR}**

The Audit Committee approved the 2021-22 Internal Audit Plan and, in principle, the draft 2022-23 internal audit plan.

AM581 REVIEW OF STRATEGIC RISK REGISTER

The Director of Finance presented the current College Strategic Risk Register for consideration and highlighted amendments recently made explaining that mitigating controls across all risks had been reviewed by the responsible member of the Senior Management Team and, where appropriate, controls had either been inserted, updated, or removed.

The Audit Committee:

- **Noted the update on the development of the College Risk Management Strategy.**
- **Reviewed 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.
 - o Whether any new risks should be considered for inclusion.

AM582 DRAFT COMMITTEE DATES 2021-22

The Committee noted and approved its 2021/22 meeting dates.

AM583 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.

AM584 ANY OTHER BUSINESS

- Ms Connolly reported that the recruitment exercise to appoint a new Vice Principle Operations was in place with a closing date of 25 May 2021.
- Date of Next meeting - Thursday 8 September 2021 at 4.00 p.m. by TEAMS.

Audit Committee: Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
20 May 2021	AM565 and AM567	IT Incident Update Report - circulate to Audit Committee members the Corporate Development Committee Cyber Resilience Framework update and Trusted IA reports following their consideration at CDC meetings.	A Ritchie	To be considered at CDC meeting on 14/9/21 and will be circulated after meeting.	Shortly after 14/September 2021
“ “	AM570	Internal Audit Report – Covid 19 (Phase 1) - report be presented to the next Learning, Teaching and Quality Committee for its review.	S Gordon	Will be included on LTQC agenda for its October 2021 meeting.	LTQC Oct 2021 meeting.
“ “	AM572	Internal Audit Report – Complaint Handling - report be presented to the next Learning, Teaching and Quality Committee for its review.	S Gordon	Will be included on LTQC agenda for its October 2021 meeting.	LTQC Oct 2021 meeting.
“ “	AM573	Internal Audit Report – External Communications (Website) - report be presented to the next Corporate Development Committee for its review.	A Richie	Complete - Included on CDC agenda June 2021 meeting.	CDC June 2021 meeting.
“ “	AM574	Internal Audit Report – Fraud Response Review - report be presented to the next Corporate Development Committee for its review.	A Richie	Complete - Included on CDC agenda June 2021 meeting.	CDC June 2021 meeting.
“ “	AM580	Draft Internal Audit Plan 2021-22 – any modifications made to the plan be shown along with context.	A Ritchie	Complete – Noted and any future modifications will be shown with context going forward.	

Title:	Committee Remit, Membership and Dates of Meetings in 2021/22
Background:	<p>The Committee is asked to consider and approve the following attachments:</p> <ul style="list-style-type: none">• Audit Committee Remit (appendix A)• Current membership list (appendix B)• 2021/22 meeting dates (appendix C) <p>These are presented to the first Committee meeting of each new academic session for review, and approval.</p>
Action:	<p>The Committee is asked to consider and approve the:</p> <ul style="list-style-type: none">• Audit Committee Remit (appendix A)• Current membership list (appendix B)• 2021/22 meeting dates (appendix C)
Lead:	Shirley Gordon, Secretary to the Committee
Status:	Open

West College Scotland

Board of Management

Audit Committee

Statement of Purpose

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

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

1. Remit

.1 General

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

.2 Internal Audit

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of

the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee.

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

.3 External Audit

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

.4 Risk

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

.5 Other

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

2. Membership

Category

A minimum of three Members of the Board of Management, one of whom will Chair.

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

In Attendance

Principal
Vice Principal Operations
Director of Finance
Secretary
Internal Auditor (Wylie Bisset)
External Auditor (Mazars)

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

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

- The Principal or other senior post holders.
- The Chair of the Board of Management.
- Members of the Corporate Development Committee.
- Connected parties such as the employee, partner, spouse or family member of the College's solicitors, bankers, auditors, insurers, or other professional advisers.

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

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

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

The Chair and Vice Chair of the Committee will be members of the Board of Management.

Chair, Vice Chair, and members appointments to the Committee will be between 3 to a maximum of 5 years, providing systematic opportunities for Committee members to serve on another Committee.

Members of the Audit, Corporate Development and Learning and Teaching Quality Committees can request to attend other Committees' meetings as observers, providing opportunities to gain more understanding of the respective Committees' issues.

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

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

3. Frequency of Meetings

The Committee will meet at least four times per year.

The Committee will also hold an annual joint meeting with the Corporate Development Committee to consider the Financial Statements and audit reports. Additional meetings will be convened as necessary.

4. Quorum

A quorum will be no less than 50% of Board members on the Committee.

5. Secretariat

The Secretary to the Board of Management.

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

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

6. Review

The remit will be subject to review annually.

Audit Composition (Para 2 of the Remit)
Meetings – 4 per annum plus 1 Joint Audit / CDC

Category	Name
A minimum of three Members of the Board of Management, one of whom will Chair.	Sabira Akram (Vice Chair) Graeme Bold (Chair) Grant Lyall
The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee. Such members will normally be appointed for one year, will be subject to annual review, and may be re-appointed annually up to a maximum of 8 years.	Wai Wong

In Attendance	Name
Principal	Liz Connolly
Vice Principal Operations	Amy McDonald
Director of Finance	Alan Ritchie
Secretary	Shirley Gordon
Internal Auditor (Wylie Bisset)	Graham Gillespie Stephen Pringle
External Auditor (Mazars)	Lucy Nutley Joanne Buchanan

Quorum	A quorum will be no less than 50% of Board members on the Committee
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Chair, Vice Chair and members appointments to the Committee will be between 3 to a maximum of 5 years, providing systematic opportunities for Committee members to serve on another Committee.

Members of the Audit, Corporate Development and Learning and Teaching Quality Committees can request to attend other Committees' meetings as observers, providing opportunities to gain more understanding of the respective Committees' issues.

Appendix C

At the Audit Committee meeting held on 20 May 2021, the following meeting dates for the 2021/22 session were approved:

- Wednesday 8 September 2021 – 4 till 6pm
- Wednesday 1 December 2021 – 4 till 6pm
- Wednesday 2 March 2022 – 4 till 6pm
- Wednesday 18 May 2022 – 4 till 6pm

TITLE: DRAFT ANNUAL REPORT FROM AUDIT COMMITTEE TO BOARD 2020-21

Background: The Annual Report to the Board of Management details the work carried out by the Audit Committee during the period 1 August 2020 to 31 July 2021

The Annual Report is a requirement of both the [Scottish Funding Council \(SFC\) Financial Memorandum](#) and the [Scottish Public Finance Manual](#). The Annual Report is based upon the guidance laid out in the Scottish Governments 'Audit and Assurance Committee Handbook', which states that the Annual Report should summarise the committee's work for the year past, and present its opinion about:

- the effectiveness of governance, risk management and control.
- the comprehensiveness of assurances in meeting the Accountable Officer's and Board's needs.
- the reliability and integrity of these assurances.
- whether the assurance available is sufficient to support the Accountable Officer and Board in their decision taking and their accountability obligations.
- the implications of these assurances for the overall management of risk.
- any issues the committee considers pertinent to the Governance Statement and any long-term issues the committee thinks the Accounting Officer and/or Board should give attention to.
- financial reporting for the year.
- the quality of both Internal and External Audit and their approach to their responsibilities.
- the Committee's view of its own effectiveness, including advice on ways in which it considers it needs to be strengthened or developed.

Action: The Audit Committee is requested to consider the content of the draft Annual Report from the Audit Committee to the Board of Management.

Lead: Graeme Bold, Chair of Audit Committee

Status: Open

2020-21 Annual Report from the Audit Committee to the Board of Management

This report covers the activities of the Audit Committee of West College Scotland for the year 1 August 2020 to 31 July 2021. The Committee notes that despite the governance and operational challenges faced by the College due to the global pandemic, the 2020-21 schedule of Committee business was completed within the year.

Terms of Reference

The Terms of Reference were reviewed by the Audit Committee on 11 March 2021 as changes had been made to the Audit Committee membership and quorum in accordance with the principles approved by the Board at its meeting held on 1 February 2021. The revised Audit Committee remit was, thereafter, approved by the Board at its meeting held on 22 March 2021.

Membership and Attendance

The Audit Committee membership and attendance for 2020-21 was as follows:

Name	Status	Date of Appointment	Resigned	Appointment End Date	Attendance	
					Possible	Actual
G Bold	Co-opted Member	1 July 2017	31 Jan 2021		3	3
G Bold	Non-Executive Member and Chair of the Audit Committee	1 Feb 2021			2	2
W Wong	Co-opted Member	1 Mar 2019		29 Feb 2021	5	5
S Akram	Non-Executive Member	1 Feb 2021			2	1
G Lyall	Non-Executive Member	1 Feb 2021			2	2
J McMillan	Chair Audit Committee	1 Feb 2015	31 Jan 2021	31 Jan 2021	3	3
A Hetherington	Non-Executive Member	1 Feb 2015	31 Jan 2021	31 Jan 2021	3	3

The following were in regular attendance at Committee meetings:

- Liz Connolly (Principal and Chief Executive)
- David Alexander (Vice Principal Operations)
- Alan Ritchie (Director of Finance)
- Shirley Gordon (Secretary to the Committee)

The College's internal auditors, Wylie & Bissett LLP, attended all Committee meetings during the year. 2020-21 is the first year of their initial three-year appointment to 31 July 2023, with an option to extend the contract for a further two years. As part of the appointment Wylie & Bissett LLP were appointed to undertake the annual audit review of SFC student activity, student support funds, educational maintenance allowances and SAAS discretionary funds.

The College external auditors, Mazars LLP, were appointed by Audit Scotland to undertake the review of the Annual Report and Accounts for five years, concluding with the completion of the 2020-21 audit. Due to the significant disruption for public bodies as a result of Covid-19, [Audit Scotland announced in October 2020](#) that their appointment would be extended by a further year to take the contract through the audit of 2021-22. Mazars have attended three Audit Committee meetings during the year at which they presented their Management Letter and Financial Statement as of 31 July 2020 and subsequently their 2020-21 Audit Strategy Memorandum.

Meetings

Audit Committee meetings were held on the following dates:

- 3 September 2020
- 3 December 2020
- 11 March 2021
- 20 May 2021

Additionally, a joint meeting of the Audit Committee and Finance and General Purposes Committee was held on 24 November 2020 to approve the Annual Report and Accounts for Board of Management consideration for the year ended 31 July 2020.

GENERAL EFFECTIVENESS REPORT

Assessment of the effectiveness of the College's financial and other internal control systems

Audit Committee members have received assurance on the College's control systems through the work undertaken by internal and external auditors. The following reports have been considered by the Committee during the 2020-21 year:

- The 2020-21 Internal Audit Plan was approved and update reports on progress received by the Committee at each meeting.
- Internal Audit Reports have been reviewed by the Committee as outlined later within this report and detailed within Appendix B.
- Update reports relating to the delivery of the College Regional Outcome Agreement with the Scottish Funding Council as it pertained to the remit of the Committee were considered during the year.

- A report on the actions required and undertaken by the College / Committee to address the revised Scottish Government Audit and Assurance Committee Handbook. Progress reports have been provided to the Committee throughout the year.
- An overall College Assurance Map and process was considered and approved by the Committee. The Assurance Map was utilised during consideration of the 2021-22 Internal Audit Plan.
- The Committee schedule of business was reviewed at each meeting to ensure adherence to and delivery of the Committee remit.
- 2020-21 year-end reports were received and considered by the Committee:
 - The Annual Internal Audit Report: the auditors were satisfied with the control framework in place.
 - EMA Audit (Education Maintenance Allowance): **Outcome TBC.**
 - SFC Aggregated Student Funding Audit: **Outcome TBC.**
 - Student Credit Audit: **Outcome TBC.**
 - Financial Statements Management Letter: **Outcome TBC.**
 - Report and Financial Statements
- Report on the outcome of the College involvement in Audit Scotland National Fraud Initiative, which is undertaken every two years.
- Report on actions taken following the purchase ledger fraud and the attempted IT fraud.

Members of the Audit Committee had the opportunity to meet in closed session with the internal and external auditors during 2020-21. This enabled a discussion to take place in relation to audit and governance matters without the College management present. No matters of concern were raised, and the internal and external auditors confirmed their satisfaction with the engagement provided by College management in relation to the audit process.

The Audit Committee also met in closed session with members of the College Executive and identified no issues with either the internal / external auditors or audit arrangements.

Fraud and Corruption Policy and Processes

The Committee remit includes a requirement '*To advise the Board on the adequacy of the anti-fraud policy and processes*'. The College Anti-Fraud and Corruption Policy was reviewed by the Committee at its September 2021 meeting. The Committee considered the Policy **TBC.**

The internal auditors also carried out a separate review of the College response to the attempted ransomware attack during 2020-21. The outcome of the review provided strong assurance on the College response to the attempted fraud and had no recommendations.

Public Interest Disclosure (Whistleblowing) Policy

In September 2019 the Committee reviewed and approved the College Public Interest Disclosure (Whistleblowing) Policy and Procedure. This procedure and policy will be reviewed by the Committee as part of its 2021-22 schedule of business. An annual report is provided to the Committee on the number and type of items reported under the College Public Interest Disclosure (Whistleblowing) Policy. The 2020-21 report did not highlight any reportable instances.

Compliance with Corporate Governance requirements

The Committee considered the annual report on governance compliance at the 20 May 2021 meeting. This confirmed that the College had complied with corporate governance requirements and good practice guidance and had operated in accordance with the SFC Financial Memorandum, the Scottish Public Finance Manual, and the Code of Good Governance for Scotland's Colleges. The Committee welcomed this report and the assurance that it brought and advised the Board of Management accordingly.

In accordance with Paragraph D.23 of [*'The Code of Good Governance for Scotland's Colleges'*](#)

"the board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online".

It was agreed at the 1 February 2021 Board meeting that, for the annual internal Board effectiveness review 2021, the same survey that was used in 2018 and 2019 should be issued to all Board members again this year. The survey was issued on 1 March 2021 with a closing date of 19 March 2021. The outcomes of this review were used to inform and update the Board Development Action Plan. Both the Effectiveness Review Report and Board Development Action Plan were approved by the Board of Management at its meeting held on 14 June 2021 and, thereafter, forwarded to the SFC and are published on the College website at the following link:

<https://www.westcollegescotland.ac.uk/college/about-us/board-of-management/>

The Board last undertook an externally facilitated evaluation of its effectiveness in late 2019 with the feedback report being approved at the Board meeting held in February 2020.

Each Board member has an individual review meeting with the Chair of the Board during the year. This allows Board members to discuss any training or development needs and helps identify the training and development programme for the following session. The Chair has an annual review meeting conducted by the Vice Chair of the Board and the Board Senior Independent Member.

Review of Audit Committee effectiveness

The key findings of the Audit Committee Effectiveness review were considered at the May 2021 meeting, which confirmed that the members were satisfied with:

- the operation and effectiveness of the Committee.
- the level and quality of information and assurances it received from a range of sources.

The review did not result in any suggestions as to how the Committee could make further improvements.

INTERNAL AUDIT SERVICE

Provider

During 2020-21 the internal audit service was provided by Wylie & Bisset. 2020-21 is the first year of an initial three-year appointment to 31 July 2023, with an option to extend the contract for a further two years. As part of the appointment Wylie & Bisset were appointed to undertake the annual audit review of SFC student activity, student support funds, educational maintenance allowances and SAAS discretionary funds.

Internal Audit Report 2020-21

Appendix B contains a table of the internal audit reports presented by Wylie & Bisset during the year to 31 July 2021. The Audit Committee has reviewed the key findings of the internal audit reports and considered the recommendations and findings contained therein.

The Internal Auditor Annual Report for 2020-21 was considered at the September 2021 meeting of the Audit Committee, where it was noted the programme of internal audit activity for 2020-21 had been completed as planned.

Unplanned Audit Assignment – Response to Attempted IT Fraud

Wylie & Bisset were asked to undertake a review of the College response to the January 2021 attempted ransomware fraud. The purpose of the review was to assess whether, once the incident was identified, that the fraud response plan contained within the Fraud and Corruption Policy was activated correctly and the agreed process was appropriately followed by the College.

The internal audit review concluded:

‘We can provide a strong level of assurance over the College's handling of the IT ransomware attack. We can also confirm that the College correctly activated its Fraud Response Plan, and the agreed process was appropriately followed in respect of the IT ransomware attack. We have raised no recommendations from our review.’

The internal auditors identified no areas for improvement.

The Audit Committee were satisfied with the work undertaken by the College to address matter. The College provided awareness of this fraud to the Scottish Funding Council as required by the Financial Memorandum.

Monitoring

The Audit Committee, through the Rolling Audit Action Plan, reviews the progress made by the College in addressing the recommendations made by both internal and external auditors. This systematic approach, which sees audit actions monitored at each Committee meeting, ensures progress is maintained in addressing audit recommendations, which is key in maintaining internal control of identified risks. The Audit Committee also reviews and monitors the College identification, management, and mitigation of risk throughout the year and sees this as an essential requirement in providing assurance on audit activity to the Board of Management.

The College maintains an electronic register of internal audit recommendations as part of the continuous rolling review process, and this enables the relevant College Director with lead responsibility for each action to update the status of the audit recommendations on a real time basis. This allows the internal auditors to monitor progress continuously and report on the status of all audit recommendations on an ongoing basis, rather than a follow up review being undertaken on an annual basis.

The external auditors also review any recommendations made in the prior year external audit reports and confirm progress made in addressing these on an annual basis.

Internal Audit Effectiveness and Performance Review

Following a review in May 2021 the Audit Committee confirmed it was satisfied as to the effectiveness of the work carried out by the College internal auditors, Wylie & Bisset, and with their general performance during the period. This conclusion was based upon several factors including delivery of the internal audit plan, number of days utilised in delivering the plan, interaction with the Committee and College staff and receipt of comprehensive and evaluative reports.

Closed Meeting

The Committee met in closed session with Wylie & Bisset at the May 2021 Audit Committee meeting. There were no issues arising and thus no matters to be reported to the Board of Management following this meeting.

Internal Audit Plan

At the May 2021 Audit Committee meeting, Wylie & Bisset presented the draft 2021-22 Internal Audit Plan. The Internal Audit Plan was based upon the College assurance mapping process and a risk analysis exercise carried out by Wylie & Bisset in conjunction with the College Senior Management Team. The aim of the Internal Audit Plan is to provide the Board of Management with assurance on the effective management of the College's key risks. This means that the internal audit plan considers the full range of systems and risks within the College, not just the financial systems.

The 2021-22 Internal Audit Plan was approved by the May 2021 Audit Committee subject to any implications that might arise from the ongoing review/updating of the College Strategic Risk Register.

EXTERNAL AUDITORS

Mazars LLP were appointed by Audit Scotland as the external auditors of West College Scotland with effect from 1 August 2016 until 31 July 2021. Due to the significant disruption for public bodies because of Covid-19, Audit Scotland in October 2020 confirmed that the current appointments would be extended by one year to include the 2021-22 audits.

The Audit Committee received and accepted Mazars Audit Strategy Memorandum for the year ending 31 July 2021 at the May 2021 meeting.

The External Auditors presented their Annual Report to the Board of Management and the Auditor General for Scotland on the External Audit for the year ending 31 July 2021 to the joint Audit / Finance and General Purposes Committee meeting held on 23 November 2021. **The external audit annual report had {TBC opinion} regarding the financial statements for the year to 31 July 2021.**

Cost

The cost of providing the external audit service to the Board of Management for the year to 31 July 2021 was £32,500 (2019-20: £31,000). The agreed external audit fee is within the parameters stipulated by Audit Scotland.

External Audit Effectiveness and Performance Review

The December 2020 Audit Committee considered the effectiveness of the external auditors and concluded that they were satisfied with the performance of the external auditors, Mazars. This conclusion was based upon several factors including delivery of the external audit assignment, number of audit days utilised in delivering their opinions, interaction with the Committee and College staff and receipt of comprehensive and evaluative reports.

Closed Meeting

In line with best practice, the Audit Committee met in closed session with Mazars and Wylie & Bisset at the November 2020 joint meeting with the Finance and General Purposes Committee. Both sets of auditors confirmed that the information provided to them by the College had allowed them to reach their opinions with confidence. Both audit firms were of the opinion the Senior Management Team at West College Scotland worked together well and were diligent and professional.

Other Audit Coverage

Additional audit work is undertaken to validate several mandatory returns required each year by the Student Awards Agency for Scotland (SAAS) and the SFC. For 2020-21 this work was undertaken by Wylie & Bisset LLP. The College is required to submit audit certificates to the SFC / SAAS relating to:

1. HE Student Support Funds Return

Outcome TBC.

2. SFC Aggregate Student Support Return

Outcome TBC.

3. EMA Return

Outcome TBC.

4. SFC Credit Return

Outcome TBC.

RISK MANAGEMENT

The College [Risk Management Strategy](#) was reviewed by the Audit Committee during its March 2021 meeting with only two minor amendments being made. The Board of Management approved the revised Risk Management Strategy in March 2021.

The College continues to develop the process of risk management within the College, with several actions undertaken during 2020-21, including:

- The Strategic Risk Register is now stored on the Pentana Management System allowing users on-line access to the register, including both the internal and external auditors. The mitigating controls have been allocated to the relevant members of the Senior Management team to allow these to be updated as required, including the addition of any new mitigating actions.
- The consideration of risk by the College Senior Management Team continues to be ongoing throughout the year.
- The College Strategic Risk Register is considered at all Board and Committee meetings, with the reporting format reviewed and updated as required.
- The College operational planning process has the consideration of risk and mitigations as a key aspect of the development of departmental plans.

OTHER REPORTING

During the year the Audit Committee also received an Annual Report in relation to:

- Register of interests for Board and Committee members.
- Freedom of Information and Data Protection Acts requests received by the College.
- Register of Interests for all College staff members.
- Hospitality/Gifts Registers for all College staff members.

The Audit Committee was satisfied with the content of the reports and had no issues to report to the Board of Management.

2021-22 Forward Look

The Committee maintains a Schedule of Business which is reviewed at the end of each meeting. This enables the members to assess that all areas of the Committee remit are being addressed through the work being undertaken. As part of the Schedule of Business, the Committee also look ahead to establish what work is planned and when it reasonably can anticipate receipt of the relevant reports. This ensures the work of the Committee is met throughout the year, ensuring material items are given due consideration at the appropriate time. The work of the Committee in 2021-22 will include:

- Receipt of internal audit report in line with the agreed 2021-22 Internal Audit Plan.
- Review of Fraud, Bribery and Whistleblowing policies.
- Review of governance compliance.
- Review of College Assurance Map.
- Review of revised Risk Management Strategy and updated risk register.

COMMITTEE OPINION

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

Based on the assessments and reports provided by the internal / external auditors and the College management the Audit Committee is satisfied that its responsibilities to the Board of Management have been satisfactorily discharged.

Signed:

Date:

Chair of Audit Committee

Appendix A – Audit Committee Remit

Statement of Purpose

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

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

1. Remit

.1 General

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

.2 Internal Audit

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee.
- To advise the Board on the terms of reference for the Internal Auditors.
- To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters.
- To agree the Internal Audit Plan and review the Internal Audit Annual Report.

- To review the Internal Audit reports, the management response to them and to review implementation of the actions required.
- To review the Rolling Audit Action Plan at each meeting.
- To encourage appropriate liaison and co-ordination between internal and external audit.
- To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors.

.3 External Audit

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

.4 Risk

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

.5 Other

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

2. Membership

Category

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

In Attendance

Principal
Vice Principal Operations
Director of Finance
Secretary
Internal Auditor (Wylie Bisset)
External Auditor (Mazars)

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

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

- The Principal or other senior post holders.
- The Chair of the Board of Management.
- Members of the Corporate Development Committee.
- Connected parties such as the employee, partner, spouse or family member of the College's solicitors, bankers, auditors, insurers, or other professional advisers.

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

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

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

The Chair and Vice Chair of the Committee will be members of the Board of Management.

Chair, Vice Chair, and members appointments to the Committee will be between 3 to a maximum of 5 years, providing systematic opportunities for Committee members to serve on another Committee.

Members of the Audit, Corporate Development and Learning and Teaching Quality Committees can request to attend other Committees' meetings as observers, providing opportunities to gain more understanding of the respective Committees' issues.

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

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

3. Frequency of Meetings

The Committee will meet at least four times per year.

The Committee will also hold an annual joint meeting with the Corporate Development Committee to consider the Financial Statements and audit reports. Additional meetings will be convened as necessary.

4. Quorum

A quorum will be no less than 50% of Board members on the Committee.

5. Secretariat

The Secretary to the Board of Management.

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

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

6. Review

The remit will be subject to review annually.

Appendix B - Internal Audit Reports Received by the Audit Committee during 2020-21

Report	Audit Plan Year	Planned Audit Committee	Actual Audit Committee
Assurance Mapping	2020-21	December 2020	December 2020
Fraud Awareness	2020-21	December 2020	December 2020
Overall Financial Controls	2020-21	March 2021	March 2021
HR: Sickness and Absence Reporting	2020-21	March 2021	March 2021
Study of effects of Covid-19 – phase 1	2020-21	March 2021	May 2021
External Communications – Website	2020-21	May 2021	May 2021
Complaints Handling	2020-21	May 2021	May 2021
Study of effects of Covid-19 – phase 2	2020-21	May 2021	May 2021
Additional Audit Assignment			
Fraud Response Review	2020-21		May 2021

TITLE: **ANTI-FRAUD AND CORRUPTION POLICY**

Background: The Audit Committee remit includes the requirement

'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).'

The schedule of business (agenda item 14) indicates the reports which the Committee will receive in discharging this duty. The review and approval of the College Anti-Fraud and Corruption Policy is one of those reports.

Action: The Audit Committee is requested to:

- a) note the content of the report.
- b) consider and approve the Anti-fraud and Corruption Policy.

Lead: Alan Ritchie, Director of Finance

Status: Open

1 Audit Scotland 'Fraud and irregularity 2020-21' Report

1.1 Audit Scotland issued the above report in July of this year, a copy of which can be found her: [Audit Scotland Report](#)

1.2 The report highlights four key messages:

- Significant challenges due to Covid-19.
- Wide range of action required to mitigate new risks.
- Weaknesses in controls contribute to fraud and irregular activities.
- Information is available at the [Counter-fraud hub](#).

1.3 The report makes five recommendations for public bodies to consider to ensure good governance and counter fraud arrangements are in place:

- having in place appropriate governance and oversight arrangements for counter-fraud.
- regularly reviewing controls and governance arrangements to ensure they remain fit for purpose.
- being alert to emerging fraud risks and where appropriate working with others to help alleviate these risks.
- considering whether appropriate controls are in place to prevent the risks identified in this report materialising in their own organisation.
- considering whether the weaknesses in internal control that facilitated each case of fraud or irregularity identified in this report may also exist in their own organisations and taking the required corrective action.

1.4 The College has reviewed the seven key risk categories identified in the report and note the following:

Risk (1) - Covid-19 funding and reopening of premises and services

- Most of the risk elements relate to Councils and are therefore not applicable.
- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.

Risk (2) - Health and wellbeing

- No particular risk identified which requires to be addressed by the College.

Risk (3) - IT and cybercrime

- The College has taken significant action to reduce the risk of cyber attack following the January 2021 ransomware incident. An update will be provided to the Audit Committee at its next meeting.
- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.

Risk (4) – Governance

- During the global pandemic, the College has continued to operate as normal regarding the internal audit function and external audit requirements. Reports have been received by the Audit Committee on the work undertaken during the year highlighting the continuance of the good governance arrangements in place.
- IT equipment has been effectively distributed and the College is now working on developing an improved distribution and collection mechanism for the 2021-22 academic year.

Risk (5) – Procurement

- There was no relaxation of the Financial Regulations during the pandemic. During the national lockdowns procedures such as petty cash were tightened, and these controls have continued with the return to campus operations.
- The College participation in the National Fraud Initiative 2021 exercise did not highlight any purchase ledger issues.
- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.

Risk (6) – Payment

- Following the two purchase ledger frauds the College has reviewed and updated its change of supplier bank details procedures and payment procedures. These changes were the subject of a satisfactory internal audit review.
- There was no relaxation of the Financial Regulations nor a change in the College finance system processing requirements, which provides invoice and order checks prior to any payments being made.
- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.

Risk (7) – Payroll and recruitment

- There was no relaxation of the controls in relation to new staff or changes to payroll data during the pandemic.
- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.

1.5 The College will continue to consider the ways to reduce counter-fraud risk highlighted within the report and take appropriate action as required including:

- Sharing of the report contents to highlight the types of fraudulent activity with College managers / staff will go some way to reduce the overall risk.
- Updating the risk assessment to identify the most vulnerable areas.

2 Anti-Fraud and Corruption Policy

2.1 The College Anti-Fraud and Corruption Policy has been reviewed and the following amendments are proposed:

- Policy Statement - This has been updated to reflect current best practice.
- 1.2 - This section has been added to reference the underlying legislative requirements of the Policy
- 1.3 - This section has been added to highlight the zero tolerance of the College towards fraud and bribery and to extend the coverage of the Policy to those who represent the College.
- 3.1 – Definition of fraud has been expanded in line with best practice.
- 13.1 - Section added to define the review period or two years or whenever changes affect it

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

3 Conclusion

3.1 The Audit Committee is requested to:

- a) note the content of the report.
- b) consider and approve the Anti-fraud and Corruption Policy.

Policy & Procedure	<u>Anti</u> -Fraud and Corruption Policy
Policy Area	Finance
Version Number	<u>43</u>
Approving Committee	Audit Committee
Date of Approval	8 September 2021
Date of Equality Impact Assessment	7 December 2018
Date of Review	8 September 2023
Responsible Senior Manager	Director of Finance and Estates

History of Amendments

Date	Version/Pages/Sections Affected	Summary of changes
01/08/2017	2 - Whole Document	Reviewed and updated in accordance with 2-year review period.
22/9/2019	3 - Whole Document	Reviewed and updated following 2018-19 fraud investigations and legal review.
4/8/2021	4 – Whole Document	Reviewed and updated in accordance with 2-year review period.

Policy Statement

The College is committed to providing a high standard of service and accountability. The College has clear systems and procedures to assist in the prevention and investigation of fraud. This Policy aims to protect against fraud bribery and corruption within the College and from external sources and sets out the procedures in the event that fraud is suspected or detected. The College is committed to ensuring that these arrangements keep pace with future developments, in both preventative detection techniques.

Equality Statement

The College is committed to providing equal opportunities to ensure its students, staff, customers and visitors are treated equally regardless of gender reassignment; race; religion or belief; disability; age; marriage and civil partnerships; pregnancy and maternity; sexual orientation; sex.

Please note this Policy is available in other formats, to request another format please email Charlene.Clark@wcs.ac.uk

Contents

1. Introduction	4
2. Purpose	4
3. Definitions	5
4. Awareness	5
5. Scope	6
6. Public Sector Values	8
7. Board of Management Policy	10
8. Roles and Responsibilities	12
Line Managers	13
All Staff	14
9. Response Plan	14
Introduction	14
Reporting Fraud	15
Managing the Investigation	16
Gathering Evidence	18
Interview Procedures	19
Reporting process	19
Disclosure of Loss from Fraud	20
Police Involvement	20
Press Release	20
10. Resourcing of Investigation	21
11. Risk Assessment / Training	21
12. The Law and its Remedies	21
13. Effective Date of Policy	22

1. Introduction

- 1.1 One of the basic principles of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk and the means of enforcing the rules against fraud/theft and other illegal acts involving corruption, dishonesty or damage to property.

1.2 In developing this policy, the College has taken account of existing external guidance and legislation, including the Scottish Public Finance Manual, UK Corporate Governance Code 2010 and Bribery Act 2010.

1.3 The College has a zero-tolerance culture to fraud and will treat any instances of fraud or corruption by its employees of the College and any of its subsidiaries (including temporary and agency workers and any unpaid members of staff and voluntary workers) ("employee"), board members, or service providers/contractors (which includes agents and others who represent the College wherever located) ("contractor") as serious breaches of discipline and as potentially criminal acts~~-. Bribery of or by any College employee, board member or contractor for either personal or organisational gain will be similarly treated. The College will co-operate fully with any criminal investigations carried out in response to instances of fraud, corruption, or bribery.~~

2. Purpose

- 2.1 The purpose of this Policy 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. This Policy sets out the Board of Management's response plan for detected or suspected fraud. It is not the purpose of this Policy to provide direction on the prevention of fraud.

3. Definitions

~~3.1~~ **Fraud** for the purpose of this Policy is where someone achieves a practical outcome by the means of false pretence (which includes making false representations, dishonestly failing to disclose information and dishonestly abusing their position) including the appropriation of cash, property or other benefit by deception. This includes any fraudulent crime conducted electronically or via a computer or computer data.

~~3.23.1~~ **Corruption** is generally the abuse of entrusted power for private gain which includes the dishonest influence of actions and decision.

~~3.33.2~~ **Bribery** is either giving or receiving an inducement or reward offered, promised, or provided to gain personal, commercial, regulatory, or contractual advantage.

4. Awareness

4.1 The College recognises that the continuing effectiveness of this process depends largely on the awareness and responsiveness of Board members, staff, ~~and~~ students and contractors and their willingness to highlight these issues. It is essential that Board members and ~~employees~~ staff are made aware of this Policy and its procedures when they join the College and either receive a copy for inclusion in their personal records or have access to this policy online and, in addition, have ready access to all other relevant documents, policies and procedures, which regulate the College's activities.

4.2 Action will be taken on a regular basis to remind both Board Members and staff of the importance the College places on avoiding and preventing fraud, bribery and corruption.

5. Scope

- 5.1 This Policy applies to all employees, Board members including co-opted members and volunteers of West College Scotland. This also applies to [contractors and](#) business partners where a relationship is in place for them to undertake duties on behalf of the College.
- 5.2 The College recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, staff, students, Internal Auditors, Board of Management, Scottish Ministers/ the Scottish Government, Members of the Scottish Parliament (MSPs), the Scottish Funding Council (SFC), External Auditors, Education Scotland, HM Revenue and Customs and Audit Scotland.
- 5.3 The College has internal and external auditors who advise the Board of Management about the adequacy of arrangements for the prevention and detection of fraud and corruption.
- 5.4 While this external scrutiny assists in protecting against fraud and corruption the College believes a clear statement of its own strategy is needed.
- 5.5 The key elements of the College's strategy to combat fraud and corruption are:
- An open and honest culture
 - Adequate preventative measures
 - Systems for detection and investigation
 - Understanding and awareness within the College
 - The adoption of a Public Interest Disclosure (Whistleblowing) Policy
- 5.6 This Policy should be read in conjunction with the College's (i) [Equality Diversity and Inclusion Policy](#) and its documentation regarding compliance with the Equality Act 2010, and (ii) [Public Interest Disclosure \(Whistleblowing\) Policy and Procedure](#).

Commented [AR1]: Where can I link to a copy of this on the website?

- 5.7 For simplicity, this Policy will refer to “fraud” which shall encompass all the behaviours set out in the definitions, except where the context indicates otherwise.
- 5.8 The Board of Management already has procedures in place that reduce the likelihood of fraud/theft occurring. These include standing financial procedures, a system of internal control and a system of risk assessment. In addition, the Board of Management will ensure that a risk awareness culture exists by issuing guidance on prevention of fraud.
- 5.9 It is the responsibility of the College and its’ management to maintain adequate and effective internal controls to facilitate detection of fraud. The role of Internal Audit is to evaluate these systems of control. It is not the responsibility of Internal Audit to detect fraud, but to identify potential weaknesses in systems that may give rise to error or fraud.
- 5.10 The contents of this Policy have been set out as follows:
- **Section 6** sets out the Public Sector Values that must underpin the activities and culture of the College.
 - **Section 7** sets out the Board of Management’s policy on dealing with fraud.
 - **Section 8** sets out the roles and responsibilities of staff in detecting and notifying fraud.
 - **Section 9** is the response plan that managers will follow where a fraud is reported.
 - **Section 10** discusses the resourcing options for any investigation.
 - **Section 11** advises on the pursuit of legal remedies, including option for recovery of any sums.

- **Appendix 1** sets out further guidance and reading in relation to the prevention of fraud.
- **Appendix 2** sets out the equality impact assessment.

6. Public Sector Values

- 6.1 High standards of corporate and personal conduct, based on the recognition that students come first, are a requirement, and these can be summarised as follows:

Accountability: Everything done by those who work in the College must be able to stand the tests of parliamentary scrutiny, judicial review, and public judgement on propriety and professional codes of conduct.

Probity: Absolute honesty and integrity should be exercised in dealing with students, assets, staff, suppliers and customers.

Openness: The College's activities should be sufficiently transparent to promote confidence between the College and its students, staff and the public.

All those who work in the College should be aware of and act in accordance with these values.

- 6.2 There are several Statutory frauds which exist and are defined by legislation, including the following:
- Criminal Justice and Licensing (Scotland) Act 2010 (conspiracy to commit fraud overseas)
 - Companies Act 2006 (fraudulent trading and false and misleading financial statements)

- Insolvency Act 1986 (fraudulent trading and fraud in anticipation of winding up)
 - Financial Services and Markets Act 2000 and the Financial Services Act 2012 (misleading statements and impressions in relation to investments and financial products)
 - Consumer Protection from Unfair Trading Regulations 2008 (misleading commercial practices)
 - Value Added Tax Act 1994 (fraudulent evasion of VAT)
 - Custom and Excise Management Act 1979 (fraudulent evasions of duty)
- 6.3 The College is also committed to participating in the [National Fraud Initiative](#) (NFI) exercise carried out by Audit Scotland. The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Cabinet Office oversees it and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and external auditors. The NFI takes place every second year.
- 6.4 The NFI in Scotland is now well established and enables public bodies to use computer data matching techniques to detect fraud and error.
- 6.5 The NFI's key features as highlighted by Audit Scotland report are:
- Acts as a deterrent to potential fraudsters
 - Identifies errors and fraud enabling appropriate action to be taken
 - Operates across boundaries and public bodies in different sectors and countries
 - Can provide assurances that systems are operating well
 - Can identify where system improvements are required
 - Represents value for money through centralised data processing and identifying targeted high-priority matches
- 6.6 Further information in relation to the NFI can be found at <http://www.audit-scotland.gov.uk/our-work/nationalfraud-initiative>

7. Board of Management Policy

- 7.1 The Board of Management is committed to maintaining an honest, open and well-intentioned atmosphere within the College. It is committed to the deterring, detection and investigation of any fraud within the College. The Public Interest Disclosure Act 1998 forms a key part of the Board of Management's policy.
- 7.2 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.
- 7.3 In Scots law fraud is mainly dealt with under common law. The main criminal offences are common law fraud, uttering (forged or counterfeited document) and embezzlement. There are also statutory offences which contain an element of fraud including for example: the Criminal Justice and Licensing (Scotland) Act 2010 (conspiracy to commit fraud overseas); Companies Act 2006 (fraudulent trading and false and misleading financial statements); Insolvency Act 1986 (fraudulent Trading and fraud in anticipation of winding up); Consumer Protection from Unfair Trading Regulations 2008 (misleading commercial practices); Value Added Tax Act 1994 (fraudulent evasion of VAT).
- 7.4 The term 'fraud' is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

7.5 Computer fraud or Cyber Fraud is where information technology equipment has been used to manipulate programmes or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of a computer time and resources, including unauthorised personal browsing on the internet, is included in this definition.

7.6 It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 inserts provisions into the Employment Rights Act 1996, which provide protection for those who raise concerns that, in their reasonable belief, are made in the public interest and show that one of the following has taken, is taking, or is likely to take, place: criminal offences; breaches of any legal obligations; miscarriages of justice; danger to the health and safety of any individual; damage to the environment and/or the deliberate concealing of information about any of these matters.

7.7 In the first instance any suspicion of fraud, theft or other irregularity should be reported by the member of staff, as a matter of urgency, to their line manager. If reporting to the line manager would be inappropriate (for example because the line manager is potentially implicated in the suspected fraud, theft or other irregularity), the concerns should be reported to one the following persons:

- Head of Faculty (or equivalent)
- Director of Finance ~~and Estates~~
- Vice Principal
- Principal
- Chair of Audit Committee

7.8 Every effort will be made to protect an informant's anonymity if requested. However, the College will always encourage individuals to be identified to add more validity to the accusation and allow further investigations to be more

effective. In certain circumstances, anonymity cannot be maintained. In these circumstances, the informant will be informed prior to release of information.

8. Roles and Responsibilities

- 8.1 The overall responsibility for the prevention and minimising of fraud rests with the Principal of the College. However all staff have a responsibility for the prevention, detection and reporting of fraud.
- 8.2 The Director of Finance ~~and Estates~~ has been nominated as the main point of contact for the reporting of any suspicion of fraud. In addition, responsibility for investigation of fraud/theft has been delegated to the Director of Finance ~~and Estates~~. The Director of Finance ~~and Estates~~ shall be responsible for informing third parties such as the Scottish Further Education Funding Council, internal and external audit, of the police where appropriate. For incidents involving the Director of Finance ~~and Estates~~, Vice Principals, the Principal and/or the Board of Management, the “nominated individual” shall be the Board of Management’s Chair of the Audit Committee. For incidents involving the Chair of the Audit Committee the “nominated individual” shall be the Chair of the Board of Management. For the purpose of the remainder of the Policy the nominated “Senior Manager” shall be deemed to be the Director of Finance ~~and Estates~~ or the Board of Management’s Chair of the Audit Committee as appropriate.
- 8.3 The nominated Senior Manager shall inform and consult the Principal (except in the case where such matter involves the Principal where he shall consult with the Board of Management’s Chair of Audit Committee) in all cases.
- 8.4 The Senior Manager may wish to obtain advice as to whether the matter should be investigated under the guidance set out in this Policy or under the College Disciplinary Procedure. The Director of Organisational Development and HR should be consulted in the first instance.

- 8.5 Where a member of staff is to be subject to an investigation for fraud under the College Disciplinary Procedure, which can be found on the College intranet, the Senior Manager shall consult and take advice from the Director of Organisational Development and HR.
- 8.6 The Director of Organisational Development and HR shall advise those involved in the investigation on matter of employment law and other procedural matters.
- 8.7 Where the incident is considered to be subject to either local or national controversy and publicity then the Principal, Board of Management and the Scottish Funding Council should be notified (in addition to the External Auditors) before the information is made public.
- 8.8 It is the responsibility of the Director of Finance ~~and Estates~~ to ensure that staff are aware of the above requirements and that appropriate reporting arrangements are in place.
- 8.9 It is the responsibility of all staff to safeguard the assets of the Board of Management. Assets include information and goodwill, as well as property. As such it is the responsibility of:

Line Managers

- Have an understanding of the fraud risks in their areas and to be aware of the processes which are under risk.
- Be diligent in their responsibilities as managers particularly in exercising their authority in authorising transactions such as timesheets, expense claims, purchase orders, returns and contracts.
- Deal effectively with issues raised by staff including taking the appropriate action in terms of this Policy to deal with reported or suspected fraudulent activity.

- Provide support/resource as required to fraud investigations.

All Staff

- To uphold the high legal, ethical and moral standards that are expected of all individuals connected to the College.
- Adhere to all the policies and procedures in safeguarding the College's assets.
- Alerting management should they suspect that there is or there is the possibility of fraud that exists.

8.10 It shall be necessary to categorise the irregularity prior to determining the appropriate course of action. Two main categories exist:

- Theft, burglary and isolated opportunity offences
- Fraud, corruption and other financial irregularities.

8.11 The former will be dealt with directly by the police, whilst the latter will be investigated and may be reported to the police in accordance with this Policy and also may require disclosure to the College's funding bodies.

9. Response Plan

Introduction

9.1 The following sections describe the Board of Management's response to a reported suspicion of fraud/theft. These procedures are designed to allow for evidence gathering and collation in a manner that will facilitate informed initial decisions, while ensuring that any evidence gathered will be admissible in any criminal or civil action. Each situation is different; therefore, the guidance must be considered carefully in relation to the specific circumstances of each case before action is taken.

- 9.2 Under no circumstances should a member of staff speak or write to representatives of the press, television, radio or to another third party (other than those external parties who are “prescribed persons” within the terms of the Public Interest Disclosure Act 1998), about a suspected fraud/theft, without the express authority of the Principal. Care needs to be taken that nothing is done that could give a rise to an action for defamation of character.

Reporting Fraud

- 9.3 The nominated Senior Manager shall be trained in the handling of concerns raised by staff. The nominated Senior Manager shall, whenever possible, respect any request for anonymity or confidentiality providing that in doing so, that is consistent with the overall aims and objectives of this Policy and the principles of natural justice.
- 9.4 All reported suspicions must be investigated as a matter of priority to prevent any further potential loss to the Board of Management.
- 9.5 The nominated Senior Manager shall maintain a log of reported suspicions. The log will document, with reason, the decision to take further action or to take no further action. To justify such decisions the nominated Senior Manager shall retain as necessary, confidential files of evidence gathered to arrive at a decision. These files will be securely held with limited access. The log will detail any actions taken and conclusions reached with appropriate cross-referencing to any file held. The log should be reviewed annually by the Internal Auditors, who will report to the Audit Committee on any significant matters.
- 9.6 The nominated Senior Manager should consider the need to inform the Board of Management, external audit and police of the reported incident. In doing so, the nominated Senior Manager should take cognisance of the following guidance:

- Suspected losses below £500 may be treated as below the delegated limit and any required action taken as appropriate by the Senior Manager.
- The Principal should be informed at the first opportunity in all cases of fraud.
- It is the duty of the nominated Senior Manager to notify the Board of Management immediately of all losses above the delegated limit where fraud/theft is suspected.
- If a criminal act is suspected, particularly fraud or corruption, it is essential that matters are progressed from the outset in accordance with this Policy. The police should be contacted before any overt action is taken which may alert suspects and precipitate the destruction or removal of evidence. This includes taking action to stop a loss or tighten controls only on advice of the police not to take such action.
- At the stage of contacting the police, the nominated Senior Manager should contact the Director of Organisational Development and HR to initiate, if appropriate, the suspension of the employee, with pay, pending an investigation.

Managing the Investigation

- 9.7 The nominated Senior Manager will appoint a manager to oversee the investigation. The circumstances of each case will dictate who will be involved and when.
- 9.8 The manager overseeing the investigation (referred to hereafter as the “Investigating Manager”) should initially:
- Initiate a “Diary of Events” to record the progress of the investigation.
 - If possible, determine if it is a fraud investigation or another criminal investigation. If a criminal event is believed to have occurred, the police, external audit and the Chair of the Audit Committee should be informed,

if this has not already been done. The Chair of the Audit Committee should inform the Chair of the Board.

9.9 If a criminal offence is believed to have occurred, the Investigating Manager may consider it appropriate to wait until the conclusion of any criminal investigation and/or proceedings before determining whether to progress the internal investigation.

9.10 If it is determined by the Investigating Manager that a formal internal investigation should be carried out, the investigation should establish:

- The extent and scope of any potential loss.
- If the College Disciplinary Procedure should be invoked.
- The nature of the offence, if not yet established.
- What can be done to recover loss.
- What may need to be done to improve internal controls to prevent re-occurrence.

9.11 The outcome of the investigation will be the subject to a report. This will normally take the form of an Internal Audit Report to the Audit Committee. The Audit Committee will then report the outcome to the Board of Management.

9.12 Where the report suggests that a criminal act has occurred and notification to the police has not been made, it should now be made.

9.13 Where recovery of a loss to the Board of Management, arising from any act (criminal or non – criminal), is likely to require a civil action, the College should seek legal advice.

9.14 If a decision is taken to invoke the College's Disciplinary Procedure, the report of the investigation will be used during the formal disciplinary proceedings.

9.15 An employee(s) who is/are the subject of any investigation may be suspended with pay pending the outcome of any proceedings under the College Disciplinary Procedure.

Gathering Evidence

9.16 It is not possible for this procedure to cover all the complexities of gathering evidence. Each case must be treated according to the circumstances of the case, taking professional advice as necessary. The Investigating Manager should, at all times, seek to maximise the reliability of audit evidence.

9.17 If a witness to the event is prepared to give a written statement, it is best practice for an experienced member of staff, preferably from the Human Resources Department, to take a chronological record using the witness's own words. The witness should sign the statement only if satisfied that it is a true record of his or her own words.

9.18 At all stages of the investigation any discussions or interviews should be documented and, where possible, agreed with the interviewee.

9.19 Physical evidence should be identified and gathered in a secure place at the earliest opportunity. An inventory should be drawn up by the Investigation Manager and held with the evidence. Wherever possible, replacement or new documents should be introduced to prevent access to the evidence. If evidence consists of several items, for example a number of documents, each one should be tagged with a reference number corresponding to the written record.

Interview Procedures

- 9.20 The Investigating Manager should, wherever possible, attempt to gather documentary and third party evidence for the purposes of the report. If an employee wishes to make a statement, it should be signed and dated, and include the following:

"I make this statement of my own free will; I understand that I need not say anything unless I wish to do so and that what I say may be given in evidence."

- 9.21 Informal contact with the police should be made at an early stage in any investigation to ensure that no actions are taken that could prejudice any future criminal case through the admissibility of evidence.

Reporting process

- 9.22 Throughout any investigation, the Investigating Manager will keep the Principal, Director of Finance ~~and Estates~~ and Director of Organisational Development and HR informed of progress and any developments. If the investigation is long or complex, interim reports to the Audit Committee will be made. These reports may be verbal or in writing and may be in the form of an Internal Audit report.

- 9.23 On completion of the investigation the Investigating Manager will prepare a full written report setting out:

- Background as to how the investigation arose.
- What action was taken in response to the allegations.
- The conduct of the investigation.
- The facts that come to light and the evidence in support.
- Action taken against any party where the allegations were proved.
- Action taken to recover any losses.

- Recommendations and/or action taken by management to reduce further exposure and to minimise any recurrence.

Disclosure of Loss from Fraud

- 9.24 A copy of the fraud report, for those above the £500 threshold, in appropriate format must be submitted to the Scottish Funding Council. Internal and External Auditors should also be notified of any loss. The register of losses and condemnations submitted annually to the Audit Committee should include any loss with appropriate description.
- 9.25 Management must take account of the permitted limits on writing off losses that require formal approval as stipulated in the College Financial Regulations.

Police Involvement

- 9.26 It shall be the policy of the Board of Management that wherever a criminal act is suspected the matter will be immediately notified to the police.
- 9.27 The nominated Senior Manager will decide at what stage the police are contacted.
- 9.28 The nominated Senior Manager and Investigating Manager should informally notify police of potential criminal acts, to seek advice on the handling of each investigation at an early stage in the investigation.

Press Release

- 9.29 In the event that there may be potentially damaging publicity to the College and/or to the suspect, the Board of Management's Chair, on behalf of the Board of Management, should prepare, at an early stage, a press release giving the facts of any suspected occurrence and any actions taken to date. For example, suspension, although the name of the staff member suspended pending investigations should not be released to the press.

10. Resourcing of Investigation

10.1 The nominated Senior Manager will determine the type and level of resource to be used in investigating suspected fraud. The choices available will include:

- Internal staff from within the College
- Director of Organisational Development and HR
- External / Internal Audit
- Specialist Consultant
- Police

10.2 In making a decision, the nominated Senior Manager should consider independence knowledge of organisation, cost, availability and the need for a speedy investigation. Any decisions must be shown in the Log held by the Nominated Senior Manager. A decision to take “no action” will not normally be an acceptable option except in exceptional circumstances.

10.3 In any case involving a suspected criminal act, it is anticipated that police involvement will be in addition to an alternative resource.

11. Risk Assessment / Training

11.1 The College will undertake an annual fraud risk review for consideration by senior management which will aim to identify and address potential fraud risks. Any training needs identified as part of this review will be undertaken as a matter of urgency.

12. The Law and its Remedies

Criminal Law

12.1 The Board of Management shall refer all incidences of suspected fraudulent acts over the £500 threshold or criminal acts to the police for decision by the Procurator Fiscal as to any prosecution.

Civil Law

- 12.2 The Board of Management shall refer all incidences of loss through proven fraudulent or criminal act to their legal representatives to determine whether the loss can be recovered by civil action.

13. Effective Date of Policy

- 13.1 This Policy is effective from 8 September 2021 and supersedes all previous policies related to Anti-Fraud and Corruption. This Policy will be reviewed whenever changes affect it, or in 2 years, whichever is the earlier.

APPENDIX 1 - FURTHER GUIDANCE ON FRAUD

Further information relevant to implementing this Policy can be found in the following:

[NHS Counter fraud guidance](#)

[National Audit Office - Good practice guidance: Fraud and Error](#)

[CIPFA Code of Practice for counter fraud](#)

[National Fraud Initiative](#)

[Scottish Government Counter Fraud Policy](#)

[Scottish Public Finance Manual](#)

APPENDIX 2 - EQUALITY IMPACT ASSESSMENT

Name of policy/procedure/decision:

Fraud and Corruption Policy

Provide a brief summary of the aims of the policy/procedure/decision and main activities:

This Policy sets out the Board of Management's response plan for detected or suspected fraud. It provides guidance to all staff on the action, which should and will be taken when fraud, theft or corruption is suspected.

Assessed By: Clare Fraser

Date: 7 December 2018

This stage establishes whether a policy, procedure or decision will have a differential impact from an equality perspective on people who share protected characteristics or whether it is "equality neutral" (i.e. have no effect either positive or negative).

The protected characteristics are: age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex and sexual orientation.

1. Who will benefit from this (students/staff/stakeholders)? Is there likely to be a positive impact on people who share protected characteristics, and if so, how? Or is it clear at this stage that it will be equality "neutral"? i.e. will not have a differential impact on any equality group/s?

This Policy is not directly relevant to the College's duty to advance equality, eliminate discrimination and promote good relations. It is not anticipated that any differential impact will occur.

2. Is there likely to be an adverse impact on people who share protected characteristics? If so, who may be affected and why? Or is it clear at this stage that it will be equality "neutral"?

This Policy will have a neutral impact on people who share protected characteristics.

3. What action will you take to ensure that you are monitoring the impact of this Policy?

This Policy will be monitored indirectly through data collected with regards to the Disciplinary Policy and Procedure.

TITLE: EXTERNAL AUDIT PROGRESS UPDATE

Background: The purpose of this paper is to provide the Audit Committee with a report on the progress made by Mazars in delivering their responsibilities as the College's external auditors.

The report highlights the following:

- The 2021 audit timetable is on track for completion as planned.
- Interim audit work has been completed with no further issues being identified.
- The audit will be carried out remotely as per last year.
- Audit Scotland issued a [Fraud and irregularity 2020/21](#) report in July 2021. The College response to the report recommendations were dealt with under item 7 of the agenda.
- The SFC issued the [Accounts Directions for Scotland's Colleges 2020-21](#) on 3 June 2021. The College response to this guidance was considered under agenda item 9.

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

Lead: Joanne Buchanan, Audit Senior Manager, Mazars

Status: Open



Audit Progress Report
West College Scotland
Year ended 31 July 2021

September 2021

Contents

- 01** Summary
- 02** Audit progress
- 03** National publications
- 04** Position statement on 2020-21 audit
- 05** Contact details

This document is to be regarded as confidential to West College Scotland. It has been prepared for the sole use of the Audit Committee as the appropriate sub-committee charged with governance by the Board of Management. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Summary

Purpose of this report

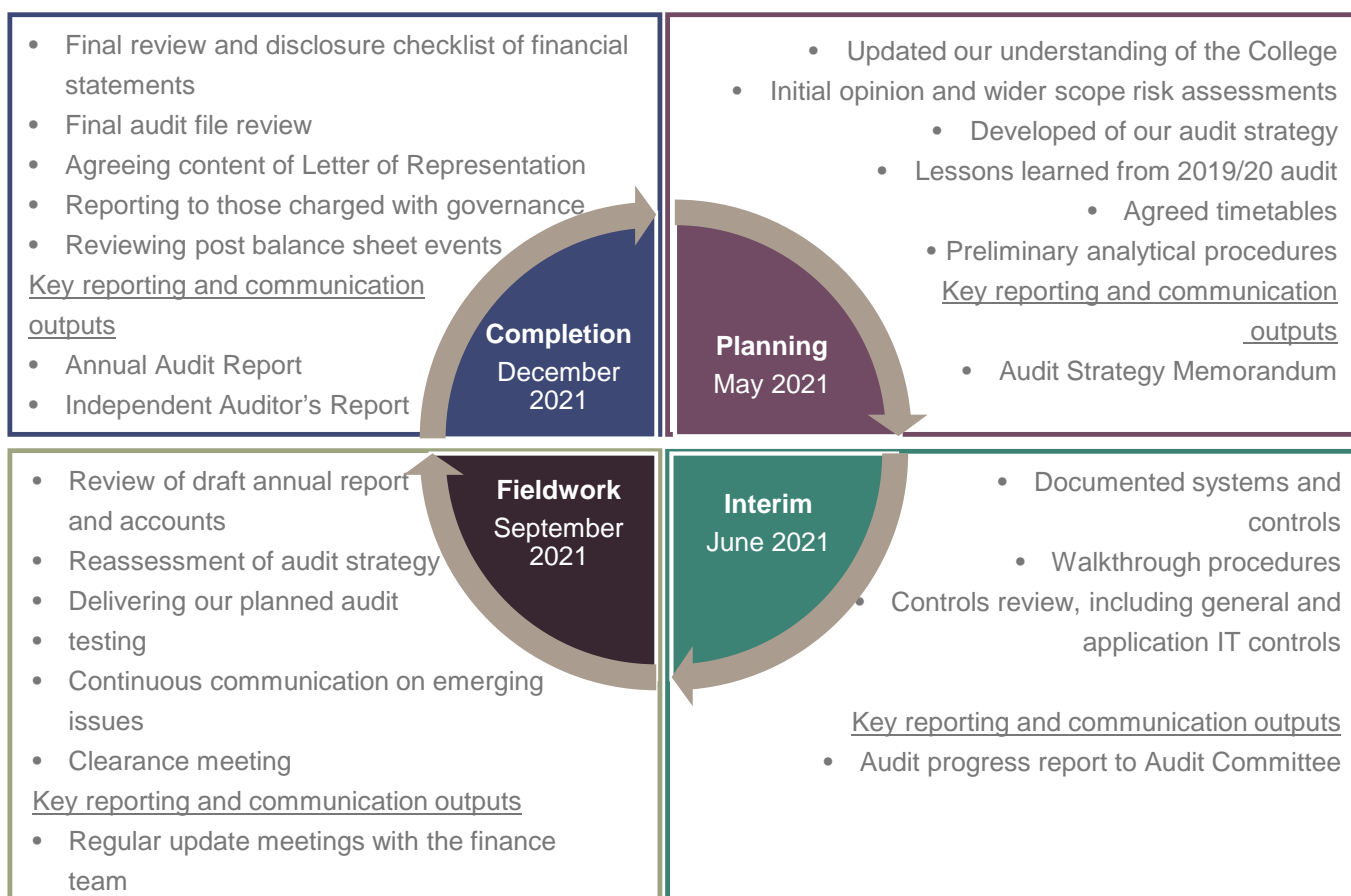
This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditor.

National publications and other updates

This section of the report sets out summaries from national publications and other updates which may be of interest to Members of the Audit Committee.

Audit timetable

Our key stages are summarised in the diagram shown below. Overall, work is on track and there are no significant issues arising. We remain cognisant of the potential impact of the COVID-19 pandemic and will flex the timetable with the College, as appropriate, if required.



Audit progress

Audit progress

Since the issue of our Audit Strategy Memorandum in May 2021 we have:

- documented key controls and processes on material transaction streams in the accounts with no issues to report;
- attended a College sector update virtual meeting with Audit Scotland;
- developed a draft Accounts final visit project plan setting out the key dates when we plan to undertake our work and the likely documents, working papers and information we will need to review. We will agree this with management in the coming weeks; and
- continued to update our risk assessment for our Wider Scope work conclusion, including review of agendas and minutes for relevant meetings and consideration of reports by external regulators.

Our audit work is on track, and we have no matters to raise with the Committee at this stage of our audit. There are no changes to the risks previously reported in our Audit Strategy Memorandum, however, we have and will continue to consider whether additional audit procedures are required as a result of the impact of the Covid-19 pandemic.

Remote working

The final audit fieldwork is due to begin on 13 September 2021. As requested by management, we plan to carry out the majority of the audit fieldwork remotely and have prepared accordingly to facilitate a smooth process. Any on-site visits will follow College requirements for external visitors to ensure the health and safety of both our audit team and College staff.

Our remote audit process will be facilitated by setting up secure online portals for sharing information – this ensures easier tracking of information provided and is accessible to all members of the audit and finance team. Detailed arrangements will be discussed and made with the finance team in the coming weeks to ensure the audit is as efficient as possible.

We will report to the Joint Audit and Corporate Development Committee on 23 November 2021 with our Annual Audit Report and draft opinion on the financial statements. The accounts are due to be approved by the West College Scotland Board of Management on 13 December 2021.

National publications

	Publication
1	Accounts direction for Scotland's colleges 2020-21, Scottish Funding Council, June 2021
2	Fraud and irregularity 2020/21, Audit Scotland, July 2021

1. Accounts direction for Scotland's College's 2020-21, Scottish Funding Council, June 2021

On 3 June 2021, the Scottish Funding Council issued its accounts direction for Scotland's Colleges for the 2020-21 year, along with supporting guidance.

Changes include:-

- Remuneration and staff report

A new best practice disclosure has been introduced for Diversity and Inclusion which encourages institutions to include details and narrative of their own diversity and inclusion policies, initiatives and longer term ambitions in the staff report.

- Governance statement

The Governance statement should now include the following:-

- The ongoing process and structures used to identify, evaluate and manage the principal and emerging risks faced.
- A statement that internal control systems have been in place for the year under review and up to the date of approval of the financial statements.
- The main features that support regular monitoring, review and assurance.
- The process applied in reviewing the effectiveness of the system of risk management and internal control, including explaining what actions have been or are being taken to remedy any significant failings of weaknesses.

National publications (continued)

2. Fraud and irregularity 2020/21, Audit Scotland, July 2021

Since the start of 2020/21, the Covid-19 pandemic and the associated lockdowns have brought significant challenges across the public sector. Public bodies have sought to continue to deliver services in new working environments while at the same time experiencing an increase in demand for many services. The challenges during the last year include additional fraud risks for public bodies to identify and manage.

This report sets out a range of fraud risks emerging since the start of the Covid-19 pandemic along with suggestions of what public bodies may do to help reduce these risks. It aims to help public bodies identify and manage these risks.

Key fraud risks identified include, but are not limited to:-

- Covid-19 funding and reopening of premises and services
- Health and wellbeing
- IT and cybercrime
- Governance
- Procurement
- Payment
- Payroll and recruitment

The next steps for Boards in scrutinising counter-fraud arrangements include:-

- Ensuring there are appropriate and up to date counter-fraud strategies in place;
- Ensuring there are appropriate governance and oversight arrangements for the counter-fraud strategies which include performance reporting arrangements;
- Assessing where the fraud and error risks lie;
- Ensuring the risk from fraud and error risk has been measured and reported and updated regularly;
- Ensuring controls have been put in place to prevent and detect these risks;
- Ensuring the controls are regularly reviewed to ensure they are operating effectively and are appropriate; and
- Ensuring controls are amended or new controls implemented where new risks emerge.

www.audit-scotland.gov.uk/uploads/docs/report/2021/as_fraud_irregularity_2021.pdf

Position Statement on 2020-21 Audit

Planned output	Expected completion date	Final report issued to Audit Committee	Comments
2020-21 Audit Strategy Memorandum	By 20 May 2021	20 May 2021	~
Audit Committee Progress Report and Briefing	By 8 September 2021	8 September 2021	~
2020-21 Audit Completion Report, incorporating: <ul style="list-style-type: none"> • Opinion on the financial statements. • Conclusion on Wider Scope work 	By 31 December 2021	TBC	~

Contact details

Please let us know if you would like further information on any items in this report.

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TITLE: ACCOUNTS DIRECTION FOR SCOTLAND'S COLLEGES 2020-21

Background: The SFC issued their [Accounts direction for Scotland's colleges 2020-21](#) on 3 June 2021. This paper provides the Audit Committee with an overview of the requirements of the SFC direction for the 2020-21 financial year.

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

Lead: Alan Ritchie, Director of Finance

Status: Open

1 Accounts Direction

- 1.1 The SFC annually issue mandatory guidance for the preparation of the annual report and accounts each year. On 3 June 2021 the Scottish Funding Council (SFC) issued specific guidance to colleges for the 2020-21 year-end.
- 1.2 Page 5 of the guidance sets out the requirements for the preparation of the annual report and accounts along with the deadline for submission of 31 December 2021. Two copies of the College annual report and accounts also require to be sent to the Auditor General for Scotland by 31 December 2021.

2 Changes to Reporting Requirements

- 2.1 A summary of the changes to the annual Accounts Direction are noted below and the full SFC circular can be viewed [here](#).
- 2.2 The Accountability Report governance statement should include the following:
- The ongoing process and structures used to identify, evaluate and manage the principal and emerging risks faced.
 - A statement that internal control systems have been in place for the year under review and up to the date of approval of the financial statements.
 - The main features that support regular monitoring, review and assurance.
 - The process applied in reviewing the effectiveness of the system of risk management and internal control, including explaining what actions have been or are being taken to remedy any significant failings of weaknesses

The College is already complying with the above requirement as adjustments were made to the previous years report in line with recommended best practice. The reporting statement will this year be supplemented by the inclusion of the College assurance mapping procedure as agreed by the Audit Committee.

- 2.3 The **Performance Report** should include '*A summary of key issues and principal risks that could offer the institution in delivering its objectives and explanation of the mitigation of those risks*'. The 2021 report should now include an explanation of the mitigating actions applied to the principal risks faced by the College. Given the work undertaken on the Strategic Risk Register this will be an issue for the College.
- 2.4 The **Remuneration and Staff Report** requirements have been expanded to include:
- *A new best practice disclosure has been introduced for Diversity and Inclusion (Para 6.5.17) which encourages institutions to include details and narrative of their own diversity and inclusion policies, initiatives and longer-term ambitions in the staff report.*
 - *Staff turnover expressed as a percentage*

The College does not foresee any issues with including the required detail in the updated Remuneration and Staff Report.

- 2.5 The guidance note has been updated to provide a definition of total remuneration:

'... included salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.'

- 2.6 The guidance has specific disclosure requirements about the national Governments Job Retention Scheme:

Funding received from the Coronavirus Job retention scheme should be shown as a government grant in other income and not offset against staff costs in the financial statements. The income should not be shown as part of SFC funds. Institutions are also encouraged to disclose the number of staff furloughed during the year.

The College will look to comply with these additional disclosure requirements.

Adjusted Operating Position

- 2.7 The Adjusted Operating Position (AOP) is intended to reflect the underlying financial operating performance of the College after allowing for material one-off or distorting items required by the SORP or other items out with the control of the College – such as loss on disposal of assets, depreciation, impact of annual pension valuations.
- 2.8 The SFC has again stipulated that the impact of COVID-19 should not be shown as a separate adjustment on the AOP. While there may have been a significant impact, this should be sufficiently detailed in the narrative in the Performance Report.
- 2.9 In line with the prior year, the SFC has requested that all colleges submit their AOP note, along with their draft accounts, to the SFC for review prior to the College formally approving the Financial Statements thereby allowing the SFC to ensure consistency of approach and presentation across the sector.
- 2.10 The College will look to liaise with the external auditors and SFC as to the most appropriate time to submit the draft AOP note and financial statements to the SFC for their consideration.
- 2.11 As in previous years, the College is required to comply with the requirements of the:
- SFC Accounts Direction for Scotland's College 2020-21
 - Financial Memorandum with the Scottish Funding Council (SFC).
 - Statement of recommended Practice: Accounting for Further and Higher Education (SORP).
 - Government Financial Reporting Manual.
- in the preparation of the annual report and accounts for the College

3 Conclusion

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

TITLE: **INTERNAL AUDIT REPORT 2020-21**

Background: The attached report presents to the Audit Committee the Internal Audit Report 2020-21. This document forms part of the suite of year-end reports and is designed to assist the Board of Management inform its governance statement contained within the College Financial Statements.

Action: The Audit Committee is asked to consider and approve the contents of the Internal Audit Report 2020-21

Lead: Stephen Pringle, Wylie & Bisset

Status: Open

1 Introduction

1.1 The Scottish Public Finance Manual states that:

- 'Internal audit should provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It should provide an appraisal of an organisation's internal control system and take the action needed to provide Accountable Officers with a continuing assurance that the organisation's risk management, control and governance arrangements are adequate and effective. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The operation and conduct of internal audit should comply with Public Sector Internal Audit Standards.
- Accountable Officers are responsible for ensuring that appropriate internal control systems exist within their own organisations (or parts thereof), and for deciding whether to accept and implement internal audit findings and recommendations. Accountable Officers have overall responsibility for ensuring that prompt and effective action is taken on recommendations, and that the risks resulting from inaction are recognised and accepted. The organisation's Head of Internal Audit should have the right of direct access to the Accountable Officer and the organisation's Audit Committee.
- Internal audit evaluates compliance with an organisation's internal control system - including relevant regulations, guidance and procedures - as part of its review process. However, the primary responsibility for monitoring compliance rests with operational areas and their line management, up to and including the relevant Accountable Officer.'

1.2 An annual audit assurance is provided to Accountable Officers through the professional opinion of the Internal Auditor on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon. That opinion is contained in the attached annual report from the Internal Auditor to the Audit Committee, and forms part of the assurance required by Accountable Officers to enable them to sign a governance statement as part of the accounts for which they are directly responsible.

- 1.3 To meet the above requirements, the attached Annual Report summarises the conclusions and key findings from the internal audit work undertaken at the College during the year ended 31 July 2021, including the internal auditor's overall opinion on the College's internal control system.

Scope

- 1.4 The report documents the scope and responsibilities of the Internal Auditors on page 3.

Overall Internal Audit Opinion

Basis of Opinion

- 1.5 The Internal Auditor of West College Scotland are required by Public Sector Internal Audit Standards (PSIAS) to provide the Board of Management with an objective assessment of the adequacy and effectiveness of management's internal control systems. In giving their opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.
- 1.6 In assessing the level of assurance to be given, the internal auditors have considered:
- All audits undertaken during the year ended 31 July 2021.
 - Any follow-up action taken in respect of audits from previous periods.
 - Any significant recommendations not accepted by management and the consequent risks.
 - The effects of any significant changes in the College's objectives or systems.
 - Matters arising from previous reports to the Audit Committee and Board of Management.
 - Any limitations which may have been placed on the scope of internal audit.
 - The extent to which resource constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the College.
 - What proportion of the College's audit need has been covered to date.
 - The outcomes of our quality assurance processes.

Internal Audit Opinion

- 1.7 The internal audit opinion on the adequacy and effectiveness of management's internal control systems is stated on page 4:

'We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.'

In our opinion West College Scotland did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. However, we were only able to provide 'weak' assurance around the review of External Communications – Website. The College accepted all of the internal audit recommendations and will be undertaking the required actions to address the weaknesses identified. We were also asked to undertake additional work during the year as a result of an IT incident. From the work undertaken we were able to provide 'Strong' assurance on the College's response to the incident.'

2 Conclusion

- 2.1 The Audit Committee is asked to consider and approve the contents of the Internal Audit Report 2020-21.



West College Scotland

Internal Audit 2020/21

Annual Report

August 2021

Table of contents

Section	Page
1. Introduction	3
2. Executive Summary	4 - 5
3. Audit Findings	6 - 8
4. Benchmarking	9-10
5. Key Performance Indicators	11
Appendices	
A . Grading Structure	12

1. Introduction

The prime responsibility of the Internal Audit Service is provide the Board of Management, the Principal and other Senior Management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

We conduct our activity within the overarching framework of the Chartered Institute of Internal Auditors, Definition of Internal Auditing, Code of Ethics and International Standards for the Professional Practice of Internal Auditing, together with the UK Public Sector Internal Audit Standards, first introduced in April 2013.

In line with these Standards, we have developed a robust quality assurance process to ensure that each of our activities and reports are of a high and consistent standard. Quality assurance activity includes interim reviews during the internal audit process and an extensive final review before reports are issued to clients and other stakeholders. We actively seek to improve the services we deliver through a programme of CPD, training, networking and engagement with internal peers, as well as by piloting new ways of working.

We had an extensive external assessment undertaken against these standards in October 2019. The assessment was undertaken by the Chartered Institute of Internal Auditors who concluded:

"We are pleased to report that the Wylie and Bisset LLP Internal Audit Department (IAD) fully meet all of the Standards, apart from a single Standard which the team partially conform with. The IAD conforms with the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing. We found no aspects of non-conformance. This is an excellent result and represents a further improvement on the results of our 2017 exercise."

This Annual Report should be considered by the Audit Committee prior to the committee submitting their annual report to the Board of Management.

A copy of this report requires to be submitted to the Scottish Funding Council not later than 31 December following the financial year-end to which it relates.

2. Executive Summary

Overall Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In our opinion West College Scotland did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. However, we were only able to provide 'weak' assurance around the review of External Communications – Website. The College accepted all of the internal audit recommendations and will be undertaking the required actions to address the weaknesses identified. We were also asked to undertake additional work during the year as a result of an IT incident. From the work undertaken we were able to provide 'Strong' assurance on the College's response to the incident.

Our fieldwork was carried out between August 2020 and May 2021 and we have not undertaken any further internal audit assignments at the time of this report.

The overall findings and conclusion of each report are highlighted in Section 3. As can be seen from the summary in Section 3 all areas included in the Operational Plan for 2020/21 have been completed.

In forming our opinion, we have carried out the following work:

- A review and appraisal of financial and other controls operated by the College;
- A review of the established policies and procedures adopted by the College;
- An assessment of whether the internal controls are reliable as a basis for producing the financial accounts;
- A review of accounting and other information provided to management for decision making;
- Compliance and substantive audit testing where appropriate;
- A review of the College's procedures in place to promote and secure value for money.

The analysis of performance indicators for the internal audit work carried out in the year is included at section 5.

2. Executive Summary

Basis of Opinion

As the Head of Internal Audit at West College Scotland we are required to provide the Audit Committee with an opinion on the adequacy and effectiveness of the College's risk management, control and governance processes. In giving our opinion it should be noted that assurance can never be absolute. The most that we can provide to the Audit Committee is reasonable assurance that there are no major weaknesses in the College's risk management, control and governance processes.

In assessing the level of assurance given, we have taken into account:

- All audits undertaken during the year ended 31 July 2021;
- Any follow-up action taken in respect of audits from previous periods;
- The College assurance mapping procedures and review process;
- Any significant recommendations not accepted by management and the consequent risks;
- The effects of any significant changes in the College's objectives or systems;
- Matters arising from previous reports to the Audit Committee and Board of Management;
- Any limitations which may have been placed on the scope of internal audit;
- The extent to which resource constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the College;
- What proportion of the College's audit need has been covered to date;
- The outcomes of our quality assurance processes.

3. Audit Findings

Summary of Work Undertaken

The following table summarises the audit work undertaken in 2020/21. The grading structure used in our reports can be found in Appendix A.

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Overall Financial Controls	6	6	Complete	Strong	-	-	-
Study of effects of Covid 19	8	8	Complete	Strong	-	-	-
Fraud Awareness	5	5	Complete	Strong	-	-	2
Complaints Handling	5	5	Complete	Substantial	-	3	6
External Communications - Website	6	6	Complete	Weak	1	3	1
Assurance Mapping	6	6	Complete	Substantial	-	4	2
HR: Sickness and Absence Reporting	5	5	Complete	Strong	-	-	-
Total c/f	41	41			1	10	11

3. Audit Findings

Summary of Work Undertaken

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Total Days b/f	41	41			1	10	11
Response of IT incident*	-	3	Complete	Strong	-	-	-
Student Support Funds	4	4	Complete	n/a	-	-	-
Educational Maintenance Allowance	3	3	Complete	n/a	-	-	-
Credits	8	8	Complete	n/a	-	-	4
Follow Up**	4	4	Complete	n/a	n/a	n/a	n/a
Audit Management	5	5	n/a	n/a	n/a	n/a	n/a
Total	65	68			1	10	11

*The Response to IT Incident was added to the plan at the request of the Audit Committee.

**We followed up on recommendations throughout the year at the request of management but didn't produce an overall report for this area.

3. Audit Findings

HIGH PRIORITY RECOMMENDATION

The following high priority recommendation was raised during the year. This comes from our External Communications – Website Review.

Area	Original Finding	Original Recommendation	Management Response
External Communications	<p>There should be a Marketing & Communications Strategy in place, which covers the website design and content. The Strategy should be complimented by a comprehensive action plan that will detail how the strategy objectives will be achieved. The action plan should include how the College intends to refresh and improve its website.</p> <p>From our review we found that the College does not have a Marketing & Communications Strategy nor an action plan to implement the Strategy.</p> <p>There is a risk that the College does not have a clear plan regarding its marketing and communications due to the lack of a comprehensive Strategy being in place. In addition, there is a risk that the College's website is not fit for purpose which may damage the College's reputation with potential students and stakeholders.</p>	<p>We recommend that the College implement its intention to produce a Marketing & Communications Strategy and comprehensive action plan which should include the development of its website. As part of the production of the Strategy we recommend that the College consider setting up an internal working group to start considering the design and content of the website. The work of this group will then be augmented with the findings from the external consultant's review of the website. The action plan should also contain the findings from with the Accessibility Audit to ensure that the College are complying with Accessibility Regulations.</p>	<p>The College will engage in the process of developing a Marketing and Communications Strategy once the Director of Communication, Policy and Engagement has started in post. This is anticipated to be in early July 2021. A detailed action plan will be developed from the Strategy including the development of the College website and any findings from the external reviews undertaken including the accessibility audit.</p>

4. Benchmarking

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the previous financial year.

Area	High	Medium	Low	Total
Overall Financial Controls				
Average number of recommendations in similar audits	-	1	1	2
Recommendations at West College Scotland	-	-	-	-
Study of effects of Covid 19				
Average number of recommendations in similar audits	-	1	-	1
Recommendations at West College Scotland	-	-	-	-
Complaints Handling				
Average number of recommendations in similar audits	-	2	3	5
Recommendations at West College Scotland	-	3	6	9
HR: Sickness and Absence Reporting				
Average number of recommendations in similar audits	-	1	-	1
Recommendations at West College Scotland	-	-	-	-
Summary				
Average number of recommendations in similar audits c/f	-	5	4	9
Recommendations at West College Scotland c/f	-	3	6	9

4. Benchmarking

Area	High	Medium	Low	Total
Summary				
Average number of recommendations in similar audits b/f	-	5	4	9
Recommendations at West College Scotland b/f	-	3	6	9
Credits				
Average number of recommendations in similar audits	-	-	2	2
Recommendations at West College Scotland	-	-	4	4
Educational Maintenance Allowance				
Average number of recommendations in similar audits	-	-	1	1
Recommendations at West College Scotland	-	-	-	-
Student Support Funds				
Average number of recommendations in similar audits	-	-	1	1
Recommendations at West College Scotland	-	-	-	-
Summary				
Average number of recommendations in similar audits	-	5	8	13
Recommendations at West College Scotland	-	3	10	13

As highlighted above, West College Scotland has a similar number of recommendations in comparison with the colleges it has been benchmarked against. There were a number of reviews which were unique to West College Scotland and benchmarking was not used.

5. Key Performance Indicators

Analysis of Performance Indicators

Performance Indicator	Target	Actual
Internal audit days completed in line with agreed timetable and days allocation	100%	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 working days before each start date	100%	100%
Draft reports issued within 10 working days of exit meeting	100%	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%	75%*
Final reports issued within 5 working days of receipt of management responses	100%	100%
Recommendations accepted by management	100%	100%
Draft annual internal audit report to be provided by 31 August each year	100%	100%
Attendance at Audit Committee meetings by a senior member of staff	100%	100%
Suitably experienced staff used on all assignments	100%	100%

*The management responses for the Complaints Handling, Assurance Mapping and HR: Sickness & Absence Reporting reviews were received after 15 working days.

Appendix A - Grading Structure

For each area of review we assign a grading in accordance with the following classification.

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, some 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 make we assign a grading either as High, Medium or Low priority depending upon the degree of risk assessed as outlined below:

Grading	Risk	Classification
High	High Risk	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	Medium Risk	Significant issue or weakness which should be addressed by the College as soon as possible
Low	Low Risk	Minor issue or weakness reported where management may wish to consider our recommendation

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	<p>The Audit Committee is requested to:</p> <ul style="list-style-type: none">• Consider the Rolling Audit Action Plan Progress Review Report.• Approve the Rolling Audit Action Plan.
Lead	Alan Ritchie, Director of Finance
Status	Open

1. Introduction

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

2. Summary of Recommendations

- 2.1 The tables below summarise the movement in relation to the audit recommendations since the May 2021 Audit Committee meeting:

Total Number of Recommendations	Internal Audit	External Audit	Total
Total brought forward recommendations	7	4	11
Added to the RAAP since last Audit Committee meeting:			
Covid-19 (Phase 2)	0	0	0
Complaints Handling	9	0	9
External Communications	5	0	5
Response to IT incident	0	0	0
Total remaining recommendations	21	4	25

Status of remaining recommendations	Internal Audit	External Audit	Total
<u>Partially Implemented</u> Not Yet Due	15	0	15
<u>Partially Implemented</u> Due for completion – extension requested	0	0	0
<u>Complete</u> Pending auditor review	6	4	10
Total	21	4	25

3. Commentary on Audit Recommendations

Report Presentation

- 3.1 The report at *Appendix A* contains a summary of the audit recommendations by due date, with a more detailed report provided on the status of each outstanding recommendation.
- 3.2 Internal audit recommendations are graded by Wylie & Bisset as noted 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 organisation as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the organisation as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

External Audit

- 3.3 The Joint Audit and Finance and General Purposes Committee meeting on 24 November 2020 considered the outcome of the following audits:
- Mazars
 - Annual External Audit Report 2019-20 - no recommendations
 - Wylie & Bisset
 - Student Support Funds 2019-20 Report - no recommendations
 - SFC Credit Activity Report 2019-20 - four low level recommendations
- 3.4 The four recommendations noted by Wylie & Bisset as part of their review of the student credit activity audit are graded as per 3.2 above.
- 3.5 The College has implemented all four of the 2019-20 external audit recommendations and these will be reviewed by the external auditors as part of their year end 31 July 2021 audit work.

Internal Audit

- 3.6 The College has continued to progress all internal audit recommendations.
- 3.7 The next follow up review to be undertaken by the internal auditors will be as part of their 2021-22 phase 1 works scheduled for October 2021. At this time six recommendations will be presented to the auditors for removal as their due dates have now passed and the work has been undertaken to address their recommendations.

4. Conclusion

- 4.1 The Rolling Audit Action Plan is reviewed by the staff with the responsibility for the implementation of the audit recommendations on an ongoing basis and the College considers that despite the continuing challenges of Covid-19, good progress has been and is being made in addressing the recommendations made by internal and external auditors.
- 4.2 The Audit Committee is requested to:
- Consider the Rolling Audit Action Plan Progress Review Report.
 - Approve the Rolling Audit Action Plan.

TITLE: REVIEW OF 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 the current College Strategic Risk Register for the consideration of the Audit Committee.

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

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

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. It is an integral part of the College's internal control and corporate governance arrangements. The current [Risk Management Strategy](#) was approved in December 2020 and is updated annually to reflect required changes.

2. College Strategic Risk Register Update and Considerations

- 2.1 The College Strategic Risk Register was approved at the June 2021 Board of Management meeting. A copy of the register is attached at *Appendix A*.
- 2.2 The SMT has continued to review the Strategic Risk Register with the latest full review being undertaken on 17 August 2021.
- 2.3 Currently the Senior Management Team (SMT) are not proposing any amendments to the register. The Strategic Risk Register has been augmented by the addition of the 'latest note' section which can be found at the end of each risk. This provides a note of the SMT rationale for any movement or not in the overall risk. The section also highlights any matters which should be considered at future reviews.
- 2.4 The mitigating controls across all risks have been reviewed by the responsible member of the Senior Management Team and where appropriate controls have either been inserted, updated, or removed.

3 Conclusion

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

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

Probability		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
Impact		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.

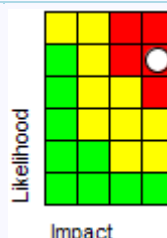
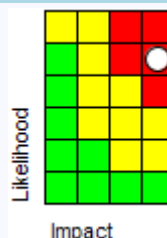

SR-02 Top 5 Strategic Risks

Risk No.	Risk Title	Risk Description	Proximity	Prior Net Score	Current Net Score	Trend since last report
01 WCS01	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.	Medium-term	24	24	
02 WCS03	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.	Medium-term	20	20	
03 WCS02	Estate and IT Investment	Failure to secure adequate short to medium term estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure resulting in increased maintenance costs or loss of students due to failing facilities.	Medium-term	20	20	
04 WCS07	Impact upon Business Continuity Planning of Covid-19 pandemic	A material interruption to the service delivery of the College caused by inadequate business continuity planning, resulting in failure to delivery learning and teaching and achievement of required funding outcomes.	Medium-term	24	15	
05 WCS11	Alternative Income Growth	An inability to generate consistent levels of alternative income or to grow alternative income streams due to impact of external factors impacting College delivery plans results in loss of income and failure to deliver College ROA objectives.	Longer-term	18	15	


Strategic Risk Register - SMT RISK REPORT

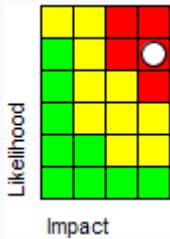

Risk Code & Title	01 WCS01 SFC Funding and Funding Methodology	
Risk Summary	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	
Risk Category	Finance	
Risk Appetite	Minimalist	
Proximity	Medium-term	
Probability & Impact	6	4
Gross Risk Score	24	
Internal Controls	Detail of 2021–22 SFC core funding for teaching, estate and student funding confirmed and paper provided to the Board of Management indicating the challenges this settlement poses for the College. Ongoing engagement with SFC on funding for estate investment and support for voluntary severance programme continues at SFC update meetings with Regional Outcome Agreement Manager.	
	College 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. Further discussions to take place with the SFC regarding the curriculum delivery model required for 2021–22 in order to meet Transformation Plan requirements.	
	Estates Strategy 2016–2026 includes objective to improve / rationalise the College estate utilising estate maintenance funding. An annual Estate Strategy update report is provided to the relevant Corporate Development Committee which includes progress towards achievement of objectives. The Estates Strategy is currently being refreshed with an updated Strategy to be provided to the Corporate Development Committee in December 2021. (Reviewed 31.08.21)	
	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.	
	Active College representation and involvement in external SFC review groups – Infrastructure Strategy, Sustainability Review, FES / Credit Review group (SAGE) and student funding. Additionally, the College currently Chairs two of the College Development Networks – Business Development Directors and the Finance groups which allows the College to gain an early understanding of issues likely to impact the organisation.	


	<p>The College has undertaken a review of the possible impacts of Brexit on College operations. This review was discussed at senior management level and with relevant Board Committees. At this early stage in the Brexit transition there has not been any immediately impacts on College funding. However, this will require to be kept under review as EU funding streams will expire over the coming period and alternative funding and the nature of it remains to be confirmed by Government.</p>	
	<p>The College through its membership of various groups, primarily the Business Development Directors and Finance Directors CDN groups, continues to access the latest Brexit intelligence specific to the College sector. The College continues to consider and review developments especially in relation to students / staff and access to exchange programme funding.</p>	
	<p>The College is awaiting the SFC FFR planning assumption (expected late August 2021) before amending its longer-term planning scenarios. ESF activity is scheduled to end on 31 July 2022 although the SFC are planning that College activity targets and funding will continue at prior year levels, subject to some form of 'normalisation'.</p> <p>The College continues to engage with the SFC on future funding arrangements post 31 July 2022 to ensure that its current planning assumptions remain valid. The Corporate Development Committee will be kept informed of any changes to future funding.</p>	
	<p>Break-even adjusted operating position (excluding the costs of voluntary severance) budget approved for 2021-22 by the Board of Management on 14 June 2021 along with 3-year financial scenario plan. 2021-22 forecast is monitored by SMT and quarterly by the Board of Management through provision of management accounts.</p>	
Probability & Impact Scores	6 4	
Net Risk Score	24	
Trend		
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change. Whilst the College has created a 2021-22 budget there is no guidance as to the planning assumptions beyond March 2022 which indicates that there remains a large degree of volatility in any planning assumptions. The SFC in recent discussions have indicated that they are not likely to publish 2022-23 and 2023-24 planning assumptions until late August. In addition, they have indicated a return to the 'price x volume' method of funding which may have an impact upon the College. For these reasons no change in the score was proposed.</p>	
Managed By	Vice Principal Educational Leadership	

Risk Code & Title	02 WCS03 Estate Strategy		
Risk Summary	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.		
Risk Category	Infrastructure		
Risk Appetite	Open		
Proximity	Medium-term		
Probability & Impact	5	4	
Gross Risk Score	20		
Internal Controls	Board of Management have approved the college Estate Strategy 2016–2026, with the Corporate Development Committee receiving an annual implementation update which highlights the need for required estate investment for consideration by SFC and Scottish Government on an ongoing basis. The Estate Strategy is currently being refreshed with a revised Strategy to be presented to the December 2021 Board of Management for approval. (Reviewed 31.08.21)		
	Initial Outline Business Cases (OBC) for Paisley and Greenock estate submitted to the SFC. Update on progress made in relation to OBCs made to each Corporate Development Committee meeting including engagement with SFC and local councils. The College has received funding from the SFC to undertake a refresh of the Greenock OBC. A revised Greenock OBC will be presented to the October Board of Management meeting for consideration. Once approved the revised OBC will be delivered to the SFC with a request for consideration by the end of 2021. (Reviewed 31.08.21)		
	Update report provided to each meeting of the Corporate Development Committee which indicates how the College has prioritised the use of SFC estate maintenance funding to address the College 2019 Estate Condition Survey results. (Reviewed 31.08.21)		
	Corporate Development Committee receive an Update Report at each meeting on College engagement with stakeholders including SFC, Scottish Futures Trust, local councils and other key stakeholders.		
Probability & Impact Scores	5	4	
Net Risk Score	20		
Trend			

Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.
	The updating of the Greenock outline business case remains ongoing with a paper being presented to the Board of Management in October 2021 for approval. Subsequently the OBC will be presented to the Scottish Funding Council for their comment. The College has continued to engage with the SFC in regard to this matter but until final approval is granted, and funding is made available the delivery of the Estate Strategy remains in question.
	A further aspect which will require to be considered is the impact of the Scottish Government's net-zero pledge. This has already had an impact on the investment required to complete the new Greenock campus and is likely to have an impact on the Paisley OBC as well. The College limited resources will in future require to be diverted to address the outcomes from the net-zero pledge.
Managed By	Vice Principal Operations



Risk Code & Title	03 WCS02 Estate and IT Investment	
Risk Summary	Failure to secure adequate short to medium term estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure resulting in increased maintenance costs or loss of students due to failing facilities.	
Risk Category	Infrastructure	
Risk Appetite	Open	
Proximity	Medium-term	
Probability & Impact	5	4
Gross Risk Score	20	
Internal Controls	Corporate Development Committee receive reports on levels of SFC estate maintenance funding and planned level of expenditure compared to need, and how the College is prioritising the use of the amount allocated to it on a rolling annual basis. (Reviewed 31.08.21)	
	The College regularly engages both formally and informally with both Renfrewshire and Inverclyde Councils and wider partners to discuss opportunities for development of College facilities. Update report on progress provided to Corporate Development Committee at each meeting.	
	The College completed an estate condition survey in 2019 to provide up to 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 the Board of Management and more recently in April 2021. The SFC have also received a copy of the condition survey report and presentation for their information. The Director of Infrastructure continues to engage with the SFC on the wider infrastructure issues impacting College operations as well as keeping them updated in the progress towards submission of revised Outline Business Cases for Greenock and Paisley. (Reviewed 31.08.21)	
	Outline Business Cases for Paisley and Greenock submitted to the SFC following Board of Management approval. The College has received funding from the SFC to undertake a refresh of the Greenock OBC during 2021. The updating of the Greenock outline business case remains ongoing with a paper being presented to the Board of Management in October 2021 for approval. Subsequently the OBC will be presented to the Scottish Funding Council for their comment. The College has continued to engage with the SFC in regard to this matter but until final approval is granted, and funding is made available the delivery of the Estate Strategy remains in question.	
	College Estate Strategy 2016–2026 submitted to SFC highlighted significant need of investment in College. Annual update report on implementation and progress provided to Corporate Development Committee. Principal and Director of Infrastructure formally updated the SFC at least twice a year on estate challenges faced by the College. (Reviewed 31.08.21)	


Probability & Impact Scores	5 4	
Net Risk Score	20	
Trend		
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>As previously noted, the College estate lifecycle maintenance grant has reduced by £75k and the high priority maintenance grant has reduced by £783k for 2021–22. The Scottish Funding Council has provided a one-fund digital fund of £458k for 2021–22 but has indicated that this is only for that year as it is funded from covid consequential funds. So overall the College has seen a reduction of £400k in available funding with this reduction likely to increase in 2022–23. Due to these factors, the ability of the College to secure adequate future infrastructure investment remains weak and the risk score has not changed.</p>	
Managed By	Vice Principal Operations	

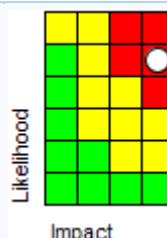
Risk Code & Title	04 WCS07 Impact upon Business Continuity Planning of Covid-19 pandemic	
Risk Summary	A material interruption to the service delivery of the College caused by inadequate business continuity planning, resulting in failure to delivery learning and teaching and achievement of required funding outcomes.	
Risk Category	Reputational/External	
Risk Appetite	Open	
Proximity	Medium-term	
Probability & Impact	6	4
Gross Risk Score	24	
Internal Controls	<p>Business Continuity Planning documents are available on the Intranet and available to all staff. College Incident Management Plan reviewed annually with the next updated scheduled to take place during the first quarter of 2021–22. Quarterly scenario testing involving teaching and support staff facilitated by external professional risk manager from Zurich Municipal to be restarted from August 2021. IT Cyber Response Plan currently being finalised based on Scottish Government guidance document.</p>	
	<p>The impact of Covid-19 meant that the quarterly BCP scenario sessions were suspended. The College has been operating a College Covid-19 Response Group along with an operational Mobilisation Group. Both groups include members from teaching and support staff, unions and student representatives. The work of these groups which included adapting current operational procedures superseded the quarterly scenario sessions for 2020–21.</p> <p>During the first quarter of 2021–22, the College intends restarting the business continuity scenario planning sessions with involvement from both teaching and support staff. These sessions will continue to be externally facilitated by Zurich Municipal risk staff and the sessions and lessons learned shared with staff via the Business Continuity section of the intranet.</p>	
	<p>College Mobilisation Group continues to operate to oversee operational issues related to Covid-19. Group is chaired by the Director of Infrastructure and has representatives from staff, unions and Student Association. The Group meets weekly and reports to an Executive Group led by the Principal who oversees the overall College Covid-19 response. (Reviewed 31.08.21)</p>	
	<p>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.</p>	
	<p>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.</p>	
	<p>The College is following sector wide guidance and working with Public Health Scotland, as required, having established processes and procedures in place around this. The College is able to react quickly to any future Government COVID measures which may be made and has already done so at the start of the new 2021 /22 academic year which has seen students returning to our Campuses. Additionally,</p>	



	<p>engagement with staff associations enables staff feedback to be acted upon timeously. Risk mitigations in place go beyond those currently set out Nationally and this will continue to be the case to ensure staff and students are able to work and study in a safe environment. Actions continuing to support this approach lockdown include:</p> <ul style="list-style-type: none">• Weekly COVID –19 SMT overview meetings supported by groups empowered to deliver overall objective of safe working and study environments• Regular communications and guidance to staff and students through our intranet• Continued development of online materials across all areas of learning and teaching• Continued dispersal of IT equipment to support students where there is an identified need• Engagement with SFC and awarding bodies will continue to assess the impact of any deferral of teaching activity on student achievement of qualifications; and• On-going monitoring of supply chains based upon risk analysis supplied by APUC. <p>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.</p> <p>The College has a strategic approach to health and wellbeing provision, in order to structure our holistic approach to health promotion we have developed the PROSPER framework. The PROSPER framework has been formed to be the backbone of our Employee and Student Health and Wellbeing Strategies launched in December 2019. The PROSPER framework is at the core of everything that we do as a College and we are confident that we have a sustainable and strategic approach which recognises different dimensions of health promotion.</p> <p>The College has a wealth of health improvement initiatives in place and through the Healthy Lives Working Group continue to have a proactive response linked to the our operating environment. The group reports to both the Equality, Diversity and Inclusion Committee and Health & Safety Committees. Student Health and Wellbeing strategy:https://www.westcollegescotland.ac.uk/media/213570/student-health-wellbeing-strategy.pdf</p> <p>Student Intranet pages for HWL: http://student.westcollegescotland.ac.uk/index.php/advice/corona-virus/</p> <p>Staff Health and Wellbeing strategy: https://intranet.westcollegescotland.ac.uk/reference/reference/Health%20and%20Wellbeing%20Strategy.pdf#search=prosper</p>		
Probability & Impact Scores	5	3	
Net Risk Score	15		
Trend			
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>The College has reacted positively to the operational challenges presented by Covid-19 and this was confirmed by the internal auditors as part of the work carried out to deliver the 2020-21 internal audit</p>		


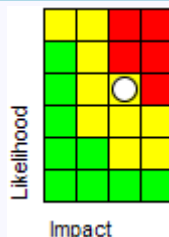

	<p>plan. The College Business Continuity Planning arrangements will also be subject to internal audit review as part of the 2021–22 plan.</p> <p>However, at this time the College is only just returning to some form of normal operation and therefore does not feel it appropriate to reduce the impact or probability score associated with this risk. It will be reviewed during the first quarter of 2021–22 in light of any impacts with the return to campus-based teaching.</p>
Managed By	Vice Principal Operations

Risk Code & Title	05 WCS11 Alternative Income Growth		
Risk Summary	An inability to generate consistent levels of alternative income or to grow alternative income streams due to impact of external factors impacting College delivery plans results in loss of income and failure to deliver College ROA objectives.		
Risk Category	Competitive Environment		
Risk Appetite	Open		
Proximity	Longer-term		
Probability & Impact	6	3	
Gross Risk Score	18		
Internal Controls	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 is subject to review by Learning, Teaching and Quality Committee.		
	2020-21 alternative income budget and forecast agreed and monitored by the Learning, Teaching and Quality Committee.		
	Operation planning combined with Curriculum Development Planning procedure used to identify potential opportunities for income growth.		
	The College has a detailed one-year budget and three-year financial plan in place in accordance with Audit Scotland requirements. The budget and annual forecast is reviewed monthly and updated based upon the latest intelligence. The updates are incorporated into the monthly Management Accounts which are reviewed by the Senior Management Team before being presented to the Corporate Development Committee and Board of Management.		
	Commercial Development and Credit Group meet twice a month to review budget / create forecast and address challenges of delivering alternative income.		
	Update report provided to Learning, Teaching and Quality Committee on partnership working with local employers and stakeholders.		
	Adaption of course portfolio to meet student / employer needs undertaken in line with updated Portfolio Review Guidance produced for July 2021.		
Probability & Impact Scores	5	3	

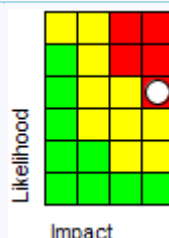
Net Risk Score	15
Trend	
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>The College has seen a positive end to the 2020–21 financial year with the level of alternative business activity generated by the College exceeding forecasts. This increase is anticipated to provide a sound basis for the start of 2021–22. The College is minded to reduce the probability associated with this risk but is unwilling to do so until the end of the first quarter. The impact across the Scottish economy of the return to normal activity and the withdrawal of the staff furlough scheme have still to be established.</p>
Managed By	Vice Principal Educational Leadership



Risk Code & Title	06 WCS04 SFC Regional Outcome Agreement		
Risk Summary	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.		
Risk Category	Learning and Teaching		
Risk Appetite	Open		
Proximity	Longer-term		
Probability & Impact	5	4	
Gross Risk Score	20		
Internal Controls	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.		
	The College has undertaken a review of the possible impacts of Brexit on College operations. This review was discussed at senior management level and with relevant Board Committees. At this early stage in the Brexit transition there has not been any immediately impacts on College funding. However, this will require to be kept under review as EU funding streams will expire over the coming period and alternative funding and the nature of it remains to be confirmed by Government.		
	The College through its membership of various groups, primarily the Business Development Directors and Finance Directors CDN groups, continues to access the latest Brexit intelligence specific to the College sector. The College continues to consider and review developments especially in relation to students / staff and access to exchange programme funding.		
	The College is awaiting the SFC FFR planning assumption (expected late August 2021) before amending its longer-term planning scenarios. ESF activity is scheduled to end on 31 July 2022 although the SFC are planning that College activity targets and funding will continue at prior year levels, subject to some form of 'normalisation'.		
	The College continues to engage with the SFC on future funding arrangements post 31 July 2022 to ensure that its current planning assumptions remain valid. The Corporate Development Committee will be kept informed of any changes to future funding.		
	Effective ROA monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees. At present no ROA is in place since SFC have not issued guidance for completion for 2021-22 document		
	Regular contact and review meetings with local authorities and schools to access attainment funding in support of College activities.		
	Detailed curriculum development planning and review process which was subject to positive review by internal audit.		


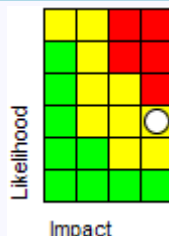

	Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery.	
	Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered. Curriculum Planning & Review process updated for 2021–22 to bring in line with the Curriculum Strategy.	
	2020–21 Interim ROA finalised following receipt of revised SFC guidance on monitoring of 2020–21 outcomes given impact of Covid–19. Board of Management approved Interim 2020–21 ROA at February 2021 meeting and document submitted to SFC. Changes to ROA have been reported to Board of Management and individual Committees made aware of ROA objectives relevant to their remit. No 2021–22 ROA Guidance published by SFC and therefore draft ROA cannot be started (July 21)	
	College Marketing Plan ensures that the College is seen as the place to come to be educated. Internal communication plans subject to internal audit review with limited number of recommendations for improvement. External communications plan will be subject to an internal audit review as part of 2020–21 audit plan.	
	Adaption of course portfolio to meet student / employer needs undertaken in line with updated Portfolio Review Guidance produced for July 2021.	
	Approved by Board of Management in June 2021. Document shared with Heads at a specific session in August. Action plan for 2021–22 completed by ELT and Curriculum Strategy published on the Intranet for staff 24 Aug.	
Probability & Impact Scores	4 3	
Net Risk Score	12	
Trend		
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>The College anticipates achieving all required 2020–21 Regional Outcome Agreement objectives. The level of core and ESF credit activity will be in line with the 2020–21 budget and forecast. The late provision (March 2021) of additional Young person Guarantee and National Transitional Training funding meant that the College was unable to fulfil all its allocated activity despite the best efforts of the staff concerned. This will be discussed with the Scottish Funding Council.</p> <p>The future ROA framework remains uncertain and therefore the College will keep the current impact and probability scores under review as further guidance becomes available.</p>	
Managed By	Chief Executive and Principal	

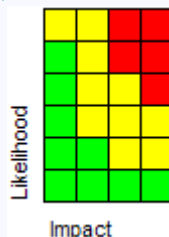


Risk Code & Title	07 WCS05 National Pay Bargaining	
Risk Summary	Impact and outcome of National Pay Bargaining for both teaching and support staff has an adverse effect on either efficiency of delivery or budget.	
Risk Category	Staffing and HR	
Risk Appetite	Open	
Proximity	Medium-term	
Probability & Impact	6	3
Gross Risk Score	18	
Internal Controls	The College is represented at a senior level on the national Employers Association and at the staff National Joint Negotiating Committees (NJNC). Update reports provided to both the Senior Management Team and Board of Management Committees on material issues likely to impact the College and the wider sector.	
	Financial assessment / planning scenarios on the impact of support staff job evaluation included within the 2021-22 budget and three-year forecast. Updates received from the Employers Association discussed with auditors to ensure treatment of impact is consistent with the wider sector. Senior staff participate in national bargaining groups and therefore College is informed of potential future impacts.	
	The College Business Continuity Plan intranet section contains full information of the Policies and Practices undertaken by the organisation to address threats to the continuation of business as normal. As part of these considerations the impact of industrial action has been considered and specific action plans are in place to address any direct impacts.	
	Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on a regular basis to maintain positive College industrial relations.	
	Workforce planning being carried out at departmental level based on national agreements. The Director OD&HR will review the current approach and determine any changes required during 2021/22 to ensure that the College is able to plan to meet the longer-term needs of the College.	
Probability & Impact Scores	4	3
		
Net Risk Score	12	
Trend		

Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.
	The sector has received pay claims from both the teaching (average request of 3.8% increase) and support staff (average request of 6.8% increase) for 2021–22. The support staff have also requested consideration of several conditions of service including a 4–day week and improved allowances. Clearly these requests are unaffordable against the current increase in the sectors core teaching grant of 2.4%.
	Unless there is significant downward movement in the staff claims these factors are likely to lead to industrial unrest and potentially strike action. At this time negotiations are ongoing and therefore the College is not minded to amend the impact or probability scores at this time.
Managed By	Chief Executive and Principal

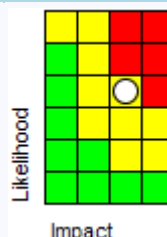
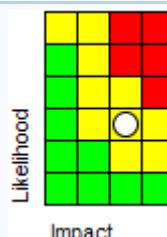

Risk Code & Title	08 WCS06 Digital Ambitions and IT Systems		
Risk Summary	Failure to adequately maintain or acquire and use IT systems and infrastructure effectively results in a failure to deliver / support the digital ambitions of the College.		
Risk Category	Digital		
Risk Appetite	Hungry		
Proximity	Medium-term		
Probability & Impact	4	4	
Gross Risk Score	16		
Internal Controls	IT Strategy, Policies, Procedures and system access processes in place. The Corporate Development Committee has reviewed progress achieved in delivering the previous IT Strategy on an annual basis. New IT Strategy for 2021–25 has been agreed and approved. (Reviewed 31.08.21)		
	Staff and student feedback and evaluation procedures in place. Action planning in place to address issues raised through feedback mechanisms.		
	IT Contingency Planning in place with regular reviews and updates undertaken. Linked to Business Continuity Planning and Cyber Resiliency + Cyber Essentials Plus. (Reviewed 31.08.21)		
	College to renew Cyber Essentials Plus accreditation annually. (Completed and achieved for 2021). Work completed on stage one of the Scottish Government Cyber Resiliency Framework. (Reviewed 31.08.21)		
	The College Digital Strategy sets out our digital ambitions for the College, presented and approved by the Board of Management. Update reports are provided to Learning, Teaching and Quality Committee with regular updates provided to SMT and monthly Digital Strategy Core Group Meetings. The WCS Digital Strategy Core Group provide a basis for College digital developments and a basis for seeking required levels of Scottish Government and SFC funding to support this.		
	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.		
	The College involvement in the national digital group has concluded for phase 1 generating a National Digital Ambition for Scotland's Colleges and a Route Map. In addition, one-off SFC funding of £221k in late 2020 utilised to fund purchase of IT devices for students. Work on the National Digital SLWG phase 2 has commenced with the College being an active member of the Group. Reports are regularly provided to senior management team on activities undertaken.		
	Data from major IT systems reviewed on ongoing basis to ensure that information upon which strategic decisions are based is robust and up to date.		
	Systems are in place for early identification and monitoring of provision deemed to be at risk of non-completion. Enhanced internal quality assurance on qualifications progress has been in place for the		

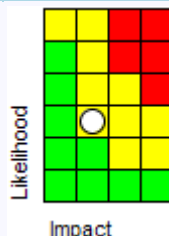

	<p>whole session 2020–21. This incorporates monthly <i>BRAG</i> rating and selected Internal Quality Assurance panels which monitor the correct application of awarding body guidance against qualifications and will provide early flags for student groups where deferral of their qualification into 2021–22 may be deemed necessary.</p> <p>‘At risk’ groups are identified through course evaluation processes at curriculum level and involves scrutiny of student’s outcomes for all protected characteristics and special interest groups. Monitoring of progress against targets for improvement has been strengthened during 2020–21 with the introduction of a curriculum level ROA sub report. This enables performance benchmarking at College and national level and facilitates sharing of good practice and outcomes across our teaching areas.</p> <p>The College student feedback mechanisms incorporate the mandatory SFC survey, internal thematic surveys and focused discussions with special interest groups. For example, a recent survey with care experienced students was conducted via Teams discussions and the responses influence the strategy for support for this year and for future cohorts.</p>		
Probability & Impact Scores	4	3	
Net Risk Score	12		
Trend			
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>The College has been given £458k of Digital Capacity building funds for 2021–22 which will assist the organisation in achieving some of its Digital Strategy objectives. However, it has been made clear that this funding is a one off for 2021–22 only as it is coming from covid consequential funds. This therefore calls into question the ability of the College to maintain the level of digital activity beyond July 2022 and may have an impact on delivery of the Regional Outcome Agreement objectives in future years. As the future funding of digital provision is uncertain at this time, the College will monitor the situation and amend the risk score in the future.</p>		
Managed By	Vice Principal Operations		

Risk Code & Title	09 WCS15 College Transformation Plan		
Risk Summary	Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".		
Risk Category	Governance		
Risk Appetite	Cautious		
Proximity	Longer-term		
Probability & Impact	4	4	
Gross Risk Score	16		
Internal Controls	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 and consider the level of third-party distance learning.		
	Board of Management have approved the Plan and financial objectives are monitored through the Corporate Development Committee. Board of Management monitor overall plan achievement.		
Probability & Impact Scores	3	4	
Net Risk Score	12		
Trend			
Latest Note	<p>The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.</p> <p>The College believes it has delivered on the objectives set in the Business Transformation Plan agreed with the Scottish Funding Council (SFC). It is currently undertaking work to establish the outputs from the plan and a report will be presented to the October 2021 Board of Management meeting. If as anticipated the financial and non-financial objectives have been achieved the College will look to engage with the SFC to close off the Business Transformation Plan and move to business as normal. The status and scoring associated with the risk will be reviewed after the October Board meeting and meeting with the SFC.</p>		
Managed By	Chief Executive and Principal		

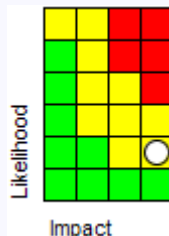
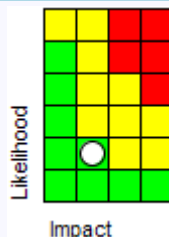

Risk Code & Title	10 WCS16 Cyber Resilience		
Risk Summary	The College fails to properly prepare for either an internal or external cyber-attack due to poor procedures or system failures resulting in a loss of data, funding and/or stakeholder trust.		
Risk Category	Digital		
Risk Appetite	Cautious		
Proximity	Immediate		
Probability & Impact			
Gross Risk Score			
Internal Controls	IT Strategy, Policies, Procedures and system access processes in place. The Corporate Development Committee has reviewed progress achieved in delivering the previous IT Strategy on an annual basis. New IT Strategy for 2021–25 has been agreed and approved. (Reviewed 31.08.21)		
	IT Contingency Planning in place with regular reviews and updates undertaken. Linked to Business Continuity Planning and Cyber Resiliency + Cyber Essentials Plus. (Reviewed 31.08.21)		
	College to renew Cyber Essentials Plus accreditation annually. (Completed and achieved for 2021). Work completed on stage one of the Scottish Government Cyber Resiliency Framework. (Reviewed 31.08.21)		
	Data from major IT systems reviewed on ongoing basis to ensure that information upon which strategic decisions are based is robust and up to date.		
	The College has completed the first stage of the Scottish Government Cyber Resiliency Toolkit which was reported to 01 June 2021 CDC. The toolkit will assist the College in addressing the cyber risks faced by the College. The toolkit is split into 9 areas of focus (Preparation, Identification, Reporting, Analyse and Investigate, Containment, Eradicate, Recovery, Reporting, Lessons Identified). An Action Plan is being developed to achieve compliance with this framework with updates being brought to subsequent Corporate Development Committee meetings.		
Probability & Impact Scores	4	3	
Net Risk Score	12		
Trend			

Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.
	Following the January 2021 ransomware incident, the College employed an external consultancy to undertake a review of the vulnerability of the college network. The report received as a result of this work resulted in several actions being taken by the College to strengthen the IT network security arrangements. The Corporate Development Committee have been kept apprised of the work being undertaken.
	The College believes it is in a position where it is as well prepared as possible in relation to future cyber-attacks. However, given the recent prevalence of cyber-attacks on public bodies the College does not feel that the risk probability can be reduced at this time. The risk will be subject to further review in the coming months.
Managed By	Vice Principal Operations

Risk Code & Title	11 WCS09 Staff Relations		
Risk Summary	Inability to maintain positive staff relations due to internal or external factors resulting in loss of staff trust, less efficient delivery and potential industrial action.		
Risk Category	Staffing and HR		
Risk Appetite	Open		
Proximity	Longer-term		
Probability & Impact	4	3	
Gross Risk Score	12		
Internal Controls	Approved Workforce Plan in place and review of existing approach to be undertaken by Director OD&HR during 2021-22.		
	Clear procedures for communication and engagement with Trade Unions and College staff verified by 2018-19 internal audit on internal communications.		
	Staff engagement sessions and staff surveys undertaken on regular basis allowing matters to be raised and issues to be addressed early.		
	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.		
Probability & Impact Scores	3	3	
Net Risk Score	9		
Trend			
Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change. Currently the Senior Management Team believe that the level of industrial relations within the College are on a par with the latter half of 2020-21. The College continues to engage on a proactive basis with both support and teaching staff unions and the results of the recent staff survey presented a positive picture of ongoing relations. There are actions to be taken to enhance staff relations and these will be implemented over the course of 2021-22.		
Managed By	Chief Executive and Principal		

Risk Code & Title	12 WCS10 Workforce Planning		
Risk Summary	Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes		
Risk Category	Staffing and HR		
Risk Appetite	Open		
Proximity	Longer-term		
Probability & Impact	4	3	
Gross Risk Score	12		
Internal Controls	Board of Management approved College Workforce Plan in place and annual update report provided to Corporate Development Committee. Director OD&HR will review the current approach during 2021/22 to ensure it is enabling the College to meet requirements for future delivery.		
	Detailed teaching resource planning through use of curriculum mapping tool (CMAP) CMAP for 2021-22 completed for budget and being updated following recruitment (July 21)		
	Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities.		
	ITrent HR and payroll software developed to provide staff data and reports including a College establishment report.		
	Professional Development Policies are aligned to strategic priorities.		
	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.		
	Results from staff skills survey being used to allow the College to identify and address future skills gaps.		
Probability & Impact Scores	3	2	
Net Risk Score	6		
Trend			
Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change.		

	<p>The College is currently working to implement the current workforce plan. In conjunction with this work the College is also updating the College People Strategy which will include several revised workforce planning objectives. The College will also be piloting the revised Continuing Professional Development scheme in early 2022 as part of overall work force planning.</p>
Managed By	Chief Executive and Principal

Risk Code & Title	13 WCS14 Estates Investment Works		
Risk Summary	Normal business activities are unduly affected due to the complexity of sequencing estates investment works		
Risk Category	Learning and Teaching		
Risk Appetite	Open		
Proximity	Longer-term		
Probability & Impact	2	4	
Gross Risk Score	8		
Internal Controls	Detailed resource planning involving all relevant parties at key stages to address any issues in advance of project start date. (Reviewed 31.08.21)		
	Consideration of increased staff resources through recruitment of additional Project Manager to address any significant increase in level of expenditure and complexity of projects being undertaken. (Reviewed 31.08.21)		
	Embedded project / estate team with knowledge base that allows issues to be proactively identified and addressed. (Reviewed 31.08.21)		
	Continued use of external professional advisors (where required) to provide oversight, support and review of proposed activities / plans. (Reviewed 31.08.21)		
Probability & Impact Scores	2	2	
Net Risk Score	4		
Trend			
Latest Note	The Senior Management Team considered that the impact and probability scores of this risk remained valid and not subject to change. The College is undertaking several major projects (new roof at Paisley and new windows at Greenock) which will likely have some impact on normal operations. The work is being planned to minimise any disruption to learning and teaching. At this time there is no indications that this work cannot be contained to ensure minimal disruption to College life.		
Managed By	Vice Principal Operations		

TITLE: **REPORT ON FREEDOM OF INFORMATION AND DATA PROTECTION ACT REQUESTS AND GIFTS & HOSPITALITY REGISTER**

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

- a) Public Interest Disclosure.
- b) Freedom of Information and Data Protection Acts requests.
- c) Gifts and Hospitality registers.

The report details an update regarding each of the above matters.

Action: The Audit Committee is requested to consider the 2020-21 report.

Lead: Alan Ritchie, Director of Finance

Status: Open

1. Public Interest Disclosure

- 1.1 The Public Interest Disclosure Act enables and encourages individuals to raise matters of concern that are in the public interest (often referred to as whistleblowing), such as malpractice, impropriety, or wrongdoing within the College, without fear of reprisal, so that they may be investigated and where appropriate acted upon.
- 1.2 The College has not had any Public Interest Disclosure cases during the period 1 August 2020 to 31 July 2021.

2. Freedom of Information and Data Protection Acts Requests

- 2.1 Appendix 1 provides a summary report on the Freedom of information and Data Protection Act requests compared to the previous year. It can be seen from Appendix 1 that the total number of freedom of information requests received during 2020-21 totalled 19 (2019-20: 18 requests), with data protection requests totalling 12 (2019-20: 24 requests).

3. Gifts and Hospitality

- 4.1 The Committee is required to be provided with an annual review of the Gifts and Hospitality Registers, and to highlight that systems are in place to ensure staff members are aware of the need to inform the Director of Finance and complete the forms where gifts or hospitality are received or given to the value of £25 or over.
- 4.2 Under the College Policy of receipt of Gifts and Hospitality, all staff are required to register any gifts, hospitality or other benefits received where the value of the item or benefit exceeds an amount of £25.
- 4.3 Details of gifts and hospitality received by staff over the last year are recorded by the Director of Finance. Staff are reminded quarterly via the College intranet about the requirement to register gifts and hospitality.
- 4.4 Due to the impact of the global pandemic and national lockdowns, there have been 2 declarations of gifts and hospitality (4 in the previous year) in total. These related to a gift given to a staff member by students and a hamper from a supplier to a department.

5. Conclusion

- 5.1 The Audit Committee is requested to consider the 2020-21 report.

Appendix 1

Summary of Freedom of Information Requests

Categories of Request	2020-21 Requests	2019-20 Requests	Type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	3	8	Student numbers, cases of plagiarism, student destinations	0	0
HR Data	2	3	Voluntary severance figures, support for domestic abuse	0	0
Finance Data	9	3	Agency agreements and costs, discretionary funds, fair trade, furlough, PPE costs and suppliers, confidential waste contracts,	0	0
Other	5	4	Lateral flow tests, board register of interest, IT contracts and asset management	0	0
Reviews requested	0	0		0	0
Total Number of Requests	19	18			

Summary of Data Protection Act Requests

Categories of Request	2020-21 Request	2019-20 Requests	Type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	8	15	Attendance, course details, funding details; incident report; fraud investigations (SAAS). Three of these requests were right to erasure requests (right to be forgotten). 1. No data held. 2. Some data deleted; some data anonymised (statutory obligations to hold) 3. Data deleted	1	Solicitors sent request by Royal Mail during lockdown; at that time, there was no-one in the building to action the request.
Staff Data	4	7	Payroll data.		
Other	0	2			
Total	12	24			

TITLE: SCHEDULE OF BUSINESS 2021-22

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 the content of the report.

Lead: Alan Ritchie, Director of Finance

Status: Open

1. Audit Committee Remit

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

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
1) General					
To provide advice to the Board on the strategic processes for risk, control and governance					
<ul style="list-style-type: none"> • Risk Management Strategy Update • Review of Strategic Risk Register • Corporate Governance Statement - Financial Statements • Internal audit reports (see section 2) • External audit report (see section 3) • Remit of Committee reviewed against best practice and governance requirements • Assurance Map Update 	Y	Y	Y Y	Y	Y
To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency, and effectiveness (value for money)					
<ul style="list-style-type: none"> • Internal Audit Annual Report 2020-21 • External Audit Management Letter as of 31 July • Internal and external audit reports as received • Update / Report on National Fraud Initiative (next review October 2022) • Report / Update on Value for Money • Procurement and Commercial Improvement Programme – every 2 years next due late 2022 • Anti-Fraud and Corruption Policy update (review date October 2021) • Anti-Bribery and Corruption Policy (review date July 2022) 	Y	Y Y	Y	Y	Y
	Y				Y

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
To advise the Board on the adequacy of the whistle blowing process and to receive an annual report on any matters raised through this process					
<ul style="list-style-type: none"> Annual Report on Whistleblowing Committee to be made aware of any issues arising during the year (ongoing as required) 	Y				
To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations					
<ul style="list-style-type: none"> Reports to be received as requested (ongoing as required) 					
To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges					
<ul style="list-style-type: none"> Review of Audit Committee effectiveness Internal Audit Annual Report 2020-21 External Audit management letter as of 31 July 2021 Report on compliance with SFC FM and SPFM Assurance Map Update 		Y Y		Y	Y Y
To consider the College's Annual Financial Statements at a joint meeting with the Finance and General Purposes Committee, and to recommend to the Board for approval					
<u>2020-21</u> <ul style="list-style-type: none"> External Audit Management Letter / Letter of representation Audit report on student activity Audit report on student funding activity Audit report on Educational Maintenance Allowances Governance Statement 	Y	Y Y Y Y Y			

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
<ul style="list-style-type: none"> Financial Statements as of 31 July 2021 <u>2021-22</u> External Audit Engagement Strategy 2021-22 including audit fee 		Y			Y
To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year					
<ul style="list-style-type: none"> Annual report to Board of Management from the Audit Committee 	Y	Y			
To report to the Board after each meeting					
<ul style="list-style-type: none"> Minutes and verbal update to each Board Meeting Draft Committee Dates 2021-22 	Y 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					
<ul style="list-style-type: none"> Review of Committee remit Annual report to Board of Management from the Audit Committee Annual review of effectiveness of the Committee 	Y Y	Y			Y
2) Internal Audit					
To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Audit Committee					
<ul style="list-style-type: none"> Review of effectiveness of internal audit function 				Y	Y
To advise the Board on the terms of reference for the Internal Auditors					
<ul style="list-style-type: none"> Internal Audit Plan Update 2021-22 			Y	Y	Y

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
<ul style="list-style-type: none"> Annual Internal Audit Plan 2022-23 					Y
To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters					
<ul style="list-style-type: none"> Annual Report to Board of Management from the Audit Committee Review of effectiveness of internal audit function 	Y	Y		Y	Y
To agree the Internal Audit Plan and review the Internal Audit Annual Report					
<ul style="list-style-type: none"> Internal Audit Annual Report 2020-21 Internal Audit Update Report 2021-22 Assurance Map Update Draft Internal Audit Plan 2022-23 	Y	Y	Y	Y Y	Y Y
To review the Internal Audit reports, the management response to them and to review implementation of the actions required					
<u>2021-22</u> <ul style="list-style-type: none"> Review of Financial Regulations Cash Management IT System Administration Digital Strategy & Governance Review Sustainability & Carbon Management Estates Strategy & Governance Review Review of Business Continuity Planning Student Recruitment 			Y Y Y	Y Y	Y Y Y
To review the Rolling Audit Action Plan at each meeting					
<ul style="list-style-type: none"> Report on Rolling Audit Action Plan 	Y		Y	Y	Y

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
To encourage appropriate liaison and co-ordination between internal and external audit					
<ul style="list-style-type: none"> • Invite / attendance at all Committee meeting by both internal and external auditors 	Y	Y	Y	Y	Y
To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors					
<ul style="list-style-type: none"> • Annual review of internal audit function • Annual meeting with internal auditor excluding College staff 				Y	Y Y
3) External Audit					
To receive information on the general terms and conditions of appointment of the External Auditors who are engaged by Audit Scotland to provide audit services to the College					
<ul style="list-style-type: none"> • Annual year end audit update by external auditors • Annual external audit appointment terms and conditions • Approval of External Auditors Audit Planning Memorandum 	Y				Y Y
To consider the External Auditors report on the Financial Statements and the management letter prior to submission to the Board, and to review the implementation of the recommendations					
<ul style="list-style-type: none"> • External Auditors report on the Financial Statements 2020-21 		Y			
To review the Statement of Corporate Governance					
<ul style="list-style-type: none"> • Review the statement of Corporate Governance 		Y			
To review the External Audit strategy and plan					
<ul style="list-style-type: none"> • SFC Accounts Direction for Scotland's colleges • External Audit 2021-22 Engagement Strategy 	Y				Y

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
To establish appropriate performance measures and indicators to monitor the effectiveness of the External Auditors;					
<ul style="list-style-type: none"> Annual review of effectiveness of external audit function Annual meeting with external auditor excluding College staff 		Y	Y		
To consider the objectives and scope of any non-statutory audit work to be undertaken by the External Auditors firm and advising the Board of any potential conflict of interests.					
<ul style="list-style-type: none"> As required 					
4) Risk					
To review the Risk Management Strategy and recommend to the Board for approval					
<ul style="list-style-type: none"> Review of College Risk Management Strategy 			Y		
To consider the Strategic Risk Register and to advise the Board accordingly					
<ul style="list-style-type: none"> Review of Strategic Risk Register Assurance Map 	Y	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.					
<ul style="list-style-type: none"> Review of Strategic Risk Register 	Y	Y	Y	Y	Y

REMIT	DELIVERABLES				
	08-09-2021	23-11-2021 (Joint Meeting)	01-12-2021	2-03-2022	18-05-2022
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 Register	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					