

West College Scotland
CORPORATE DEVELOPMENT COMMITTEE
TUESDAY 8 MARCH 2022 at 4.00 p.m. By TEAMS

AGENDA

General Business

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 23 November 2021 Enclosed JL
 - .1 Corporate Development Committee
 - .2 Actions arising from the Minutes
 - .3 Joint Audit and Corporate Development Committee
 - .4 Actions arising from the Minutes
4. Matters arising from the Minutes
(and not otherwise on the agenda)
 - .1 None

Main Items for Discussion and/or Approval

- | | | |
|--|----------|----|
| 5. Communications and Marketing Update | P'snt | NT |
| 6. People Update Report | Paper 6 | NS |
| 7. Estates Update Report | Paper 7 | AM |
| 8. IT Update Report | Paper 8 | AM |
| 9. Finance Update Report | Paper 9 | AR |
| 10. Management Accounts to 31 January 2022 | Paper 10 | AR |
| 11. Procurement Approval | Paper 11 | AM |
| 12. Strategic Risk Register Review | Paper 12 | AM |

Items for Information

13. Internal Audit Reports

- i. Financial Regulations
- ii. Cash Management

Paper 13(a) AR

Paper 13(b) AR

14. Schedule of Business 2021-22

Paper 14 AM

15. Any other business

Next meeting: Tuesday 31 May 2022 at 4pm by TEAMS

Shirley Gordon
Secretary to the Committee

CORPORATE DEVELOPMENT COMMITTEE

Minutes: Tuesday 23 November 2021.

Present: Jim Hannigan (in the Chair), Liz Connolly, Linda Johnston, John Leburn, David Mark.

Attending: Waiyin Hatton (Board Chair), Shirley Gordon (Secretary to the Board), Amy McDonald (Vice Principal Operations), Alan Ritchie (Director Finance), Natalie Smith (Director Organisational Development and HR), Nathan Tyler (Director Communications, Policy and Engagement), Brian Stobbs (Head of IT), Vivienne Mulholland (Head of Finance and Student Funding).

Apologies: Paul Sefton, Douglas Bayley.

CD66 WELCOME

The Chair welcomed everyone to the meeting and noted apologies.

CD67 DECLARATIONS OF INTERESTS

The following declarations of interest were recorded and **noted**:

- Waiyin Hatton: Wai Beyond, People and organisational development consultancy; Harvey McMillan, People and organisational development consultancy; Action Against Stalking; Colleges Scotland (Board member).
- Liz Connolly: Trustee of the West College Scotland Foundation; Member of Developing the Young Workforce (DYW) West Regional Board; Colleges Scotland (Board member).
- John Leburn: Trustee of the West College Scotland Foundation.
- Jim Hannigan: University of Strathclyde and National Manufacturing Institute Scotland (NMIS); Chair of Developing the Young Workforce (DYW) West Regional Board.

CD68 MINUTES OF PREVIOUS MEETING

The minutes of the Corporate Development Committee meeting held on Tuesday 14 September 2021 were **approved**.

CD69 ACTIONS FROM THE MINUTES

The Committee **noted** the actions taken from the minutes, and it was **agreed** those completed could now be removed.

CD70 MATTERS ARISING FROM THE MINUTES

There were no matters arising not otherwise on the agenda.

CD71 COMMITTEE MEMBERSHIP

The Committee was asked to note that the tenure of co-opted member, David Mark, expired on 28 February 2022 and approve his reappointed for a further one year (1 March 2022 to 29 February 2023). The CDC Chair would present this for approval to the Board meeting scheduled for Monday 13 December 2021.

The Committee recommended approval to the Board of David Mark's reappointment or a further one year (1 March 2022 to 29 February 2023).

CD72 COMMUNICATION AND MARKETING STRATEGY UPDATE

The Director Communications, Policy and Engagement delivered a presentation highlighting the core functions of the directorate and the key aims established to support delivery of the College strategy. He reported that objectives aligning with those aims had been set with work already started.

The Committee welcomed these developments and exciting opportunities ahead. Mr Tyler confirmed that an evaluative approach would be taken to measure the effectiveness of the aims and feed back would be provided to the Committee.

In response to a question about College marketing spend for the recruitment / retention of students, Mr Tyler agreed it was critical to get best value for investment. Benchmarking of that spend would be undertaken to establish cost as a percentage of overall student spend.

The Corporate Development Committee thanked Mr Tyler for the update and noted developments.

CD73 2021 STAFF SURVEY RESULTS AND ACTION PLAN

Natalie Smith, Director, Organisational Development & HR reported that the latest staff survey was conducted in May 2021 and she provided an overview of the results and action plan that the College had agreed to address the topics raised through the survey.

Mrs Smith led the Committee through the detail of the survey and results (which consisted of questions under 8 themes) as well as the Action Plan that focused on the following 3 key areas:

- One College Culture
- Leadership
- Hybrid Working

The Action Plan would be delivered during the 2021/22 academic year, with the majority of the activity being completed before the next staff survey in May 2022 and Mrs Smith highlighted some actions already taken.

The Committee noted the excellent 57% response rate and commended the Action Plan, in particular, the emphasis it had to listening and acting on staff feedback which could help improve productivity and a commitment from staff to do the best they could for the College and ultimately students.

The Corporate Development Committee considered and approved the survey results and action plan ahead of them being shared with the Board in December 2021.

CD74 ESTATES UPDATE REPORT

The Vice Principal Operations provided an update in relation to the following 7 estates developments, projects, and funding areas:

- External Estates (including Clydebank District Heating System and NHS Golden Jubilee Hospital, Clydebank).
- Catering.
- Estate project and budget.
- Leasing agreements.
- College Estate Strategy.
- Asset Transfer requests.
- Sustainability.

The Committee welcomed the risk-based assessment approach taken by the College when in dialogue with the Scottish Funding Council on matters related to estates developments, projects, and funding.

The Corporate Development Committee:

- Reviewed and noted the report for information.
- Approved the increase to the total expenditure on the Finnart Street, Greenock Tower Window Replacement project by about £120k, which would be funded from 2021-22 VHPM budget.

a) Greenock OBC – Update – Restricted Item

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

b) Estates Strategy Update

The Vice Principal Operations presented the objectives of the Estates Strategy and led the Committee through the associated outcomes. She highlighted the short / medium / long term strategic asset management planning and provided some examples of projects being undertaken in all 3 campuses.

The Committee recognised that the College had been unable to fund the requirements identified in the 2019 condition survey and Estates Strategy 2016-26 in the manner

required and that progress in tackling the main issues identified remained slow and sub-optimal. It welcomed, however, confirmation that the College continued to adopt a flexible approach to prioritising future expenditure noting that, overall, due to funding constraints, the College continued to manage the decline in its estate.

The Corporate Development Committee noted the Estates Strategy Update.

CD75 IT UPDATE REPORT

The Vice Principal Operations provided an update in relation to the following 6 IT developments, projects, and funding:

- Service developments.
- Support for teaching and learning.
- Infrastructure developments.
- Security and resilience.
- IT Project and associated budget updates.
- College IT Strategy.

In response to a question, Ms McDonald described the process for providing all students with a loan of IT devices if required (e.g. Chromebooks, laptops, tablets) for their studies including steps taken to ensure these were returned to the College on completion of their studies.

The Corporate Development Committee noted the report for information.

CD76 FINANCE UPDATE REPORT

The Director Finance provided an update in relation to the following 6 financial matters:

- Scottish Funding Council Circulars.
- SFC Financial Forecast Report.
- Report and Financial Statements for year ending 31 July 2021.
- National Bargaining.
- Payment Portal.
- National Fraud Initiative.

The Corporate Development Committee noted the report.

CD77 PROCUREMENT APPROVAL (Restricted Item)

CD78 MANAGEMENT ACCOUNTS TO 31 OCTOBER 2021

The Director Finance presented the Management Accounts for the 3 months to 31 October 2021. He reported that the Covid-19 pandemic had continued to have a material impact on ongoing business operations and the financial forecast to 31 July 2022 was based on the current information available to the College.

Mr Ritchie led the Committee through an overview of the Management Accounts to 31 October 2021 and highlighted the variance analysis that illustrated the changes compared to the Board-approved budget which the College had to account for during the first quarter of 2021-22. After accounting for these variances, the College was now forecasting to deliver an adjusted operating deficit of up to £(2,035,000), which would result in the financial deficit for the year increasing to £(4,914,000). Mr Ritchie confirmed that work would continue to reduce the operating deficit through the Budget Planning work already in progress.

In response to a question, Mr Ritchie confirmed that it was essential to ensure financial sustainability of the College and, therefore, work did not just cover the current financial year but looked ahead to the next 3 years. He added that the SFC was aware of the current deficit position. The Principal reported that the College would continue to monitor income and costs closely, to enable it to continually estimate the 2021-22 financial outturn and cashflow position as well as continue to engage with the SFC in relation to the financial challenges arising because of the global pandemic. These issues were similarly being discussed at the national College Principals Group.

The Corporate Development Committee:

- **Noted the revised format of the Management Accounts pack.**
- **Noted the current 2021-22 adjusted operating position.**
- **Noted the cashflow position.**
- **Approved the Management Accounts to 31 October 2021.**

a) Catering Provision (Restricted Item)

[REDACTED]

[REDACTED]

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b) Nursery Provision (Restricted Item)

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CD79 STRATEGIC RISK REGISTER REVIEW

The Director Finance explained that under the Corporate Governance Code, the College Board of Management was tasked with ensuring a framework of risk management and control was in place.

Mr Ritchie provided the current College Strategic Risk Register for consideration.

The Corporate Development Committee:

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

CD80 2020-21 PROCUREMENT ANNUAL REPORT

The Director Finance provided the Committee with the 2020-21 Procurement Annual Report for consideration prior to its publication.

The Corporate Development Committee noted the 2020-21 Procurement Annual Report.

CD81 SCHEDULE OF BUSINESS 2021-22

The Committee **noted** its schedule of business for 2021-22 as summarised by the Director Finance. This would be updated during the year to reflect revised dates for reports being submitted to the Committee.

CD82 ANY OTHER BUSINESS

No other business items were raised.

The Principal noted that it was Mr Hannigan's last meeting of the Committee as his Term of Office as a Board Member ended on 31 January 2022. On behalf of the Committee, she thanked him for his commitment and energy in taking forward the business of the Committee.

CD83 DATE OF NEXT MEETING

Tuesday 8 March 2022 at 4pm by TEAMS.

CORPORATE DEVELOPMENT COMMITTEE – ACTIONS FROM THE MINUTES

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
16 Sept 2020	EM426	WDC District Heating System: An update report to be provided to a future meeting of the Committee.	M Joyce	Update provided in Estates Update paper.	Future meeting
3 Mar 2020	EM398	College Estate Strategy 2016-2026 - Progress Report: Proposed to refresh the Estate Strategy 2016-2026 document over the course of 2020-21 to reflect change, and changing, operating environment.	A McDonald	Refresh of 10-year Estate Strategy document will be progressed. Update paper on how strategy refresh will progress in summer 2022.	June 2022
19 Nov 2019	FPM291	Business Transformation Plan - Committee to be kept informed of progress with discussion with SFC.	L Connolly	Updates will continue to be provided to the Corporate Development Committee and the Board of Management on College engagement with the SFC regarding implementation on the Business Transformation Plan during 2020-21.	Ongoing – Future Meetings

JOINT MEETING OF AUDIT COMMITTEE AND CORPORATE DEVELOPMENT COMMITTEE

MINUTES: Tuesday 23 November 2021

Present: Graeme Bold (in the Chair)

Audit: Grant Lyall, Wai Wong.

CD: Jim Hannigan, John Leburn, Linda Johnston, Liz Connolly.

Attending: Amy McDonald (Vice Principal Operations), Alan Ritchie (Director Finance), Vivienne Mulholland (Head of Finance and Student Funding), Shirley Gordon (Secretary to the Committee).

Attending by invitation:

Joanne Buchanan (Mazars – External Auditors).

Graham Gillespie (Wylie & Bisset – Internal Auditors).

Apologies: Douglas Bayley, Paul Sefton, David Mark.

AFM43 CLOSED SESSION WITH EXTERNAL AUDITORS - Restricted Item

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

AFM44 WELCOME

The Chair welcomed members, attending officers and auditors (internal and external) to the joint meeting of the Audit Committee and Corporate Development Committee.

AFM45 DECLARATIONS OF INTERESTS

- Liz Connolly: Trustee of the West College Scotland Foundation; Member of Developing the Young Workforce (DYW) West Regional Board.
- John Leburn: Trustee of the West College Scotland Foundation.

- Jim Hannigan: University of Strathclyde and National Manufacturing Institute Scotland (NMIS); Chair of Developing the Young Workforce (DYW) West Regional Board.

AFM46 MINUTES

The minutes of the joint meeting of the Audit Committee and Finance and General Purposes Committee held on 24 November 2020 **were noted (having already been approved at each of the Committees)**.

AFM47 ACTIONS FROM THE MINUTES

The Committee **noted** that all actions arising from the previous minutes had been completed.

AFM48 EXTERNAL AUDIT ANNUAL REPORT AND LETTER OF REPRESENTATION 2020-21

The external auditors, Mazars, presented their report on the audit of the financial statements for the year ending 31 July 2021 and their letter of representation 2020-21 was considered.

Ms Buchanan summarised the audit conclusions. She explained that Mazars had substantially completed their work on the financial statements and wider scope work for the year ended 31 July 2021 with one matter remaining outstanding.

She led the Committee through the report and highlighted that the auditors anticipated issuing an unqualified opinion concerning the:

- Financial statements for the year ending 31 July 2021;
- Regularity of income and expenditure (in all material respects the expenditure and income recognised in the financial statements had been applied for the purposes intended); and
- Remuneration and staff report, performance report and governance statement.

The external auditors also concluded that the College had:

- Effective arrangements, including budgetary control, that helped the Board members scrutinise finances;
- Adequate financial planning arrangements in place. The long-term operational funding gap previously identified by the College as well as a need for significant capital investment increases became more urgent. The College was reliant on the outcome of dialogue with the Scottish Funding Council to ensure future capital investment was made and, therefore, the risk of the College not being financially sustainable was reduced;
- Governance arrangements in place that provided appropriate scrutiny of decisions made by the Board; and
- An effective performance management framework in place that supported progress towards the achievement of value for money.

and this led to the Auditors anticipating the Report being unqualified.

In response to a question, Ms Buchanan explained that the report contained a “matter of emphasis” section in relation to the valuation of the property portfolio. This matter was not unique to the College and would apply to all organisations who had valued their properties during the year. It did not impact the operations of the College and was there to raise awareness of the unpredictable nature of any valuation given the current market conditions. Consequently, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. As this was reported in the property valuation report, the auditors required to bring this to the attention of the College.

In response to a question about the statement “The College was reliant on the outcome of dialogue with the Scottish Funding Council to ensure future capital investment was made and, therefore, the risk of the College not being financially sustainable was reduced”, Ms Buchanan explained that this point recognised the challenges of any likely future capital investment and the continued dialogue the College Executive had with the SFC. Ms McDonald added that the College acknowledged this, and it featured in the Strategic Risk Register which was supported by plans to ensure its mitigation.

The Chair congratulated the College for being as adaptive, agile and flexible as possible given the financial and operational challenges of 2021. The dedication to students, in particular, demonstrated tremendous effort and commitment.

Ms Buchanan thanked senior officers and their teams for the quality of the information provided and the constructive working relationship they enjoyed throughout the audit process.

The Committee recognised and welcomed that the external auditors were proposing an unqualified opinion concerning the financial statements, the regularity of income and expenditure, remuneration and staff report, performance report and governance statement.

The Committee approved for presentation to the Board of Management the:

- **Audit report to the Board of Management and the Auditor General for Scotland for the year ended 31 July 2021.**
- **The letter of representation.** [Action: AMcD]

AFM49 REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

The College Report and Financial Statements for the year to 31 July 2021 were presented by the Director Finance for review and approval for presentation to the Board of Management. The report provided an overview of the 2020-21 Financial Statements and encompassed:

- Financial reporting requirements;
- The College’s underlying adjusted operating position as of 31 July 2021.
- An overview of the final year end position, reconciling the College 2020-21 budget to the audited position as of 31 July 2021; and
- Consideration of balance sheet movements.

Mr Ritchie confirmed that the Report and Financial Statements for the year ended 31 July 2021 had been audited by Mazars LLP and referred to the associated 2020-21 Annual Audit Report along with the associated Letter of Representation that had been considered earlier.

The Vice Chair of the Corporate Development Committee reported that members discussed the wealth of detail contained in the Performance and Accountability Reports earlier and he commended the open and transparent way in which the reports had been written. Some drafting and contextual suggestions, which may add to the consistency and understanding of the information presented, had been suggested and Mr Ritchie agreed to incorporate these where appropriate. **[ACTION – AR]**

The Chair recorded his thanks on behalf of the Committee to the finance team for this excellent work in what had been a challenging year.

The Joint Audit / Corporate Development Committee reviewed and approved the Report and Financial Statements for the year to 31 July 2021 for presentation to the Board of Management. [Action: AMcD]

AFM50 2020-21 CREDITS AUDIT REPORT

Graham Gillespie (Wylie & Bisset) presented the results of the SFC Credit (student activity) Audit for 2020-21 which included the audit certificate.

Mr Gillespie reported that Wylie & Bisset carried out the 2020-21 audit of student activity (Credits) and he led the Committee through the results of that audit work against each of the key risk areas highlighted by the SFC in their guidance.

Mr Gillespie added that Wylie & Bisset had concluded:

- The College had reasonable procedures and controls over the collection of data for the credits return and assurance could be taken that the credits count for the College was not materially mis-stated. The systems used by the College were satisfactory.
- That from their review of the 4 recommendations raised in 2019/20, 1 of the points raised had been implemented with 3 partially implemented recommendations remaining outstanding.
- The College credit target for the academic year 2020/21, agreed between the SFC and the College, was lower than the agreed total target. For 2020/21 the SFC had stated that it would not be recovering funds relating to grant-in-aid/fee waiver. However, Skills Boost activity was subject to clawback and the College would, therefore, be required to repay those funds.

Mr Gillespie confirmed that the audit certificate in respect of the 2020/21 return was unqualified and was in the format set out in the SFC audit guidance. The audit certificate was submitted to the SFC on 1 October 2021 in line with the required reporting deadline.

The Committee thanked the auditor for a thorough audit report and noted the 1 medium level and 4 low level recommendations which had been accepted by College management. Mr Ritchie confirmed that these would be added to the Rolling Audit Action Plan alongside timescales for implementation.

The Committee discussed those recommendations listed as partially implemented from 2019/20. Mr Gillespie agreed, in future, to record these as new recommendations as the current recording of partially implemented inferred incomplete implementation when, in fact, processes had been refined each year to address the issues. **[ACTION – GG]**

The Committee:

- **Noted the 1 medium and 4 low level audit recommendations and management responses.**
- **Approved the 2020-21 Credit Audit Report and Certificates.**

AFM51 STUDENT SUPPORT FUNDS 2020-21 – AUDIT REPORT AND CERTIFICATES

Graham Gillespie (Wylie & Bisset) presented the outcomes from the 2020-21 Student Support Fund audits explaining that the College operated several student support funds which were subject to independent audit. Mr Gillespie reported that Wylie & Bisset carried out the 2020/21 audits of the College student funding expenditure against the relevant SFC or SAAS guidance. The assignment covered the audits of:

- Student Support Funds – which covered the following:
 - ❖ Scottish Funding Council (SFC) Student Support Fund which included bursary, childcare and discretionary funds; and
 - ❖ Student Awards Agency for Scotland (SAAS) Discretionary Fund.
- Educational Maintenance Allowances (EMA).

Mr Gillespie reported that in respect of the Student Support Funds the auditors concluded that:

"We have examined the books and records of West College Scotland and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records. We also report that, in our opinion, the College used these funds in accordance with the guidance issued by the SFC. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate".

He confirmed that the audit did not make any recommendations as to the operation of either fund which was better than the average of one recommendation made to other organisations in the sector.

In respect of the Educational Maintenance Allowances the auditors had concluded that:

"We have examined the books and records of West College Scotland, with a sample size appropriate to the size of the College and have obtained such explanations and carried out such tests as we considered necessary. The

College have not undertaken spot checks in 2020/21 due to the College staff working from home during the year.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate".

Mr Gillespie confirmed that the audit made one low level recommendation in relation to spot checks, "...that the College produces a process to enable it to undertake the EMA spot checks remotely, until such times as all staff are back on site and the College is fully reopened". The College had accepted the recommendation and would undertake spot checks during 2021/22.

Wylie & Bisset had issued unqualified audit opinions for all three funds.

The Committee approved the:

a) Audit Report on Student Support Fund 2020-21; and

b) Audit Report on Educational Maintenance Allowance 2020-21.

AFM52 INTERNAL AUDITORS ANNUAL REPORT 2020-21

Graham Gillespie presented the Internal Auditor's Annual Report and provided further background information in considering approval of the Financial Statements. He explained that the report would also be submitted to the Scottish Funding Council (SFC).

Mr Ritchie explained that the report was considered and approved by the Audit Committee at its 8 September 2021 meeting. The College received confirmation from Wylie & Bisset in early November 2021 that they were not aware of any factors since the report was presented to the September 2021 Audit Committee that required them to change the content and conclusion contained within their annual report.

The key extract from the report was in relation to the overall internal audit opinion based on the work undertaken during the year which was as follows:

'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.'

The Joint Committee noted the content of the Internal Auditor's Annual Report 2020-21.

AFM53 2020-21 ANNUAL REPORT FROM AUDIT COMMITTEE TO BOARD OF MANAGEMENT

The Chair presented the Annual Report to the Board of Management which detailed the work carried out by the Audit Committee during the period 1 August 2020 to 31 July 2021.

The Annual Report was a requirement of both the Scottish Funding Council (SFC) Financial Memorandum and the Scottish Public Finance Manual and complied with the requirements of those documents. It was based on the guidance laid out in the Scottish Government's 'Audit and Assurance Committee Handbook'.

Mr Bold led the Committee through the report noting that, despite the governance and operational challenges faced by the College, the 2020-21 schedule of Committee business was completed within the year which was an excellent achievement.

In response to a question, the Principal reported that the Corporate Development Committee was working well since its formation in March 2021. Its agendas were well structured to include visibility of all areas within its remit with reporting being strategic rather than operational.

The Committee considered and approved the content of the Annual Report from the Audit Committee to the Board of Management at its 13 December 2021 meeting. [Action: GB]

AFM54 ANY OTHER BUSINESS

The Chair thanked members of the Committee, attending officers and auditors for their attendance. No other business items were raised.

Joint Audit and Corporate Development Committee: Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
23 Nov 2021	AFM48	External Audit Report to be presented to the next meeting of the Board and recommend to the Board that the Letter of Representation be approved, and the Chair and the Principal be authorised to sign on its behalf.	A McDonald		Complete December 2021 meeting of the Board
" "	AFM49	Financial Statements for the year ended 31 July 2021 be presented to the next meeting of the Board including some redrafting and contextual suggestions where appropriate.	A Ritchie / A McDonald		Complete December 2021 meeting of the Board
" "	AFM50	2020-21 Credits Audit Report – record “partially implemented” as new “recommendations” as the current recording of “partially implemented” inferred incomplete implementation when, in fact, processes had been refined each year to address issues.	G Gillespie		October 2022 To address in 2021-22 report
" "	AFM52	Internal Auditors Annual Report 2020-21 to be presented to the Board.	A McDonald		Complete December 2021 meeting of the Board
" "	AFM53	Audit Committee Annual Report 2020-21 to be presented to the Board.	G Bold		Complete December 2021 meeting of the Board

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	People Update Report
Presented By	Natalie Smith Director Organisational Development and HR
Recommendation to Members	Consideration
Appendix Attached	No

PURPOSE

This paper provides the Corporate Development Committee with updates in relation to the following matters:

- Nursery and Catering Proposals
- National Bargaining
- Senior Staff Pay
- My Conversations and Evolve (Learning Management System)
- Health, Safety and Wellbeing

The paper is presented in line with Corporate Development Committee Terms of Reference:

'To have strategic oversight of the overall management of the College's resources – finance, people, procurement, information technology and property.'

The paper is submitted *For Consideration*.

1. Context

- 1.1 This report is intended to provide the Corporate Development Committee with an overview of key updates in relation to College people-related activities.

2. Nursery and Catering Proposals

- 2.1 The College is currently undertaking collective consultation with employee representatives and has met with representatives from Unite and Unison trade unions on 11 occasions. Five of these have been dispute meetings.
- 2.2 Individual consultation meetings have also been taking place with members of staff.
- 2.3 The Unions have sided with the dispute despite the College addressing their two key concerns – removing compulsory redundancies from the proposal and working together to ensure they felt that meaningful consultation was taking place. This has allowed us to move on from the dispute meetings and continue the consultation.
- 2.4 The Unions have advised that they will continue to campaign over both the proposed nursery closures and the proposed catering service changes.
- 2.5 On Tuesday 22 and Wednesday 23 February there were demonstrations organised by the trade unions at Paisley and Greenock nurseries that were covered by the unions social media and local press.
- 2.6 Students have signed a petition to continue with catering provision – the question put to students did not state the College would be continuing with food provision through cafe's. Learner Development students have written individual letters to the College, so we will increase levels of communication, including with the Student Association, to address their concerns and reiterate that the College does not intend to cease catering provision. The president of the Student Association is being included to bring the student voice to the Catering Transformation project.

3. National Bargaining

Pay

- 3.1 For the year 1 September 2021 to 31 August 2022, both teaching and support staff unions have been made a final offer of £850 plus

a one-off non-consolidated £150 in recognition of the efforts made during the pandemic. This has been rejected by both sets of representatives.

- 3.2 EIS-FELA lodged a formal dispute on 27 January 2022 over the management side's failure to make a reasonable pay offer in the 2021-22 NJNC national pay negotiations.
- 3.3 EIS-FELA has enacted a consultative industrial action ballot with a recommendation that strike action is supported. The second national dispute meeting is due to be held on 28 February 2022 and the Committee will be updated following this meeting. The support staff unions are continuing negotiations following the rejection of the management side offer with the next scheduled meeting due to take place on 9 March.

Job Evaluation

- 3.4 The 2017-18 Pay and Terms and Conditions Agreement for support staff committed to implementing the outcomes of Job Evaluation from 1 September 2018 and included every support staff role within the scope of National Bargaining.
- 3.5 As stage two, the evaluation of roles, is nearing completion and progress is being made on stage three, implementation, there is now a requirement to consider how to address the evaluation of new or changed roles since 1 September 2018.
- 3.6 At the Employers' Association meeting on 10 November 2021, members requested a review be carried out on the Job Evaluation project to date. The review will assess the implementation and effectiveness of the project to date, determine what progress has been made and identify lessons learnt in terms of what has worked well and what has not gone as well. It will also consider recommendations on future governance, processes and procedures before work commences on evaluating new or changed roles since 1 September 2018.
- 3.7 West College Scotland has not yet received the outcome of the job evaluations that have been completed for our roles. Further updates will be provided to Corporate Development Committee and the Board of Management once we understand the specific implications for the College.

4. Senior Staff Pay

- 4.1 The Remuneration Committee approved a pay award for senior staff to take effect from 1 April 2022 which is subject to final approval by the Board of Management on 21 March 2022.

5. My Conversations and Evolve

- 5.1 To enable the college's new holistic approach to learning and development, we have developed a modern, easy to use learning management system for all colleagues called 'Evolve'. There will be three aspects to this:
- My Conversations
 - My Learning
 - Find Learning
- 5.2 *My Conversations* is the College's new approach to Continuing Professional Development Reviews (CPDRs) and the approach is currently being piloted. The new system will be launched to those involved in the pilot from March 2022. It will be the place that employees record their objectives and their one to ones with their manager.
- 5.2 The new approach addresses employee feedback on the CPDRs. It is employee centred, easy to use and is supported by guidance. Employees lead the conversations, and the recording requirements are much simpler than previously.
- 5.3 *My Learning* is each employee's own personal learning record where they will be able to review the learning they have booked, attended and completed. This will be launched in time for the 2022-23 academic year.
- 5.4 *Find Learning* will be a one stop shop for employees learning and development needs with learning on a variety of topics and in various formats, such as virtual classrooms, eLearning, articles, videos and bitesize learning.

6. Health, Safety and Wellbeing

Covid-19

- 6.1 The College continues to meet with trade union representatives fortnightly through our Covid-19 Mobilisation Group.
- 6.2 The focus of the college's Covid-19 response is currently on ventilation given the increasing recognition of importance of this in impacting upon transmission.

- 6.3 The College has introduced CO2 monitors in rooms across all campuses (6 in Paisley, 2 in Clydebank, 9 in Greenock Finnart Street and 1 in Greenock Waterfront). The purpose is to monitor levels of CO2 in the rooms so that members of staff can take action to address, such as opening windows to let in fresh air, if any concerns are identified. To date only one room has been identified as requiring intervention, and window extractors will be fitted in this room as the windows do not open.
- 6.4 The Mobilisation Group is currently considering how we adapt our guidance around the wearing of face coverings as the rules change in wider society.

Staff Wellbeing

- 6.5 Through additional funding provided to the College during 2022-23, we have been able to introduce a Staff Wellbeing Adviser alongside the Student Wellbeing Advisers. This has already proven to be beneficial to staff members who have needed support, and this is evidenced through more staff members contacting our Staff Wellbeing Adviser since she started in November 2021 than phoning the external Employee Assistance Programme in a year.
- 6.6 The introduction of this post has allowed us to undertake additional activity in support of our members of staff health and wellbeing. Initiatives in the first three months of her tenure have included 'Time to Talk' day in conjunction with the Student Wellbeing Advisers, taking forward activity to support staff with an alcohol dependency in conjunction with Renfrewshire (although for all our campuses), and encouraging staff to get involved in the Kiltwalk.
- 6.7 We currently are undertaking a survey to help us identify how staff would like to access wellbeing support and information.

7. Modern Slavery Statement

- 7.1 The Board of Management previously approved the College Modern Slavery Statement in March 2021 and there is a requirement for this to be reviewed annually. The 2021 Statement has been reviewed and no changes made to the content.
- 7.2 It is being presented to the Corporate Development Committee for consideration prior to approval being sought at the Board of Management meeting on 22 March 2022.

- 7.3 The Corporate Development Committee are asked to consider the Modern Slavery Statement and request that the Board of Management approve publication of this on 21 March 2022.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications directly associated with this paper.

9. STUDENT EXPERIENCE

- 9.1 There are no student experience implications directly associated with this paper.

10. HUMAN RESOURCES IMPLICATIONS

- 10.1 There are several human resource implications associated with topics that have been updated on in this paper. The topics covered all have an impact on employee engagement of staff.

11. LEGAL IMPLICATIONS

- 11.1 There are no legal implications associated with this paper.

12. REPUTATIONAL IMPLICATIONS

- 12.1 There are no reputational implications associated with this paper.

13. COMMUNITY/PARTNERSHIP IMPACT

- 13.1 There are no community implications associated with this paper.

14. EQUALITIES IMPLICATIONS

- 14.1 There are no equality implications associated with this paper.

15. ENVIRONMENT IMPLICATIONS

- 15.1 There are no environmental implications associated with this paper.

RECOMMENDATION

The Corporate Development Committee is invited to consider and note the report for information.

The Corporate Development Committee is asked to consider the Modern Slavery Statement and request that the Board of Management approve publication of this.

MODERN SLAVERY STATEMENT

The Modern Slavery Act 2015 requires the College to produce a statement setting out the steps they have taken to ensure that there is no modern slavery in their own organisation and in their supply chains.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 July 2020.

OUR COMMITMENT

West College Scotland (WCS) adopts a zero-tolerance approach to slavery and human trafficking and is committed to protecting human rights. We will act ethically and responsibly in all our relationships by working with suppliers that share and adhere to this commitment. We will also put in place reasonable measures to ensure that slavery and human trafficking does not occur within our own organisation or our supply chains.

OUR POLICIES ON SLAVERY & HUMAN TRAFFICKING

We operate several policies which support our commitment to human rights and which set out ways that we will minimise the risk of slavery and human trafficking. These policies include our Sustainability and Social Responsibility Statement and Equal Opportunities Procedure.

OUR SUPPLY CHAINS

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our procedures reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

We purchase a wide range of goods and services from suppliers including:

- ICT equipment and services
- Professional services
- Estates and facilities management goods and services
- Food and catering supplies
- Books and printing
- Teaching supplies
- Furniture and stationery
- Waste and recycling services

Procuring goods and services from suppliers linked to supply chains across the world presents risks of slavery and human trafficking. We have put in place the following measures to mitigate this risk:

Advanced Procurement for Universities and Colleges (APUC)

The College is a member of the sector collaborative procurement body, Advanced Procurement for Universities and Colleges (APUC) and utilises this expertise in procuring goods and services. APUC requires all suppliers to commit to the Sustain Supply Chain Code of Conduct confirming that they do not use forced, involuntary or underage labour, provide suitable working conditions and treat employees fairly. APUC is a Founder Member of Electronics Watch, an independent monitoring organisation working to achieve respect for labour rights in the global electronics industry through socially responsible public purchasing in Europe.

The College currently utilises and is committed to the Sustain Supply Chain Code of Conduct and this underpins all tendering activity and supplier adoption.

Regulated Procurements

Every regulated procurement process conducted by the College requires tenderers to disclose whether the bidder or any member of their organisation with decision-making powers has been convicted in the last five years of any offence under Part 1 of the Human Trafficking and Exploitation (Scotland) Act 2015, or under any provision referred to in the Schedule to that Act. Tenderers that confirm such a conviction will be excluded from the process unless they can successfully demonstrate that they have self-cleansed. The Sustainable Public Procurement Prioritisation tool will be used to review high-risk categories including estates, food and catering, information and communication technology, laboratories and travel.

Modern Slavery Statement

For procurement that does not take place through the APUC or other purchasing organisation frameworks (exceeding £50,000 for goods and services and £2,000,000 for works), this statement is included with all tender documents and potential suppliers are required to complete and sign our modern slavery certificate. This certificate requires tendering suppliers to set out the measures that they take to ensure that slavery and human trafficking does not take place in their own organisation or supply chains

OUR PEOPLE

We have put in place the following measures to mitigate the risk of slavery or human trafficking taking place directly within our organisation:

Recruitment Practices

We carry out rigorous right to work checks for all new members of staff. When it is necessary to engage agency workers, we use recruitment agencies who have met our rigorous procurement procedures.

All staff members and agency workers are required to be members of Disclosure Scotland's Protecting Vulnerable Groups (PVG) scheme. A PVG certificate contains all unspent and certain spent conviction information. It also contains any other non-conviction information that the police or other government bodies think is relevant. This information is checked during the recruitment process and the College will be made aware of any new convictions whilst an individual is working with the College.

Pay

We comply with all pay related legislation and the College is a Living Wage Employer.

Working Conditions

Our Health and Safety Team oversee the College's compliance with health and safety legislation across our campuses. We are committed to fair working practices and publish a range of policies and procedures setting out our approach to health and safety, well-being at work and family friendly arrangements.

Whistleblowing

All employees are encouraged to raise concerns about possible wrongdoing or malpractice within the College and will be protected from any reprisals should they choose to make such a disclosure. This commitment is set out in the College's Public Interest Disclosure Policy.

ADDITIONAL INFORMATION

Training

The College requires all procurement and HR managers to complete training on modern slavery as a module. This training will include College purchasing practices, how to assess / identify the risk of slavery and human trafficking, what external assistance is available and what steps to take if manager suspects human trafficking and slavery to be taking place.

Awareness-raising Programme

As well as training relevant staff, the College has raised awareness of modern slavery issues by advertising the issues it raises on the staff and student intranet sites.

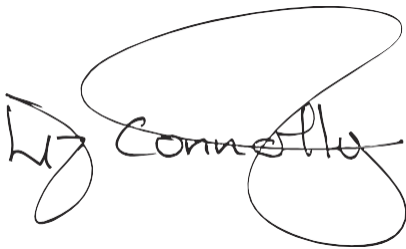
Breaches

Any alleged violations of human rights by our employees will be fully investigated and disciplinary action, up to and including dismissal, will be taken where appropriate. We will take action to address any human rights breaches identified in our supply chain, which may include terminating a supplier's contract where serious violations are discovered.

Our Effectiveness in Combatting Slavery and Human Trafficking

We will regularly review the effectiveness of the measures set out in this statement in combatting slavery and human trafficking.

This statement was approved on 21 March 2022 by the College's Board of Management who review and update it annually.

A handwritten signature in black ink, appearing to read 'Liz Connolly', with a large, stylized loop at the end.

Liz Connolly

Principal and Chief Executive

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Estates Update
Presented By	Amy McDonald
Recommendation to Members	Consultation
Appendix Attached	No

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	IT Update
Presented By	Amy McDonald/Brian Stobbs
Recommendation to Members	Review and note for information
Appendix Attached	No

PURPOSE

The purpose of this paper is to provide the Corporate Development Committee with an update in relation to IT developments, projects, and funding.

The paper is submitted

- *For review and note for information.*

1. BACKGROUND

1.1. This report provides the Corporate Development Committee with updates on Information Technology (IT) funding, developments, and projects, by reporting on the following areas:

- Demand
- Project Spend
- Security
- Key Projects
- Implications

2. DEMAND

2.1. Recent events, both in terms of Cyber Incidents across society and in wider World Politics, along with adoption and adherence to evolving standards, place an ever-present demand for continual improvement of the College's Cyber Security and Resilience measures.

2.2. As Staff continue to develop their use and reliance on Digital resources there is a need to ensure that they are provided with equipment that allows them to perform their role.

2.3. Recent reports from Curriculum teams have shown that there are classroom areas requiring investment in improving the equipment provided to run class activities.

2.4. Review of College operations advises that there are opportunities that exist in the College that would be more visible by improving the use of data.

3. PROJECT SPEND

3.1. For Financial Year 2021-22, the IT team are delivering project activities, which are funded from the annual IT Project budget of £500,000 plus additional one-off funding of £458,000 received from the SFC, giving a total available budget of £958,000. The allocations and expenditures against this budget are categorised and reported on as follows:

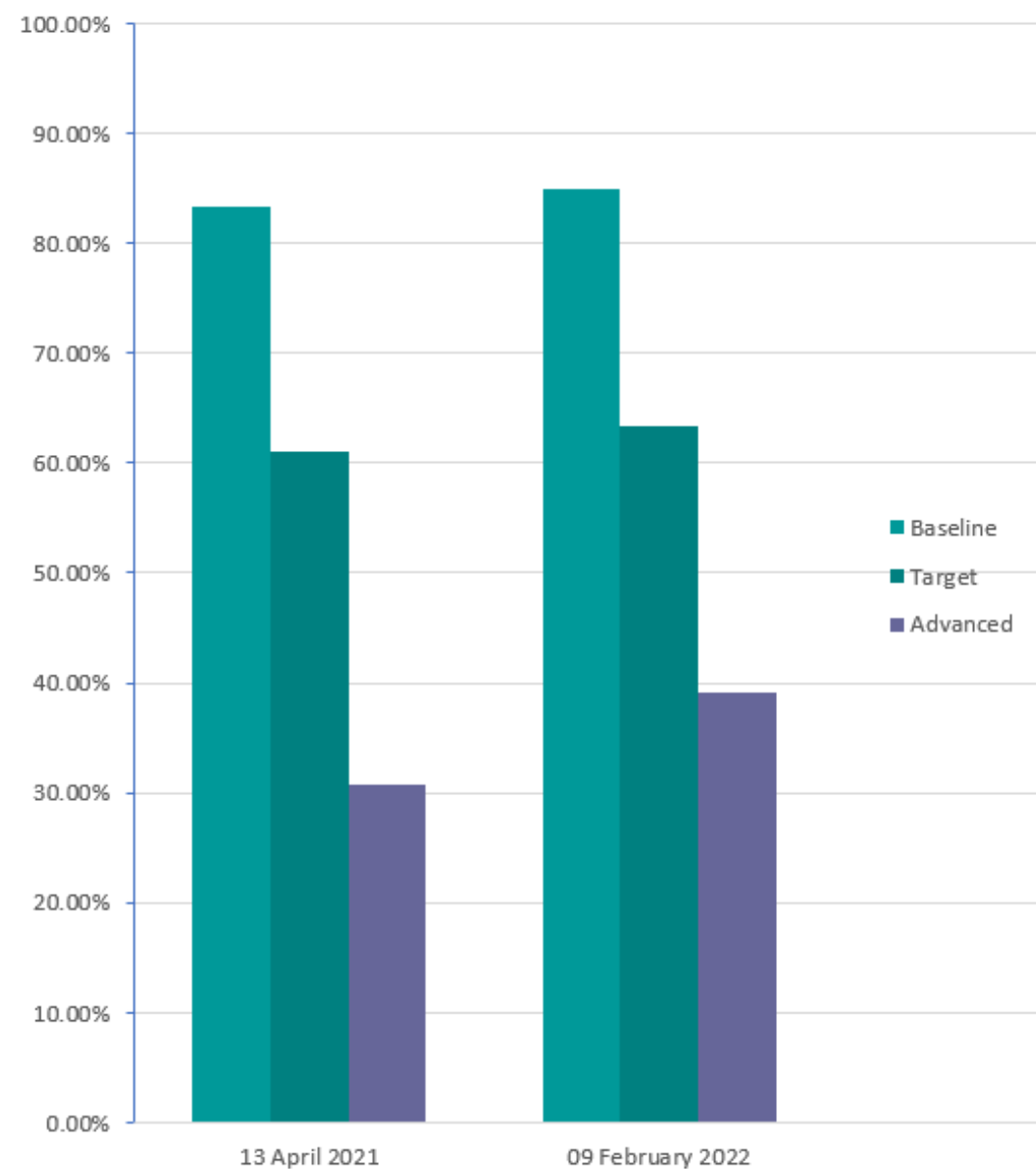
Allocation	Amount Allocated	Expenditure to date	Details
User Device Renewals	£352,000	£352,000	Laptops for staff, Classroom PCs
Infrastructure	£347,000	£77,000	UPS (Uninterruptible Power Supply). Server, Network, Storage, Cloud Resources
Teaching and Learning Equipment	£52,000	£4,000	AV solutions for Classrooms, In-year Curriculum requests

Resource Enhancements	£64,000	£3,800	Self Service Lockers, Space utilisation solutions AV solutions for meeting rooms
Security Enhancements	£143,000	£133,000	Multi Factor Authentication, Reporting & Monitoring, Advanced Threat Protection (ATP)
TOTAL	£958,000	£569,800	(59.5% Expenditure to Date)

4. SECURITY

- 4.1. The College continues to work the controls set out in the Scottish Government's Cyber Resilience Framework. Adherence is currently at the following position:

Report Date	Baseline	Target	Advanced
13 April 2021	83.33%	61.02%	30.77%
09 February 2022	85.00%	63.30%	39.08%



- 4.2. The following documents have been drafted and are currently progressing through the approvals process:
- Cyber Incident Response Plan (CIRP)
 - IT Administration Security Policy

- 4.3. An IT Systems Administration Audit being performed by the College's External Auditor - Wylie & Bisset – commenced on 1st March
- 4.4. As reported to Committee in the November update, the College now has an enhanced Microsoft subscription, and included with that is access to Microsoft 365 Defender tools. This has provided us with; additional notifications on 'suspect activity' for example unusual amounts of material being deleted, and additional monitoring such as geographic based logons. The IT Team will continue to introduce further measures through the functionality available.
- 4.5. The IT Team are planning for the introduction of Multi Factor Authentication (MFA) for all staff when they access Microsoft 365 resources (email, Teams, One Drives etc)
- 4.6. The IT Team are engaging with the College's software reseller partner - Softcat – and software vendors, to research and explore solutions that could be of benefit to the College in areas such as, Cloud Backups, Monitoring , Patch Management, and Threat Containment
- 4.7. Server Rationalisation work has commenced to ensure that the College's Server Estate is operating with an appropriate quantity of servers for the running of current services used in the College, and that opportunities to utilise currently held Cloud resources are being fully realised.

5. KEY PROJECTS

- 5.1. The College continues to offer Students a loan of an IT device for the duration of their studies with us. The delayed Windows laptops (as reported in November update to Committee) were delivered to the College on 1st March
- 5.2. Some 300 laptops have now been deployed during the first stage of the Staff Laptop Rollout program. A further 350 laptops were delivered to the College on 1st March, which will allow for commencement of stage 2 of the programme.
- 5.3. The technical elements of preparation of the new version of myday (v3) have now been completed by the IT Team. The project will now move onto focus on the aesthetic design and layout aspects, lead by our Student Services and Marketing colleagues.

- 5.4. Work continues to build a reporting environment for the College using Power BI. Work to date has concentrated on the Student Records and HR datasets but will through time include other sets of data used within the College.
- 5.5. Working with Microsoft, the IT Team have obtained details on options available for moving some of the College's Server Estate from on campus resources to using Cloud resources. Before proceeding with any movement of server resources to the cloud – this project will now await the completion of the Server Rationalisation work described earlier in this update.
- 5.6. Plans are being built to address the need for the renewal of IT devices in classrooms. Initial focus will be on addressing specific challenges reported by Curriculum colleagues and will move on to include other classroom area to ensure effective resources are available for Curriculum activities.
- 5.7. Orders for replacement network equipment have been placed. The new equipment will be deployed by the IT Team to ensure the College network continues to provide for College operations.

6. FINANCIAL IMPLICATIONS

- 6.1. The financial implications in this report relate to the use of allocated budgets as detailed in section 3 above.

7. STUDENT EXPERIENCE IMPLICATIONS

- 7.1. There are student experience implications associated with this paper, regarding the required renewal of classroom equipment.

8. HUMAN RESOURCES IMPLICATIONS

- 8.1. Human Resources implications associated with this paper, relate to a requirement to review the structure of the IT Sector to ensure it is positioned to meet demand.
- 8.2. In relation to the demand on the use of data – two posts that were formerly a part of the Student Records department, have been moved to the IT Sector

9. LEGAL IMPLICATIONS

- 9.1. There are no legal implications in this paper.

10. REPUTATIONAL IMPLICATIONS

- 10.1. There are potential reputational implications in this paper, in respect to not providing students or staff with adequate equipment.

11. COMMUNITY / PARTNERSHIP IMPLICATIONS

- 11.1. There are no community implications associated with this paper.

12. EQUALITIES IMPLICATIONS

- 12.1. There are no equality implications associated with this paper.

13. ENVIRONMENT IMPLICATIONS

- 13.1. There are potential environment implications in this paper, in respect to renewal of equipment and ensuring any disposals are performed in an environmentally friendly manner.

RECOMMENDATIONS

The Corporate Development Committee is requested to:

- Note the IT work which is going, particularly the Cyber resilience progress being made.
- The progress of IT projects.
- The Internal Audit taking place on IT Systems which will report during the coming quarter.

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Finance Update Report
Presented By	Alan Ritchie Director of Finance
Recommendation to Members	Consideration
Appendix Attached	No

PURPOSE

This paper provides the Corporate Development Committee with updates in relation to the following matters:

- Report and Financial Statements
- Scottish Funding Council Circulars
- Budget 2022-23 and SFC Financial Forecast Reporting
- Payment Portal
- Procurement
- Student Support Funding

The paper is presented in line with Corporate Development Committee Terms of Reference:

'To have strategic oversight of the overall management of the College's resources – finance, people, procurement, information technology and property.'

The paper is submitted *For Consideration*.

1. Context

- 1.1 This report is intended to provide the Corporate Development Committee with an overview of key updates in relation to the College finance, student funding and procurement activities.

2. Report and Financial Statements

- 2.1 The 13 December 2021 Board of Management meeting approved the year-end financial statements for submission to the Scottish Funding Council (SFC) and Auditor General for Scotland.
- 2.2 A full year end reporting pack was submitted to the SFC on 17 December 2022 including the external audit certificates.
- 2.3 The College is awaiting the financial statements being laid before the Scottish Parliament and will then publish the accounts on the website.
- 2.4 The financial statements have also been lodged with the Office of the Scottish Charity Regulator.
- 2.5 Planning for the 31 July 2022 audit will commence shortly with Mazars who are now in the final year of their external audit contract. The College will be informed in March / April of this year of the outcome of the Audit Scotland tender exercise to appoint new external auditors to the colleges.

3. Scottish Funding Council Circulars

- 3.1 The SFC have issued the following funding announcements since the 23 November 2021 meeting. These announcements either confirm the earlier allocation of funds as per the College 2021-22 budget or provide clarification of amounts to be received.

[College financial statements and returns 2020-21](#)

This Call for Information requests copies of audited 2020-21 financial statements and associated supporting information.

The deadline was 31 December 2021 – College information delivered to SFC 17 December 2021

[College Statistics 2020-21](#)

This publication provides an overview of college sector statistics from 2011-12 to 2020-21.

College mid-year financial forecast return 2021-22

This Call for Information requests colleges / Regional Strategic Bodies to provide an updated financial forecast return for Academic Year 2021-22.

It should be noted that the sector has submitted a letter to the SFC requesting some further relaxations of the credit guidance for 2021-22. If granted the sector has indicated that it will be easier to meet the overall FE credit target. At the time of writing no answer has been provided by the SFC and they have indicated that an answer is unlikely to be provided before the middle of March.

The deadline for submission of the requested information is 31 March 2022. The College will utilise the Management Accounts to 31 January 2022 to populate the return unless the SFC respond to the above relaxation in guidance request.

4. Budget 2022-23 and SFC Financial Forecast Reporting

- 4.1 The Scottish Government published its Draft Budget 2022-23 and Colleges Scotland issued a media statement on Thursday, 9 December 2021. The budget will not be finalised until it has gone through the Scottish Parliament's legislative process which will conclude on Thursday 10 February 2022.
- 4.2 The Scottish Government also published its Medium-Term Financial Strategy, providing the context for the Scottish Budget, as well as the Resource Spending Review Framework, which outlines the development of multi-year resource spending plans.
- 4.3 The Public Sector Pay Policy for the year 2022-23 for devolved public bodies was also released.

FE Revenue

- 4.4 The Scottish Government has maintained current levels of revenue funding for the college sector, with the Draft Budget for 2022-23 confirmed as £676m. This represents a flat cash settlement which amounts to real term reduction when inflation is considered.
- 4.5 The £676m is required to fund the following elements of SFC activity:

- | | |
|---------------------------------|-----|
| • Teaching grant | 74% |
| • Student support funds | 21% |
| • ESF / FWDF / other programmes | 5% |

FE Capital / Estate Maintenance

- 4.6 The Scottish Government has increased current levels of capital funding for the college sector with the 2022-23 Draft Budget confirmed as £74.7m. This represents an increase of £41m against the draft budget for 2021-22. However, the Capital funding available to the sector remains the same at £33.7m, plus an additional £41m for the Dunfermline Learning Campus and a share of digital investment.

Inflationary Pressures

- 4.7 Annual inflation rate (CPI) in the UK increased to 5.4% in December of 2021 from 5.1% in November and is above the market forecast of 5.2%. It is the highest reading since March 1992 as inflationary pressures persist, namely from rising energy prices, supply chain disruptions and a low base effect from last year.
- 4.8 Inflation Rate in the United Kingdom is expected to be 5.8% by the end of March 2022. In the long-term, the United Kingdom Inflation Rate is projected to trend around 2.5% in 2023 and 2.2% in 2024
- 4.9 The sector has had several meaningful discussions with the SFC as to the potential impacts of the budget settlement on the 2022-23 financial assumptions. The sector indicative funding announcement is not expected to mid-March at which point the College will be in a better position to assess the overall impact.
- 4.10 The College Financial Forecast Return made last year included a forecast for 2022-23. Based on discussions with the SFC the material changes to the College 2022-23 forecast assumptions are noted below:
- The College will receive a flat cash **Core Teaching Grant** settlement of £43.9m which is the same as it received for 2021-22 and it will not be increased to take account of inflationary pressures.
 - The 2022-23 forecast had not assumed any increase in core grant funding.

- The College had anticipated an **activity target reduction** of 4,000 credits as part of the ongoing efforts of the SFC to provide stability to the sector. The assumption was that the College would retain the same level of funding for less activity. It is now likely that the College will be expected to deliver 158,000 credits which is equivalent to no reduction in core activity levels.
 - The 2022-23 forecast had assumed that the College would have removed £0.9m of temporary teaching staff costs associated with the 4,000-credit reduction.
- **Foundation Apprentices (FA)** activity levels will be transferred to core activity.
 - The 2022-23 forecast had assumed that FA activity would continue to be separately funded equivalent to £290k. This will mean that the College will require to displace previously delivered activity to accommodate this change.
- **Flexible Workforce Development** funding will continue although the overall level of funding is open to question.
 - The 2022-23 assumption was that this funding would continue at comparable levels.
- The SFC are proceeding on the basis that the funding for **counsellors** (£122k) and **free sanitary products** (£60k) will continue but are awaiting confirmation from the Scottish Government.
- **Mental Health** (£403k) and **Digital Learning** (£458k), which were Government priorities in 2021-22, were funded from Barnett Consequentials monies. These will not be available in 2022-23.
 - As there were considered as one-off funding streams the 2022-23 forecast did not include either source of funding.
- The increase in **employer national insurance** costs of 1.25% (a 10% rise in cost) will require to be funded by colleges from their core funding allocation. The full year impact is expected to be £400k for the College.
 - As previously noted, this was an unexpected increase in costs which the College will require to fund from its own resources.

- The sector is expected to recognise **Public Sector Pay Policy (PSPP)** which represents about a 1.5% increase in salary costs. For the College this is equivalent to £650k. Given the refusal of the Unions to accept the 2021-22, which is more than 2021-22 PSPP, there is a high possibility they will not accept public sector pay policy in 2022-23.
 - The 2022-23 pay assumptions was for a 2% increase so a settlement at PSPP would represent a small saving in the budget.
- In presenting the 2022-23 forecast the College was assuming that it would be able to deliver **staff and non-staff efficiencies** of £1.5m through the College Business Transformation Plan actions. Currently with inflation exceeding 5% the ability of the College to deliver this level of efficiency is at risk. Work is currently under way to implement several projects which will aim to deliver financial and operational efficiencies during 2022-23 and beyond.

4.10 As can be seen from the above matters, the College is facing a very difficult challenge to not only present a balanced budget in 2022-23 but for the following two years. The indicative funding announcement in mid-March may provide some relief but it will go no way to bridging the current gap in funding.

4.11 The College is currently assessing the probable impact of the above changes in funding assumptions on the 2022-23 model and will bring the outcome of those deliberations to the May 2022 Committee meeting for a fuller discussion.

5. Payment Portal

5.1 In November 2021, the College reported that the next phase of the project was to roll out to each curriculum area the facility for commercial course enrolments to sit on social media platforms.

5.2 This roll-out has been completed and is being actively providing a more student centred and core system driven approach.

5.3 The 2022-23 Fee Policy was presented to SMT for consideration during December and agreed, subject to any changes made by the SFC and SAAS guidance which will be issued in late 2021-22. This initial approval has allowed the marketing of full-time courses on the College website in January for 2022-23 with improved visibility of tuition fees payable.

- 5.4 The College continues to work with the core system providers to look at improvements including developing options for Individual Training Accounts (funding provided by Skills Development Scotland) part-funded courses.
- 5.5 The next stage of the project is to consider how to better manage the data validation of information going into the student records system at source which forms part of the student's finance source selection.

6. Procurement

- 6.1 The College procurement function is now fully provided through the Advanced Procurement Universities and College (APUC) shared services agreement. In recent years the College has seen a high turnover of staff in this area as the salaries being offered to staff with procurement experience was something the College could not compete with. The shared services agreement with APUC has meant that the College is able to provide a fully resourced procurement team who are supported by APUC. Although employed by APUC the procurement team operate as members of the College community and are integrating well into the operations of the College.
- 6.2 The Committee will continue to receive the Annual Procurement Report which is a statutory requirement and provides an overview of the prior year procurement activities.
- 6.3 The primary aim of the Procurement Team is to ensure that the College complies with the ever-changing procurement legislative landscape and that the Financial Regulations are applied. This requires the team to work in collaboration with all departments as they all spend the College resources. A good marker for the success of the team is the level of expenditure which is deemed as 'non-regulated'. This is where the College expenditure is not covered through a national framework or is not subject to a college agreement. In the 2020-21 annual report the level of this type of expenditure decreased from 36% to 30%. The aim is to see this percentage further reduce through working with departments to consolidate expenditure and apply formal agreements.
- 6.4 The following section provides an oversight of the work undertaken to date, what is in process and what is coming up. The objective of all procurement exercises is to ensure that the College maximises any expenditure which in some cases may mean we get more product / service for the same price.

6.5 The Team has overseen several contract awards during the first half of 2021-22 including:

- A new learning management system £110k
- Media monitoring service £75k
- Coffee machine supply and service £25k

In addition, the Team has extended already existing contracts after a review of the service provision with the user departments:

- Library books, textbooks and multimedia services.
- Glass cleaning service.

Whilst the overall value of the above contracts may not seem material considering the total College non-staff expenditure (£10.9m), they do represent a consolidation of activity which will assist in reducing further the 30% of non-regulated expenditure.

6.6 The Team in conjunction with the relevant user department are also involved in several large-scale procurement exercises which will ensure that the relevant expenditure represents value for money (values represent estimated annual spend):

- Supply of paper and specialist paper £50k
- Legal services £60k
- Provision of PPE £90k
- Insurance £200k
- Sports department uniforms £102k
- Campus landscaping £20k

The purchase of paper will be made through a direct award with a supplier on the Scottish Excel framework. This sort of award ensures that the College takes full advantage of agreements which are already in place.

6.7 Procurement projects which are in the pipeline include (values are expected expenditure over 4 years):

- Estate Project Management £900k
- Waste disposal contract £490k
- Taxi services for students and staff £540
- Cleaning and janitorial products £90k
- Media advertising £120k

The College is also looking to consolidate where it purchases training materials from, and this will form a major project over the course of this year.

- 6.8 Finally the College is gearing up for the next Procurement & Commercial Improvement Programme (PCIP) audit. This audit has now been running since 2015 with the PCIP assessment providing a means of measuring and reporting on the procurement and commercial capability of the College through the provision of evidence, based around a series of set questions and other evaluation methods. The College received a score of 76% at the last PCIP audit and would look to maintain if not slightly improve upon that score. The College is awaiting confirmation of the date of its assessment which will require to be undertaken before July 2023.

7. College Administered Student Support Funding

- 7.1 Student Support Funding encapsulates several different funding streams which are annually provided to the College by the Scottish Funding Council (SFC) and Students Awards Agency for Scotland (SAAS).
- 7.2 The SFC provide funding to colleges for bursaries, childcare, Education Maintenance Allowance and discretionary funds for students up to, but not including Higher National Certificate level. SAAS provide Discretionary Fund support for HNC and above courses.
- 7.3 The [Student Information Scotland \(SIS\)](#) portal is a new Scottish Government resource which puts information about FE and HE student funding and finance altogether in one place for the first time, including help for parents, carers and education professionals.

Scottish Funding Council (SFC)

- 7.4 Bursary - A bursary is a financial award given to a student at the discretion of the College to help maintain students in their education beyond their statutory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. The bursary fund is cash limited and is subject to availability, policy and residency criteria. The amount the student receives depends on their age, household income and personal circumstances.

- 7.5 Childcare - This fund is designed to help students with their childcare costs. Funding is subject to an upper limit set by the College with lone parents receiving additional funding where necessary. Assistance is only offered where the student has met policy and residency criteria, is using a registered child minder, nursery or after school club. The fund is available to both FE and HE eligible students.
- 7.6 Educational Maintenance Allowances (EMA) - EMA is a weekly payment of £30.00 for students who are aged 16 and up to 19 continuing in full-time or part-time further education after reaching compulsory school leaving age. To receive the weekly payment, the student must meet specific age, household income, education level, residency and attendance criteria.

It should be noted that EMA funding is claimed on a retrospective basis from the Scottish Government and is not subject to a cap in terms of the level of funding receivable by the College.

- 7.7 Discretionary - This fund provides extra support for students who need help with primarily housing costs and is targeted at students in need.

Student Awards Agency for Scotland (SAAS)

- 7.8 Discretionary – This fund is intended to provide non-repayable assistance for students in financial difficulties for them to access and/or continue in Higher Education (HE) and are paid in addition to any other forms of student support. The Funds are targeted at those students need, while applying flexible criteria to allow a fair and just response to individual cases. Policy and residency criteria must first be met by students applying.

Funding Operations

- 7.9 The College operates an electronic application and award system. On acceptance of course offer at the College, a student is sent a link to create a funding account and make an application to the relevant fund in accordance with their level of study. The online form is a smart form where questions are asked based on the student answers to determine which funding the student is applying for and thereafter what documents they should submit.

The student has secure access to their funding account to track progress at any time whilst also being able to see live payment schedules and directly communicate with the Funding Team through the communication tab on their account. Paperwork, which was previously posted into the College, can now be upload in form of a scanned document or a photo from a phone.

- 7.10 Once processed the student will receive a confirmation email informing them of their awards, conditions of award and timing of payment. Full enrolment onto the course is required before payment can be released. Once accepted and if they continue to positively engage with their course work the support payments will be made directly to their bank accounts. Childcare payments are processed in a similar fashion with the funds being paid directly to the childcare provider.
- 7.11 This system has operated successfully with over several years. During 2020-21 over 3,100 FE students receiving £9.4m of bursary funds, 298 FE students being in receipt of just under £1.0m of childcare funding and 699 FE students received £0.5m of discretionary funding.
- 7.12 The global pandemic impacted all College operations including the Student Support Funding Team. However, the work to move away from a paper-based system meant that the service was able to continue without a material disruption to the students and other stakeholders. During the last two years the service has adapted and will continue to adapt based on feedback from stakeholders including:
- All documentation is electronically stored by student reference number meaning queries are easily dealt with and audit work is simplified.
 - Student enquiries are dealt with swiftly either through telephone enquiries, email or online meetings through a variety of platforms.
 - Privacy has improved as personal matters are not discussed in an open reception area.
 - Timing of calls can be arranged to suit students to avoid disruption to their course timetabled hours.
- 7.13 The College is looking at future options which may include the return to some form of on-campus service to allow students to make face to face enquiries.

7.14 The College is facing several significant challenges in continuing to fund the level of student support expenditure:

- The 2022-23 flat cash settlement for the FE sector may have implications for the overall student support fund budget.
- There will be an expectation of an increase in the bursary maintenance / accommodation and childcare payment thresholds given the level of inflation in the UK.
- Care experienced students are a Scottish Government priority and the level of maintenance payment to be made to this category of student is double the amount paid to standard students.
- The increase in childcare payments as a direct result of increases required by external providers.

8. FINANCIAL IMPLICATIONS

8.1 There are financial implications associated with this paper which are yet unsubstantiated in relation to the 2022-23 budget. Further work is required to establish the funding gap and the actions required to be taken by the College to close the gap.

9. STUDENT EXPERIENCE

9.1 There are no student experience implications associated with this paper.

10. HUMAN RESOURCES IMPLICATIONS

10.1 There are potentially several human resource implications associated with this paper. However, until the funding gap is substantiated, and an action plan approved these implications cannot be quantified.

11. LEGAL IMPLICATIONS

11.1 There are no legal implications associated with this paper.

12. REPUTATIONAL IMPLICATIONS

12.1 There are no community implications associated with this paper.

13. COMMUNITY/PARTNERSHIP IMPACT

13.1 There are no community implications associated with this paper.

14. EQUALITIES IMPLICATIONS

14.1 There are no equality implications associated with this paper.

15. ENVIRONMENT IMPLICATIONS

15.1 There are no environmental implications associated with this paper.

RECOMMENDATION

The Corporate Development Committee is invited to consider and note the report for information.

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Management Accounts to 31 January 2022
Presented By	Alan Ritchie Director of Finance
Recommendation to Members	Approval
Appendix Attached	Yes 10(a) – Management Accounts to 31 January 2022

[illegible]

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Procurement Approval
Presented By	Amy McDonald Vice Principal Operations
Recommendation to Members	Approval for presentation to the Board of Management
Appendix Attached	No

PURPOSE

The College has in the past utilised several different suppliers for the provision of professional advice regarding estate works / projects. The purchase of these services for each project resulted in staff time and effort being employed to make sure competitive quotes / tenders were received. The use of several suppliers also diluted the holistic advice the College was receiving.

The College can procure such services via an existing Crown Commercial Services RM6168 Estates Management Services (EMS) framework for Scotland. This paper presents the rationale for procuring these services from one supplier and requests that the Committee approve this procurement to the Board of Management.

The paper is presented in line with Corporate Development Committee Terms of Reference:

'To have strategic oversight of the overall management of the College's resources – finance, people, procurement, information technology and property.'

The paper is submitted *For Approval* .

1. Background

- 1.1 This paper provides a summary of the process undertaken to procure estate management services which will provide the College with access to a simplified means of sourcing end to end property management services, from consultancy to disposal.
- 1.2 The College approach is to appoint one supplier through the [Crown Commercial Services framework for Estate Management Services](#).
- 1.3 The benefits of the utilising the framework are:
 - Free to use: there is no charge to contracting authorities to use this agreement.
 - Streamlined: the College can access a comprehensive range of external suppliers (35% of which are SMEs)
 - The direct award option within this framework eliminates the requirement for further competition which is estimated to take around 4 to 6 weeks, depending on the size and scale of the need.
 - fast and simple: for call-off orders the College may use the CCS suite of documents.
 - Flexibility: the lot structures and ability to tailor further competition will ensure the framework supports the College delivery considerations.
 - Quality: provides the College with a broad range of Royal Institution of Chartered Surveyors (RICS) accredited suppliers that have demonstrated capacity, capability and expertise in their respective lots.
 - Value: lots are priced by services provided, the higher focus on quality also allows the College to achieve, build upon or discharge social value, environmental and modern slavery policy considerations.

1.4 The framework enables the College to make a direct award with a chosen supplier following the completion of the following steps:

1) identify which lot(s) best suit(s) your need(s)

The College has selected Lot 1: Total Estate Management

- estate, asset and property management,
- treasury services
- estate (property) management
- agency and lease management
- surveying and strategic advice
- valuation and compulsory purchase orders
- business rating services

This lot provides the complete range of services required by the College at the current time and into the future.

2) request supplier rates

The rates payable were requested and received.

3) select your chosen supplier

The College has selected Sanderson Weatherall as they work in conjunction with Ryden who have a prior knowledge of the College.

4) agree the specification and price

The College has agreed the specification and the price for the initial period of works required to deliver the estate condition survey works.

5) complete the Short Form Call off Contract for contract award

To be completed following approval by the Board of Management.

1.5 The benefits of utilising the framework agreement through providing services at the right cost, will enable the College to over time:

- reduce property costs.
- release unwanted property assets.

- identify savings and opportunities to generate income from land and buildings.
- adopt innovative and lean process principles.
- engage with an integrator services provider.

2. Contract Value

- 2.1 Based on the College expending £1.8m per annum on estate high priority maintenance works, it estimated that the annual fee for the provision of estate management services will be £260,000 including VAT. The contract will be for an initial three-year period with the option to extend this by another year. In total the College expects to spend £1,040,000 over the four years of the contract.
- 2.2 The fee structure will enable the College to realise a saving on fees of £0.3m over the life of the contract. In addition, the College will:
- See a reduction in the time spent by both estates and procurement staff regarding purchasing estate management services.
 - Benefit from having one supplier who will be able to take a holistic view of the estate management requirements of the College.
- 2.3 The expenditure is within the annual estate maintenance budget.

3. Recommendation

- 3.1 The Corporate Development Committee is requested to approve to the Board of Management the direct award contract via a framework agreement for the supply and delivery of estate management services to Sanderson Weatherall for an initial three-year period with the option to extend for a further year.

4. FINANCIAL IMPLICATIONS

- 4.1 There are financial implications associated with this paper.
- 4.2 The approval of this procurement route will see a reduction in professional fees payable of £0.3m over the 4 years of the

contract along with the ability to free up staff time previously committed to estate management procurement matters.

5. STUDENT EXPERIENCE

- 5.1 There are no student experience implications associated with this paper.

6. HUMAN RESOURCES IMPLICATIONS

- 6.1 There are no human resource implications associated with this paper.

7. LEGAL IMPLICATIONS

- 7.1 There are legal implications associated with this paper. The use of a framework agreement ensures that future procurements of estate management services are not open to challenge.

8. REPUTATIONAL IMPLICATIONS

- 8.1 There are no reputational implications associated with this paper.

9. COMMUNITY/PARTNERSHIP IMPACT

- 9.1 There are no community implications associated with this paper.

10. EQUALITIES IMPLICATIONS

- 10.1 There are no equality implications associated with this paper.

11. ENVIRONMENT IMPLICATIONS

- 11.1 There are no environmental implications associated with this paper.

RECOMMENDATION

The Corporate Development Committee is invited to consider and approve for presentation to the Board of Management the appointment of Sanderson Weatherall under the Crown Commercial Services framework for Estate Management Services Lot 1 for an initial three year period with the option to extend for a further 1 year.

PURPOSE

Paper marked confidential restricted until strategic risk is agreed.

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Internal Audit Report
Presented By	Alan Ritchie Director of Finance
Recommendation to Members	Consideration
Appendix Attached	Yes – Internal Audit Reports 13(a) – Financial Regulations 13(b) – Cash Management

PURPOSE

As part of the 2021-22 Internal Audit Plan, Wylie & Bisset conducted an internal audit to provide assurance that the cash management practices as outlined in the College Financial Regulations are suitable and have been adopted. Wylie & Bisset also assessed the reporting arrangements in place to the Board of Management and the Scottish Funding Council (SFC).

The paper is presented in line with West College Scotland Corporate Development Committee Terms of Reference:

'c) To consider and advise the Board of Management on key strategic financial and management matters including: effectiveness and appropriateness of the utilisation of College resources.'

The paper is submitted *For Consideration*.

1. BACKGROUND

- 1.1 Wylie & Bisset, as the appointed internal auditors of the College, undertook reviews:
- a) Of the suitability of the College Financial Regulations to ensure that these comply with current guidance, such as the Scottish Public Finance Manual and the Financial Memorandum. The review considered the adequacy of the review and approval process of the Financial Regulations and compared these with best practice.
 - b) To provide assurance that the cash management practices as outlined in the Financial Regulations are suitable and have been adopted by the College. They also assessed the reporting arrangements in place to the Board of Management and the Scottish Funding Council (SFC). Their review assessed the implementation, monitoring, and execution of the treasury/cash management responsibilities along with the delegated authorities in this area.
- 1.2 These assignments formed part of the 2021-22 Annual Internal Audit Plan and are presented to the Corporate Development Committee to provide assurance as to the adequacy of the College financial control environment.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The overall audit report assurance level was reported as:
- a) Financial Regulations - STRONG

'We can provide a strong level of assurance over the suitability of the College's Financial Regulations. We can confirm that the Financial Regulations comply with the requirements of the Scottish Public Finance Manual, the Scottish Funding Council's Financial Memorandum and are in line with CIPFA's Model Set of Financial Regulations for Academies, Colleges and Universities. We can also confirm that the College's Financial Regulations are generally comparable with the Financial Regulations of the 7 colleges we benchmarked the College against. We have raised no recommendations and 1 observation from our review. We have also highlighted 7 good practice points from our audit work.'

The report makes no recommendation and on page eight highlights seven areas of good practice.

b) Cash Management - STRONG

'We can provide a strong level of assurance over the College's cash management arrangements and can confirm these are in line with the College's Financial Regulations. We can also provide a strong level of assurance over the reporting arrangements in place to the Board of Management and the SFC. We can also confirm that there is appropriate delegated authorities and responsibilities within the area of cash management. We have raised no recommendations and 1 Observation. We have also highlighted 10 good practice points from our audit work.'

The report makes no recommendation and on page 10 highlights 10 areas of good practice.

One operational practice observation is made on page 13 related to the use of the correct form. This practice has been reviewed and strengthened through enforcing the requirement for the correct form to be used.

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications in this report.

4. STUDENT EXPERIENCE

4.1 There are no student experience implications associated with this paper.

5. HUMAN RESOURCES IMPLICATIONS

5.1 There are no human resources implications associated with this paper.

6. LEGAL IMPLICATIONS

6.1 There are no further legal implications in this paper to those listed above.

7. REPUTATIONAL IMPLICATIONS

7.1 There are no reputational implications associated with this paper.

8. COMMUNITY/PARTNERSHIP IMPACT

8.1 There are no community implications associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this paper.

RECOMMENDATION

The Corporate Development Committee is requested to consider and note the contents of the report.

West College Scotland

Internal Audit 2021-22

Review of Financial Regulations October 2021

Overall Conclusion

Strong

TABLE OF CONTENTS

Section	Page
1 EXECUTIVE SUMMARY	2
2 OBSERVATIONS.....	9
3 AUDIT ARRANGEMENTS	10
4 KEY PERSONNEL.....	11
Appendix	Page
A GRADING STRUCTURE	13
B ASSIGNMENT PLAN.....	15

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

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

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

Overview

Purpose of review

We undertook a review of the suitability of the current Financial Regulations in place at the College to ensure that these comply with current guidance, such as the Scottish Public Finance Manual and the Financial Memorandum. Our review considered the adequacy of the review and approval process of the Financial Regulations and compared these with best practice.

This assignment forms part of our Annual Internal Audit Plan for 2021/22.

Scope of review

Our objectives for this review were to ensure:

- The College's Financial Regulations are robust, fit for purpose and kept under regular review.
- The College's Financial Regulations comply with the current guidance, such as the Scottish Public Financial Manual, the College's Financial Memorandum with the Scottish Funding Council and CIPFA's Model Set of Financial Regulations.
- The College's Financial Regulations comply with good practice from across the FE sector.

Limitation of scope

There were no limitations of scope.

Background Information

Financial Regulations

The College have a set of comprehensive [Financial Regulations](#), and supporting Policies and Procedures, which provides sufficient detail to ensure that the College's financial matters are managed in accordance with College policies and best practice. The College's Financial Regulations contain the following sections:

- Part A - General Provisions
 - Section 1 - Introduction
 - Section 2 - Financial Regulations - Status and Content
- Part B - Corporate Governance
 - Section 3 - The Board of Management
 - Section 4 - The Principal and Chief Executive
 - Section 5 - Committee Structure
 - Section 6 - Financial Responsibility of Staff
 - Section 7 - Risk Management
 - Section 8 - Whistleblowing
 - Section 9 - Code of Conduct
- Part C - Financial Management and Control
 - Section 10 - Financial Planning
 - Section 11 - Financial Control
 - Section 12 - Accounting Arrangements
 - Section 13 - Audit Requirements
 - Section 14 - Cash Management
 - Section 15 - Income
 - Section 16 - Other Income Generating Activities
 - Section 17 - Expenditure

- Section 18 - Petty Cash, Floats and Project Advances
- Section 19 - Checking Financial Transactions
- Section 20 - Pay Expenditure
- Section 21 - Assets
- Section 22 - Funds Held on Trust
- Section 23 - Other (insurance, student association, company, and joint ventures etc)
- Section 24 - Intellectual Property Rights and Patents
- Appendix 1 - The Seven Principles of Public Life
- Appendix 2 - Summary of Protocols for Proposed Projects
- Equality Impact Assessment

There is also a section on 'relevant documents and organisations'.

From our review we can confirm that the College's Financial Regulations and the financial arrangements within the College are compliant with the SFC's Financial Memorandum with the College.

The College is required to comply with the Scottish Government's Scottish Public Finance Manual (SPFM). From our review of the College's Financial Regulations, we can confirm that these include all sections which should be included to reflect compliance with the SPFM.

We can also confirm that the College's Financial Regulations include all sections which are included in the CIPFA Model Set of Financial Regulations for Academies, Colleges and Universities. From our discussion with the Director of Finance we were informed that the College used the CIPFA Model as a template for its Financial Regulations.

Financial Regulations Review Process

The College's process for reviewing the Financial Regulations is as follows:

- On an annual basis over the summer period, the various managers for Finance, Procurement, Student Funding and Principals Office will review the areas in the Financial Regulations to see if there have been any changes since the last review.
- Each of the managers will track any changes or updates they make to their part of the Financial Regulations.
- The updated Financial Regulations are reviewed by the Head of Finance & Student Funding and the Director of Finance.

The Financial Regulations are generally reviewed every year, however the College reviewed these in September 2021 to implement mainly the procurement changes brought about by Brexit. The next planned date for review is October 2022.

On a quarterly basis the Director of Finance and Head of Finance & Student Funding review the Scottish Government website for any updates to the [Scottish Public Finance Manual](#) (SPFM). If there is anything which will have a material/significant impact on the College's finances and financial arrangements, they will update the Financial Regulations to incorporate these changes. If there are any significant changes to the Financial Regulations, the updated Financial Regulations are taken to the Corporate Development Committee and then to the Board of Management for consideration and approval. If the changes are minor, the Director of Finance would discuss these amendments with the Chair of the Corporate Development Committee to see if the updated Financial Regulations would need to be taken to the Corporate Development Committee and the Board for approval. Minor changes would be changes to titles, etc. Major changes would be items which result in a complete change in process for the College or changes in legislation.

We are satisfied that the College has appropriate processes for reviewing their Financial Regulations to ensure that any significant/material changes in legislation/guidance are being identified and included in the Financial Regulations in a timely manner.

Comparison with Other Colleges

As part of our review, we compared the College's Financial Regulations with a sample of 7 other colleges' Financial Regulations. From this we found that the College's Financial Regulations were comparable with those in our sample. We found that all were detailed, most were around 70-pages long with the College's being 90-pages long.

From our review we found that there were some areas where the other colleges in our sample had slightly more detail than that of the College. We have not raised a recommendation in terms of these areas as we are of the opinion that the College's Financial Regulations are robust, fit for purpose and comply with the SPFM, Financial Memorandum and the CIPFA Model Set of Financial Regulations. However, we have included these areas in our Observation Section (see Section 2 to this report), should the College wish to consider these.

Work Undertaken

In line with each objective, we undertook the following:

- The College's Financial Regulations are robust, fit for purpose and kept under regular review.
 - We obtained and reviewed the College's Financial Regulations to ensure that these are robust and contain all sections we would expect to find in such a document.
 - We established how often the Regulations are reviewed and by whom. We assessed whether this is sufficient to ensure that the Financial Regulations are kept up to date with latest developments, guidance, and legislation.
- The College's Financial Regulations comply with the current guidance, such as the Scottish Public Financial Manual, the College's Financial Memorandum with the Scottish Funding Council and CIPFA's Model Set of Financial Regulations.
 - We compared the content of the College's Financial Regulations with the requirements of the Scottish Public Finance Manual, the Financial Memorandum with the Scottish Funding Council and CIPFA's Model Set of Financial Regulations.
 - From this we assessed whether the College's Financial Regulations are compliant or whether further work is required to make these compliant.
- The College's Financial Regulations comply with good practice from across the FE sector.
 - We benchmarked the content of the College's Financial Regulations against the content of the Financial Regulations from a sample of 7 of our other FE College clients.
 - Where applicable we highlighted any areas of omission or good practice not followed by the College. **See Observations section for further details from our testing.**

Conclusion

Overall conclusion

Overall Conclusion: Strong

We can provide a strong level of assurance over the suitability of the College's Financial Regulations. We can confirm that the Financial Regulations comply with the requirements of the Scottish Public Finance Manual, the Scottish Funding Council's Financial Memorandum and are in line with CIPFA's Model Set of Financial Regulations for Academies, Colleges and Universities. We can also confirm that the College's Financial Regulations are generally comparable with the Financial Regulations of the 7 colleges we benchmarked the College against. We have raised no recommendations and 1 observation from our review. We have also highlighted 7 good practice points from our audit work.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Review of Financial Regulations	0	0	0	0

As can be seen from the above table there we have raised no recommendations from our audit work.

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

1.	The College has a robust set of Financial Regulations which provides guidance on the overarching principles of the financial processes in place within the College. The Financial Regulations are reviewed every year with the last review taking place in September 2021 and the next one due in October 2022. Once reviewed these are presented to the Corporate Development Committee (CDC) for consideration and then the Board of Management for final consideration and approval.
2.	On an annual basis the College reviews its Financial Regulations to ensure that these are still relevant and reflect the current practices, as well as good practice and current legislation. The College reviews its Financial Regulations on a quarterly basis against any updates received in respect of the SPFM. In this way the College ensures it is keeping up to date with the latest SPFM requirements.
3.	The College's staff are kept informed of the updates to the Financial Regulations via an all-staff announcement. The Financial Regulations are published on the staff intranet to which all staff have access.
4.	From our review of the College's Financial Regulations, we can confirm that these are in line with CIPFA's Model Set of Financial Regulations.
5.	The College's Financial Regulations are in line with the Scottish Funding Council's Financial Memorandum with the College.
6.	From our review we can confirm that the College's Financial Regulations are in line with the SPFM.
7.	The College's Financial Regulations compared well against the 7 colleges we benchmarked them against, with these containing similar sections as the Financial Regulations of these other colleges. See section 2 observations for some further comments around our testing.

The following is a list of observations from our review

1. From our comparison of the College's Financial Regulations with the Financial Regulations of 7 of our other college clients we found that these were largely comparable and contained similar information. We did find that for some of our English college clients they tended to include the following:
 - a more detailed description on their VAT arrangements;
 - more detail on how they protect their hardware, software and how they maintain their equipment and assets;
 - a more detailed explanation on their digital records; and
 - a glossary of terminology for their Financial Records.It should however be noted that the operational arrangements for areas such as VAT differ in English colleges due to their different legislative status.

We have not raised a formal recommendation for this as the College's Financial Regulations are in line with the CIPFA Model Set of Financial Regulations, the SPFM and the SFC's Financial Memorandum. However, we would be happy to discuss the above differences with the College should they wish to consider the above points when next reviewing their Financial Regulations.

3 AUDIT ARRANGEMENTS

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

Audit stage	Date
Fieldwork start	4 October 2021
Closing meeting	19 October 2021
Draft report issued	20 October 2021
Receipt of management responses	25 October 2021
Final report issued	26 October 2021
Audit Committee	1 December 2021
Number of audit days	5 days

4 KEY PERSONNEL

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

Wylie & Bisset LLP

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

West College Scotland

Key Contacts	Alan Ritchie	Director of Finance	Alan.Ritchie@wcs.ac.uk
	Vivienne Mulholland	Head of Finance & Student Funding	Vivienne.Mulholland@wcs.ac.uk

Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

APPENDICES

A GRADING STRUCTURE

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

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

A GRADING STRUCTURE

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

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

Purpose of review

We will undertake a review of the suitability of the current Financial Regulations in place at the College to ensure that these comply with current guidance, such as the Scottish Public Finance Manual and the Financial Memorandum. Our review will consider the adequacy of the review and approval process of the Financial Regulations and compare these with best practice.

This assignment forms part of our Annual Internal Audit Plan for 2021/22.

Scope of review

Our objectives for this review are to ensure:

- The College's Financial Regulations are robust, fit for purpose and kept under regular review.
- The College's Financial Regulations comply with the current guidance, such as the Scottish Public Financial Manual, the College's Financial Memorandum with the Scottish Funding Council and CIPFA's Model Set of Financial Regulations.
- The College's Financial Regulations comply with good practice from across the FE sector.

Limitation of scope

There are no limitations of scope.

Audit approach

Our approach to the review will be:

- Obtaining and reviewing the College's Financial Regulations to ensure that these are robust and contain all sections we would expect to find in such a document. For any identified gaps we will provide recommendations for improvement.
- Establishing how often the Regulations are reviewed and by whom. We shall assess whether this is sufficient to ensure that the Financial

Regulations are kept up to date with latest developments, guidance, and legislation.

- We shall compare the content of the College's Financial Regulations with the requirements of the Scottish Public Finance Manual, the Financial Memorandum with the Scottish Funding Council and CIPFA's Model Set of Financial Regulations. From this we shall assess whether the College's Financial Regulations are compliant or whether further work is required to make these compliant. We shall highlight any gaps in compliance and provide recommendations for improvement as necessary.
- We shall obtain and review the Financial Regulations of a sample of our other FE College clients. We shall assess the content of the College's Financial Regulations against the content of the other colleges' documents. We shall highlight any areas of omission or good practice not followed by the College.

Potential key risks

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

- The College's Financial Regulations are not robust, fit for purpose nor kept under regular review leading to lack of control of the College's financial arrangements which could increase the risk of fraud or error.
- The College's Financial Regulations do not comply with current guidance and good practice which could lead to inadequate financial controls and inappropriate use of funding.
- The College's Financial Regulations do not follow good practice from across the FE Sector resulting in the College being out of step with other colleges and the potential for gaps in the financial controls of the College.

West College Scotland

Internal Audit 2021-22

Cash Management
October 2021

Overall Conclusion

Strong

TABLE OF CONTENTS

Section	Page
1 EXECUTIVE SUMMARY	2
2 BENCHMARKING.....	12
3 OBSERVATIONS.....	13
4 AUDIT ARRANGEMENTS	14
5 KEY PERSONNEL.....	15
Appendix	Page
A GRADING STRUCTURE	17
B ASSIGNMENT PLAN.....	19

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

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

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

Overview

Purpose of review

We undertook a review to provide assurance that the cash management practices as outlined in the Financial Regulations are suitable and have been adopted. We also assessed the reporting arrangements in place to the Board of Management and the Scottish Funding Council (SFC).

Our review assessed the implementation, monitoring, and execution of the treasury/cash management responsibilities along with the delegated authorities in this area.

This assignment forms part of our Annual Internal Audit Plan for 2021/22.

Scope of review

Our objectives for this review were to ensure:

- The College is complying with its Financial Regulations and the Financial Memorandum with the SFC in terms of the cash and treasury management arrangements.
- The cash management process is robust and fit for purpose, with an appropriate approval and reporting process in place to ensure the College has sufficient working capital to continue operating.
- There are appropriate cash and banking procedures in place which include the process for cash and bank reconciliations, and which are being followed by staff.
- There are appropriate levels of segregation of duties between the staff involved in the implementation, monitoring, and execution of treasury/cash management and with the delegated authorities.

Limitation of scope

There were no limitations of scope.

Background Information

Financial Regulations and Procedures

The College has a set of robust Financial Regulations which comply with the SFC's Financial Memorandum and the Scottish Public Finance Manual requirements. The College's Financial Regulations take cognisance of CIPFA's Model Set of Financial Regulations for Academies, Colleges and Universities.

The College also has procedures in place in respect of the following:

- Cash and Bank;
- Procedure for Cash Requests; and
- Credit Card Process.

From our review we found these to be sufficient for the College's purpose.

Bank Accounts

The College are required by its Financial Memorandum with the SFC to follow the Scottish Public Finance Manual requirements and as such the Scottish Government Banking Service. As a result of this the College's primary banking services are provided by the Royal Bank of Scotland. It should be noted that the contract with the Royal Bank of Scotland is in its final year with the contract due to end on 31 July 2022. The College are waiting for information from the SFC on the new banking services arrangements which will be implemented as required.

The College holds the following bank accounts with the Royal Bank of Scotland:

- Main current account; and

- Separate bank accounts for Bursary, Discretionary, Childcare and EMA funds.

The College also has the following other bank accounts:

- Bank of Scotland Servicing account – this is part of an existing loan agreement to service an inherited debt.
- Clydesdale bank loan account – there is no outstanding balance remaining on this loan. The College is in discussion with the bank to close this account.
- Bank of Scotland loan account.

The College provide an annual update to the Corporate Development Committee regarding the banking arrangements at the College. This includes compliance with bank loan covenants, details of bank mandates and signatories and details of the credit cards in operation within the College.

Monthly SFC Draw Down and Cash Flow

The process for the monthly draw down from the SFC and the cash flow analysis are directly linked. It is the Principal Accountant who is responsible for generation of the monthly cash flow and draw down which is submitted to the SFC.

The SFC will email the template they require the College to use in respect of the cash flow submission. The draw down submission must be done on the 1st working day of the month. The full submission of the cash flow must be forwarded to the SFC by 14th of the month. Payment will be made on 15th/16th of the month.

The treasury staff keep a cash analysis spreadsheet to which the Principal Accountant has access. This details the opening balance and the movement throughout the month to arrive at the closing balance. This gives the actual closing bank balances for the month. The Principal Accountant will use this to update the cash flow statement for historic transactions. The Principal Accountant will also consider likely expenditure during the forthcoming month compared with what was budgeted. From this she will arrive at the amount required to be drawn down for the next month. In addition, the full year cashflow is reconciled to the Management Accounts forecast position which is reported to SFC through the Financial Forecast Return (FFR). The College look to have approximately £3.5m core cash each month, which is approximately 30 days cash.

After the Principal Accountant completes the SFC's template for draw down and cashflow, it is passed to the Head of Finance and Student Funding for review. If the Head of Finance & Student Funding has any queries, she will discuss these with the Principal Accountant. Once the Head of Finance and Student Funding is satisfied with the draw down claim and cashflow this is passed to the Director of Finance for his review and approval. It is the Head of Finance and Student Funding who normally emails this to the SFC, which is the level allowable by SFC. In her absence this can be done by the Director of Finance or the Principal Accountant, as an exception. From our review and testing we can confirm that this process is operating in practice.

Payment Portal

The Payment Portal was a project that the College had been considering for a couple of years. The College initiated the project in 2019, however due to Covid-19 the project started later than planned. In March 2021, the project moved into the testing phase. The Head of Finance and Student Funding stated that the payment portal worked but there were issues with the course set up and enrolment processes used in the College. The College had to redesign some of its processes to ensure that the payment portal would pick up the correct data. (See recommendations raised in our Credits audit around fee waivers and some of these courses being allocated to other fee waiver categories rather than Cost Borne by the College).

The College used its current platforms to facilitate the payment portal - UNIT-e (student database) and BluQube 4 (finance system).

The fee sources in the payment portal are linked to the fee category used by the SFC, i.e., full-time non-advanced will be either bursary or self-financing - there are no other options available to the learner if their course falls within that category. The sub-set of the fee category is the residency of the learner. This plus the fee category is used to establish the finance source for the learners where they have selected to pay their own fees. This is not a requirement for those who are SAAS (HE courses), Bursary funded or ITA, as the College will match this to other information received for the learner, i.e., for bursary students the student record will show that the student is in receipt of a bursary and that all residency checks have already been completed. This is the same for SAAS funded students.

To ensure that the student is eligible for a fee waiver, which is not an 'automatic' fee waiver i.e., FT non-advance, DPG18/PG5, Schools etc, the Finance Team will run a report of those students and check that supporting documentation has been uploaded to the enrolment portal to confirm eligibility.

If the student is paying their own fee, they will be offered 3 options, namely:

1. Pay now
2. Pay later
3. Pay by instalment

1. Pay Now

The student will be redirected to Pay360 web page. This looks the same as the College's webpages, but it is an external page, to which the College does not have access, i.e., the College cannot see what the student is recording on the Pay360 page. As such the College do not get the details of the student's payment method, i.e., card number etc. The students complete this screen and confirms the payment. Once the payment has been confirmed, the student is returned to the College's webpage. Pay360 email the student with confirmation of the payment. The College also receive confirmation that a payment has been received for the student/course.

A Pay360 'End of Days' report is generated each day and automatically integrated into a holding file in Symmetry. The treasury staff will check to ensure that there is an End of Days report there and whether there are any transactions on this. If there are transactions the treasury staff will upload the file to BluQube 4 (the finance system). They will reconcile the money coming in via the bank accounts to the End of Days report to ensure that the correct amount has been received.

2. Pay Later

If the student selects to pay later, then the College's credit control staff will chase this up with the student as part of their credit control processes.

Alternatively, there is a tab on the student's UNITE account, which allows the student to 'pay outstanding balances', after the enrolment has been processed. If the student selects this, they will be taken to the same screen as that noted above. The same process will be followed as that noted above in the Pay Now scenario.

If the student wants to make a payment to the College when contacted by the credit control staff, a link is sent to the student (either by email or text message) while they are on the phone by the credit control staff; this link is facilitated by the Call Secure Digital Plus (CSDP) portal. The student is required to complete the payment pages with their card details etc. Similarly, to the Pay Now option above, the College cannot see

what the student is recording. The payment will be confirmed there and then, with the student and the College receiving an email notification of the successful payment. In this way, the College again do not have sight of the student's card details.

The payments via CSDP are included on the End of Days report as well.

3. Pay by Instalments

At present the full functionality of pay by instalment is not available on the payment portal. If the student wants to pay their fee by instalment, they are advised when they select this option, to contact the College's finance office to arrange this by way of Standing Order. The Head of Finance and Student Funding has stated this is still being developed alongside the UNITE and BluQube 4 providers. The likely target date for this process to be implemented will be for the start of 2022-23.

General

The system produces an online payment log which details the payments which have been paid either online by the student at enrolment (via the Pay360 web page) or via the CSDP portal.

The Head of Finance and Student Funding stated that the feedback which they have received from the students in relation to the payment portal has been positive. The Credit Control staff have asked students how their experience was of using the portal when they are contacting them to obtain payment from them. The College has not yet undertaken a full survey of the students to gauge their thoughts on the payment portal.

During our audit we were taken through the various steps in the portal by the Head of Finance and Student Funding. The Pay360 and CSDP web pages used had the same branding as the College's web pages, thus to the user it appears that they were still in the College's web page. The process followed the same steps for any online payment facility - thus it should be familiar and easy for the students to use.

From our review, on screen, of some of the payments made, we saw that this took as little as 2 minutes to complete. The time taken is obviously dependent on connectivity of the student's Wi-Fi, but generally this process does not take long to complete.

Work Undertaken

In line with each objective, we undertook the following:

- The College is complying with its Financial Regulations and the Financial Memorandum with the SFC in terms of the cash and treasury management arrangements.
 - We established and assessed the current cash and treasury management arrangements within the College.
 - We considered whether these were in line with the College's Financial Regulations and complied with the Financial Memorandum with the SFC. Where applicable we highlighted any areas of non-compliance.
- The cash management process is robust and fit for purpose, with an appropriate approval and reporting process in place to ensure the College has sufficient working capital to continue operating.
 - We discussed and established with relevant staff the process, approval and reporting of the monthly draw down from the SFC.
 - We considered the reporting to the Senior Management Team and the Board of Management/Committee to ensure this was robust and done on a frequent basis.
 - We also established what reporting to the SFC is required and ensured that this is being done in line with requirements and on a timely basis.
- There are appropriate cash and banking procedures in place which include the process for cash and bank reconciliations, and which are being followed by staff.
 - We obtained and assessed the College's cash and banking procedures to ensure that these are fit for purpose. Where applicable we highlighted any gaps in these procedures.
 - We ensured that the procedures cover all aspects of cash collection and banking within the College including cash and bank reconciliations.
 - We undertook sample testing on the following to confirm that staff were following the procedures in practice:
 - 10 BACS payments for student support funds (Bursary, EMA, FE Discretionary, HE Discretionary and Childcare);
 - 6 BACS payments for suppliers;
 - 3 months BACS payments for payroll;

- 6 cash advances payments; and
 - 15 Faster Payments and one-off BACs payments (**see Observation in respect of this**).
 - We also undertook sample testing on 6 months bank reconciliations to confirm these were being completed in line with procedures.
 - We discussed and established with key personnel the use of contactless payment utilised by the College and ensured that the controls around this are appropriate and operating as expected. We also discussed the payment portal with relevant staff to establish the process around this and the controls in place to reduce the risk of fraud and error.
 - We undertook testing on a sample of 7 student receipts made via the payment portal.
- There are appropriate levels of segregation of duties between the staff involved in the implementation, monitoring, and execution of treasury/cash management and with the delegated authorities.
- We reviewed the arrangements in place at the College to ensure there was appropriate segregation of duties. We ensured that those involved in the collection of cash are not those responsible for the recording and banking of cash. Compliance with the segregation of duties was tested as part of our testing noted above.
 - We reviewed the delegated authorities in place in the cash management area to ensure that these were appropriate and were operating in practice. Compliance with these authorities was tested as part of our testing noted above.

Conclusion

Overall conclusion

Overall Conclusion: Strong

We can provide a strong level of assurance over the College's cash management arrangements and can confirm these are in line with the College's Financial Regulations. We can also provide a strong level of assurance over the reporting arrangements in place to the Board of Management and the SFC. We can also confirm that there is appropriate delegated authorities and responsibilities within the area of cash management. We have raised no recommendations and 1 Observation. We have also highlighted 10 good practice points from our audit work.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Cash Management	0	0	0	0

As can be seen from the above table we have raised no recommendations from our audit work.

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

1.	The College's Financial Regulations contain a section on Cash Management. These are in line with what we would expect to find in terms of Cash Management.
2.	From our review of the College's Financial Regulations and current cash management arrangements we can confirm that these are complying with the requirements of the SFC's Financial Memorandum with Colleges.
3.	From our review we can confirm that the College is adhering to the process for the submission of the monthly draw down and cash flow to SFC.
4.	The College has procedures in place which detail the arrangements for the main cash management areas. From our review we found these to be robust and fit for the required purpose.
5.	The students have the option to pay for their tuition fees at the point of enrolment via the payment portal used by the College. From our review of this we found the process to be quick and straightforward to use.
6.	From our sample testing we can confirm that the BACs payments for suppliers, SSF, and payroll are being processed in line with the documented procedures.
7.	Bank reconciliations are undertaken for all bank accounts of the College.
8.	From our sample testing we can confirm that the payment portal is operating as envisaged.
9.	From our sample testing of 6 cash advances paid to employees from August and September 2021, we can confirm that these were being processed in line with the documented procedures. We also found that the cash advances were used for petty cash or other one-off payments (such as subscriptions), which is in line with the documented procedures.
10.	There is good segregation of duties within the Finance Team. There is also appropriate authorisation of the bank payments in place, with a 2-stage authorisation process required before the bank will accept and make the payment.

2 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 most recently finished internal audit year.

Cash Management

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	0	1	1
Number of recommendations at West College Scotland	0	0	0	0

From the table above it can be seen that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

The following is a list of observations from our review

- | | |
|----|---|
| 1. | From our testing of faster payments and ad hoc one-off BACs payments we found that the appropriate request form was not always completed and approved for these payments. In some cases, the request was made via an email from the requesting person. In all cases we are satisfied that the email request was for bona fide payments of the College, thus we have not raised a recommendation around this point. We would, however, suggest that the College reminds staff of the process to be followed and that its staff always adhere to this irrespective of the level of staff originating the request. |
|----|---|

4 AUDIT ARRANGEMENTS

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

Audit stage	Date
Fieldwork start	4 October 2021
Closing meeting	18 October 2021
Draft report issued	20 October 2021
Receipt of management responses	2 November 2021
Final report issued	4 November 2021
Audit Committee	1 December 2021
Number of audit days	5 days

5 KEY PERSONNEL

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

Wylie & Bisset LLP

Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Senior Manager	Stephen Pringle	Senior Internal Audit Manager	stephen.pringle@wyliebisset.com
Supervisor	Audrey Cowan	Internal Audit Supervisor	audrey.cowan@wyliebisset.com
Auditor	Ben Conn	Internal Auditor	ben.conn@wyliebisset.com

West College Scotland

Key Contacts	Vivienne Mulholland	Head of Finance	Vivienne.Mulholland@wcs.ac.uk
	Kirsty Hill	Principal Accountant	kirsty.hill@wcs.ac.uk
	Doreen Davidson	Treasury Assistant	doreen.davidson@wcs.ac.uk
	Karen Dunn	Treasury Assistant	karen.dunn@wcs.ac.uk

Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

APPENDICES

A GRADING STRUCTURE

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

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

A GRADING STRUCTURE

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

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

Purpose of review

We will undertake a review to provide assurance that the cash management practices as outlined in the Financial Regulations are suitable and have been adopted. We will also assess the reporting arrangements in place to the Board of Management and the Scottish Funding Council (SFC).

Our review will assess the implementation, monitoring, and execution of the treasury/cash management responsibilities along with the delegated authorities in this area.

This assignment forms part of our Annual Internal Audit Plan for 2021/22.

Scope of review

Our objectives for this review are to ensure:

- The College is complying with its Financial Memorandum and the Financial Memorandum with the SFC in terms of the cash and treasury management arrangements and the management of surplus funds.
- The cash management process is robust and fit for purpose, with an appropriate approval and reporting process in place to ensure the College has sufficient working capital to continue operating.
- There are appropriate cash and banking procedures in place which include the process for cash and bank reconciliations, and which are being followed by staff.
- There are appropriate levels of segregation of duties between the staff involved in the implementation, monitoring and execution of treasury/cash management and with the delegated authorities.

Limitation of scope

There are no limitations of scope.

Audit approach

Our approach to the review will be:

- Establishing and assessing the current cash and treasury management arrangements within the College. We shall consider whether these are in line with the College's Financial Regulations and comply with the Financial Memorandum with the SFC. We shall highlight any areas of non-compliance.
- Discussion with relevant staff to establish the process, approval and reporting of the monthly drawn down from the SFC.
- Considering the reporting to the Senior Management Team and the Board/Committee to ensure this is robust and done on a frequent basis. We shall also establish what reporting to the SFC is required and ensure that this is being done in line with requirements and on a timely basis.
- Obtaining and assessing the College's cash and banking procedures to ensure that these are fit for purpose. We shall highlight any gaps in these procedures. We will ensure that the procedures cover all aspects of cash collection and banking within the College including cash and bank reconciliations. We shall also ensure that staff are following these procedures in practice.
- Discussion with key personnel to establish the use of contactless payment utilised by the College and ensure that the controls around this are appropriate and operating as expected. We shall also discuss the payment portal with relevant staff to establish the process around this and the controls in place to reduce the risk of fraud and error.
- Reviewing the arrangements in place at the College to ensure there is appropriate segregation of duties. We shall ensure that those involved in the collection of cash are not those responsible for the recording and banking of cash.

- Review of the delegated authorities in place in the cash management area to ensure that these are appropriate and are operating in practice.

Potential key risks

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

- The College is not complying with the Financial Memorandum with the SFC in terms of its cash and treasury management arrangements and the management of surplus funds which could result in funding sanctions and/or being reduced by the SFC.
- The cash and treasury management process is not robust or fit for purpose, with an inappropriate approval and reporting process in place which could lead to inappropriate financial decisions being made and insufficient cash flow for the College.
- There are no or inadequate cash and banking procedures in place which do not include a procedure for cash and bank reconciliations. This could result in an inconsistent approach being taken by staff in terms of the cash and banking arrangements within the College.
- There are inappropriate levels of segregation of duties between the staff involved in the implementation, monitoring and execution of treasury/cash management which could reduce the effectiveness of the controls in place.

Meeting	Corporate Development Committee
Date	8 March 2022
Location	MS Teams
Title of Paper	Schedule of Business 2021-22
Presented By	Amy McDonald Vice Principal Operations
Recommendation to Members	Consideration
Appendix Attached	No

PURPOSE

The purpose of this report is to provide a summary of the work of the Corporate Development Committee during 2021-22.

The paper is presented in line with West College Scotland Corporate Development Committee Terms of Reference:

'To review its own effectiveness at least annually and to report the results of that review to the Board.'

The paper is submitted *To Consider*.

1. BACKGROUND

- 1.1 The main purpose of the Corporate Development Committee is to:
- Have strategic oversight of finance, procurement, human resources and organisational development, communications, marketing and matters of a general nature that do not fall to other standing Committees, ensuring solvency, sustainability, efficiency and innovation.
 - Advise on the strategic implementation, review and development of required strategies and policies that reflect best practice and improve organisational performance, ensuring appropriate and effective controls and processes are in place.
 - Ensure the College manages all assets and resources in accordance with Scottish Government and Scottish Funding Council requirements.
- 1.2 This report provides a summary of the items which the Committee has considered during 2021-22 in fulfilling the above requirement.

Next Steps

- 1.3 The Corporate Development Committee are requested to consider the content of the report and whether it requires any further assurances to be provided.

2. FINANCIAL IMPLICATIONS

- 2.1 There are no financial implications in this report.

3. STUDENT EXPERIENCE

- 3.1 There are no student experience implications associated with this paper.

4. HUMAN RESOURCES IMPLICATIONS

- 4.1 There are no human resources implications associated with this paper.

5. LEGAL IMPLICATIONS

- 5.1 There are no further legal implications in this paper to those listed above.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications associated with this paper.

7. COMMUNITY/PARTNERSHIP IMPACT

- 7.1 There are no community implications associated with this paper.

8. EQUALITIES IMPLICATIONS

- 8.1 There are no equality implications associated with this paper.

9. ENVIRONMENT IMPLICATIONS

- 9.1 There are no environmental implications associated with this paper.

RECOMMENDATION

The Corporate Development Committee is requested to consider the content of the report and whether there are any further assurances required.

Public

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
a) <i>To have strategic oversight of the overall management of the College's resources – finance, people, procurement, information technology and property.</i>					
b) <i>To consider and advise the Board of Management on the development and implementation of College policy and strategy, including but not limited to the following areas:</i>					
<ul style="list-style-type: none"> • <i>Communication and Marketing</i> <ul style="list-style-type: none"> ○ Update report on College Marketing activity ○ Marketing and Communication Strategy 	Y	Y Y		Y	Y
<ul style="list-style-type: none"> • <i>People</i> <ul style="list-style-type: none"> ○ Update from LJCNC lecturing/support staff meetings ○ Update from Equality, Diversity and Inclusion Committee ○ Update on National Bargaining ○ People Strategy 2021-22 Update ○ People Strategy 2022-2025 ○ Annual review of Modern Slavery Statement 	Y Y Y	Y Y Y		Y Y Y Y Y	Y Y Y Y
<ul style="list-style-type: none"> • <i>Health and Safety</i> <ul style="list-style-type: none"> ○ Mobilisation Group Update Report (Covid-19) ○ Update from Health & Safety Committee 	Y Y	Y Y		Y Y	Y Y
<ul style="list-style-type: none"> • <i>Estate</i> <ul style="list-style-type: none"> ○ Update report on College leasing arrangements ○ Estate Strategy – Annual Update ○ Estate Strategy 2016-2026 Refresh - Update ○ Estate outline business case update ○ Estate maintenance, sustainability and project update reports 	Y Y Y Y	Y		Y Y Y	Y Y Y

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> Carbon management and sustainability <ul style="list-style-type: none"> Carbon Management Plan – Progress Update Revised Carbon Management Plan 2021-2025 Update Annual Scottish Government Sustainability Report 	Y	Y Y Y		Y	Y
<ul style="list-style-type: none"> Information Technology <ul style="list-style-type: none"> IT Strategy – Annual Update IT Project Update Report 	Y	Y		Y	Y Y
<ul style="list-style-type: none"> Finance <ul style="list-style-type: none"> Management Accounts Update of Financial Forecast SFC Funding Update Annual budget and medium-term financial forecast 	Y Y Y	Y (October) Y		Y (January) Y	Y (April) Y Y Y
<ul style="list-style-type: none"> Procurement <ul style="list-style-type: none"> Procurement Strategy Annual Update Procurement Annual Report including future year plan PCIP Update Report (next review by December 2022) 		Y Y			
Ensuring progress is monitored in delivering strategic outcomes in these areas.					
Finance					
c) To consider and advise the Board of Management on key strategic financial and management matters including:					
<ul style="list-style-type: none"> solvency of the College <ul style="list-style-type: none"> Cashflow report contained in the Management Accounts 	Y	Y		Y	Y

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> <i>Cashflow</i> <ul style="list-style-type: none"> Cashflow report contained in the Management Accounts 	Y	Y		Y	Y
<ul style="list-style-type: none"> <i>effectiveness and appropriateness of the utilisation of College resources</i> <ul style="list-style-type: none"> Update on year-end financial position Internal Audit Report – Review of Financial Regulations Internal Audit Report – Cash Management Internal Audit Report – Sustainability and Carbon Management Internal Audit Report – Estate Strategy Internal Audit Report – IT Systems Administration 	Y		Y	Y Y	Y Y Y
<ul style="list-style-type: none"> <i>financial strategy, budgeting, financial monitoring and forecasts</i> <ul style="list-style-type: none"> Management Accounts Update of Financial Forecast Update on SFC Funding Annual budget and medium-term forecasts 	Y Y Y	Y (October) Y Y		Y (January) Y Y	Y (April) Y Y Y
<ul style="list-style-type: none"> <i>banking arrangements and approval of bank signatories</i> <ul style="list-style-type: none"> Annual review of banking arrangements 	Y				
<ul style="list-style-type: none"> <i>investments and borrowing</i> <ul style="list-style-type: none"> Annual review of banking arrangements 	Y				
<ul style="list-style-type: none"> <i>taxation</i> <ul style="list-style-type: none"> Annual update report on taxation matters Reports will be provided on any material changes as required 	Y				

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> <i>pension arrangements</i> <ul style="list-style-type: none"> Overview of College pension schemes 					Y
<ul style="list-style-type: none"> <i>approval of contracts between the values of £250,000 and £500,000</i> <ul style="list-style-type: none"> Authorisation sought as required 					
d) To consider and recommend the College's annual financial statements and associated reports for approval to the Board of Management at a joint meeting with the Audit Committee. <ul style="list-style-type: none"> External Audit Management Letter Corporate Governance Statement Financial Statements Annual Internal Audit Report Internal Audit Annual Plan 2021-22 External Audit Planning Memorandum 	Y		Y Y Y Y		Y
e) To ensure adherence to statutory requirements related to the College's financial affairs and compliance with the Financial Memorandum, Scottish Public Finance Manual (SPFM) and related guidance (including Accounting Policies in the Financial Statements) and to provide the Board of management with assurance on these matters. <ul style="list-style-type: none"> Internal Audit Annual Report External Audit Management Letter Annual report on Corporate Governance Compliance 			Y Y		Y
f) To review College Financial Regulations on an annual basis, or more frequently if required and recommend these to the Board of Management for approval. <ul style="list-style-type: none"> Review of Financial Regulations 	Y				

Public

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> Corporate Governance Statement review – Financial Statements Internal Audit Report – Review of Financial Regulations 			Y	Y	
Human Resources and Organisational Development					
g) To have strategic responsibility for oversight of and compliance with employment, health and safety, data protection and freedom of information legislation, advising the Board of Management on the operation and implementation of effective and efficient policies and systems in the following areas, advising the Board of Management on these areas as required:					
<ul style="list-style-type: none"> <i>equality, diversity, and inclusion</i> <ul style="list-style-type: none"> Equality, Diversity, and Inclusion Mainstreaming Report Update from Equality, Diversity, and Inclusion Committee 	Y	Y		Y	Y
<ul style="list-style-type: none"> <i>learning and development</i> <ul style="list-style-type: none"> Updates provided as required 					
<ul style="list-style-type: none"> <i>employee relations</i> <ul style="list-style-type: none"> Mobilisation Group Update Report (Covid-19) 	Y	Y		Y	Y
<ul style="list-style-type: none"> <i>health, safety and wellbeing</i> <ul style="list-style-type: none"> Mobilisation Group Update Report (Covid-19) Update from Health & Safety Committee 	Y Y	Y Y		Y Y	Y Y
<ul style="list-style-type: none"> <i>workforce planning</i> <ul style="list-style-type: none"> People Strategy 2021 People Strategy 2022-2025 				Y	Y

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> • <i>payroll</i> <ul style="list-style-type: none"> ○ Overview of College pension schemes ○ Updates provided as required 					Y
<ul style="list-style-type: none"> • <i>voluntary severance schemes</i> <ul style="list-style-type: none"> ○ Revised voluntary severance scheme 					Y
<ul style="list-style-type: none"> • <i>freedom of information and data protection</i> <ul style="list-style-type: none"> ○ Annual Report 	Y				
Assets and Infrastructure					
h) To consider and advise the Board of Management on key strategic infrastructure matters including:					
<ul style="list-style-type: none"> • <i>monitoring and review of the overall management and development of College property and information technology, ensuring that a comprehensive register of land, buildings and infrastructure assets is maintained and assurance is given to the Board of Management that the correct procedures are followed in respect of Exchequer funded assets.</i> <ul style="list-style-type: none"> ○ Estate Strategy – annual progress update ○ Estate business case updates ○ College leasing arrangements update ○ Report on Paisley (CPA) relocation project 	Y Y Y	Y Y		Y	Y
<ul style="list-style-type: none"> • <i>maintenance of estate and information technology in an efficient and effective manner, in accordance with a planned maintenance programme which is consistent with approved strategy and associated financial projections.</i> <ul style="list-style-type: none"> ○ Estate maintenance, sustainability and project update reports 	Y	Y		Y	Y

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
<ul style="list-style-type: none"> the implementation and development of carbon management and sustainability plans to address Scottish Government climate change requirements and ensure awareness of local, national, and global environmental matters. <ul style="list-style-type: none"> Carbon Management Plan (CMP) – Progress Update Sustainability Strategy Annual Scottish Government Sustainability Reporting Requirements Update Estate Strategy Progress Update – includes annual review of College Carbon Management and Sustainability Plan 	Y	Y		Y	Y
<ul style="list-style-type: none"> consideration and approval of information technology initiatives and innovations as required and the promotion of the effective and efficient use of IT services and assets. <ul style="list-style-type: none"> IT Strategy 2021-2025 - Annual Update IT Project Update Report 	Y	Y		Y	Y
Marketing and Communications					
i) To consider and advise the Board of Management on key strategic matters relating to marketing and communications including:					
<ul style="list-style-type: none"> the implementation, development and review of marketing and communication strategies <ul style="list-style-type: none"> Update report on College Marketing activity Marketing and Communication Strategy 	Y	Y		Y	Y
<ul style="list-style-type: none"> policies which enable the College to build its reputation. <ul style="list-style-type: none"> Marketing and Communication Strategy 		Y			

Public

Corporate Development Committee					
Remit	14 Sept 2021	23 Nov 2021	23 Nov 2021 Joint Committee	8 March 2022	31 May 2022
Risk					
j) <i>To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.</i> <ul style="list-style-type: none"> ○ Review of Strategic Risk Register 	Y	Y		Y	Y
Other Matters					
k) <i>Any other matters as required by the Board of Management.</i>					
l) <i>The Committee can request representatives of other organisations to attend meetings if/as required.</i>					