

Title of Paper	Annual Review of effectiveness of the Audit & Risk Committee and the Internal Auditors (2024-2025)
Presented by:	Ronald Leitch Chair of the Audit & Risk Committee
Recommendation:	For Approval
Status	Public
KPIs	All – Board Effectiveness
Strategic Objectives	All – Students, Partners, Future, People, Sustainability

Purpose / Executive Summary:

The purpose of this report is to consider the evaluation of the effectiveness of the Audit & Risk Committee as well as the Internal Auditors covering the period of September 2024-May 2025.

Based on the returns made, the Audit & Risk Committee and the College are content that Wylie & Bisset provide an effective internal audit service to the organisation.

The paper is presented in line with the following the Committee Terms of Reference:

- *“To review its own effectiveness at least annually and report the results to the Board.”*
- *“To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters.”*

Recommendations:

The Audit and Risk Committee are asked to consider the content of the report and note any points that have emerged. The Committee is asked to **approve** that it is satisfied with the operation and effectiveness of the Committee and is content with the effectiveness of the internal audit function.

Implications:

Financial	There are no financial implications associated with this report
Student Experience	There are no student experience implications associated with this report
People	There are no people implications associated with this report
Legal	There are no legal implications associated with this report.
Reputational	Regular evaluation of Committee activities assists in maintaining reputation of the College and the Board.
Community/ Partnership impact	There are no community / partnership implications associated with this report
Environment	There are no environmental implications associated with this report
Equalities	WCS considers equalities implications across all its activities and reports

Background

At the 12 March 2025 Audit & Risk Committee meeting, it was agreed that the annual effectiveness review of the Committee and the Internal Auditors be conducted during April, and the feedback submitted to the Committee for consideration at its May 2025 meeting.

The Committee agreed to use the same questionnaires as had been used the previous year, which had been updated based on a best practice guide issued by KPMG and complies with the requirements of the Scottish Government Audit and Assurance Committee Handbook and further supplemented by further good practice questions as proposed by the National Audit Office.

Audit Committee Effectiveness

Based on the returned questionnaires (75%, 3 out of 4 issued), the Audit & Risk Committee are content with the effectiveness of the Committee. The questionnaires provide a consistent profile of the work conducted by the Committee and did not highlight any material areas of concern.

Overall, questionnaires were answered positively and noted that the Audit & Risk Committee are content with the effectiveness of the operation of the Committee in regard to:

- Membership, independence, objectivity and understanding.
- Individual annual review meetings between Members and the Chair
- Private sessions held with both Internal and External Auditors
- Strong attendance from both external and internal auditors, key finance staff and other members of the College Senior Management Team as required
- Skills and Experience.
- Roles and Responsibilities.
- Governance, including at least annual registration of interests and any declaration noted at the start of all meetings.
- Risk Management.
- Internal Controls.
- Financial Reporting
- Scope including the Terms of Reference and annual review thereof.
- Communication and Reporting including full discussions on internal audit reports and access to relevant information.
- Continual Improvement.

Some areas were noted as 'don't know', however, are noted and answered below for Members information

Does the body's governance statement mention the audit committee's establishment and its broad purpose?	The Governance section in the Annual Report submitted to SFC every December with the Financial Statements, includes a section on the standing committees of the organisation and their broad remits.
Does the Committee consider large write offs?	This is covered within the remit of the Corporate Development Committee
Does the Head of Internal Audit attend meetings of the audit committee?	Yes, Stephen Pringle, Head of Internal Audit attends all Audit & Risk Committee Meetings. As well as their annual

As well as an annual report from the Head of Internal Audit, does the audit committee receive progress reports from the internal audit service?	report, he provides the Committee with progress reports on the annual audit plan.
Does the audit committee review the adequacy of internal audit staffing and other resources?	The Rolling Audit Action Plan provides regular updates on recommendations from audit reports and the Internal Auditors agreement of their completion.
Are internal audit performance measures monitored by the audit committee?	Internal Audit performance questionnaires are issued annually to Committee Members and Senior Staff who attend regularly. Audit & Risk Committee monitor the completion of recommendations on all internal audit reports.
Are there any areas where the audit committee could improve upon its current level of effectiveness?	Recent risk sessions are a good example of supporting the wider Board understanding of the risks and mitigations. Other deep dive sessions to be agreed and can be arranged with the full Board as required.

Internal Audit Review

The questionnaire was issued to the following:

- All Audit & Risk Committee members.
- Principal.
- Vice Principal Operations
- Director of Finance & Estate

The questionnaire was issued to 7 people with 5 (71%) returns being received by the deadline date.

Overall, the feedback confirmed satisfaction with the performance and effectiveness of the Internal Auditors. The auditors did not raise any risks that the Committee had not been previously aware. The positive contribution of Stephen Pringle in his role as lead auditor was noted as invaluable to the Committee. It confirmed that the Internal Auditors:

- Provide a strategy which is reviewed annually.
- Are independent from the College.
- Have a strong understanding of the sector and are competent to undertake their role.
- Effectively plan and can adapt as required.
- Have strong relationships internally and externally.
- Attend and present information comprehensively and allow for constructive discussions.
- Have open discussions at all meetings
- Have the standing, credibility and impact required to undertake their role.
- Provide effective reporting to Committee and College including examples of best practices.

Recommendations:

The Audit & Risk Committee is asked to consider the content and if satisfied, **approve** that it is satisfied with the operation and effectiveness of the Committee and is content with the effectiveness of the internal audit function.

Audit & Risk Committee - Schedule of Business

Standing Items at every Meeting

Minutes of Previous Meeting
Schedule of Business
Internal Audit (Updates/Reports)
External Audit (Updates/Reports)
Procurement approvals
Rolling Audit Action Plan
Risk Register
KPIs
SOFT updates

Autumn Meeting (September)

Review of Remit / Membership / Dates of Mtgs
Draft A&R Com report to Board
Draft Annual Report - Review of Corporate Governance Statement
Session with Committee and External Auditors
Legislative Compliance - Whistleblowing / FOI/DP/H&G/ROIs
SFC Accounts Direction for Scotland's Colleges
Final IA Annual Report (acad year just ended)
Internal Audit Plan (current acad year)

Governance:

Student

Learning & Teaching

Finance / Estate/Risk

People:

Annual Updates

IT Security / Controls Report / IT Re-shaping (Disaster Recover Plan - update)

Review of College Financial Regulations

National Fraud Initiative (2yrly - 2027)

Policies:

Financial Regulations (ARC/CDC)
Public Interest Disclosure Policy (Sept 25)
Student Recruitment & Admission Policy (Dec 24)
H&S Policy (March 23)
Business Continuity (April 25)
Hosp & Gifts (July 25)
Safeguarding Policy (July 25)
Risk Management (Sept 26)
IT Admin Sec Policy (Sept 27)

Strategies:

Risk

Joint Meeting with CDC (Nov)

Annual Meeting with EA (no staff)
Internal Audit Annual Report
Draft Report from Audit Committee to Board
External Auditor Annual Report & Letter of Rep
Financial Statements for the year end & Annual report including Corporate Governance Statement
EA Reports on Student Activity & Student Funding Activity

Governance:

Corporate Reporting

Student

Learning & Teaching

Financial Year End Update

Finance / Estate/Risk

Management Accounts to Oct

Financial Forecast

People:**Annual Updates**

Compliance Report

Policies:

Fee Policy

Data Protection

Strategies:**Spring Meeting (March)****Additional Items****Governance:**

Proposed dates for following year

Audit Needs Assessment / Assurance Map Update

IA Reports:

Evaluation of External Auditor

Annual Review of Committee - process

Annual Review of IA - process

Review of Corporate Governance Statement

Compliance & Legislative Update Report

Corporate Reporting**Students****Learning & Teaching****Finance / Estate/Risk**

PCIP Report (ARC)

People:**Annual Updates**

National Fraud Initiative (every 2 years - 2027)

Policies:

Dec & Mgt Interest (May 26)

Records Mgt Policy (Mar 26)

Cyber / Information Security

Strategies:**Summer Meeting (May / June)**

Annual Meeting with IA (exc staff)

Effectiveness Review - committee and IA

EA Planning Strategy (current year)

IA Reports -

IA Final Report current year

Draft IA Plan for following year

ANA / Assurance Map

Corporate Reporting**Student****Learning & Teaching****People:****Annual Updates**

Insurance Policy Renewal

Policies:**Strategies:**