

<b>Title of Paper</b>	<b>Annual Review of effectiveness of the Audit &amp; Risk Committee and the Internal Auditors (23-24)</b>
<b>Presented by:</b>	Ronald Leitch Chair of the Audit & Risk Committee
<b>Recommendation:</b>	<b>For Approval</b>
<b>Status</b>	<b>Public</b>

**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 2023-June 2024.

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**:

- It is satisfied with the operation and effectiveness of the Committee, and
- it is content with the effectiveness of the internal audit function.

**Implications:**

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

## Background

At the 22 May 2024 Audit & Risk Committee meeting, it was agreed that the annual effectiveness review of the Committee and the Internal Auditors be conducted over the summer, and the feedback submitted to the Committee for consideration at its September 2024 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 (80%, 4 out of 5 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, as highlighted in the change of committee title (noting the College currently reviewing its Risk Framework)
- 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', this may be due to the newness of some of the members of the Committee, however, are noted and answered below for Members information

Are Members appointed for a fixed term?	Board Members can be appointed to the Committee for a period of between 3 and 5 years to allow other Board Members to join. Co-opted Members are appointed on an annual basis up to a maximum of 4 years
Does the Committee consider large write offs?	This is covered within the remit of the Corporate Development Committee

Do formal terms of reference exist defining internal audit's objectives, responsibilities, authority and reporting lines?	These are covered through the APUC competitive Tender exercise carried out prior to contract offered
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues.	These would be brought to the Committee's attention by the Director of Finance & Estates or the Governance Manager
Does the ARC Chair hold periodic private discussions with the external auditor?	An annual private meeting with members is arranged as part of the committee schedule. The ARC Chair and EA have shared contact details.
Does the Committee consider the EA fee?	This fee is set by Audit Scotland
Does the committee seek feedback on its performance from the Board and Accountable Officer	An annual report from the Committee is submitted to the Board for discussion. The Accountable Officer attends all ARC meetings.

### **Internal Audit Review**

The questionnaire was issued to the following:

- All Audit & Risk Committee members.
- Principal.
- Governance Manager (in absence of Vice Principal Operations)

The questionnaire was issued to 6 people with 5 (83%) returns being received by the deadline date.

Overall, the feedback confirmed satisfaction with the performance and effectiveness of the Internal Auditors. 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 sharing examples of best practices where required.

### **Recommendations:**

The Audit & Risk Committee is asked to consider the content and if satisfied, **approve**

- It is satisfied with the operation and effectiveness of the Committee, and
- it is content with the effectiveness of the internal audit function.

<b>Title of Paper</b>	<b>Audit &amp; Risk Committee – Remit, Membership and Dates of Meetings for 2024/2025</b>
<b>Presented by:</b>	Ronald Leitch, Chair
<b>Decision:</b>	For Approval
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

The current Membership of the Committee and the agreed dates of meetings for 2024/2025 are included for information.

The Remit of the Audit & Risk Committee is subject to annual review as per paragraph 6 of the Remit. The main changes to the remit being proposed are:

**Recommendations:**

The Audit & Risk Committee is asked to note the Membership and Dates of Meetings and **approve** the Audit & Risk Committee Remit

**Implications:**

<b>Financial</b>	Not applicable for this report
<b>Student Experience</b>	Not applicable for this report
<b>People</b>	Not applicable for this report
<b>Legal</b>	The Remit follows best practice as per Scottish Government's <i>Audit and Assurance Committee Handbook</i>
<b>Reputational</b>	As above
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

**Audit & Risk Committee Membership – 2024/2025**

Terry Dillon, Member

Ronald Leitch, Chair

Brian Logan, Co-opted Member

Jackie Russell, Vice Chair

***In attendance:***

Chris Brown, Azets, External Audit

Nicola Connelly, Director of Finance

Liz Connolly, Principal

Graham Gillespie, Wylie Bisset, Internal Audit

Adrian Kolodziej, Azets, External Audit

Susan McDonald, Governance Manager

Stephen Pringle, Wyle Bisset, Internal Audit

Vacancy Vice Principal Operations

Vacancy Head of Finance and Student Funding

**Quorum:** No less than 50% of Board Members on the Committee, with a minimum of two Board Members

**Dates of Meetings 2024/2025**

All Meetings will take place at 4pm, via Teams:

Wednesday 11 September 2024

Wednesday 19 November 2024 (joint with Corporate Development Committee)

Wednesday 12 March 2025

Wednesday 28 May 2025

**Remit of the Audit & Risk Committee**

There is only one amendment proposed to the Remit, the inclusion of the Anti-Bribery Policy.

## West College Scotland - Board of Management

### Audit and Risk Committee

#### Statement of Purpose

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

The purpose of the Audit and Risk Committee is to assure the Board that the College has in place a system of governance, risk management and internal control which is being maintained and developed to meet legislation and regulations applying to West College Scotland. The Committee must support the Board and the Principal by reviewing the completeness, accuracy, reliability and integrity of assurances: the College's governance, risk management and internal control framework.

The Committee has two main functions:

- an audit function, with a focus on assurance arrangements over: governance, financial reporting, annual report and accounts, including the governance statement.
- an assurance function, with a focus on ensuring there is an adequate and effective risk management and assurance frameworks in place to both identify and mitigate risk effectively.

#### 1. Remit

##### General

- To provide advice to the Board on the framework used for the monitoring of risk within the College and its adequacy in maintaining visibility across the risks the College is exposed to.
- To ensure the College has in place a framework which supports the processes for systematically identifying risk, assessing and prioritising risk, mitigating risk which could impact on the College fulfilling its objectives, how this is controlled and governed.
- To review the management of risk assurance framework and receive reports relating to this in order to provide the necessary assurances to the Board or determine any further action or assurances required.
- To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness (value for money).
- To advise the Board on the adequacy of the anti-fraud and anti-bribery policies and processes, and on the whistle blowing process, and to receive an annual report on any matters raised through these processes.
- To consider and advise the Board accordingly on any arrangements for special investigations and the outcomes of such investigations.
- To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges.

- To consider the College's Annual Financial Statements at a joint meeting with the Corporate Development Committee, and to recommend to the Board for approval.
- To provide an annual report to the Board, timed to support the finalisation of the accounts and the Statement on Internal Control, and summarising its conclusions from the work it has done during the year.
- To report to the Board after each meeting.
- To review its own effectiveness at least annually and to report the results of that review to the Board.

#### **.Internal Audit**

- To advise the Board on the selection, appointment or re-appointment and remuneration, or removal of the Internal Auditors. The responsibility for selection of the Internal Auditor may be delegated to a Selection Committee as agreed by the Committee.
- To advise the Board on the terms of reference for the Internal Auditors.
- To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters.
- To agree the Internal Audit Plan and review the Internal Audit Annual Report.
- To review the Internal Audit reports, the management response to them and to review implementation of the actions required.
- To review the Rolling Audit Action Plan at each meeting.
- To encourage appropriate liaison and co-ordination between internal and external audit.
- To establish appropriate performance measures and indicators to monitor the effectiveness of the Internal Auditors.

#### **External Audit**

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

#### **Risk**

- To annually review the process for risk management, including the Risk Management Policy and recommend to the Board for approval.
- To monitor and ensure the effectiveness of the College's approach to risk assessment and management through regular review of the Risk Register, other operational risk reports and seeking assurances from internal and external audit on the adequacy of their management.
- To provide an annual report to the Board the effectiveness of the College's approach to risk assessment and management.

- Request reviews by the College of areas of high or escalating risk ensuring that recommendations from these are adequately responded to.
- To receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the College's approach to managing the risks is appropriate and adequate.

#### **Other**

- To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; Hospitality/Gifts Registers; and IT security / controls and their application.
- To review and advise the Board on the College's policies for counter-fraud, whistle-blowing and cyber and information security.
- To request any member of the College staff to attend and/or to provide a written report on any matter that falls within the remit of the committee.
- To procure ad-hoc specialist advice at the expense of the College as appropriate and when necessary, subject to budgets being agreed by the Board.

## **2. Membership**

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

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee. Such members will normally be appointed for one year, will be subject to annual review, and may be re-appointed annually up to a maximum of 4 years.

**It is recommended that members of the committee undertake the Audit Committee training module on CDN Governance Programme.**

#### **In Attendance**

Principal  
Vice Principal Operations  
Director of Finance  
Head of Finance & Student Funding  
Governance Manager  
Internal Auditor (Wylie Bisset)  
External Auditor (Azets)

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

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

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

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

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

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

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

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

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

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

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

### **3. Frequency of Meetings**

The Committee will meet at least four times per year. The Committee will hold an annual joint meeting with the Corporate Development Committee to consider the Financial Statements and audit reports. Additional meetings will be convened as necessary.

### **4. Quorum**

A quorum will be no less than 50% of Board members on the Committee, subject to a minimum of two Board members.

### **5. Secretariat**

- Secretariat will be provided by the Governance Manager.
- Papers for meetings will be sent out electronically 7 days in advance of the meeting.
- The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

### **6. Review**

The remit will be subject to review annually. Next review date will be September 2025.

<b>Title of Paper</b>	<b>Legislative Compliance Report</b>
<b>Presented by:</b>	Nicola Connelly, Director of Finance & Estates
<b>Decision:</b>	For Noting
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

This paper provides the Audit & Risk Committee with updates in relation to the following matters:

- **SFC Accounts Direction**
  - SFC have not yet published the 2023-24 Accounts Direction. The Committee will be updated when the SFC Accounts Direction is published.
- **RDEL/CDEL Treatment**
  - Scottish Funding Council (SFC) announced a change in policy regarding capital / revenue departmental expenditure limits (CDEL/RDEL). There are ongoing discussions around the impact of the changes, the practice around the sector is not to make the SFC suggested adjustment, however there is a risk associated with not making this adjustment.
- **Fixed Asset Valuation**
  - External auditors Azets Holdings Limited have requested a desktop valuation of the College asset portfolio for 2023-24. Ryden's have been instructed to carry out the work and the results will be included in the Financial Statements as of 31<sup>st</sup> July 2024.
- **Legal Case**
  - A case has been brought against West College Scotland Foundation for damages from a fall that occurred on College property. It has been raised against the incorrect institution and as such the College are investigating getting the case 're-opened'.
- **Report on Freedom of Information and Data Protection Act Requests, Register of Interests and Gifts & Hospitality Register**
  - The College has continued to deal with Freedom of Information and Data Protection requests as required and are dealt with in accordance with the relevant legislation.
  - The review of staff register of interest did not highlight any issues that require to be brought to the attention of the Audit & Risk Committee.
  - The review by the College of the Board and Committee members register of interest did not highlight any issues.

- A review of the gifts and hospitality register did not highlight any issues that require to be brought to the attention of the Audit & Risk Committee.

**• Other Reporting Requirements**

- The College had no reportable matters regarding its duties under the Public Interest Disclosure Act in the year to 31 July 2024.
- There were no significant lapses in data security, i.e., reportable to the Information Commissioner's Office, during 2023-24 or up to the date of this report.
- There were no losses arising from fraudulent activities.

The paper is presented in line with Audit & Risk Committee Terms of Reference:

- *To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges.*
- *To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; Hospitality/Gifts Registers; and IT security / controls and their application.*

**Recommendations:**

The Audit & Risk Committee is asked to **consider and note** the report.

<b>Implications:</b>	
<b>Financial</b>	Impact of revised valuations on financial statements noting non-cash nature of adjustments.
<b>Student Experience</b>	Not applicable for this report
<b>Human Resources</b>	Not applicable for this report
<b>Legal</b>	Outcome of potential legal case being assessed. Compliance report provides assurance that reporting requirements are being adhered to.
<b>Reputational</b>	Not applicable for this report
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

**1. SFC ACCOUNTS DIRECTIONS**

- 1.1. The College is required to comply with the requirements of the:
  - Financial Memorandum with the Scottish Funding Council.
  - Scottish Funding Council Accounts Direction.
  - Statement of recommended Practice: Accounting for Further and Higher Education (SORP).
  - Government Financial Reporting Manual.in the preparation of the annual report and accounts for the College.
- 1.2. The SFC annually issue mandatory guidance for the preparation of the annual report and accounts each year. The SFC have currently not issued any guidance for 2023-24.
- 1.3. The deadline for submission of the annual report is the 31 December 2024. Two copies of the College annual report and accounts also require to be sent to the Auditor General for Scotland by 31 December 2024.

**Changes to Reporting Requirements**

- 1.4. We are awaiting the annual SFC Accounts Direction for 2023-24. The Committee will be updated when the SFC Accounts Direction is published.

**2. RDEL/CDEL**

- 2.1. There is a current risk to the College surrounding the impact of the change in Scottish Funding Council (SFC) policy regarding capital/ revenue departmental expenditure limits (CDEL/RDEL).
- 2.2. The sector is provided with Estate Maintenance Funding to ensure the college estate remains open to deliver learning and teaching. This funding was distributed as Capital Departmental Expenditure Limit (CDEL) but with the permission of the SFC, colleges have treated over 50% of the funding as Resource Departmental Expenditure Limit (RDEL). The RDEL element of the funding has been used to undertake statutory, essential, planned and reactive maintenance work and to cover historic loan interest payments.
- 2.3. In late 2023 the SFC informed the sector via email that this practice was no longer acceptable, and that all future estate maintenance funding requires to be treated as CDEL. This change in accepted treatment will have significant consequences on several colleges who have been operating and planning based on being able to use maintenance fund as revenue. In several cases where the previous revenue expenditure cannot be transferred to capital expenditure, the impacted colleges will require to find further savings from either staff or non-staff costs. There is an increased risk to the break-even financial position of several colleges and that the college estate falls into wider disrepair.
- 2.4. West College Scotland has annually transferred circa £1,700,000 of estate maintenance funding to revenue to support the ongoing maintenance of the wider College estates.

- 2.5. Unlike other colleges, West College Scotland does not have a significant level of maintenance expenditure that it can capitalise thereby mitigating this change in policy (staff costs, maintenance contracts and general repairs).
- 2.6. The additional savings / efficiencies to address the required adjustment will be over and above the savings required to be made following the announcement of the 2024-25 funding allocations and will impact the delivery of learning and teaching.
- 2.7. The College fully appreciate the need for all publicly funded organisations to make efficiencies because of the challenging fiscal landscape, but do not accept that the blanket approach to the allocation of RDEL/CDEL is equitable when considering the college sector estate.
- 2.8. The sector continues to actively lobby for the Scottish Government to allow the SFC to continue to treat the allocation of estate maintenance funding as either RDEL or CDEL in line with their prior practice or to transfer an element of CDEL to RDEL funding.
- 2.9. The 2024-25 Budget assumes that the SFC will be allowed to either (a) continue the practice of transferring funds from CDEL to RDEL or (b) an element of CDEL funding will be transferred to RDEL.
- 2.10. Should the College not be allowed to treat the funding as RDEL then at least £1,700,000 of additional efficiencies will require to be found in 2024-25 onwards, with the consequential impacts on both learning & teaching and support services.
- 2.11. The College has engaged with its external auditors to assess their stance about this matter and the Committee will be updated following the conclusion of these discussions.

### **3. FIXED ASSET VALUATION**

- 3.1. At merger, the College adopted a policy of conducting the revaluation of land and buildings owned by the College every 5 years with an interim valuation to be conducted every 3 years. The five-year revaluation was conducted last year for the financial year 2022/23. This year our external auditors Azets have noted that due to continuing challenges and uncertainty in the market a desktop valuation of land & buildings owned by the College would be required to satisfy audit purposes. A copy of the Accounting Policy in relation to Fixed Assets is attached at Appendix A.
- 3.2. The purpose of this valuation exercise is to ensure that:
  - The values used within the Financial Statements represent a true and fair view of the College assets.
  - The replacement values are used in renewing the College insurances portfolio.

- 3.3. The desktop valuation is being undertaken by a single firm of valuers (Ryden) who were appointed after a procurement exercise. Ryden have been instructed to undertake the work and will provide a report covering all land and buildings owned by the College no later than Monday 16<sup>th</sup> September. The financial statements will be updated accordingly.
- 3.4. The revised values will have a non-cash impact upon the College 2023-24 budget and future Financial Statements and these impacts will be considered by the Corporate Development Committee.

### **2023/24 Desktop Valuation Exercise – Key Points**

- 3.5. The valuations of all the properties for accounting purposes are on a Depreciated Replacement Cost (DRC) basis. This is the appropriate basis of valuation as contained within the RICS Valuation – Global Standards (The Red Book) effective in January 2022. The College concurs with this basis of valuation as being the most appropriate. The DRC basis of valuation is used for specialist properties that are rarely, if ever, sold as part of a sale of the entire operation of which they form part, on the open market.
- 3.6. DRC is defined as ““The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.””
- 3.7. A valuation of a property in the Public Sector using a DRC method should be accompanied by a statement that it is subject to the prospect and viability of the continued occupation and use. The College is satisfied that this is the case.
- 3.8. The auditors due to the uncertainty in the market requested a desktop valuation this year. Ryden do not consider the assets which are being appraised to be subject to material valuation uncertainty as at the valuation date. This is because the properties in the College assets portfolio are specialised, and these have been valued on a Depreciated Replacement Cost basis.
- 3.9. As per accounting guidance the values are split as follows:
  - Land - stated separately
  - Externals - stated separately
  - Building - Building structure
  - Mechanical and electrical element
  - Externals
- 3.10. This split is to comply with the accounting requirement for buildings to be split into components where there is a material difference in the useful life of the various categories of asset. It is therefore normal practice to make an estimate of the costs of such items as boilers and electrical components as these will require replacement before the end of the useful life of the building itself.

**4. PENDING LITIGATION AND CONTINGENT LIABILITY**

4.1. During the year a legal case was raised against West College Scotland Foundation regarding a fall that happened on campus. The defendant submitted a case for £31k in damages. The College are currently investigating the legal position and if we can get the case 're-opened' due to the case being raised against the Foundation.

4.2. The Committee will be kept updated of the progress and any legal advice procured.

**5. REPORT ON FREEDOM OF INFORMATION AND DATA PROTECTION ACT REQUESTS, REGISTER OF INTERESTS AND GIFTS & HOSPITALITY REGISTER****Freedom of Information and Data Protection Acts Requests**

5.1. Appendix B provides a summary report on the Freedom of information and Data Protection Act requests compared to the previous year. It can be seen from Appendix B that the total number of freedoms of information requests received during 2023-24 totalled 40 (2022-23: 23 requests), with data protection requests totalling 19 (2022-23: 31 requests).

**Register Of Interests****Staff**

5.2. The Senior Management Team and those members of the College management team with either budget holding and/or procurement responsibilities were requested to provide a register of interest form.

5.3. A total of 68 forms (2022-23: 91) were issued and at the time of writing 35 forms were returned. Following a review of the returns by the Director of Finance it is worth noting that two members of staff have declared being Board members of UHI Argyle College Scotland and Lennox Partnership.

5.4. A review by the College of the Board and Committee members register of interest did not highlight any issues. The Audit & Risk Committee are requested to review and comment upon the register of Board and Committee members interests.

**Board of Management**

5.5. The College Code of Conduct sets out the principles and rules governing the conduct of members of West College Scotland. Board members are required to disclose and register any financial or other material interest they, close family, or friends, have which might impact on their relationship with the College. Information on related party transactions is also collated within this Register.

- 5.6. Members must register when they are appointed and whenever their circumstances change. Registers should be reviewed and updated if required, at least annually. The register covers their current term of appointment. Failure to do so may provide a risk to the reputation of the College or leave members of the Board open to suspicion of impropriety in their conduct of business.
- 5.7. All members of the Board of Management should ensure that they act impartially in accordance with the nine key principles of public life in Scotland and behave in accordance with these principles.
- 5.8. A copy of the current Board and Committee Members Register of Interest can be found on the College website.

### **Gifts and Hospitality**

- 5.9. The Committee is required to be provided with an annual review of the Gifts and Hospitality Registers, and to highlight that systems are in place to ensure staff members are aware of the need to inform the Director of Finance and complete the forms where gifts or hospitality are received or given to the value of £25 or over.
- 5.10. Details of gifts and hospitality received by staff over the last year are recorded by the Director of Finance. Staff are reminded quarterly via the College intranet about the requirement to register gifts and hospitality.
- 5.11. In line with previous years the College has received a limited number of declarations mainly in relation to gifts from students to staff members. None of these gifts were deemed as excessive or contravened the principles of the Policy. No declarations were received from senior staff members.

### **6. OTHER REPORTING REQUIREMENTS**

#### **Public Interest Disclosures**

- 6.1. The Public Interest Disclosure Act enables and encourages individuals to raise matters of concern that are in the public interest (often referred to as whistleblowing), such as malpractice, impropriety, or wrongdoing within the College, without fear of reprisal, so that they may be investigated and where appropriate acted upon.
- 6.2. A copy of the College Public Interest Disclosure Policy can be found on the College website. The Policy was reviewed by the Audit Committee in September 2022 with the next review scheduled for September 2025. The Policy and associated procedures were the subject of an internal audit review in April 2023. The report concluded that the College had an overall strong level of assurance surrounding the whistleblowing controls in place.

## **Significant Lapses of Data Security**

6.3. A breach of College data security measures may be accidental, or intentional (e.g., a deliberate or malicious breach of security). A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity, or availability of personal data. In short, there will be a personal data breach:

- whenever any personal data is lost, destroyed, corrupted, or improperly disclosed,
- if someone accesses the data or passes it on without proper authorisation; or
- if the data is made unavailable, for example, when it has been encrypted by ransomware, or accidentally lost or destroyed.

6.4. The College has an obligation to notify the ICO of a “serious personal data breach” without undue delay. There is not a statutory obligation to report within 72 hours of becoming aware of it, but if notification does not occur within that period, the College will need to include an explanation for the delay when you do notify.

6.5. The requirement to notify a ‘serious’ personal data breach means that the College needs to notify the ICO of all breaches that are considered serious. This will require the College to consider:

- the severity of the impact on the rights and freedoms of the affected individuals.
- the scale of the data breach (i.e., how many people are affected).
- the extent of any interference with the right to privacy under Article 8 of the European Convention on Human Rights (ECHR).
- whether the breach involves any personal data whose processing constitutes “sensitive processing.”
- the nature of the rights and freedoms which have been impacted (e.g., a breach leading to a risk to the right to life under Article 2 ECHR would be particularly serious).

6.6. Consequences could be anything which seriously interferes with an individual’s rights and freedoms. It is for the College to decide whether a personal data breach meets the threshold to be considered serious.

6.7. There were no significant lapses in data security, i.e., reportable to the Information Commissioner’s Office, during 2023-24 or up to the date of this report.

## **Anti-Bribery and Corruption and Anti-Fraud Policies**

6.8. In line with the requirements of

the Policy, there were no incidents of loss due to fraud reportable in the year 2023-24. The Anti-Fraud policy was reviewed by the Audit & Risk Committee in September 2023 with no material changes to the operation of the document being proposed. A further review of this Policy within one year following the appointment of the Director of Finance & Estates will take place.

6.9. The Anti-Bribery policy was reviewed by the Audit & Risk Committee in May 2024 with no material changes to the operation of the document being proposed.

## **Appendix A – College Fixed Asset Policy**

### **Tangible Fixed Assets**

In line with the FReM all tangible assets must be carried at fair value.

#### **Land and buildings**

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. Depreciated Replacement cost has been used as a measure of fair value for land and buildings, otherwise Market Value has been used.

The College has a policy of ensuring a full revaluation takes place at least every 5 years, with an interim valuation conducted after 3 years, such that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount.

Finance costs, which are directly attributable to the construction of land and buildings, are capitalised as part of the cost of those assets.

Cost incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits of the College.

A review for impairment of a fixed asset is conducted if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs. They are not depreciated until they are brought into useful lives.

Heritable land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives. [②](#)

Depreciation is calculated on a straight-line basis over the expected useful life of the buildings which vary from 10 to 60 years as determined by professional opinion and valuation.

#### **Buildings owned by third parties**

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as stated previously.

The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the estimated life of the building on a basis consistent with the depreciation policy.

## **Equipment**

Equipment costing less than £5,000 per individual item and motor vehicles costing less than £5,000 are written off to expenditure in the year of acquisition.

All other equipment and vehicles are capitalised and carried at depreciated historical costs, which is used as a proxy for fair value.

Assets of lesser value may be capitalised where they form part of a group of similar assets purchased in the same financial year and costing over £20,000 in total.

Capitalised equipment is depreciated over its useful economic life ranging from between 3 and 10 years on a straight-line basis.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

## Appendix B - Summary of Freedom of Information Requests

Categories of Request	2023-24 Requests	2022-23 Requests	Type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	5	6	Care Experienced Accessibility, Headcount for Creative Industries, Impact on strike action.	0	N/a
HR Data	12	6	Salary, expenses, pensions, annual leave carryover, Job evaluation, Fair Work agreement, agency spend.	1	Annual Leave
Finance Data	5	9	College budgets, legal fees, contractors	1	Christmas Break
Estates & Buildings	6	0	RAAC, littering, fly tipping	1	Handover
IT Provision and use	4	0	No of IT devices/ IT applications, servers, print arrangements	0	N/a
Teaching and Assessment	2		Languages, AI	1	
Other	6	2	Hate crimes, physical/ verbal incidents, childcare facilities, sanitary products	0	N/a
Reviews requested	0	0		0	N/a
<b>Total Number of Requests</b>	<b>40</b>	<b>23</b>			

## Summary of Data Protection Act Requests

Categories of Request	2023-24 Request	2022-23 Request	Type of information requested	Responses out with statutory timescales	Reason for late response
Student Data	16	27	DoB, contact details, attendance Confirmation of study. Whether individual attended College. "Emergency situation; information requested in relation to an attempted suicide." Information related to bursary payments. Contact details, as held by College. Contact details, as held by College. Contact details. Whether individual attending College. All data with name/Student ID. Student record details. Extracts from gifts register, gifts from student to staff member. Latest contact details for student. All data processed during enrolment time. <i>There was one request for data rectification, which was fully serviced.</i> <i>There was one request for data erasure, which was partially serviced: some data had to be retained for statutory purposes.</i>	1	A solicitor's letter (sent by post), was mistakenly held in the mailroom for some weeks. One other request had the statutory reply date extended due to the complexity of the request.
Staff Data	3	3	Payslips, pension contributions. Copy of payslips. Payslips, correspondence, health details.	0	N/A
Other	0	1		0	N/A
<b>Total</b>	<b>19</b>	<b>31</b>			

<b>Title of Paper</b>	<b>2023-2024 IT Security / Controls Report</b>
<b>Presented by:</b>	Brian Stobbs, Director of IT and Digital Transformation
<b>Decision:</b>	To Note
<b>Status</b>	<b>RESTRICTED</b>

**Purpose / Executive Summary:**

This report presents to the Audit & Risk Committee an overview of the IT Security / Controls environment in operation at the College.

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:

*'To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; Hospitality/Gifts Registers; and IT security / controls and their application.'*

**Recommendations:**

The Audit & Risk Committee is asked to note the report provided.

<b>Implications:</b>	
<b>Financial</b>	No financial implications associated with this paper.
<b>Student Experience</b>	There are student experience implications associated with this paper if College IT security is not maintained to a safe level. This could impact the ability of the College to provide education if the College network or applications cannot function.
<b>People</b>	People implications associated with this paper, relate to a requirement to review the structure of the IT and Digital Transformation Directorate to ensure it is positioned to provide appropriate focus on Cyber Security.
<b>Legal</b>	The legal implications associated with this paper relate to potential liability if a Cyber incident takes place, student or staff data has been lost, and the College is found not to have taken measures that can be reasonably expected.

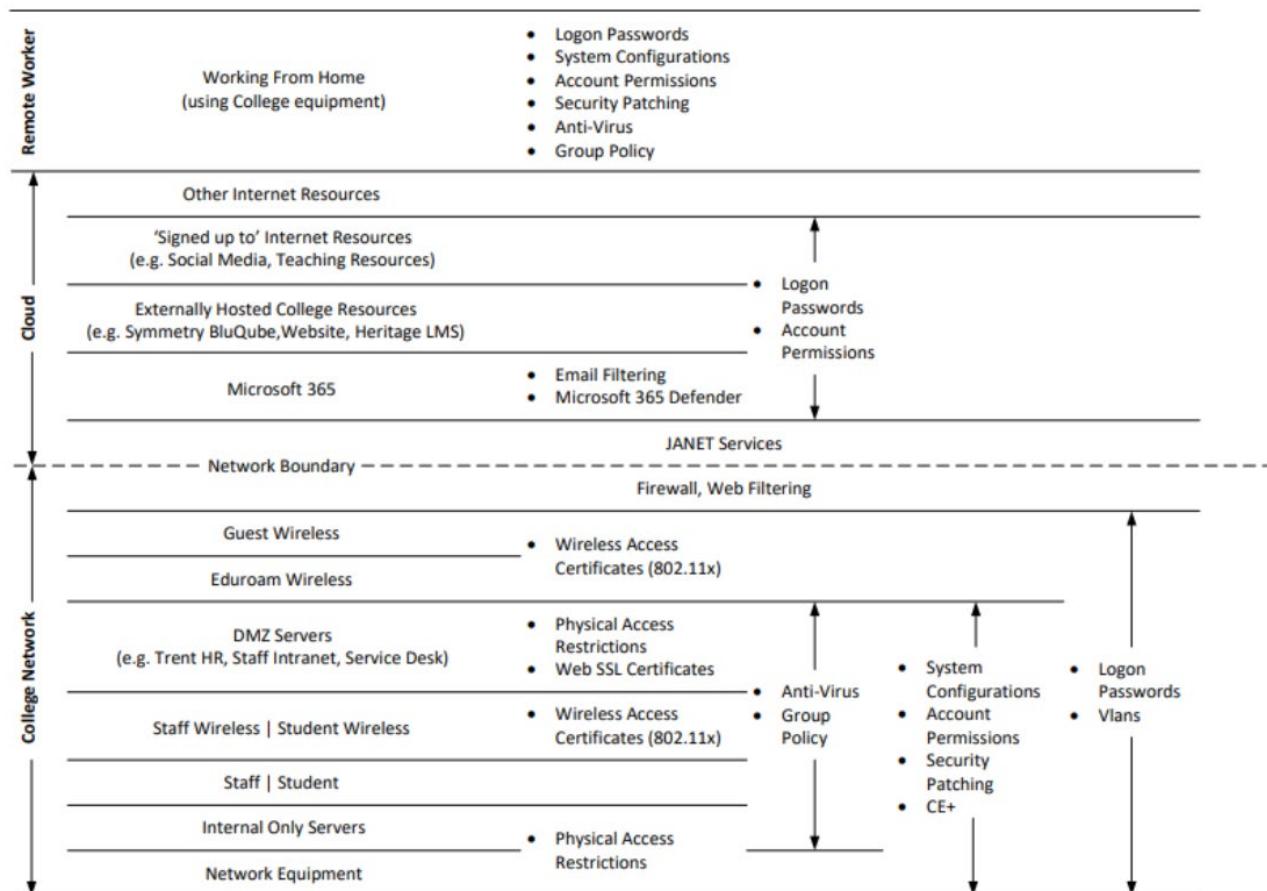
<b>Reputational</b>	There are potential reputational implications associated with this paper if the College IT security is breached. A security breach could affect the College's ability to provide education and with this damage to the College's ability to provide an overall safe and robust learning environment.
<b>Community/ Partnership impact</b>	No community/partnership implications associated with this paper.
<b>Equalities</b>	No equality implications associated with this paper.
<b>Environment</b>	No environment implications associated with this paper.

## 1. Background

- 1.1 At West College Scotland we take the protection of our business data very seriously. With cybersecurity threats growing in number and sophistication, it's more important than ever that the College implement strong security measures and maintain a continual enhancement program with regards to those security measures.
- 1.2 The College IT Team recognises that external threats to the College IT infrastructure have significantly increased in recent years. The College has already taken steps to improve its mitigation and response tactics and will continue to undertake all Cyber Resilience activities that form part of regular operations and report on these quarterly to the Corporate Development Committee, in conjunction with an Annual Report provided to the Audit and Risk Committee.

### General Computing Controls

- 1.3 It is worth noting the more significant general computer controls that the College has in place, and that these controls are reviewed to ensure there is strength and continued robustness in this area. These cover both network access and the applications within the College environment. In addition, there will continue to be an assessment of vulnerabilities at application as well as network level.
- 1.4 The diagram below illustrates the College's IT environment and the controls that operate within this:



## 2. 2023-2024 Activities

### Re-shaping the IT Team

2.1 A requirement has been identified for the realignment of the IT team structure to allow for the development of focus in several areas including Cyber Security, for which there is currently no specific dedicated resource managing this critical area.

2.2 The project is being run under the title of 'IT, Data, and Digital Re-Shaping', within the 'Be the Change' approach being used for Project Management within the College

2.3 Following presentation of the Project Initiation Document (PID) to SMT, the subsequent PID approval, and productive engagement with staff unions, a number of Awareness Sessions were run for staff covered in the project, to provide them with information on the scope and processes of the project and provide an opportunity for them to ask questions.

2.4 Through August, the project moved onto Engagement Sessions with staff covered in the project. During these events, staff were advised that the purpose of the sessions was to provide:  
*"a platform for sharing your insights and perspectives on our IT, Data and Digital service offer. This is your chance to articulate what's working well and what would be even better in a future IT, Data and Digital service offer."*

2.5 The project will now carry forward into AY24-25, gathering together the information acquired during the staff sessions and other data, through a reporting and recommendations stage, and onto implementation.

### Mobile Device Management

2.6 The IT team have implemented an instance of Microsoft's 'Cloud Management Gateway' (CMG) which provides functionality that allows the management of the College's devices via the internet, in the same way that is currently possible when the devices are on the College network. CMG compliments existing management systems such as System Centre Configuration Manager (SCCM) and In-Tune.

### Further Server Rationalisation

2.7 Server Rationalisation work continued, to ensure that the College's Server Estate is operating with an appropriate quantity of servers, and opportunities to use currently held Cloud resources are being fully realised. This work built upon recent renewal of virtual server and storage infrastructure, with each and every server reviewed to determine action in respect to movement to new infrastructure (migrate, upgrade, rebuild or retire).

### Disaster Recovery Plan Enhancement

2.9 The College's Disaster Recovery Plan has been designed to be complementary to other documents already in place for the College, including the Business Continuity Policy, Business Continuity Incident Plan, and Cyber Incident Response Plan

2.10 The Disaster Recovery Plan has been further enhanced following audit recommendations, to address the subject of Recovery Time Objectives (RTOs) and Recovery Point Objectives (RPOs) within the plan.

### **Penetration Testing**

2.11 A Penetration Testing exercise was requested of, and performed by, Jisc on the College's internet facing resources. Findings of the exercise, where the College can strengthen cyber security arrangements highlighted by the exercise were actioned by our IT team. This exercise will now be performed annually, and the next two years tests have already been ordered from Jisc as part of a three-year agreement.

### **Cloud Backup**

2.12 A new cross college solution is now in place and providing the College with an enhanced backup and recovery position including improved functionality such as off-site and immutable backups.

## **3 2024-2025 Planned Activities**

### **Re-shaping the IT Team**

3.1 Following on from the progress of the project during AY23-24, the project will proceed to completion during the first half of AY24-25. It is currently anticipated that the project will conclude ahead of the schedule detailed in the PID, which showed a close of December 2024.

3.2 To aid the realisation of the project requirements, the information gathered during the staff sessions will be analysed along with data from other sources such as IT Service Desk records, financial information, and Horizon Scanning.

3.3 Following the data analysis stage, a report with recommendations will be produced for SMT review, consideration, and feedback. Once the report and recommendations are approved by SMT, communication on those will be made with the rest of the College staff seeking feedback on the proposals.

3.4 Adjustments required in response to feedback will be made to the proposals for implementation of the reshaping by the end of the calendar year.

### **Cyber Resilience Framework**

3.5 Continuation of self-assessment against the Scottish Public Sector Cyber Resilience Framework as an integral part of the Public Services Action Plan (PSAP).

3.6 The framework consists of 530+ controls positioned against three “progression stage” levels – baseline, target, and advanced – of compliance, and allows the College to measure its operations against a range of IT security standards.

### **Cyber Essentials Plus Renewal**

3.7 A priority for the dedicated Cyber Security roles that will be present after the IT Reshaping project, will be reaccreditation against the Cyber Essentials Plus standard for which currently the College's certification has expired.

**Phishing Simulation**

3.8 Functionality is available through our Microsoft 365 resources to stage a phishing simulation by the IT team instigating the sending of mock phishing emails to the College users. This functionality has been tested by the IT team and will be used to develop the College users' ability to identify and report phishing scams, as well as to increase awareness of the potential risks of falling for phishing attempts. As the team reshaping project proceeds, the timing of phishing simulations will be identified, but will not be widely communicated in advance of the simulation in order to allow for responses to be assessed.

**Disaster Recovery Plan Testing**

3.9 Following on from the appointment of a new Head of IT, the subsequent review of work in progress and planned, and realignment of responsibilities, Disaster Recovery Plan testing will be scheduled to take place in the coming months.

**4. Conclusion / Recommendations**

4.1 The Audit & Risk Committee is requested to note the content of the report.

<b>Title of Paper</b>	<b>Financial Regulations</b>
<b>Presented by:</b>	<b>Nicola Connelly, Director of Finance &amp; Estates</b>
<b>Recommendation:</b>	<b>To Note</b>
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

The Audit & Risk Committee remit includes the requirement to:

*To review College Financial Regulations on an annual basis, or more frequently if required and recommend these to the Board of Management for approval.*

The College has undertaken a review of the Financial Regulations based upon current operations and best practice. As there has been no changes in the Scottish Public Finance Manual (monitored monthly by the College) requirements and the Regulations have been reviewed annually, there are a limited number of proposed changes, mainly to the procurement section 17 (pages 54-64). Hyperlinks have also been updated to more recent documents.

These proposed changes do not represent fundamental amendments to the Regulations. Following approval, the updated Financial Regulations will be published on the College website and made available on the Board Library.

**Recommendations:**

The Audit & Risk Committee are asked to **approve** the changes to the Financial Regulations.

<b>Implications:</b>	
<b>Financial</b>	There are no financial implications from the proposed changes to the Regulations. The changes are administrative in nature and do not impact thresholds or authorisation levels.
<b>Student Experience</b>	Not applicable for this report.
<b>People</b>	Not applicable for this report.
<b>Legal</b>	Review of Regulations required annually, therefore having undertaken the review complied with Corporate Development remit.
<b>Reputational</b>	Not applicable for this report.
<b>Community/ Partnership impact</b>	Not applicable for this report.
<b>Environment</b>	Not applicable for this report.
<b>Equalities</b>	Not applicable for this report.

## Background

On review of the procurement section of the Financial Regulations, the following changes are proposed:

17.5 Procurement policy, in conjunction with APUC, has been reviewed and the following amendments are required to be included:

The procurement department will create a procurement strategy for all tendering activities above £50,000 total contract value', amended from £25,000, in line with previous instruction and in line with common practice in the College sector.

The note on procurement strategies for contracts £25,000 - £50,000 requiring authorisation from Budget Holder and Head of Finance and Student Funding removed.

17.7 Reference to 'Goods and Services' amended to read 'Supplies and Services.'

Within Tendering Procedures, the following notes to be added within the responsibility columns:

- For Contracts < £5,000 and £5,001 to £25,000 - 'The relevant Framework/ College's Terms and Conditions are to be in place and agreed by the supplier.'
- Contracts £25,001 to £50,000 - 'Where a suitable procurement framework exists, a mini competition or direct award may be carried out.'
- Contracts £50,001 to £500,000 - 'If no suitable framework is available, it will be necessary to carry out an open tender exercise 'Open Tender Procurement falling into this category must be advertised as per the current relevant Procurement Regulations.'
- Contracts > £500,000. As above.

For Works of the Public Contracts the minimum contracts value that require at least 3 written quotations where no current contract/ framework is in place to be amended from <£25,000 to < £100,000. In line with previous direction.

As above Contract Value £25,001 > £500,000 amended to £100,001 > £500,000.

For Works of the Public Contracts, the following notes to be added within the Action columns:

- Total Contract Value £100,001 > £500,000 – remove the notes referring to written quotations via PCS/PS-T or where a tender is not conducted a minimum of 5 suppliers will be invited to attend and amend to 'Open tender via PCS/ PCS – T (endeavouring to obtain at least 3 responses) where no current contracts/ framework is in place.'
- Total Contract Value > £500,000 - As above.

For Works of the Public Contracts, the following notes to be added within the Responsibility/ Notes columns:

- Contract Value < £100,000 - 'The relevant Framework/ College's Terms and Conditions are to be in place and agreed by the supplier.'
- Contracts Value £100,001 to £500,000 - add 'Where a suitable procurement framework exists, a mini competition may be carried out where it is expected that a minimum of 5 suppliers will be invited to response and that a minimum of 3 bids will be assessed.'

If no suitable framework is available, it will be necessary to carry out an open tender exercise.

- Contracts Value > £500,001 - remove the notes referring to an open tender exercise above a total value of £4m must include provision for achieving Community and replaced with 'Open Tender Procurements falling into this category, above £2,000,000 must be advertised as per the current relevant Procurement Regulations.'

Overarching comment to all procedures to be added 'The exercises should also be carried out in a manner that will allow any resulting contract to be formed on the relevant Framework/Colleges' terms and conditions.

<b>Title of Paper</b>	<b>IT Administrative Security Policy (Revised)</b>
<b>Presented by:</b>	Brian Stobbs, Director of IT and Digital Transformation
<b>Decision:</b>	For Approval
<b>Status</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

The purpose of this paper is to propose a revised IT Administrative Security Policy that reflects current operations.

The main objectives of the Policy have not changed, and it is intended that the proposed revisions will provide clarity on requirements in relation to Systems Administration and Management of the College's IT Resources.

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:

*'To receive annual reports on Freedom of Information and Data Protection Acts requests; Register of Interests; Hospitality/Gifts Registers; and IT security / controls and their application.'*

**Recommendations:**

The Audit & Risk Committee is asked to consider and approve the IT Administrative Security Policy (v2)

<b>Implications:</b>	
<b>Financial</b>	No financial implications associated with this paper.
<b>Student Experience</b>	No student experience implications associated with this paper.
<b>People</b>	No people implications associated with this paper
<b>Legal</b>	The legal implications associated with this paper relate to the requirement on the College to have in place effective Cyber Security controls. The revised policy ensures that the College complies with this requirement.
<b>Reputational</b>	No potential reputational implications associated with this paper.
<b>Community/ Partnership impact</b>	No community/partnership implications associated with this paper.
<b>Equalities</b>	No equality implications associated with this paper.
<b>Environment</b>	No environment implications associated with this paper.

## **1. Background**

- 1.1 The main emphasis of the Policy has not changed:

*'To detail the College's regulations in respect to administration of the College's Information Technology (IT) Systems'*

- 1.2 Updated Policy does not represent significant changes in operational practises.
- 1.3 Amendments and additions to the Policy aim to document practises we already have in place and have arisen during Audit, assessments, or in standards (e.g. Cyber Essentials +, Jisc Digital Elevation Tool)
- 1.4 Updated Policy has been presented to SMT for review in advance of being submitted to the Audit and Risk Committee.



<b>Policy &amp; Procedure</b>	IT Administrative Security Policy
<b>Policy Area</b>	Information Technology (IT)
<b>Version Number</b>	02
<b>Approving Committee</b>	Audit and Risk
<b>Date of Approval</b>	11 September 2024
<b>Date of Equality Impact Assessment</b>	26 August 2024
<b>Date of Review</b>	11 September 2025
<b>Responsible Senior Manager</b>	Director of IT and Digital Transformation

## History of Amendments

Date	Version/Pages/Sections Affected	Summary of changes
08/05/2018	1.0	Initial release
13/08/2024	2.0	Updated to reflect current work practices and College structure

### Policy Statement

Within Information Technology (IT) and other departments, staff at different grades may need to use specific software tools and / or work with elevated systems access levels.

This situation is necessary in order that staff can configure, troubleshoot, and administer the systems and applications that the College operates and controls in order to deliver curricular and support activities.

Access at this level, or to these systems and tools, is provided to staff on the basis that it is appropriate, sufficient, and relative to the individuals' allocated responsibility within their department or the College. Access is provided on the basis of the least level of elevated privilege required to use the specific systems.

### Equality Statement

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

Please note this document is available in other formats, to request another format please email [info@wcs.ac.uk](mailto:info@wcs.ac.uk)

## **Contents**

<b>1. Purpose</b>	<b>4</b>
<b>2. Scope</b>	<b>4</b>
<b>3. Policy</b>	<b>4</b>
<b>4. Provision of Elevated Accounts</b>	<b>5</b>
<b>5. Use of Elevated Accounts</b>	<b>5</b>
<b>6. Access to College Systems by External Partners</b>	<b>6</b>
<b>7. Change Control</b>	<b>6</b>
<b>8. Project Handover</b>	<b>6</b>
<b>9. Commissioning of New Equipment</b>	<b>7</b>
<b>10. Cyber Security and Resilience</b>	<b>7</b>
<b>11. System Documentation</b>	<b>8</b>
<b>12. Knowledge and Skills</b>	<b>8</b>
<b>13. Communication</b>	<b>9</b>
<b>14. Abuse</b>	<b>9</b>
<b>Equality Impact Assessment</b>	<b>10</b>

## 1. Purpose

This policy details the College's regulations in respect to administration of the College's Information Technology (IT) Systems. This policy is part of a suite of documents that govern the College's IT systems. Other documents in the suite include, Cyber Incident Response Plan (CIRP), Password Policy, and Acceptable Use Policy, which can be found in the 'IT' section of the ['Policies and Procedures' page of the staff intranet.](#)

## 2. Scope

This policy applies to all staff that are required to use any of the software tools needed to administer College systems and those who are provided with elevated access rights to the College's applications or systems.

This policy covers elevated access or specific software tools associated with any IT, hardware and / or software (both server and client-side applications), infrastructure, databases, business applications, systems, services, remote access, and user accounts.

## 3. Policy

The aim of the policy, is to:

- A. Recognise that staff must operate in a particular way to administer applications and systems.
- B. Ensure that staff with elevated privileges or access to specific administrative software tools perform their duties both effectively and responsibly.
- C. Ensure that staff do not deliberately, or unintentionally, expose the College to a higher level of risk (including cyber security risk) than is appropriate or necessary.
- D. Ensure that no third party is granted access to College systems or the network without proper authorisation and use of agreed protocols.

This policy provides direction and guidance on specific areas. However, the policy cannot and does not attempt to cover all tools, privilege levels or administrative situations. Staff must observe a high level of self-evaluation and risk awareness in all administrative activities performed both in day-to-day operations and during project working, and if in any doubt, must seek specific guidance from the IT Management Team.

#### **4. Provision of Elevated Accounts**

Where necessary to perform their role within the College, staff will be provided with appropriate elevated access to College IT systems. It is important that use of elevated access is relevant and proportionate, and only the specific access required to perform the duties and responsibilities of the College role is provided. Elevated access will be made available through the provision of system administrator accounts in addition to the standard user account that is provided to all staff.

For systems administered and managed centrally by the IT Team, only IT staff are provided with administrator accounts, and the provision of these administrator accounts must be approved by the IT Solutions and Development Manager. For business systems that have an element of administration and management responsibilities sitting out with the IT Team, provision of these administrator accounts is the responsibility of a manager of the department responsible for the business system.

Where a member of staff moves within the College to a post where special access privileges held are no longer required, these will be removed.

#### **5. Use of Elevated Accounts**

Staff who have System Administration responsibilities will be provided with at least two user accounts (further user accounts may be required where elevated access is required to multiple systems that use different authentication setups):

- A standard user account for day-to-day activities (including web browsing and use of email).
- An administrator account for use only for tasks that require an escalated permission set.

Administrator accounts do not have an email mailbox associated with them, and use of administrator account for web browsing is strictly prohibited.

## **6. Access to College Systems by External Partners**

Arrangements are in place for several College IT systems that involve an element of support or development provision by external partners (in addition to support and development provided by the College IT Team).

From time-to-time, support or development tasks are performed remotely, and require external access to College IT systems in a way that is not possible during standard operations.

Specific guidance on providing this sort of access to College systems is covered in separate documentation held by the IT Team, which will be provided on request for staff to refer to.

## **7. Change Control**

When performing a task that will implement a change to a College IT system it is required that the change is:

- Planned - including scheduling any 'downtime' with relevant parties.
- Understood – adequate testing (including security testing where applicable) and analysis performed where required.
- Authorised – ensure approval has been sought and granted by holders of appropriate management position(s).
- Recorded – relevant change logs or documentation should be updated and provided.

Tasks that make changes to College IT systems vary between those that are routine and are required regularly such as system updates, to those that are less frequent such as amending firewall rules. The requirements relating to the points above also vary and will be covered by specific guidance and documentation for which staff making changes should refer to. This guidance is located in a secure storage area that only specific staff - those who perform the related tasks – have access to.

## **8. Project Handover**

When a new IT solution is introduced to the College, or an existing solution is enhanced or adjusted – it is imperative that when the solution is being made available for general use (as opposed to pilot use), that adequate 'handover' is provided to staff that are representative of (or are tasked with relaying information to) all areas of the College that will hold responsibilities relating to the support or administration of the solution.

These 'handovers' will be provided by:

- Documentation.
- Demonstration sessions.

And should cover:

- Functionality available for the end-user.
- How users can perform specific tasks.
- Set-up and administration.
- Issue resolution.

## **9. Commissioning of New Equipment**

When introducing new equipment / hardware onto the College network, it is important that this is done in an appropriate manner.

For Servers, Computers, Laptops, Tablets:

- All devices deployed on the college network are imaged 'in-house'.
- No unnecessary accounts or software are included in the images.
- Build sheets are produced, or standard baseline configurations adhered to.
- The Assets Register is updated.

For network kit, routers, firewalls, switches:

- Default logons are removed or disabled.
  - Where this is not possible default passwords are changed.
- No administration/configuration functionality available directly over internet
  - Without use of secure remote connection such as a VPN.

## **10. Cyber Security and Resilience**

The College follows, Scottish Government, FE Sector, and specific expert advice in relation to cyber security, and where appropriate sets out to be certified against recommended standards.

These standards include the Scottish Government Cyber Resilience Framework and Cyber Essentials Plus accreditation. Staff holding elevated IT systems access are required to:

- Understand the standards
- Advise the College is it is adhering to and applying the requirements of those standards.
- Provide advice based on those standards on all activities undertaken.
- Be involved in regular testing to evaluate the effectiveness of security measures, including

virus and malware scanning, vulnerability scanning and penetration testing.

- Ensure cyber security and resilience is a consideration in all projects.

## **11. System Documentation**

All staff who administer or provide technical support for College IT systems have a shared responsibility for keeping adequate documentation up to date for the purposes of:

- Systems administration.
- Issue resolution.
- Incident response.
- Recovery or rebuild.

The documentation should consist of items such as:

- Build/Configuration sheets.
- Setups.
- Processes.
- How to guides.
- Manuals.
- Drawings.

## **12. Knowledge and Skills**

Staff are encouraged to participate in training to keep the knowledge and skills up to date and are also required to play a part in 'Skill Spreading' by sharing knowledge and skills they have acquired with their colleagues.

Access to specific training and funding to facilitate this (whether in-house or externally) may also be available and this should be discussed with your line manager.

IT staff in particular, and other staff where relevant, are required to keep up to date with new, emerging, and changing technologies.

Staff who administer or provide technical support for College IT systems are also required to keep up to date with documentation detailed in the sections above, as well as operational processes related to the systems they administer or support, such as:

- Backup arrangements.
- Cyber Incident Response Plan.
- Password Policy.

- Acceptable Use Policy.

### **13. Communication**

It is essential that information regarding incidents and other situations are shared with colleagues and management. Staff administering or supporting College IT systems should escalate issues that they are unable to resolve, and inform their line manager of any situation (even those they feel they can resolve) relating to:

- Security breaches.
- Data loss.
- Outages.
- Unavailability of system functionality.

### **14. Abuse**

Deliberate abuse of the regulations set out in this policy will be managed under the College's staff disciplinary policy and procedure.

## Equality Impact Assessment

Name of policy/procedure/decision:	IT Administrative Security Policy
------------------------------------	-----------------------------------

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

This Policy sets out which staff can configure, troubleshoot and administer the systems and applications that the College runs and controls in order to deliver curricular and support activities. It regulates how the systems will be used, and an overarching aim of the Policy is to reduce the risk that the College is exposed to a higher level of cyber security risk than is necessary.

Assessed By: Brian Stobbs, Dir IT & Digital	Date: 26 August 2024
---	----------------------

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

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

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

Maintaining high levels of administrative security should benefit all stakeholders of WCS. An indirectly beneficial impact may be evident on some protected groups. For example, information about disability and/or health conditions is highly sensitive and it is hoped that this Policy will mitigate the risk that such sensitive information is accessed improperly.

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

There is no indication that this Policy will result in an adverse impact on people who share protected characteristics.

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

Any complaints about breaches of administrative security will be monitored.

<b>Title of Paper</b>	External Audit Strategy 2023-2024
<b>Presented by:</b>	Chris Brown, Azets
<b>Status</b>	PUBLIC
<b>Recommendation:</b>	To Note

**Purpose / Executive Summary:**

The purpose of the paper is to present the final External Audit Strategy for 2023-24.

The College has had productive meetings with the team from Azets in covering the planning for the 2023/24 audit and practical arrangements associated with the year end audit work.

The paper is presented in line with West College Scotland Audit Committee Terms of Reference: *'To review and advise the Board of the Internal Auditor's and External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically designed to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency, and effectiveness (value for money).'*

**Recommendations:**

The Audit & Risk Committee is asked to **note** the content of the External Audit Strategy for 2023-2024.

**Implications:**

<b>Financial</b>	There are no direct financial implications in this report
<b>Student Experience</b>	There are no student experience implications associated with this report
<b>People</b>	There are no people implications associated with this report
<b>Legal</b>	There are legal implications in this report
<b>Reputational</b>	There are no financial implications in this report
<b>Community/ Partnership impact</b>	There are no community or partnership implications in this report
<b>Environment</b>	There are no environmental implications in this report
<b>Equalities</b>	There are no equality implications in this report



# West College Scotland

External Audit Annual Plan

Year ended 31 July 2024

September 2024



# Table of Contents

---

Introduction	3
Audit scope and general approach	4
Financial statements - significant audit risks	10
The wider scope of public audit	16
Audit team and timetable	19
Audit Fee	21
Audit independence and objectivity	22
Appendices	23

---

# Introduction

## Purpose

This audit plan highlights the key elements of our proposed audit strategy and provides an overview of the planned scope and timing of the statutory external audit of West College Scotland for the year ended 31 July 2024 for those charged with governance.

Our audit work will cover:

- the financial statements within the 2023/24 annual report and accounts;
- the wider scope of public audit; and
- any other work requested by Audit Scotland.

## Adding Value through the Audit

All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the College promote improved standards of governance, better management and decision making and more effective use of resources.

## Feedback

If there are any elements of this audit plan to which you do not agree or you would like to discuss, please let us know as soon as possible.

Any comments you may have on the service we provide, the quality of our work, and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

This plan has been prepared for the sole use of those charged with governance and management and should not be relied upon by third parties. No responsibility is assumed by Azets Audits Services to third parties.

## Openness and transparency

This report will be published on Audit Scotland's website <http://www.audit-scotland.gov.uk/>

# Audit scope and general approach

## Responsibilities of the auditor and the College

The [Code of Audit Practice](#) outlines the responsibilities of external auditors appointed by the Auditor General for Scotland and it is a condition of our appointment that we follow it.

Auditor responsibilities are derived from statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, the Code of Audit Practice and guidance from Audit Scotland.

The College has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and accounts that are in accordance with proper accounting practices. The College is also responsible for complying with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

[Appendix 2](#) provides further details of our respective responsibilities.

## Risk-based audit approach

We follow a risk-based approach to the audit that reflects our overall assessment of the relevant risks that apply to the College. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

<b>Discussions with senior officers</b>	<b>Our understanding of the college sector, its key priorities and risks</b>	<b>Attending &amp; observing the Audit Committee</b>
<b>Guidance from Audit Scotland</b>	<b>Discussions with Audit Scotland and public sector auditors</b>	<b>Discussions with internal audit and review of plans and reports</b>
<b>Review of the College's corporate strategies and plans</b>	<b>Review of the College's corporate risk register</b>	<b>Consideration of the work of other inspection bodies</b>

Planning is a continuous process and our audit plans are updated during the course of our audit to take account of developments as they arise.

## Communication with those charged with governance

Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through the Audit Committee.

## Partnership working

We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

## Audit Scotland

Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps identify common priorities and risks, treat issues consistently across the sector, and improve audit quality and efficiency. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Audit Scotland undertakes national performance audits on issues affecting the public sector. We may review the College's arrangements for taking action on any issues reported in the national performance reports which have a local impact. We also consider the extent to which the College uses the national performance reports as a means to help improve performance at the local level.

During the year we may also be required to provide information to Audit Scotland to support the national performance audits.

## Internal Audit

As part of our audit, we consider the scope and nature of internal audit work and look to minimise duplication of effort, to ensure the total audit resource to the College is used as efficiently and effectively as possible.

## Delivering the audit

### Hybrid audit approach

We adopt a hybrid approach to our audit which combines on-site visits (as required) with remote working; learning from the better practices developed during the pandemic.

All our people have the equipment, technology and systems to allow them to work remotely or on-site, including secure access to all necessary data and information.

All our staff are fully contactable by email, phone call and video-conferencing.

We employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

### **Secure sharing of information**

We use a cloud-based file sharing service that enables users to easily and securely exchange documents and provides a single repository for audit evidence.

### **Regular contact**

During the 'fieldwork' phases of our audit, we will arrange regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

### **Signing annual accounts**

Audit Scotland recommend the electronic signing of annual accounts and use a system called DocuSign.

Electronic signatures simplify the process of signing the accounts and are acceptable for laying in Parliament. Accounts can be signed using any device from any location. There is no longer a need for duplicate copies to be signed, thus reducing the risk of missing a signature and all signatories have immediate access to a high-quality PDF version of the accounts.

## **Approach to audit of the financial statements**

Our objective when performing an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and to issue an independent auditor's report that includes our auditor's opinion.

As part of our risk-based audit approach, we will:

- perform risk assessment procedures including updating our understanding of the College, including its environment, the financial reporting framework and its system of internal control;
- review the design and implementation of key internal controls;
- identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement level and the assertion level for classes of transaction, account balances and disclosures;
- design and perform audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and

- exercise professional judgment and maintain professional scepticism throughout the audit recognising that circumstances may exist that cause the financial statements to be materially misstated.

## Materiality

“Reasonable assurance”, referred to above, is a high level of assurance, but is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor’s report of the extent to which the audit was capable of detecting irregularities, including fraud, and respective responsibilities for prevention and detection of fraud.

We apply the concept of materiality in planning and performing the audit, and in evaluating the effect of misstatements within the financial statements identified during the audit.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both. The basis for our assessment of materiality for the year is set out in [Appendix 1](#).

Any identified errors greater than £64,000 will be recorded and discussed with you and, if not adjusted, confirmed as immaterial as part of your letter of representation to us.

## Accounting systems and internal controls

We will follow a substantive testing approach to gain audit assurance rather than relying on tests of controls. As part of our work, we consider certain internal controls relevant to the preparation of the annual accounts such that we are able to design appropriate audit procedures. However, this work will not cover all internal controls and is not designed for the purpose of expressing an opinion on the effectiveness of internal controls. If we identify significant deficiencies in controls, we will report these to you in writing.

## Going Concern

In most public sector entities (including Colleges), the financial reporting framework envisages that the going concern basis for accounting will apply where the entity's

services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For many public sector entities, the financial sustainability of the entity is more likely to be of significant public interest than the application of the going concern basis. Our wider scope audit work considers the financial sustainability of the College.

## Prevention and detection of fraud or error

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular, we require to be notified of all frauds which:

- Involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control and;
- Are over £5,000.

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

## National Fraud Initiative

The National Fraud Initiative (NFI) in Scotland is a biennial counter fraud exercise led by Audit Scotland working together with a range of Scottish public bodies, external auditors and overseen by the Cabinet Office for the UK as a whole. The most recent NFI exercise commenced in 2022 and most matches should have been investigated by 30 September 2023. As part of our 2023/24 audit, we will monitor the College's participation and progress in the NFI.

## Anti-money laundering

We require the College to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

## Reporting our findings

At the conclusion of the audit we will issue:

- an independent auditor's report setting out our formal audit opinions within the annual report and accounts; and
- an annual audit report describing our audit findings, conclusions on key audit risks, judgements on the pace and depth of improvement on the wider scope areas, and any recommendations.

## Definitions

We will use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.



# Financial statements - significant audit risks

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

## Significant risks at the financial statement level

The table below summarises significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Management override of controls	Audit approach
<p>Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.</p> <p>Specific areas of potential risk include manual journals, management estimates and judgements and one-off</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.</li> <li>• Analysing the journals listing and determining the criteria for selecting high risk and/or unusual journals.</li> <li>• Testing high risk and/or unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the College's journals policy.</li> </ul>

Management override of controls	Audit approach
<p>transactions outside the ordinary course of the business.</p> <p><b>Risk of material misstatement: Very High</b></p>	<ul style="list-style-type: none"><li>• Gaining an understanding of the key accounting estimates and critical judgements made by management. We will challenge assumptions and consider for reasonableness and indicators of bias which could result in material misstatement due to fraud.</li><li>• Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li></ul>

## Significant risks at the assertion level for classes of transaction, account balances and disclosures

Fraud in revenue recognition	Audit approach
<p>Auditing standards require auditors to presume that fraudulent financial reporting relating to revenue recognition is a significant risk, although this is rebuttable where appropriate.</p> <p>The presumption is that the College could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income, particularly around the year end.</p> <p>In respect of income from Scottish Funding Council (SFC) grant funding, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate revenue of this nature. The risk of fraud in relation to revenue recognition is however present in all other income streams, specifically for the transactions close to the year end.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Revenue (occurrence and accuracy):</b> High</li> <li>• <b>Receivables (existence):</b> High</li> </ul>	<p>We will perform the procedures below based on their value within the financial statements:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the College's systems for income to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements.</li> <li>• Evaluating the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems.</li> <li>• Obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Substantively testing material income streams using analytical procedures and sample testing of transactions.</li> </ul>

Fraud in expenditure recognition	Audit approach
<p>As most public sector bodies are net expenditure bodies, the risk of fraud may be more likely to occur in expenditure recognition. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of expenditure around the year end leading to a material misstatement in the reported financial position.</p> <p>In respect of the College's pay expenditure, we do not consider this risk to be significant due to a lack of incentive and opportunity to manipulate expenditure of this nature. The risk of fraud in relation to expenditure recognition is however present in all other expenditure streams.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Expenditure (completeness):</b> High</li> <li>• <b>Accruals (valuation and completeness):</b> High</li> </ul>	<p>We will perform the procedures below based on their value within the financial statements:</p> <ul style="list-style-type: none"> <li>• Documenting our understanding of the College's systems for expenditure to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements.</li> <li>• Evaluating the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems.</li> <li>• Obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.</li> <li>• Substantively testing material expenditure streams using analytical procedures and sample testing of transactions recognised for the year.</li> <li>• Reviewing and substantively testing accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.</li> </ul>

Valuation of land and buildings (key accounting estimate)	Audit approach
<p>West College Scotland held land and buildings with a net book value of £124.5 million at 31 July 2023, with external valuations performed on a five-year basis. The College's campus properties were valued at 31 July 2023 by Ryden (external valuer). This year, the College is planning to perform a desktop valuation exercise to ensure that the value of the land and buildings included in the accounts does not differ materially from its fair value.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of land and buildings. This subjectivity and the material nature of the College's asset base represents an increased risk of misstatement in the financial statements.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Land &amp; Buildings (valuation):</b> High</li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Considering the basis on which the valuation is carried out and challenging the key assumptions applied.</li> <li>• Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to the valuation experts and the scope of their work.</li> <li>• Evaluating the competence, capabilities and objectivity of the valuation expert.</li> <li>• Testing the information used by the valuer/management to ensure it is complete and consistent with our understanding.</li> <li>• If there have been any specific changes to the assets in the year, the College should ensure these have been communicated to the valuer.</li> <li>• Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct.</li> </ul>

Pension asset / liability (key accounting estimate)	Audit approach
<p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.</p> <p>A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation, and mortality rates) can have a material impact on the pension asset/liability.</p> <p>There is a risk that the assumptions used are not appropriate.</p> <p><b>Inherent risk of material misstatement:</b></p> <ul style="list-style-type: none"> <li>• <b>Pensions (valuation): High</b></li> </ul>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> <li>• Reviewing the controls in place to ensure that the data used by the actuary is consistent with the information we receive from the College.</li> <li>• Reviewing the reasonableness of the assumptions used in the calculation against other pension fund actuaries and other observable data.</li> <li>• Agreeing the disclosures in the financial statements to information provided by the actuary.</li> <li>• Examining the accounting for the pension movements in the financial statements.</li> <li>• Considering the competence, capability, and objectiveness of the management expert in line with ISA (UK) 500 Audit Evidence.</li> </ul>

# The wider scope of public audit

## Introduction

The Code of Audit Practice frames a significant part of our responsibilities in terms of four wider scope audit areas:

- Financial sustainability
- Financial management
- Vision, leadership and governance
- Use of resources to improve outcomes.

## Our audit approach to the wider scope audit areas

Appointed auditors are required to consider the wider scope areas when:

- identifying significant audit risks at the planning stage of the audit;
- reaching conclusions on those risks;
- making recommendations for improvement; and
- where appropriate, setting out conclusions on the audited body's performance.

When reporting on such arrangements, the Code of Practice requires us to structure our commentary under the four areas identified above. [Appendix 2](#) provides further detail on the definition, scope and audit considerations under each wider scope area.

Our planned audit work against these four areas is risk-based and proportionate. Our initial assessment builds upon our understanding of the College's key priorities and risks along with discussions with management and review of board and committee minutes and key strategy documents.

We have identified one significant risk in relation to financial sustainability as set out in the table below. At this stage, we have not identified any significant risks in relation to the other wider scope areas. Audit planning is a continuous process and we will report all identified significant risks, as they relate to the four wider scope areas, in our annual audit report.

## Significant wider scope audit risk - Financial sustainability

The College continues to face significant financial challenges, operating within tight financial parameters, with measures required to be taken to ensure long-term sustainability.

In 2023-24 the College estimates a small adjusted operating deficit of £0.011million, followed by one year of small surplus and two years of deficits adding up to a total of £3.583million between 2024-2027. This position is based on a 2% pay award assumption, inflationary pressures on non-staff cost and increased utility costs. It also includes an expectation of no other sources of income and no change to the Scottish Government or SFC funding model. The medium term financial forecast is being updated before it is presented to the Board in June.

The College delivered a student activity shortfall of c.4,700 credits in 2022/23, which is in excess of the 2% allowance granted by the SFC. Any excess over the 2% threshold is subject to potential claw back of the related funding. This resulted in 1,600 credits being repayable to the SFC (equivalent to c£600k). This year the College is anticipating that the student credit target of 140,450 credits will be achieved in full.

Staff cost continue to be a significant pressure area and a key element of the College's ambitious savings plan. With the uncertainty around public sector pay settlements, any increase in staff costs will have a material impact on the finances of the College. The latest management accounts indicate that the College has achieved its budget savings of £1.980million, largely relating to salary savings. While the College will also have savings from the reduced pension contributions over the next two financial years, after that period these are going to increase again to 17.5%, so the nature of these savings will be short term.

Going forward, financial planning will continue to be challenging and ability to deliver savings plans and services in a sustainable manner remains a significant challenge and risk.

### Our audit response:

We will review whether the College has appropriate arrangements in place to manage its future financial position. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer-term impact of cost pressures and that continue to support the delivery of the College's statutory functions and strategic objectives.

In formulating our audit plan, we identified areas of possible significant risk in relation to financial management, vision, leadership and governance and use of resources to

improve outcomes. Our audit approach will include reviewing and concluding on the following considerations to substantiate whether significant risks exist:

## Financial Management

- Whether the College achieves its 2023/24 financial and performance targets.
- Whether the reduced capacity of the finance team allow for effective financial management and preparation of annual report and accounts.

## Vision, leadership and governance

- Whether the College has reviewed its Corporate Strategy to reflect the newest challenges facing the Further Education industry.
- Whether the new Board and Committee members have been provided with appropriate training to perform their functions effectively.

## Use of resources to improve outcomes

- Whether the College can evidence a clear link between prioritised spending and improvement against outcomes.
- Whether reporting in the Colleges' annual report and accounts give the readers comprehensive and relevant picture of the College's activities.

# Audit team and timetable

## Audit Team

Our audit team will be as follows:

Role	Name	Email
Engagement Lead	Chris Brown	Chris.Brown@azets.co.uk
Engagement Manager	Adrian Kolodziej	Adrian.Kolodziej@azets.co.uk
Engagement In-charge	Charlotte Amos	Charlotte.Amos@azets.co.uk

## Timetable

Please find below confirmation of our proposed timetable for the audit as previously discussed with management:

Audit work/ output	Date
Audit planning meeting	1 May 2024
Audit Committee to consider audit plan	22 May 2024 and 11 September 2024
Receipt of draft accounts and commencement audit fieldwork	30 September 2024
Audit Committee to consider accounts and audit report	November 2024
Board meeting to approve accounts for signing	November/ December 2024
Annual Report to the College and the Auditor General for Scotland	31 December 2024

## Our requirements

In order for us to be able to complete our work in line with the agreed fee and timetable, we require the following:

- draft financial statements of a good quality by the deadlines you have agreed with us. These should be complete including all notes, the performance report and the accountability report;
- good quality working papers at the same time as the draft financial statements. These will be discussed with you in advance to ensure clarity over expectations;
- ensuring staff are available and on site (as agreed) during the period of the audit;
- prompt and adequate responses to audit queries.

## Finance team capacity

The accounts and audit process requires effective project management to co-ordinate and apply resources in the finance and audit teams efficiently to meet your deadlines.

Our early engagement with the College during 2023/24 has highlighted the fact that the finance team is currently carrying vacancies in key positions. The new director of finance is in place since July 2024 and the College is expecting that the new head of finance will be in post by the end of September.

The finance team capacity and knowledge of the College could potentially impact the delivery of the audit and we have already seen the impact of these changes with some delays in obtaining responses to our planning enquiries. It is therefore important that adequate measures and contingencies are put in place by the College to deliver the accounts and support the audit in line with the agreed timetable and audit fee.

# Audit Fee

The quality of audit work is an essential requirement in successfully delivering an audit that is fully compliant with Auditing Standards and the Code of Audit Practice. Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate unaudited accounts and meets the agreed timetable for audit.

The expected audit fee is reviewed by Audit Scotland each year. The fee level for 2023/24 has been developed in the context of a challenging economic environment, increased expectations on the audit profession and the ongoing process of recovery following the Covid-19 pandemic.

The 2023/24 expected audit fee is based on applying a 6% increase to the 2022/23 expected audit fee. This increase is applied on a sector basis and reflects the conditions of the public sector market.

As auditors we negotiate a fee with the College during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

For 2023/24, we propose setting the audit fee at the expected fee level.

Fee element	2023/24	2022/23
Auditor remuneration (expected fee level)	53,920	50,870
Pooled costs	(5,750)	(7,460)
Audit support costs	0	1,310
Sectoral cap adjustment	5,010	5,440
<b>Total fee</b>	<b>53,180</b>	<b>50,160</b>

We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will also be required in relation to any other significant exercises not within our planned audit activity.

# Audit independence and objectivity

## Auditor Independence

We are required to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In particular, FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence.

Azets has not been appointed to provide any non-audit services during the year. We confirm that we comply with FRC's Ethical Standard. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular, there are and have been no relationships between Azets and the College, its Board members and senior management that may reasonably be thought to bear on our objectivity and independence.

# Appendices

---

Appendix 1: Materiality	24
Appendix 2: Responsibilities of the Auditor and the College	26

---

## Appendix 1: Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the College and the needs of the users.

When planning, we make judgements about the size of misstatements which we consider to be material, and which provide a basis for determining the nature and extent of our audit procedures. Materiality is revised as our audit progresses, should we become aware of any information that would have caused us to determine a different amount had we known about it during our planning.

Our assessment, at the planning stage, of materiality for the year ended 31 July 2024 was calculated as follows.

	£
<b>Overall materiality for the financial statements</b>	1,280,000
<b>Performance materiality (75% of materiality)</b>	960,000
<b>Trivial threshold</b>	64,000
<b>Materiality</b>	Our initial assessment is based on approximately 2% of gross annual expenditure as estimated in the March 2024 management accounts. We consider this to be the principal consideration for the users of the financial statements when assessing financial performance of the College.
<b>Performance materiality</b>	Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means we perform a greater

	<p>level of testing on the areas deemed to be at significant risk of material misstatement.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.</p>
<b>Trivial misstatements</b>	<p>Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p> <p>Individual errors above this threshold are communicated to those charged with governance.</p>

The Remuneration & Staff Report and Related Parties disclosures are material by nature.

In performing our audit, we will consider any errors which result in a movement between the relevant bandings on the remuneration table to be material.

For Related Party transactions, in line with the standards we will consider the significance of the transaction with regard to both the College and the counter party, the smaller of which will drive materiality considerations on a transaction by transaction basis.

## Appendix 2: Responsibilities of the Auditor and the College

### The Auditor General and Audit Scotland

The Auditor General for Scotland is a Crown appointment and independent of the Scottish Government and Parliament. The Auditor General is responsible for appointing independent auditors to audit the accounts of the Scottish Government and most Scottish public bodies, including Colleges, and reporting on their financial health and performance.

Audit Scotland is an independent statutory body that co-ordinates and supports the delivery of high-quality public sector audit in Scotland. Audit Scotland oversees the appointment and performance of auditors, provides technical support, delivers performance audit and Best Value work programmes and undertakes financial audits of public bodies.

### Auditor responsibilities

#### Code of Audit Practice

The Code of Audit Practice (the [2021 Code](#)) describes the high-level, principles-based purpose and scope of public audit in Scotland.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

#### Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for Auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the College and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

#### Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

---

## Financial management



Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

### **Auditor considerations**

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

---

## Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

### **Auditor considerations**

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

---

## Vision, leadership and governance



Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

### **Auditor considerations**

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

## Use of resources to improve outcomes



Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

### **Auditor considerations**

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

## Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an Audit Quality Framework

The most recent audit quality report can be found at [Quality of public audit in Scotland: Annual report 2022/23 | Audit Scotland \(audit-scotland.gov.uk\)](#)



## College responsibilities

The College has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include the following:

Area	College responsibilities
Corporate governance	<p>The College is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
Financial statements and related reports	<p>The College has responsibility for:</p> <ul style="list-style-type: none"> <li>preparing financial statements which give a true and fair view of the financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;</li> <li>maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support the balances and transactions in its financial statements and related disclosures;</li> <li>ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; and</li> <li>preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements.</li> </ul>
	<p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p>
	<p>The College is responsible for developing and implementing effective systems of internal control as well as financial, operational</p>

Area	College responsibilities
	and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The College is also responsible for establishing effective and appropriate internal audit and risk-management functions.
<b>Standards of conduct for prevention and detection of fraud and error</b>	The College is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.
<b>Financial position</b>	<p>The College is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> <li>• Such financial monitoring and reporting arrangements as may be specified;</li> <li>• Compliance with statutory financial requirements and achievement of financial targets;</li> <li>• Balances and reserves, including strategies about levels and their future use;</li> <li>• Plans to deal with uncertainty in the medium and long term; and</li> <li>• The impact of planned future policies and foreseeable developments on the financial position.</li> </ul>

© Azets 2024. All rights reserved. Azets refers to Azets Audit Services Limited. Registered in England & Wales Registered No. 09652677. VAT Registration No. 219 0608 22. Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

**Accounting | Tax | Audit | Advisory | Technology**

---

<b>Title of Paper</b>	<b>Internal Auditors Report - Communications &amp; Marketing Strategy Audit Report</b>
<b>Presented by:</b>	Stephen Pringle, Wylie & Bisset
<b>Status:</b>	<b>PUBLIC</b>
<b>Recommendation:</b>	<b>To Note</b>

**Purpose / Executive Summary:**

In line with the 2023-24 Internal Audit Plan, Wylie & Bisset conducted an assignment to assess whether the College's systems and procedures are fully compliant with legislation and the College are taking all necessary steps to protect its students and staff. The reviews sought to provide assurance to the Board, via the Audit and Risk Committee, that arrangements are adequate.

The **Communications & Marketing Strategy Internal Audit** report attached has concluded the following assurances:— Strong Assurance, 11 areas of best practice, with 1 low level recommendation, due to be completed by 30 September 2024.

The recommendation noted has been agreed by management and monitoring of this will take place through the Rolling Audit Action Plan until completed.

The paper is presented in line with West College Scotland Audit Committee Terms of Reference:  
*'To agree the Internal Audit Plan and review the Internal Audit Annual Report'*

**Recommendations:**

The Audit & Risk Committee are asked to consider and **note** the content of the reports.

<b>Implications:</b>	
<b>Financial</b>	Financial implications are covered through internal budget controls
<b>Student Experience</b>	Strong assurances in areas audited enhance the overall student experience
<b>People</b>	Our People are ensured that their data is held securely (GDPR) and Procurement processes are fully adequate.
<b>Legal</b>	There are no legal implications associated with this report
<b>Reputational</b>	There are no reputational implications associated with this report
<b>Community/ Partnership impact</b>	There are no community implications associated with this report
<b>Environment</b>	There are no environmental implications associated with this report.
<b>Equalities</b>	WCS ensures all activities are accessible and inclusive

<b>Title of Paper</b>	<b>Internal Audit 2023/24 Annual Report</b>
<b>Presented by:</b>	Stephen Pringle, Wylie & Bisset
<b>Decision:</b>	For Approval
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

The report at Appendix A presents to the Audit & Risk Committee the Internal Audit 2023/24 Annual Report. Having carried out the required work and review the overall opinion expressed by the internal auditors is that:

*'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.'*

*'Our fieldwork was carried out between September 2023 and June 2024, and we have not undertaken any further internal audit assignments at the time of this report.'*

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:

*'To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPF and the Code of Good Governance for Scotland's Colleges.'*

The paper is submitted *For Approval*.

**Recommendations:**

The Audit & Risk Committee is asked to **consider and approve for presentation to the Board of Management** the Internal Audit 2023-24 Annual Report.

<b>Implications:</b>	
<b>Financial</b>	Not applicable for this report
<b>Student Experience</b>	Not applicable for this report
<b>Human Resources</b>	Not applicable for this report
<b>Legal</b>	College is required to have in place effective controls. The annual report confirms the internal auditor's opinion on those controls.
<b>Reputational</b>	Not applicable for this report
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

## **1. EXECUTIVE SUMMARY**

### **1.1 The Scottish Public Finance Manual states that:**

*'Internal audit should provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It should provide an appraisal of an organisation's internal control system and take the action needed to provide Accountable Officers with a continuing assurance that the organisation's risk management, control and governance arrangements are adequate and effective. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The operation and conduct of internal audit should comply with Public Sector Internal Audit Standards.'*

*Accountable Officers are responsible for ensuring that appropriate internal control systems exist within their own organisations (or parts thereof), and for deciding whether to accept and implement internal audit findings and recommendations. Accountable Officers have overall responsibility for ensuring that prompt and effective action is taken on recommendations, and that the risks resulting from inaction are recognised and accepted. The organisation's Head of Internal Audit should have the right of direct access to the Accountable Officer and the organisation's Audit Committee.*

*Internal audit evaluates compliance with an organisation's internal control system - including relevant regulations, guidance and procedures - as part of its review process. However, the primary responsibility for monitoring compliance rests with operational areas and their line management, up to and including the relevant Accountable Officer.'*

- 1.2** An annual audit assurance is provided to Accountable Officers through the professional opinion of the Internal Auditor on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon. That opinion is contained in the attached Annual Report from the Internal Auditor to the Audit Committee, and forms part of the assurance required by Accountable Officers to enable them to sign a governance statement as part of the accounts for which they are responsible.
- 1.3** To meet the above requirements, the attached Annual Report summarises the conclusions and key findings from the internal audit work undertaken at the College during the year ended 31 July 2024, including the internal auditor's overall opinion on the College's internal control system.
- 1.4** The report documents the scope and responsibilities of the Internal Auditors on pages 4 and 5.

1.5 Wylie and Bisset, as the Head of Internal Audit at West College Scotland are required to provide the Audit & Risk Committee with an opinion on the adequacy and effectiveness of the College's risk management, control, and governance processes. Having carried out the required work and review the overall opinion expressed by the internal auditors is that:

*'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.*

*Our fieldwork was carried out between September 2023 and June 2024, and we have not undertaken any further internal audit assignments at the time of this report.'*

1.6 In giving their opinion, it should be noted that assurance can never be absolute. The most that the internal auditors can provide to the Audit & Risk Committee is reasonable assurance that there are no major weaknesses in the College's risk management, control, and governance processes.

1.7 The overall findings and conclusion of each report are highlighted in Section 3 (page 6).

1.8 As can be seen from the summary in Section 3 all areas included in the 2023-24 Operational Plan have been completed except for the Corporate Strategy, which was swapped with the Communications & Marketing Strategy, after agreement was obtained from the Audit & Risk Committee and the Board.



# West College Scotland

Internal Audit 2023/24

Annual Report

July 2024

# Table of Contents

Section	Page number
1. Introduction	3
2. Executive Summary	4 to 5
3. Audit Findings	6 to 7
4. Benchmarking	8 to 10
5. Key Performance Indicators	11

## Appendices:

A. Grading Structure	12
----------------------	----

# 1. Introduction

The prime responsibility of the Internal Audit Service (IAS) is to provide the College's Audit & Risk Committee, the Principal & Chief Executive and other Senior Management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

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

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

We had an extensive external assessment undertaken against these standards in November 2023. The assessment was undertaken by the Chartered Institute of Internal Auditors who concluded:

"We are pleased to report that the the Wbg Services LLP (formerly Wylie & Bisset LLP) Internal Audit Department conforms with the Standards, as well as the Definition of Internal Auditing, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard of quality in Internal Auditing".

The Chartered Institute of Internal Auditors also highlighted our compliance with all 64 standards of the IPPF.

This Annual Report should be considered by the Audit & Risk Committee prior to the Committee submitting their annual report to the Board.

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

## 2. Executive Summary

### Overall Opinion

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

In our opinion, West College Scotland did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money.

Our fieldwork was carried out between September 2023 and June 2024, and we have not undertaken any further internal audit assignments at the time of this report.

The overall findings and conclusion of each report are highlighted in Section 3. As can be seen from the summary in Section 3 all areas included in the Operational Plan for 2023/24 have been completed with the exception of the Corporate Strategy review which was replaced with the Communications and Marketing Strategy Review.

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

- | A review and appraisal of financial and other controls operated by the College;
- | A review of the established policies and procedures adopted by the College;
- | An assessment of whether or not the internal controls are reliable as a basis for producing the financial accounts;
- | A review of accounting and other information provided to management for decision making;
- | Compliance and substantive audit testing where appropriate; and
- | A review of the College's procedures in place to promote and secure value for money.

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

## 2. Executive Summary (continued)

### **Basis of Opinion**

As the Head of Internal Audit at West College Scotland we are required to provide the Audit & Risk Committee with an opinion on the adequacy and effectiveness of the College's risk management, control and governance processes.

In giving our opinion, it should be noted that assurance can never be absolute. The most that we can provide to the Audit & Risk Committee is reasonable assurance that there are no major weaknesses in the College's risk management, control and governance processes.

In assessing the level of assurance given, we have considered:

- | All audits undertaken during the year ended 31 July 2024;
- | Any follow-up action taken in respect of audits from previous periods;
- | Any significant recommendations not accepted by management and the consequent risks;
- | The effects of any significant changes in the College's objectives or systems;
- | Any limitations which may have been placed on the scope of internal audit;
- | Matters arising from previous reports to the Audit & Risk Committee;
- | The extent to which resource constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the College;
- | What proportion of the College's audit need has been covered to date; and
- | The outcomes of our quality assurance processes.

# 3. Audit Findings

## Summary of Work Undertaken

The following table summarises the audit work undertaken in 2023/24. The grading structure used in our reports can be found in Appendix A.

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Credits	8	8	Complete	N/A	-	-	1
SSF	4	4	Complete	N/A	-	-	-
EMA	3	3	Complete	N/A	-	-	-
Procurement and Tendering	5	5	Complete	Strong	-	-	1
GDPR Compliance	5	5	Complete	Strong	-	-	2
Corporate Governance	5	5	Complete	Strong	-	-	3
Estates Strategy	5	5	Complete	Substantial	-	2	1
Total C/F	35	35	-	-	-	2	8

# 3. Audit Findings

## Summary of Work Undertaken (continued)

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Total B/F	35	35	-	-	-	2	8
Alternative/ Non SFC Funding Sources	6	6	Complete	Strong	-	-	-
Student Admissions/Enrolment	5	5	Complete	Strong	-	-	2
Continuing Professional Development	5	5	Complete	Strong	-	-	2
Communications and Marketing Strategy	-	5	Complete	Strong	-	-	1
Corporate Strategy	5	-	Postponed	n/a	n/a	n/a	n/a
Follow up	4	4	n/a	n/a	-	-	-
Audit Management	5	5	n/a	n/a	-	-	-
<b>Total</b>	<b>65</b>	<b>65</b>	-	-	-	<b>2</b>	<b>13</b>

# 4. Benchmarking

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

Area	High	Medium	Low	Total	
<b>Credits</b>					
Average number of recommendations in similar audits	-	-	2	2	
Recommendations at West College Scotland	-	-	1	1	
<b>SSF</b>					
Average number of recommendations in similar audits	-	1	-	1	
Recommendations at West College Scotland	-	-	-	-	
<b>EMA</b>					
Average number of recommendations in similar audits	-	-	-	-	
Recommendations at West College Scotland	-	-	-	-	
<b>Procurement and Tendering</b>					
Average number of recommendations in similar audits	-	2	2	4	
Recommendations at West College Scotland	-	-	1	1	
<b>GDPR Compliance</b>					
Average number of recommendations in similar audits	-	2	1	3	
Recommendations at West College Scotland	-	-	2	2	
<b>Corporate Governance</b>					
Average number of recommendations in similar audits	-	1	2	3	
Recommendations at West College Scotland	-	-	3	3	
<b>Summary c/f</b>					
<b>Average number of recommendations in similar audits</b>	-	6	7	13	
<b>Recommendations at West College Scotland</b>	-	-	7	7	

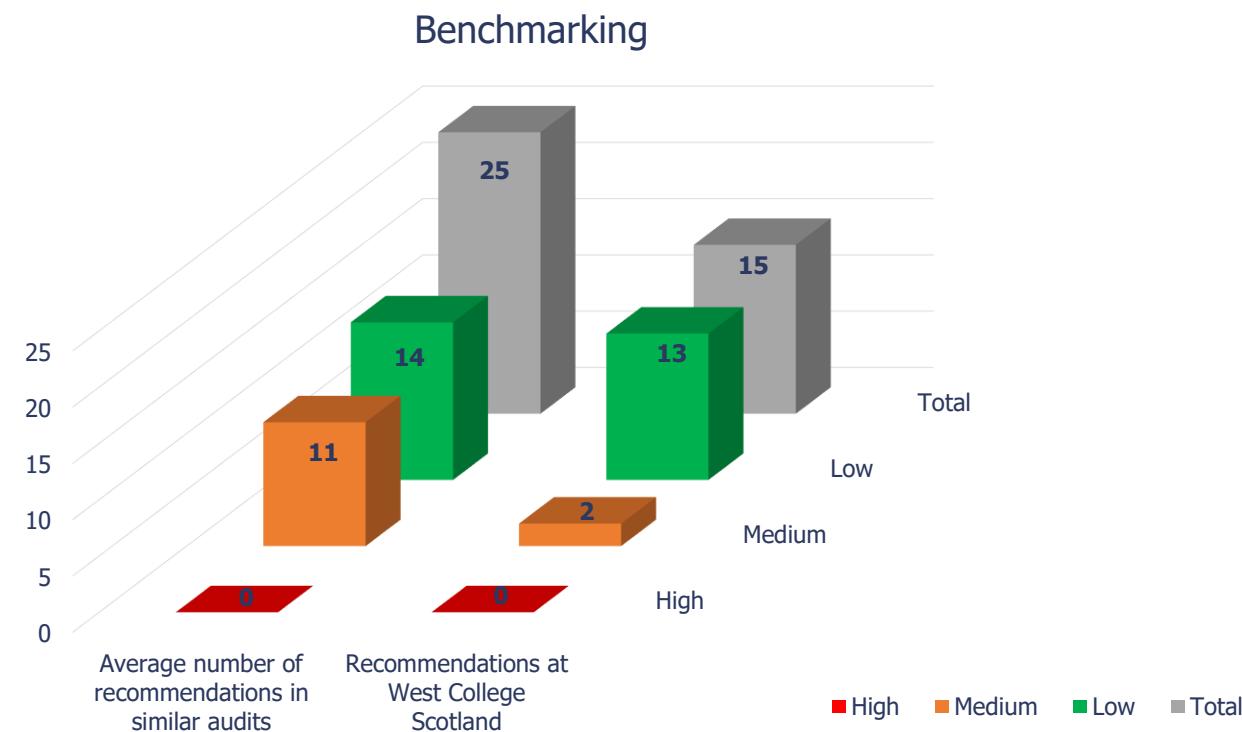
## 4. Benchmarking

Area	High	Medium	Low	Total	
<b>Summary b/f</b>					
<b>Average number of recommendations in similar audits</b>	-	6	7	13	
<b>Recommendations at West College Scotland</b>	-	-	7	7	
<b>Estates Strategy</b>					
Average number of recommendations in similar audits	-	2	2	4	
Recommendations at West College Scotland	-	2	1	3	
<b>Student admissions/ Enrolment</b>					
Average number of recommendations in similar audits	-	1	2	3	
Recommendations at West College Scotland	-	-	2	2	
<b>Continuing Professional Development</b>					
Average number of recommendations in similar audits	-	-	1	1	
Recommendations at West College Scotland	-	-	2	2	
<b>Communicating and Marketing Strategy</b>					
Average number of recommendations in similar audits	-	2	2	4	
Recommendations at West College Scotland	-	-	1	1	
<b>Average number of recommendations in similar audits</b>	-	11	14	25	
<b>Recommendations at West College Scotland</b>				15	

As noted above, West College Scotland has a lower number of recommendations in comparison with the Colleges it has been benchmarked against.

## 4. Benchmarking

We have set out below in graphical format an analysis of the Benchmarking totals by grade of recommendation made.



As noted above, West College Scotland has a lower number of recommendations in comparison with the colleges it has been benchmarked against.

# 5. Key Performance Indicators

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

# Appendix A

## Grading Structure

# 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

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

Assurance	Risk	Classification
High	High risk	Major weakness that we consider needs to be brought to the attention of the Audit & Risk Committee and addressed by Senior Management of West College Scotland as a matter of urgency
Medium	Medium risk	Significant issue or weakness which should be addressed by West College Scotland as soon as possible
Low	Low risk	Minor issue or weakness reported where management may wish to consider our recommendation

<b>Title of Paper</b>	2024-2025 Internal Audit Plan (Final)
<b>Presented by:</b>	Stephen Pringle, Wylie & Bisset
<b>Status</b>	PUBLIC
<b>Recommendation:</b>	<b>For Approval</b>

**Purpose / Executive Summary:**

Wylie & Bisset LLP have been appointed as Internal Auditors for a five-year period to 31 July 2025. The prime responsibility of the Internal Audit Service (IAS) is to provide the Board of Management, via the Audit & Risk Committee, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The Internal Auditor objectively examines, evaluates, and reports on the adequacy of internal control thus contributing to the economic, efficient, and effective use of resources and to the reduction of the potential risks faced by the College. Also, the operation and conduct of the Internal Auditor must comply with the standards and guidelines set down by the Chartered Institute of Internal Auditors.

In May 2022, the Audit Committee approved the 2022-23 Internal Audit Plan which included the proposed audit assignments for 2023-24 and 2024-25. The plan takes the internal auditors to the end of their contract.

The Committee are being asked to approve the 2024-25 Internal Audit Plan is still appropriate and to provide initial feedback for consideration by the auditor and the College Senior Management Team. After the May 2024 Committee meeting, the auditor and the Senior Management Team will review the plan considering the:

- Strategic risk register.
- Audit Needs Assessment and Assurance Map.
- Objectives as stated in the Corporate Strategy.

This paper presents to the Audit & Risk Committee the draft 2024-25 Internal Audit. The Committee is asked to consider the 2024-25 Internal Audit Plan.

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:

*'To agree the Internal Audit Plan and review the Internal Audit Annual Report'.*

**Recommendations:**

The Audit & Risk Committee is asked to **approve** the final Internal Audit Plan for 2024-2025.

<b>Implications:</b>	
<b>Financial</b>	There are no direct financial implications in this report
<b>Student Experience</b>	There are no direct student experience implications associated with this report
<b>People</b>	There are no direct people implications associated with this report
<b>Legal</b>	There are no legal implications in this report
<b>Reputational</b>	There are no reputational implications in this report
<b>Community/ Partnership impact</b>	There are no community or partnership implications in this report
<b>Environment</b>	There are no environmental implications in this report
<b>Equalities</b>	There are no equality implications in this report

## **Audit Needs Assessment**

The Internal Audit Plan is developed with the aim of focusing audit resources on the areas of most need and therefore not all potential audit areas can be reviewed within the resource available. The Audit & Risk Committee should consider the assurance it gets from other sources (e.g., external audit, regulatory reviews, management).

The 2024-25 proposed audit assignments are noted below:

### **Financial Systems Health Check – 6 days (October 2024)**

The purpose of this review is to ensure that the College's financial systems are reliable, accurate, and meet regulatory standards.

### **College Corporate Strategy – 5 days (April 2025)**

The purpose of this review is to ensure that the College has a robust Corporate Strategy, and this is clearly integrated within the College.

### **CIVICA (Governance) – 5 days (November 2024)**

This was added at the request of the Audit & Risk Committee and will review the suitability of the governance arrangements surrounding the new system. It will consider the decision making process on the purchase of the system and whether timescales and benefits have been realised at each stage of the process.

### **Review of Student Management Information System – CIVICA – 5 days (March 2025)**

A review will take place of the suitability of the new CIVICA system to ensure that it is operating as expected and is being used to its full potential. The review will test whether the system is delivering the perceived benefits expected from the system.

### **Freedom of Information – 5 days (April 2025)**

The purpose of this assignment is to consider whether the College has adequate policies and procedures in place in relation to Freedom of information. This review will seek to provide assurance to the Audit & Risk Committee that the Freedom of Information processes are robust and in line with best practice.

### **Enhancement Planning – 5 days (March 2025)**

The purpose of this review is to ensure that the College's plans for change and improvement are robust.

### **Succession Planning – 5 days (October 2024)**

The purpose of this assignment will be to review the succession planning arrangements in place for staff. It will consider the steps taken by the College to assess the future plans for staff members and the key positions within the College and the steps taken to ensure there is the appropriate skills mix and the pool of talent to mitigate the risks of succession planning.

### **Recruitment & Retention - 5 days (March 2025)**

The purpose of this assignment is to review the College's recruitment arrangements to ensure that the College has systems in place to ensure the retention of staff members. It will review the steps taken by the College to ensure that recruitment needs are fully assessed and fulfilled. It will also assess the steps undertaken by the College to ensure staff recruited are retained following their

probation period. The review will also cover the steps being taken to ensure that there is a diverse workforce in place.

**Risk Management – 5 days (April 2025)**

The purpose of the review is to ensure that the College has appropriate risk management arrangements in place and that these have been embedded throughout the whole College. This review will look to provide assurance to the Audit & Risk Committee, that the College's risk management arrangements are adequate.

**Funding (Statutory Requirement) – 15 days (September 2024)**

The Funding Audits are a legal requirement to ensure compliance with the SFC Financial Memorandum and will be undertaken and reported to the Committee as per the relevant guidance.

**Audit Management / Follow Up – 9 days**

These days represent the work undertaken to update the Rolling Audit Action plan along with the overall audit planning and reporting function.

**Recommendations:**

The Audit & Risk Committee is asked to **approve** the Internal Audit Plan for 2024-2025.



# West College Scotland

Internal Audit Plan 2024/25

May 2024

# Table of Contents

Section	Page number
Introduction	3
Operational Plan 2024/25	4
 Appendices:	
A. Summary of Internal Audit Output	18
B. Grading Structure	22
C. Key Performance Indicators	23
D. Training Topics	24

# Introduction

## Background

Wbg Services LLP (Formerly Wylie Bisset LLP) were appointed as Internal Auditors by the College with effect from 1 August 2020 until 31 July 2023 with the option to extend for a further two 12-month periods. The contract was subsequently extended for a further 2 years until 31 July 2025.

## Internal Audit

The prime responsibility of the Internal Audit Service (IAS) is to provide the Board of Management, via the Audit & Risk Committee, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College. Also, the operation and conduct of the IAS must comply with the guidelines set down by the Institute of Internal Auditors and Public Sector Internal Audit Standards.

## Terms of Reference – Internal Audit

The provision of the IAS by Wylie Bisset LLP is covered by the letter of engagement dated 8 July 2022.

## Preparation of Audit Plan

This Plan was developed following discussions with the Vice Principal Operations and the Governance Manager.

## Formal Approval

The original Audit Needs Assessment was presented to the Audit & Risk Committee for approval on 21 May 2020. This Plan covers the period 2024/25 and will be presented to the Audit & Risk Committee for approval on 22 May 2024.



# Operational Plan

**2024/25**

# Financial Systems Health Check



Audit area	High level indicative summary scope	Total number of days
Financial Systems Health Check	<p>The purpose of this review is to ensure that the College's financial systems are reliable, accurate, and meet regulatory standards.</p> <p>Our objectives for this review are to ensure that:</p> <ul style="list-style-type: none"><li>  There are appropriate policies, procedures and documentation in place to provide support and guidance on the system.</li><li>  There are appropriate access controls in place, and these are linked to authorisation limits as set out in a Delegated Level of Authority.</li><li>  The system is fully utilised and financial processes operate in line with good practice.</li><li>  Efficient and effective procedures and controls are in place for key finance processes.</li><li>  Adequate segregation of duties are in place.</li><li>  There is adequate management oversight of finance processes.</li><li>  There is appropriate governance over spending limits, with an approved Delegated Level of Authority in place and adhered to.</li></ul>	6

# College Corporate Strategy

Audit area	High level indicative summary scope	Total number of days
College Corporate Strategy	<p>The purpose of this review is to ensure that the College has a robust Corporate Strategy, and this is clearly integrated within the College.</p> <p>Our objectives for this review are to ensure that:</p> <ul style="list-style-type: none"> <li>  The Strategy is practical as evidenced by College outcomes.</li> <li>  The corporate objectives and goals, policies, and major programmes are clearly articulated and internally consistent.</li> <li>  The College environment assumptions are valid.</li> <li>  The Strategy continues to be appropriate.</li> </ul>	5

# Review of new CIVICA System

Audit area	High level indicative summary scope	Total number of days
Review of new CIVICA System	<p>We will undertake a review of the suitability of the new CIVICA system to ensure that it is operating as expected and is being used to its full potential. Our review will test whether the system is delivering the perceived benefits expected from the system.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The CIVICA system is fit for purpose and operating in line with expectations and good practice.</li> <li>  Data has been accurately transferred from the previous system.</li> <li>  Sufficient training has been provided to those staff who will be using the system.</li> <li>  Appropriate controls have been put in place over the new system and these are being adhered to by staff.</li> <li>  The perceived benefits from the new system are being realised.</li> </ul>	5

# CIVICA (Governance)

Audit area	High level indicative summary scope	Total number of days
CIVICA (Governance)	<p>We will undertake a review of the suitability of the governance arrangements surrounding the new CIVICA system. This review will consider decision making process surrounding the purchase of the new system and whether timescales and benefits have been realised at each stage of the process.</p> <p>The objectives for the review are to ensure:</p> <ul style="list-style-type: none"> <li>• There was a clear business case for the purchase of the CIVICA system and clear decision-making arrangements in place.</li> <li>• The project was appropriately risk assessed</li> <li>• The budget for the project was appropriately approved.</li> <li>• There were clear timescales in place for the project and these were monitored.</li> <li>• There are clear protocols in place to assess the benefits and expectations of the new system.</li> </ul>	5

# Freedom of Information

Audit area	High level indicative summary scope	Total number of days
Freedom of Information	<p>The purpose of this assignment is to consider whether the College has adequate policies and procedures in place in relation to Freedom of information. This review will seek to provide assurance to the Audit &amp; Risk Committee that the Freedom of Information processes are robust and in line with best practice.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The College has taken appropriate steps to ensure that they are compliant with the legislative guidance of the Freedom of Information Act.</li> <li>  The information provided by the College in response to Freedom of Information requests meets the requirements as set out in the Freedom of Information Act.</li> <li>  The College has documented plans in place to address any remaining areas of non-compliance.</li> <li>  There is sufficient reporting in place with regards to the progress with achieving Freedom of Information compliance.</li> </ul>	5

# Enhancement Planning

Audit area	High level indicative summary scope	Total number of days
Enhancement Planning	<p>The purpose of this review is to ensure that the College's plans for change and improvement are robust.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The College has robust planning processes in place to ensure enhancement and change where required.</li> <li>  The College regularly reviews, monitors and reports against the Operational Plan.</li> <li>  The enhancement planning arrangements are flexible, being monitored and are appropriate for the College.</li> <li>  The College has appropriate plans in place to address the key areas of the Operational Plan.</li> <li>  There is sufficient budget in place to achieve objectives in relation to improvement.</li> </ul>	5

# Succession Planning

Audit area	High level indicative summary scope	Total number of days
Succession Planning	<p>The purpose of this assignment will be to review the succession planning arrangements in place for staff. We will consider the steps taken by the College to assess the future plans for staff members and the key positions within the College and the steps taken to ensure there is the appropriate skills mix and the pool of talent to mitigate the risks of succession planning.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The College has an appropriate succession plan in place.</li> <li>  There is a robust HR Strategy in place which considers short-term and long-term staffing requirements, including succession planning.</li> <li>  The College undertake regular skills reviews to ensure that they have the appropriate skills mix for each of the key positions.</li> <li>  There are adequate procedures in place to allow for knowledge sharing.</li> <li>  Succession planning is effectively considered in the College's strategy and risk management process.</li> </ul>	5

# Recruitment & Retention

Audit area	High level indicative summary scope	Total number of days
Recruitment & Retention	<p>The purpose of this assignment is to review the College's recruitment arrangements to ensure that the College has systems in place to ensure the retention of staff members. We will review the steps taken by the College to ensure that recruitment needs are fully assessed and fulfilled. We will also assess the steps undertaken by the College to ensure staff recruited are retained following their probation period</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The arrangements in place within the College for the recruitment of new staff are robust, fit for purpose and in line with current legislation.</li> <li>  Recruitment procedures are robust and as well as ensuring that the most suitable candidate is employed, ensure that a fair and transparent recruitment process is undertaken.</li> <li>  The relevant pre-employment checks (right to work, DBS, references etc.) have been undertaken prior to any new employee commencing their employment at the College.</li> <li>  New employees receive a comprehensive induction on the commencement of their employment at the College.</li> <li>  The College has an appropriate performance management and development process in place to help retain staff following their probation period.</li> </ul>	5

# Risk Management

Audit area	High level indicative summary scope	Total number of days
Risk Management	<p>The purpose of the review is to ensure that the College has appropriate risk management arrangements in place and that these have been embedded throughout the whole College. This review will look to provide assurance to the Audit &amp; Risk Committee, that the College's risk management arrangements are adequate.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>  The College has set out clearly its strategic direction in relation to risk management (including policy, roles and responsibilities, objectives and communications).</li> <li>  The College has adopted a systematic process in identifying, evaluating and measuring its strategic and operational risks.</li> <li>  The College has adequate reporting in relation to risk management activities.</li> <li>  The College is providing appropriate risk management training.</li> </ul>	5

# Funding Reviews and Follow Up

Audit area	High level indicative summary scope	Total number of days
EMA	Mandatory review of the Education Maintenance Allowance Return.	3
SSF	Mandatory review of the Student Support Funds Return.	4
Credits	Mandatory review of the Credits Return.	8
Follow Up Review	<p>The purpose of this ongoing review is to assess whether the College has appropriately implemented the internal audit recommendations made in 2023/24 and earlier years. Our ongoing review will consider all outstanding recommendations to provide the Audit &amp; Risk Committee with independent assurance that we are satisfied that these recommendations have been fully implemented by the College and can therefore be removed from the rolling audit action plan.</p> <p>Our objective for this review is to ensure that:</p> <ul style="list-style-type: none"> <li>➤ The College has appropriately implemented any outstanding internal audit recommendations made in prior years.</li> </ul>	4

# Assignment Plans & Dates

## Assignment Plans

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

## Key Dates

Visit	Name	No. of audit days	Key college personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit & Risk committee
1	Credits	15	Lyn Tabor, Ann Rankin, Nicola Connelly	9 September 2024 & 16 September 2024	27 September 2024	19 November 2024
	EMA					
	SSF					
2	Financial Systems Healthcheck	6	Director of Finance / Nicola Connelly	21 October 2024	8 November 2024	19 March 2025
	Succession Planning	5	Exec Team			

# Assignment Plans & Dates

Visit	Name	No. of audit days	Key College personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit & Risk committee
3	CIVICA (Governance)	5	Stephanie Gunn / Liz Connolly	25 November 2024	13 December 2024	19 March 2025
4	Review of new CIVICA System	5	Stephanie Gunn / Liz Connolly	3 March 2025	21 March 2025	28 May 2025
5	Recruitment and Retention	5	Joe Rafferty	10 March 2025	28 March 2025	28 May 2025
	Enhancement Planning	5	Exec Team			
6	Freedom of Information	5	Joe Rafferty	14 April 2025	2 May 2025	28 May 2025
	College Corporate Strategy	5	Liz Connolly / Exec Team			
	Risk Management	5	Nicola Connelly / Exec Team			

# Appendices

**A – Summary of Internal Audit Input**

**B - Grading Structure**

**C – Key Performance Indicators**

**D – Training Topics**

# A – Summary of Internal Audit Input



1 August 2020 to 31 July 2025		Operating Plan (No. Of days)				
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25
Financial Systems	Overall Financial Controls	6				
	Financial Systems Health Check					6
	Review of Financial Regulations		5			
Funding	Budget / Financial Planning and Monitoring			5		
	Procurement & Tendering				5	
	Alternative / Non-SFC Funding Sources				6	
	Treasury & Cash Management		5			
	Payroll Review			8		
Non-Financial Systems	Study of Effect of Covid-19	8				
	Fraud Awareness	5				
	Complaints Handling	5				
	External Communications – Website	6				
	Assurance Mapping	6				
<b>Total Days c/f</b>		<b>36</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>6</b>

# A – Summary of Internal Audit Input

1 August 2020 to 31 July 2025		Operating Plan (No. Of days)				
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>b/f</b>	<b>36</b>	<b>10</b>	<b>13</b>	<b>11</b>	<b>6</b>
	HR: Sickness and Absence Reporting	5				
	Digital Strategy		6			
	Curriculum Strategy			6		
	Sustainability and Carbon Management		4			
	Estates Strategy				5	
	Business Continuity Planning		5			
	Curriculum Planning & Timetabling			5		
	Student Recruitment		5			
	Student Admissions / Enrolment				5	
	Safeguarding, Wellbeing and Counselling			6		
	College Corporate Strategy					5
	<b>c/f</b>	<b>41</b>	<b>30</b>	<b>30</b>	<b>21</b>	<b>11</b>

# A – Summary of Internal Audit Input



1 August 2020 to 31 July 2025		Operating Plan (No. Of days)				
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>b/f</b>	<b>41</b>	<b>30</b>	<b>30</b>	<b>21</b>	<b>11</b>
	Communications and Marketing Strategy				5	
	Review of new CIVICA System					5
	CIVICA (Governance)					5
	GDPR Compliance				5	
	Whistleblowing			5		
	Freedom of Information					5
	Enhancement Planning					5
	Continuing Professional Development				5	
	Succession Planning					5
	Recruitment and Retention					5
	People Strategy			6		
	IT Systems Administration		5			
	Response to IT Incident	3				
	<b>c/f</b>	<b>44</b>	<b>35</b>	<b>41</b>	<b>36</b>	<b>41</b>

# A – Summary of Internal Audit Input

1 August 2020 to 31 July 2025		Operating Plan (No. Of days)				
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>b/f</b>	<b>44</b>	<b>35</b>	<b>41</b>	<b>36</b>	<b>41</b>
Governance	IT Strategy			6		
	Corporate Governance				5	
Funding	Risk Management					5
	SSF	4	4	4	4	4
	EMA	3	3	3	3	3
	Credits	8	8	8	8	8
Required	Follow Up	4	4	4	4	4
	Audit Management	5	5	5	5	5
	<b>Total Days</b>	<b>68</b>	<b>59</b>	<b>71</b>	<b>65</b>	<b>70</b>

## B – Grading Structure

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

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

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

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

# C – Key Performance Indicators

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

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

# D – Training Topics

As a firm we offer a wide range of training topics to our clients and we have listed below some of the topics which we would be able to offer West College Scotland.

Topic	Summary
Risk Management	This can cover risk awareness, assessment of risks, responsibilities for monitoring risks, risk appetite and the scoring of risks. This is usually done as a workshop to ensure buy-in from management and committee members to the risk management process.
Role of the Board	This would cover the roles and responsibilities of Board members, including the Chair. This has been particularly useful when new Board members have been appointed and allows members to obtain some knowledge on what the expectation of a Board member is and what they should be looking out for.
Role of Internal Audit	We would provide a short session on what the internal audit function should be delivering to the College and the added value which we would bring.
Finance for Non-Financials	This is useful for committee members who do not have a finance background and covers areas such as the management accounts, budget reporting and the statutory accounts.
Fraud Awareness	We would cover the importance of having a strong control environment and areas to be aware of in relation to fraud. We would discuss some real-life examples of where we have identified or been asked to investigate allegations of fraud and the results of these investigations.

<b>Title of Paper</b>	<b>Rolling Audit Action Plan</b>
<b>Presented by:</b>	Susan McDonald, Governance Manager
<b>Decision:</b>	For Approval
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

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

The College has made good progress through fully implementing **seven** recommendations since the previous Committee. The implementation of these recommendations will require validation by the audit teams.

There are **twelve** recommendations where an extension to the previously stated deadline is being requested.

**One** on Whistleblowing will now be completed by **30 September 2024**.

**Three** are relating to the Corporate Strategy which will be submitted to the Board meeting on 9 December 2024, so a request has been made to extend the completion of this to **31 December 2024**.

**Eight** of the recommendations relate to the under-pinning strategies (Estates, Sustainability, People and IT) and are reliant upon the approval of the College Corporate Strategy. It is therefore requested to extend these deadlines to **31 March 2025** to allow consideration of and linking to the new Corporate Strategy

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:

*'To review the Internal Audit reports, the management response to them and to review implementation of the actions required.'* and *'To review the Rolling Audit Action Plan at each meeting.'*

**Recommendations:**

The Audit & Risk Committee is asked to **consider and approve** the requests and update on the Rolling Audit Action Plan.

<b>Implications:</b>	
<b>Financial</b>	Not applicable for this report
<b>Student Experience</b>	Not applicable for this report
<b>Human Resources</b>	Not applicable for this report
<b>Legal</b>	Not applicable for this report
<b>Reputational</b>	Not applicable for this report
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

## Background

The Rolling Audit Action Plan (RAAP) (Appendix A) provides an update on the progress made by the College in addressing the recommendations arising from the work of both the internal and external auditors.

## Overall Position

The summary table on page 2 indicates the origin of the 21 outstanding recommendations, with the completed ones noted. Below is a summary of the recommendations:

- 7 have been completed and are awaiting review by the auditors.
- 12 requests for extensions of time are being proposed for consideration.
- 2 are in progress with deadline dates noted for December 2024.
- 1 remains awaiting final approval from the Auditors.

There are twelve recommendations where the College is seeking an **extension to the deadline** date. The details and rationale for the requested extension can be found on page 6 to 10. Most of the extension requests relate to the development of the under-pinning strategies and their alignment to the new College Corporate Strategy which will be submitted to the Board meeting on 9 December 2024.

The audit of the new Corporate Strategy is scheduled to take place in April 2025.

## Recommendation Status

Audit recommendations are graded as noted below:

Grading	Classification
1	High
2	Medium
3	Low

Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by Senior Management of the organisation as a matter of urgency.

Significant issue or weakness which should be addressed by the organisation as soon as possible.

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

## Next Steps

The College will:

- Update the Rolling Audit Action Plan following consideration by the Committee.
- Continue to monitor the Rolling Audit Action Plan.
- Continue to work with the internal auditors to remove the recommendations considered as fully implemented for consideration by the next Committee Meeting.

<b>Title of Paper</b>	<b>2024-25 Audit Committee Schedule of Business</b>
<b>Presented by:</b>	S McDonald, Governance Manager
<b>Decision:</b>	<b>For review, comment and agreement</b>
<b>Status:</b>	<b>PUBLIC</b>

**Purpose / Executive Summary:**

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

The attached table gives Committee Members advance notice of the known items due to be discussed at forthcoming meetings. Please note that some of these will be subject to change as we progress through the year and other priorities emerge. This information has considered the internal and external audit plans, risk management responsibilities and the overall reporting requirements of the Committee. The calendar does not take into consideration future projects that may be submitted for discussion or approval; these will be added as timescales become known.

This table will be updated and presented for information at each Committee meeting. If there are material changes to the schedule of business these will be brought to the attention of the Committee.

The paper is presented in line with West College Scotland Audit Committee Terms of Reference: *'To review its own effectiveness at least annually and to report the results to the Board.'*

**Recommendations:**

The Audit & Risk Committee is requested to:

- **review** and make **comment** upon the proposed Schedule of Business and **consider** whether there are any further assurances required in work to be undertaken during 2024-25.

**Implications:**

<b>Financial</b>	Not applicable for this report
<b>Student Experience</b>	Not applicable for this report
<b>People</b>	Not applicable for this report
<b>Legal</b>	The remit of the Committee adheres to Audit Assurance Handbook guidelines and all areas are covered through the reports and information submitted to the Committee.
<b>Reputational</b>	Not applicable for this report
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report -EIs are embedded across the College's activities
<b>Environment</b>	Not applicable for this report

## Audit & Risk

<b>Joint Meeting with CDC (Nov)</b>			
		Annual Meeting with EA (no staff) Draft Report from Audit Committee to Board External Auditor Annual Report & Letter of Rep Internal Audit Annual Report Financial Statements for the year end & Annual report EA Reports on Student Activity & Student Funding Activity Corporate Governance Statement	
		Financial Year End Update Management Accounts to Oct Financial Forecast <b>Strategic Risk Register Update</b> <b>Compliance &amp; Legislative Update Report</b>	
<b>Spring Meeting (March)</b>			
<b>Governance:</b>	<b>Standing Items</b>	<b>Additional Items</b>	
	Minutes of Previous Meeting	Proposed dates for following year	
	Schedule of Business	Audit Needs Assessment / Assurance Map Update	
	Internal Audit (Updates/Reports)	(as per audit plan) <b>IA contract ends July 2025</b> CIVICA / Succession Planning/ Financial Systems	
	External Audit (Updates/Reports)	<b>Evaluation of External Auditor</b> Annual Review of Committee - process Annual Review of IA - process Review of Corporate Governance Statement	
<b>Corporate Reporting</b>			
<b>Finance / Estate/Risk</b>	Risk Management Rolling Audit Action Plan	Review of Strategic Risk Register  PCIP Report (ARC)	
<b>Annual Updates</b>			
<b>Policies:</b>	<b>National Fraud Initiative (every 2 years - 2026)</b>		
	<b>Cyber / Information Security</b> <b>Risk Management Framework</b>		

Summer Meeting (May / June)		
<b>Governance:</b>	Minutes of Previous Meeting Schedule of Business Internal Audit (Updates/Reports)  External Audit (Updates/Reports)	Annual Meeting with IA (exc staff) IA Final Report current year Draft IA Plan for following year ANA / Assurance Map IA Reports - Recruitment & Retention / Enhancement Planning/ FOI/Corp Strat/Risk EA Planning Strategy (current year) <b>Effectiveness Review - committee and IA</b>
<b>Corporate Reporting</b>	<b>Compliance &amp; Legislative Report Update</b>	
<b>Finance / Estate/Risk</b>	Risk Management Rolling Audit Action Plan	<b>Review of Strategic Risk Register</b>
<b>Annual Updates</b>		Insurance Policy Renewal
<b>Policies:</b>	<b>Policies:</b>	Risk / H&G / Anti-bribery / Anti-fraud

Autumn Meeting (September)		
<b>Governance:</b>	Minutes of Previous Meeting Schedule of Business  Internal Audit (Updates/Reports)  External Audit (Updates/Reports)	Review of Remit / Membership / Dates of Meetings Draft A&R Com report to Board Review of Corporate Governance Statement Outcome - Effectiveness Review - Committee and IA Draft Annual Report (Performance & Accountability) Final IA Annual Report (current year) Comms & Marketing IA Report (23/24)
<b>Corporate Reporting</b>	<b>Compliance &amp; Legislative Update</b>	SFC Accounts Direction for Scotland's Colleges
<b>Learning &amp; Teaching</b>		IT Security / Controls Report /
<b>Finance / Estate/Risk</b>	Risk Management Rolling Audit Action Plan	Review of College Financial Regulations Review of Risk Register Business Continuity Planning (result of summer event)
<b>Annual Updates</b>	Annual Updates:	Whistleblowing / FOI/DP/H&G/ROIs - Legislative update Purchasing Culture (Procurement) AM
<b>Policies:</b>	<b>Policies</b>	Public Interest Disclosure Policy (Sept 25) Risk Management Policy