

Boardroom, Falkirk Campus at 4.30pm
Refreshments will be available from 4pm

AGENDA

1. Declarations of interest
2. Apologies

FOR APPROVAL

3. Minutes of meeting of 27 June 2018
4. Matters Arising
 - a) A/17/041 AOCB – Audit Member training
5. Annual Internal Audit Plan 2018-19 Scott Moncrieff

(Elements of Paper 5 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

FOR DISCUSSION

6. Presentation of Internal Audit Reports Scott Moncrieff
 - a) Student Experience
 - b) Follow Up
 - c) GDPR
7. Internal Audit Annual Report 2017/18 Scott Moncrieff
8. Progress Report on Audit Recommendations Stephen Jarvie
9. Risk Management Alison Stewart

(Elements of Paper 9 are withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)

10. Review of Risk
 11. Any other competent business
-

Boardroom, Falkirk Campus (commencing at 5.00pm)

Present: Mrs Lorna Dougall (Chair)
Mrs Trudi Craggs
Mrs Beth Hamilton

In Attendance: Mrs Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Mr Stephen Jarvie, Corporate Governance and Planning Officer
Mr Donald McLean, Data Protection Officer (for item A/17/035 only)
Mr Gary Devlin, Scott Moncrieff
Ms Claire Stevenson, Scott Moncrieff
Mr Keith McPherson, Ernst & Young
Ms Sarah Croft, Ernst & Young

A/17/028 Declarations of Interest

None

A/17/029 Apologies for Absence

Mr Colin Alexander

A/17/030 Minute of Meeting of 23 November 2017

The Minute of 23 November 2017 was approved as accurate.

A/17/031 Matters Arising

a) A/17/020 Internal Audit Plan 2017/18

The Chair noted that the GDPR audit was scheduled for July 2018.

b) A/17/021 Preparing for GDPR

The Chair noted that members had requested the Information Commissioner's publication on the 12 Steps to GDPR. This has been included in the papers as a for information paper.

c) A/17/025 Risk Management Next Steps

The Chair informed members of discussions she had had with the VPFACA on revising the College risk management. Following discussion it was agreed that the risk register was sufficient in terms of detail but that the risks themselves could potentially be grouped under strategic themes and that the Board could examine whether opportunities should also be captured on the register.

A/17/032 Extension of Internal Auditor Appointment

Scott Moncrieff staff exited for this item.

The VPFAA presented a paper seeking approval for a one-year extension of the existing internal auditor's contract. She noted that the Internal Audit function had been running well and that it was intended to develop tender materials for a new internal audit provider to be issued in early 2019.

a) Members approved the one-year extension

Scott Moncrieff staff re-joined the meeting

A/17/033 External Audit Plan

Keith MacPherson, Ernst & Young, presented the proposed external auditor plan for consideration.

He noted that the scope and objectives as outlined in the plan were the same as the previous year.

He also informed members that no significant risks had been identified to date.

Members noted an error in the materiality levels in the document and it was agreed that this would be amended prior to submission of the plan to Audit Scotland.

Members also queried the level of the materiality and asked whether, on a percentage basis, whether this was in line with normal practice. It was confirmed that this was within the normal range.

a) Members approved the external audit plan subject to the agreed correction of the materiality level

A/17/034 Response to Ernst & Young Correspondence

The Chair presented members with correspondence from Ernst & Young seeking information from the Audit Committee. She discussed the proposed response that had been prepared for these questions and asked that members consider and approve the response.

Members highlighted changes to be made to one section that listed Ernst & Young as the main assurance mechanism, arguing that this created a circular argument, as the letter was to provide assurance to Ernst & Young. Members discussed alternative assurances that could be included in the letter and it was agreed that the letter would be amended prior to sending.

a) Members approved the response subject to the agreed revisions.

A/17/035 GDPR (Verbal)

Donald MacLean, College Data Protection Officer, presented members with an overview of his role as part of the shared service from UCSS and outlined the progress made by the College in complying with the new General Data Protection Regulations (GDPR).

He noted that, overall, the College was in a good position with key documentation and processes in place and went on to outline ongoing developments to underpin GDPR in the College.

Members queried what training and communications with staff had been made. Mr MacLean noted that the College had implemented training for all staff and that there had been ongoing communications.

The VPFAA informed members that an audit on the College GDPR activity had been arranged with the internal auditors.

a) Members noted the content of the update

A/17/036 Presentation of Internal Audit Reports

Claire Stevenson, Scott Moncrieff presented the audit report on payroll and expenses.

She noted that overall there were robust controls within the College and outlined the opportunities for improvement that had been identified by the audit.

a) Members noted the content of the report

A/17/037 2017/18 Internal Audit Plan Progress Report

Gary Devlin, Scott Moncrieff, presented a report on activity within 2017/18. He noted that the programme was broadly on track with that approved by the Audit Committee and that the outstanding audits on the plan had been scheduled in.

a) Members noted the content of the report

A/17/038 Progress Report on Audit Recommendations

The Corporate Governance and Planning Officer presented an update on progress and noted a request to extend the completion date for one of the recommendations

a) Members noted the content of the report and agreed the extension.

A/17/039 Risk Management

The VPFACA presented the risk register for consideration. She outlined the changes since the last meeting of the Committee and reported that the College was seeking to remove a number of risks that had matured.

Gary Devlin noted that risk registers would normally contain a fire risk in association with new builds. It was agreed to refer this comment onto the Falkirk Campus Project Board.

a) Members noted the content of the report

A/17/040 Review of Risk

No new risks identified

A/17/041 Any Other Competent Business

The VPFACA informed members that the College Development Network had developed a training module for audit committee members and that a link to this training would be sent out along with an indication of the time commitment of the training.

She also informed members that the College was still seeking to identify an individual with relevant finance experience to serve on the Committee on a co-opted basis. She noted that she had a meeting arranged with a prospective candidate.

Gary Devlin updated members on an internal restructure within Scott Moncrieff to bring all College audit activity into one team under a new director and that an introductory meeting with the College would be arranged.

1. Purpose

To provide members with the draft internal audit plan for 2018-19

2. Recommendation

That member's discuss the attached internal audit plan, suggest any additional audits which may be required and approve the plan.

3. Background

Scott Moncrieff meet with senior management each year to discuss the plan for the current academic year.

4. Key Considerations

The attached plan has been developed following meetings between Scott Moncrieff and the Vice Principal Finance and Corporate Affairs. It takes into account suggested practice from Audit Scotland and the College risk register.

Claire Stevenson, Audit Manager at Scott Moncrieff, presented the plan to SMT on Tuesday 28 August 2018 and suggested changes have been incorporated.

5. Financial Implications

Please detail the financial implications of this item – Audit costs are budgeted however the final cost will depend on the number of audit days required to fulfil the agreed plan.

6. Equalities

Assessment in Place? – Yes No

If No, please explain why – The internal audit plan does not cover any equalities related matters specifically however, internal audit activity may discover equalities issues as part of their review work. Any such issues will be highlighted in the reports which go to SMT and the Audit Committee.

Please summarise any positive/negative impacts (noting mitigating actions) – Not applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		X
Low	X	
Very Low		

Please describe any risks associated with this paper and associated mitigating actions – Failure to implement an effective internal audit plan gives rise to the risk that College systems are not being effectively reviewed. The College External Auditors also rely on internal audit reports as part of their work on the College annual accounts

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No **Health and Safety** – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart



Forth Valley College
Annual Internal Audit Plan
2018-19

August 2018



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Forth Valley College

Internal Audit Plan 2018-19

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Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

Scott-Moncrieff's internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

Internal Audit Plan

PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account Forth Valley College's (the College) risk management framework, its strategic objectives and priorities, and the views of senior managers and the Audit Committee.

The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks are being managed effectively and value for money is being achieved.

This document addresses these requirements by setting out a detailed plan for 2018/19 in the context of the strategic internal audit plan for the period 2015 to 2018.

Audit Committee action

The Audit Committee is asked to review and approve the proposed audit plan for 2018/19.

The plan will remain flexible to react to the College's emerging needs. Any changes to the plan will be agreed with management and the Audit Committee.

Internal audit approach

Supporting the Governance Statement

Our Internal Audit Plan is designed to provide the College, through the Audit Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management, and internal control processes by using a systematic and disciplined evaluation approach.

Risk based internal auditing

Our internal audit methodology links internal audit activity to the organisation's risk management framework. The main benefit to the College is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

We have reviewed the College's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

Audit needs assessment

Internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment takes both a top-down and bottom-up approach followed by a reasonableness check. The top-down approach involves identifying the areas of highest inherent risk and the control systems in place to manage those risks. The bottom-up approach involves defining the College's audit universe (potential auditable areas) and covering all systems on a cyclical basis in line with their relative risk and significance. The reasonableness check involves us using our experience of similar organisations, together with discussions with other internal auditors, to ensure that all key risk areas and systems have been considered and the resulting Internal Audit Plan seems appropriate.

Our audit needs assessment involved the following activities:

- Reviewing risk registers
- Reviewing strategic and operational plans
- Reviewing previous internal audit reports
- Reviewing external audit reports and plans
- Reviewing the website and internal policies and procedures
- Discussions with the Senior Management Team and the Audit Committee

The audit needs assessment is revised on an on-going basis (at least annually) to take account of any changes in the College's risk profile. Any changes to the Internal Audit Plan are approved by the Audit Committee.

Liaison with external audit

We seek to complement the areas being covered by the College's external auditor. This helps us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of the total audit resource.

Best value

Our work helps the College to determine whether services are providing best value. Each year, the Internal Audit Plan contains specific reviews that focus on assessing whether the current processes provide best value. In addition, every review includes an assessment of value for money; i.e. whether the controls identified to mitigate risks are working efficiently and effectively. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

Delivering the internal audit plan

Internal Audit Charter

At Appendix 5 we have set out our Internal Audit Charter, which details how we will work together to deliver the Internal Audit Plan.

Assignment planning

We would like internal audit to be seen as part of the wider management team at the College, working closely with senior and operational managers to develop and deliver a programme of internal audit work that adds value to the College and encourages continuous process improvement.

To achieve this, we will ensure that assignment plans for all internal audit reviews are agreed with the audit sponsor and key contacts well in advance of the fieldwork commencing. To facilitate this, we need the audit sponsors to identify key contacts for each review and help us to focus the reviews in the right areas.

Audit reporting

We will ensure all audit reports will be fully discussed and agreed with management before being submitted to the Audit Committee.

Confirmation of independence

PSIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members identified to complete the reviews in the annual plan are independent and their objectivity has not been compromised.

Internal Audit Team Contacts

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Engagement Partner

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Claire Stevenson



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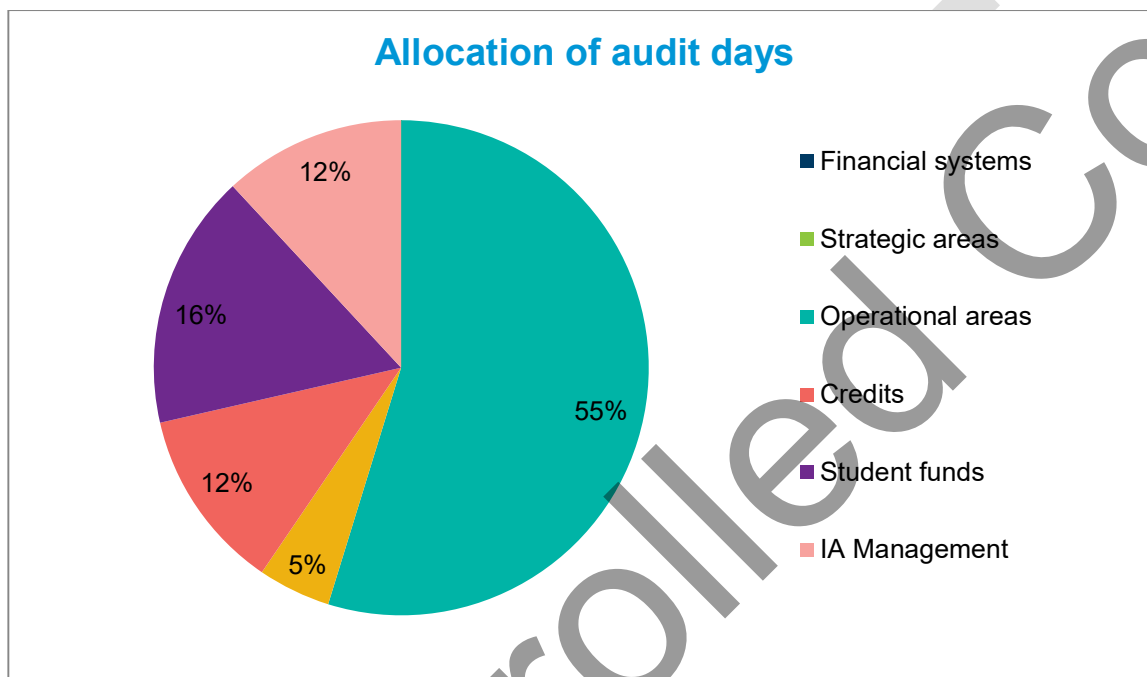
telephone: 0141 567 4500

Proposed Internal Audit Plan

Appendix 1 presents the Internal Audit Plan for 2015/16 to 2018/19.

As our internal audit approach is based on risk, the proposed plan is also cross-referenced to the Risk Register, which is included at Appendix 2 for reference.

The table below demonstrates how the total internal audit days for 2018/19 are allocated across each area of audit activity.



Appendix 1 – Internal Audit Plan 2015-19

Audit area	2015/16 Plan days	2016/17 Plan days	2017/18 Plan days	2018/19 Plan days	Risk Reg Ref	Notes
A. Finance and financial management reviews						
A.1 Treasury and cash management	3				2, 3, 4, 10	Review of processes in place for treasury and cash management, including receipt and recording of income and monitoring of bank accounts.
A2. Budget setting and monitoring		5				Review of overall budgeting framework, i.e. how the budgets are initially generated, authorised and rolled out, how performance against budget is monitored and reported, how budget variances are dealt with, including clarity of budget holder responsibilities.
A3. Income and debtors	3					Review of processes in place for identifying income, raising invoices and receiving/recording income and the approach to debtor management, including ensuring funds due are received and accounted for appropriately.
A4. Non-pay expenditure and creditors		3				To ensure all payments are for valid and approved creditor accounts for goods and services actually received. Ensure payments are correct and accurately accounted for. Ensure VAT regulations complied with.
A5. Payroll and expenses			6			To evaluate and test the controls in place over payroll, including standing changes to

Audit area	2015/16 Plan days	2016/17 Plan days	2017/18 Plan days	2018/19 Plan days	Risk Reg Ref	Notes
						payroll data. Will also include testing of expense claims.
A6. Financial return	3					A review to provide assurance over the annual financial return to SFC.
TOTAL A – Key Financial Systems	9	8	6	0		
B. Strategic and Governance reviews						
B1. Risk management		1			<i>All risks</i>	Review of procedures for risk identification, assessment, mitigation and reporting across the College (strategic and operational).
B2. Risk workshop		4			<i>All risks</i>	Work carried forward from 2015/16. To facilitate a workshop with SMT and Heads of Service to discuss risk, review and score existing risks, and identify any new risks.
TOTAL B – Strategic / Governance	2	5	-	-		
C. Operational reviews						
C1. International strategy and operations		5			3	To review the College's international strategy and operations, including UKVI compliance.
C2. Project management (new campus)		5		5	7	To assess the arrangements for delivering the new campus project, focusing on: 2016/17: project governance arrangements, including the business case, set up of project management arrangements and ongoing project monitoring. 2018/19: ongoing project management

Audit area	2015/16 Plan days	2016/17 Plan days	2017/18 Plan days	2018/19 Plan days	Risk Reg Ref	Notes
						arrangements (in light of key staff changes) and preparations for transfer of college services to the new building.
C3. Health and safety	6					To review arrangements in place for complying with Health and Safety regulations and College Policies on Health and Safety.
C4. Student experience			7	7	4, 6, 8, 12	To review internal controls and governance over an aspect of the student experience: 2017/18: student feedback processes and arrangements for reporting hate crimes. 2018/19: curriculum planning, including consideration of wider skills need and available resources.
C5. People strategy				5	1, 2	To assess implementation of the College's People Strategy, including SMART action planning, assessment of resource need, progress reporting and use of feedback to inform future activity.
C6. Mental health services				6		To assess the College's arrangements for delivering mental health services. Our review will focus on how staff identify students with potential mental health issues and provide additional support to those students, including use of the formal support services provided by the College.
TOTAL C – Operational	6	10	7	23		
D. Additional Audit Services						

Audit area	2015/16 Plan days	2016/17 Plan days	2017/18 Plan days	2018/19 Plan days	Risk Reg Ref	Notes
D1. Credits audit	5	5	5	5	12	Standard review in line with issued guidance.
D2. Student Funds				7	12	Standard review in line with issued guidance.
D3. IT healthcheck / GDPR readiness	6		8		5, 9, 11	2015/16. To perform a health check review of key controls over key IT systems, including business continuity planning. 2017/18. To perform a review of Information Governance and GDPR readiness ahead of changes in data protection legislation coming into force in May 2018.
TOTAL D – Additional Audit Services	11	5	13	12		
E. Internal audit management						
Follow-up of prior recommendations	2	2	2	2		To assess progress in implementing previous internal audit recommendations.
Audit management, Audit Committees, external audit liaison, annual planning, annual audit report	3	3	3	3		Includes initial planning meetings, documentation review and audit needs assessment in 2015/16.
Management support / contingency days	2	2	2	2		To respond to additional management request as required and contingency to enable plan flexibility.
TOTAL E – Internal audit management	7	7	7	7		
TOTAL ANNUAL DAYS IN IA PLAN	35	35	33	42		

Appendix 2 – Strategic Risk Register

The table below shows how each risk in the Strategic Risk Register (as presented to the August 2017 Audit Committee) is covered in the Internal Audit Plan.

Risk ref	Area	Brief Description	Initial Risk Score		Residual Risk Score		Internal audit reviews
			L x I	Score	L x I	Score	
1	Strategic	Strike action arising from National Bargaining negotiations will impact on the learning and teaching provision for students.	VH x VH	25	VH x VH	25	C5. People strategy
2	Finance	National bargaining will impact on the salary structure and terms and conditions of both support and teaching staff.	VH x H	20	VH x H	20	A. Finance reviews C5. People strategy
3	Finance	The current economic environment including BREXIT, changes to the Oil & Gas sector, HEI investment levels and international unrest will impact on the College's ability to generate commercial income.	VH x VH	25	VH x H	20	A. Finance reviews A7. Commercial income C1. International strategy and operations
4	Strategic	Uncertainty over SFC allocation levels for the College will impact on the curriculum planning process.	H x H	16	H x H	16	A. Finance reviews C4. Student experience
5	Strategic	Implementation of the new General Data Protection Regulations (GDPR) by the EU and any subsequent UK legislation will impact on College data management practices.	VH x H	20	M x H	12	D3. IT healthcheck
6	Finance	SDS funding for Foundation Apprenticeships is insufficient to cover college costs and prevents the college from delivering on this DYW target. The College is unable to deliver on the Scottish Government's targets for Foundation Apprenticeship (FA) delivery.	H x M	12	H x M	12	A. Finance Reviews C4. Student experience
7	Estates	[REDACTED]	VH x VH	25	VH x L	10	C2. Project management (new campus)
8	Strategic	Reputational Damage may arise to the sector from the new Education Scotland self-evaluation system	M x M	9	M x M	9	C4. Student Experience
9	Business Continuity	As the College becomes ever more reliant on IT and systems to deliver to our learners, and to support learners and staff, that disruption to this provision has a more significant impact.	L x VH	10	L x H	8	D3. IT healthcheck

10	HR	Financial restrictions limit the ability to fund pay increases.	H x H	16	L x M	6	A. Finance reviews
11	Governance	In the event of a serious incident, the lack of an up to date and tested Business Continuity Plan could lead to increased risk, delay and costs.	L x VH	10	L x M	6	D3. IT healthcheck
12	Strategic	Failure to deliver upon targets within Outcome Agreement impact upon the College.	L x VH	10	L x M	6	C4. Student experience D1. Credits D2. Student Funds

Appendix 3 – Audit timetable

Ref and name of report	Audit sponsor	Start audit	Complete fieldwork	Draft report	Mgmt response	Final report	Audit C'ttee
C2. Project management (new campus)	TBC	16 Jan 19	18 Jan 19	1 Feb 19	15 Feb 19	1 Mar 19	Apr 19
C4. Student experience	TBC	29 Apr 19	2 May 19	16 May 19	30 May 19	7 June 19	May 19
C5. People strategy	TBC	4 Feb 19	7 Feb 19	21 Feb 19	7 Mar 19	14 Mar 19	Apr 19
C6. Mental health services	TBC	18 Feb 19	21 Feb 19	7 Mar 19	21 Mar 19	28 Mar 19	May 19
D1. Credits	Vice Principal Information Systems and Communications	17 Sept 18	21 Sept 18	28 Sept 18	3 Oct 18	5 Oct 18	Nov 18
D2. Student funds	Vice Principal Information Systems and Communications	24 Sept 18	28 Sept 18	3 Oct 18	4 Oct 18	5 Oct 18	Nov 18
Follow Up	Vice Principal Finance and Corporate Affairs	25 June 19	25 June 19	9 July 19	23 July 19	30 July 19	Sept 19
Annual Internal Audit Report	N/A	-	-	July 19	July 19	Aug 19	Sept 19

Appendix 4 – Audit Universe

Audit area	2015/16	2016/17	2017/18	2018/19	Risk Rating	Frequency
A. Key financial systems						
Financial reporting					L	Reviewed annually by external audit
Accounting policies					L	Reviewed annually by external audit
Financial ledger					L	Reviewed annually by external audit
Budget management		✓			H	Cyclical review - every 3 - 5 years
Fixed assets					L	Cyclical review - every 3 - 5 years
Treasury and cash management	✓				M	Cyclical review - every 3 - 5 years
Income	✓				M	Cyclical review - every 3 - 5 years
Debtors	✓				M	Cyclical review - every 3 - 5 years
Payroll			✓		L	Cyclical review - every 3 - 5 years
Travel and subsistence			✓		L	Cyclical review - every 3 - 5 years
Expenditure and payables		✓			M	Cyclical review - every 3 - 5 years
Procurement / tendering					M	Cyclical review - every 3 - 5 years
Commercial income					H	Cyclical review - every 3 - 5 years
B. Risk management and governance						
Risk management	✓	✓			H	Cyclical review every 3 - 5 years
Corporate governance		✓			M	Cyclical review every 3 - 5 years
Strategic / operational planning					H	Cyclical review every 3 - 5 years
Fraud prevention arrangements					M	Cyclical review every 3 - 5 years
Lean reviews					L	At Audit Committee's request
C. Operational						
Partnership working					M	Cyclical review every 3 - 5 years
Student experience			✓	✓	H	Key risk across the sector
Workforce management				✓	M	Cyclical review every 3 - 5 years; reviewed through audit over People Strategy
Education Contracts					L	Cyclical review every 3 - 5 years

Audit area	2015/16	2016/17	2017/18	2018/19	Risk Rating	Frequency
Commercial Courses					M	Cyclical review every 3 - 5 years
Succession planning				✓	M	Cyclical review every 3 - 5 years; reviewed through audit over People Strategy
Recruitment and retention				✓	H	Cyclical review every 3 - 5 years; reviewed through audit over People Strategy
Sickness absence					L	Cyclical review every 3 - 5 years
Performance management					H	Cyclical review every 3 - 5 years
Internal communications					M	Cyclical review every 3 - 5 years
External communications					M	Cyclical review every 3 - 5 years
Change management					M	Cyclical review every 3 - 5 years
Capital project management		✓		✓	H	Cyclical review every 3 - 5 years
Timetabling and Curriculum planning				✓	M	Cyclical review every 3 - 5 years
Student Records					M	Cyclical review every 3 - 5 years
Health and safety	✓				M	Cyclical review every 3 - 5 years
Incident management					M	Covered by business continuity planning
Business continuity planning	✓				H	Cyclical review every 3 - 5 years
Information governance			✓		M	Cyclical review every 3 - 5 years
IT strategy	✓				M	Cyclical review every 3 - 5 years
IT security	✓				M	Cyclical review every 3 - 5 years
D. Additional Audit Services						
Sums/Credits	✓	✓	✓	✓	H	Annual review
FE bursary fund				✓	H	Annual review
FE discretionary fund				✓	H	Annual review
FE childcare fund				✓	H	Annual review
HE Discretionary Fund (SAAS)				✓	H	Annual review
Educational Maintenance Allowance				✓	H	Annual review

Appendix 5 - Internal Audit Charter

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the College.

It helps the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Aim

The aim of this Charter is to set out the management by all parties of the internal audit process. The Charter sets out the context of the internal audit function, including the place of the Audit Committee, the key personnel, timescales and processes to be followed for each internal audit review.

Role

The internal audit activity is established by the Audit Committee on behalf of the Board of Governors. The internal audit activity's responsibilities are defined by the Audit Committee as part of its oversight role.

Professionalism

The internal audit activity will adhere to mandatory guidance of The Chartered Institute of Internal Auditors (CIIA) including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The CIIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to the College's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Internal audit activity will also reflect relevant Scottish Funding Council directions, as appropriate to the College.

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the College's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Audit Committee.

Accountability

The Chief Audit Executive will be accountable to the Audit Committee and will report administratively to the Director of Finance and Student Funding.

The Audit Committee will approve all decisions regarding the performance evaluation, appointment, or removal of the Chief Audit Executive.

The Chief Audit Executive will communicate and interact directly with the Audit Committee, including between Audit Committee meetings as appropriate.

Independence and objectivity

The internal audit activity will remain free from interference by any element in the College, including matters of audit selection, scope, procedures, frequency, timing, or report content. This is essential in maintaining the internal auditors' independence and objectivity.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal audit's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

The Chief Audit Executive will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit activity.

Scope and responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

- Consistency of operations or programmes with established objectives and goals
- Effectiveness and efficiency of operations and use of resources
- Compliance with significant policies, plans, procedures, laws, and regulations
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
- Safeguarding of assets

Internal Audit is responsible for evaluating all processes ('audit universe') of the College, including governance processes and risk management processes. In doing so, internal audit maintains a proper degree of coordination with external audit.

Internal audit may perform consulting and advisory services related to governance, risk management and control. It may also evaluate specific operations at the request of the Audit Committee or management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by the College.

Annual internal audit plan

The audit year runs from 1 August to 31 July.

At least annually, the Chief Audit Executive will submit to the Audit Committee an Internal Audit Plan for review and approval. The Internal Audit Plan will detail, for each subject review area:

- The outline scope for the review;
- The number of days budgeted;
- The timing, including which Audit Committee the final report will go to; and
- The review sponsor.

The Internal Audit Plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management. Prior to submission to the Audit Committee for approval, the plan will be discussed with senior management. Any significant deviation from the approved Internal Audit Plan will be communicated through the periodic activity reporting process.

Assignment Planning and Conduct

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment.

Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact).

The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

Reporting and Monitoring

The internal auditor will discuss key issues arising from the audit as soon as reasonably practicable with the key contact and/or review sponsor, as appropriate.

A written report will be prepared and issued by the Chief Audit Executive or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.

Draft reports will be issued by email within 10 working days of fieldwork concluding. The covering email will specify the deadline for management responses, which will normally be within a further 10 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor and the Director of Finance and Student Funding. The final report will be issued within 5 working days of the management responses being received.

Finalised internal audit reports will be presented to the Audit Committee. Finalised internal audit outputs must be in the hands of the committee secretary at least 10 working days before the date of each meeting

The working days set out above are maximum timescales and tighter timescales may be set out in the assignment plan.

The internal audit activity will follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

Audit Committee

The Audit Committee meets four times a year, normally in September, November, March and June. Dates for Audit Committee meetings will be provided to internal audit as soon as they are agreed. The Chief Audit Executive and/ or Internal Audit Manager will attend all meetings of the Audit Committee.

Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over the Audit Committee meetings. The annual Internal Audit Plan will detail the internal audit reports to be presented to each Audit Committee meeting.

The internal auditor will generally present specific reports to the Committee as follows:

Output	Meeting
Audit needs assessment	August
Annual Internal Audit Plan	August
Follow-up reports	August
Annual report	August
Status report	All meetings

The Audit Committee will meet privately with the internal auditors at least once per year.

Periodic Assessment

The Chief Audit Executive is responsible for providing a periodic self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan.

In addition, the Chief Audit Executive will communicate to senior management and the Audit Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years in accordance with Public Sector Internal Audit Standards.

Review of Charter

This Charter will be reviewed by both parties each year and amended if appropriate.

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Forth Valley College

Student Experience

June 2018



Scott-Moncrieff
business advisers and accountants



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Forth Valley College

Internal Audit Report 2017/18

Student Experience

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<i>Audit Sponsor</i>	<i>Key Contacts</i>	<i>Audit team</i>
<i>Mhairi Shillinglaw, Head of Equalities, Inclusion and Learning Services</i>	<i>Rob McDermott, Quality Manager</i>	<i>Gary Devlin, Director Claire Stevenson, Audit Manager Christopher Young, Auditor</i>

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Executive Summary

Conclusion

We have gained assurance that Forth Valley College (the College) has robust processes in place for gathering, analysing and addressing feedback at both a college-wide and curriculum department level. This includes completing student feedback sessions every six months, which are used to identify and address areas for improvement. We have identified one minor improvement action in this area to support the collection of honest and constructive feedback from students.

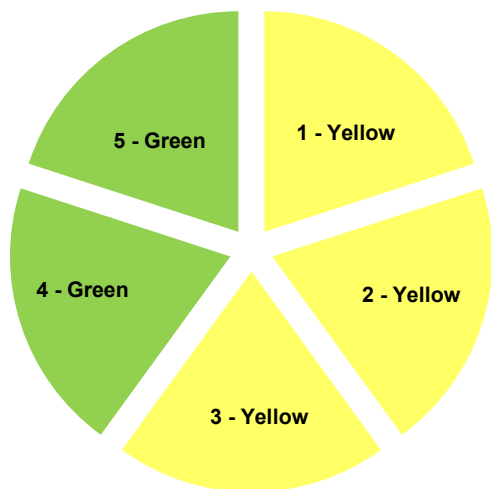
The College has recently raised awareness of hate crime and the processes for reporting and responding to incidents. This action was taken in response to the small number of minor incidents reported to-date. We have included within our report two actions to help support awareness-raising and ensure appropriate action is taken to address hate crime going forward.

Background and scope

Student satisfaction is recognised across the College sector as a key area in which it must deliver effectively in order to attract and retain students. Student experiences have a considerable effect upon a College's reputation, as well as future applications. It is therefore crucial that students are satisfied with the services provided and the facilities that are in place.

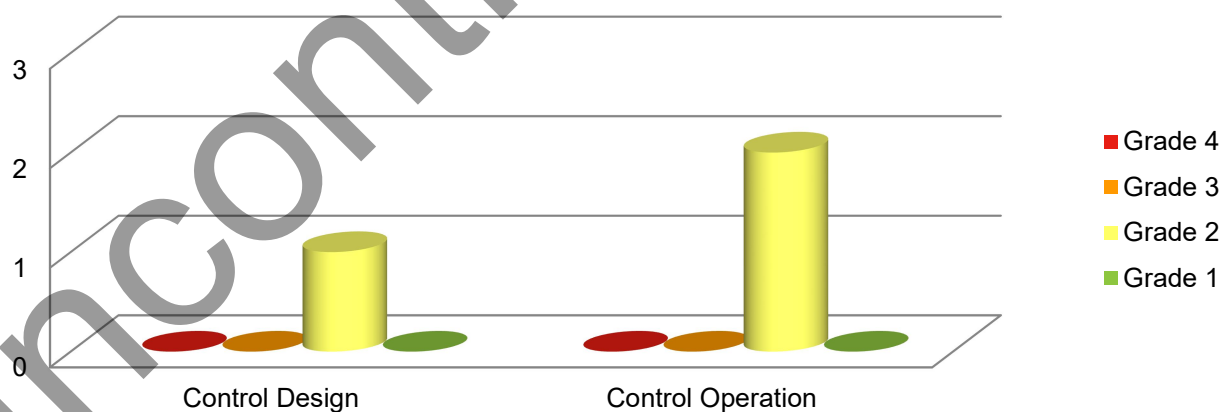
Our review focused on two areas that impact on the student experience: student feedback mechanisms, and the hate incident reporting process. In respect of student feedback, we reviewed the processes for ensuring students have sufficient opportunity to provide feedback, that staff appropriately review and act on the feedback received, and that any improvements made are communicated to students to. For hate crime, we assessed the College's processes for responding to hate crimes and how effectively those processes were being applied across the College.

Control assessment



- 1. There is a framework in place to ensure feedback is regularly sought from across the student body.
- 2. Robust hate incident monitoring procedure is in place to support the proper handling of complaints.
- 3. Student feedback and hate incidents are recorded, analysed and reported regularly with a complete, accurate and up-to-date record being maintained.
- 4. Hate incidents and student feedback are analysed and used by management to aid continuous improvement in service delivery.
- 5. A feedback loop exists to ensure transparency within the student feedback and hate incident processes, with regular updates being provided to students as appropriate.

Improvement actions by type and priority



Three improvement actions have been identified from this review, two of which relate to compliance with existing procedures, rather than the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that the College's procedures reflect good practice in a number of areas:

- The College has a variety of methods for gathering feedback from students. Staff issue college-wide satisfaction surveys on an annual basis. The College also arranges six monthly feedback sessions for each curriculum area to allow students to provide course specific and general feedback. The Learning and Quality department collate the feedback and develop an action plan to implement improvements.
- Staff analyse the feedback received to identify key themes and inform improvement actions that are captured within the College's Enhancement Plan, which is made available to staff and students for information.
- Each curriculum area considers student feedback when performing their annual 'Team Evaluation' performance review and creating an improvement action plan for the next year.
- The Equalities team follows up each hate incident reported with the complainant to ensure the receiving curriculum area or manager has appropriately communicated the outcome of any investigation into the incident and to seek their feedback on the process.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen the College's control framework. These include:

- Reminding staff that student feedback sessions should be led by class representatives to facilitate open and honest discussions on course delivery;
- Assessing whether the recent publication of the hate incident leaflet has a positive impact on staff and student awareness and adherence to the processes to be followed to ensure each incident is reported and addressed appropriately; and
- Ensuring sufficient oversight is provided over the hate incident process to confirm the College is responding appropriately to hate crime.

These are further discussed in the Management Action Plan below.

Impact on risk register

The College's corporate risk register included the following risk relevant to this review:

- Risk 2: Strike action arising from National Bargaining negotiations will impact on the learning and teaching provision for students (Risk rating: 25 – High).

We did not identify any issues through our review that would impact on the scoring of this risk.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

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Management Action Plan

Control Objective 1: There is a framework in place to ensure feedback is regularly sought from across the student body.

Yellow

1.1 'Listening to Learners' sessions

Each curriculum area within the College is broken down into teaching units that deliver certain courses. The Learning and Quality department requires each teaching unit to hold 'Listening to Learners' feedback sessions twice each academic year. The sessions supplement electronic student satisfaction surveys by providing an opportunity for students to feedback face-to-face and allow staff to gain a more in-depth understanding of any issues experienced.

For teaching block two of 2017/18, the Quality team informed the curriculum areas that class representatives should lead the sessions going forward instead of staff. This change reflected feedback received through student council meetings that some students felt uncomfortable providing feedback to lecturers.

However, we identified this change may have not been implemented consistently across all teaching units. We held discussions with two of the College's 18 curriculum managers (English for Speakers of Other Languages, and Electrical, Instrumental and Chemical Engineering) who stated sessions were continuing to be run by a mixture of curriculum managers, lecturers and class representatives.

Risk

There is a risk that students won't provide honest and open feedback if lecturers and curriculum managers continue to lead the feedback sessions. Issues may go unreported or staff may not fully understand the extent or underlying causes of problems, which may mean the issue go unresolved. This could have a negative impact on student morale and attainment rates.

Recommendation

Staff should be reminded of the importance of having class representatives leading feedback sessions to ensure students feel comfortable to raise open and constructive feedback. The Quality team should then perform checks to confirm this change has been implemented across the different curriculum areas and teaching units.

Grade 2
(Operation)**Management Action**

- Review current procedure to emphasise that Listening to Learner activity is student led, unless it is deemed inappropriate as a consequence of factors such as capability of class representative, lower level of group or a risk identified where feedback may not reflect that of the group or be of a poor quality. Procedure to be updated by September 2018.
- Ensure that procedure in relation to Listening to Learners and the facilitation of these sessions is clearly communicated as part of class representative training, by October 2018 and repeated yearly.
- Ensure that procedure in relation to Listening to Learners and the facilitation of these sessions is clearly communicated to Curriculum and Operational managers, by October 2018 and repeated yearly.
- Learning and Quality Team to review Listening to Learners feedback with Student Association and Curriculum/Operational Managers, to assess compliance with procedure – this will be an ongoing process.

Action owner: Head of Learning and Quality**Due date:** October 2018

Control Objective 2: Robust hate incident monitoring procedure is in place to support the proper handling of complaints.



Yellow

2.1 Hate incidents

The College has processes in place for recording and addressing hate incidents. Where learners or staff report an incident, the receiving staff member should assess whether it's potentially a hate incident and if it is, complete a hate incident monitoring form. Staff then follow established processes for student discipline and bullying to investigate and respond to the incident. For the purposes of the student discipline process, hate incidents fall under the category of 'gross misconduct' and should be dealt with more stringently than other incidents. At the end of the process, staff provide the completed hate incident monitoring form to the Equalities team, who record the incident on a central register and anonymously share the information with the Central Scotland Regional Equality Council. The Council use the information to prepare hate incident statistics and inform strategic planning to tackle hate crime in the area.

At the time of our review, staff issued a leaflet to students and staff outlining information on hate crime and the processes to be followed for reporting and addressing them. The College issued the leaflet in response to concerns around staff and student awareness of hate crime. We can confirm we viewed evidence during our review that suggests staff/students may have not been fully aware of or adhering to the hate incident reporting process prior to the issue of the leaflet. For example:

- The College has only recorded four hate incidents within the hate incident register since January 2017.
- We noted one incident that was treated as a complaint and was not included within the hate incident register, but that appeared to fall into the category of a hate incident (offensive language relating to an individual's sexuality). Whilst we confirmed the incident was addressed appropriately, the incident was not recorded for statistical purposes.
- We reviewed another incident that involved the same type of verbal abuse, which was recorded on the hate incident register, but had not been treated as gross misconduct in line with the student discipline policy. Whilst the action taken may have been sufficient based on the circumstances of the incident, the response was not in line with documented policy.
- We understand from our discussions with two Curriculum Managers that, where informal discussions on potential misconduct with a student result in no further action being taken, staff may not keep a formal record of the discussions on the student records system, Unit-e. This prevents the College from maintaining a central, complete record of prior incidents or using the information to inform statistical reporting.

Risk

There is a risk that the College may not fully understand the prevalence of hate incidents within the College or ensure they're treated with appropriate severity, where hate incidents are not recorded and addressed via the established process. The College may be perceived as not taking sufficient action to address individual incidents or the underlying causes, and could face significant reputational damage as a result.

The College may also miss the opportunity to help tackle hate crime within the local area via the Central Scotland Regional Equality Council.

Recommendation

We endorse the action already taken by the College to raise awareness of hate crime and the process for reporting and investigating incidents. After a suitable bedding in period, the College should assess whether the hate crime leaflet has had a positive impact on staff and student awareness of the hate incident process. Staff could assess awareness through a college-wide survey or through reviewing whether there has been an increase in the number of incidents recorded.

Where no improvement has been noted, the College should explore other mechanisms for raising awareness, such as running brief training sessions for staff and students.

Management Action

Grade 2
(Operation)

- Ensure all staff receive copy of HIM leaflet; follow up with information in eFocus and highlight where information available on SharePoint and other platforms by mid-September 2018.
- Ensure HIM is included within Student Induction via LDWs and on Moodle by mid-August 2018
- Regularly review number of reported hate incidents (ongoing)

Action owner: *Head of Equalities, Inclusion and Learning Services* **Due date:** September 2018

Control Objective 3: Student feedback and hate incidents are recorded, analysed and reported regularly with a complete, accurate and up-to-date record being maintained.



Yellow

3.1 Hate incident reporting

The Diversity Coordinator reports externally on the hate incidents that have occurred within the College to the Central Scotland Regional Equality Council. We understand, however, that there is currently no internal reporting on hate incidents. Staff informed us this was due to the low level of incidents recorded to-date, with only four incidents recorded since January 2017.

Risk

There is a risk that insufficient action is taken to address a lack of staff/student engagement with the hate incident process or issues emerging from reported incidents, due to the lack of internal oversight. The College may be perceived as not taking sufficient action to address hate crime and could face reputational damage as a result.

Recommendation

We understand only four hate incidents have been recorded since January 2017. Management should, however, consider whether internal reporting on hate incidents would be beneficial. Reporting could occur on an annual basis or more frequently if the level of reported incidents rises. Reporting could include:

- The number of incidents reported, including where no incidents have occurred. This could be used to demonstrate a potential lack of engagement with the hate incident process and be informed by statistics from the Central Scotland Regional Equality Council to compare the level of incidents reported within the College in comparison to other bodies within the area.
- Details of the incidents that have been reported, including how those incidents have been addressed.
- Trend analysis of the type of incidents experienced to identify systemic issues and potential improvements (where the number of reported incidents increases).

Management Action

Grade 2
(Design)

- Consider feasibility of curriculum areas recording 'low-level' incidents which do not result in formal action being taken
- Review examples where formal (disciplinary) action is underway as to whether incident should be logged as a hate incident
- Set up a regular reporting process for Hate Incident and associated information to go to SMT

Action owner: Head of Equalities, Inclusion and Learning Services

Due date: September 2018

Control Objective 4: Hate incidents and Student feedback are analysed and used by management to aid continuous improvement in service delivery.



Green

No weaknesses identified.

The Equalities team review whether there are opportunities for improvement as a result of each hate incident reported. This includes whether changes are required to internal procedures to ensure hate incidents are identified and addressed appropriately. We confirmed the improvement actions identified are recorded within the hate incident register against each incident and we obtained evidence to confirm those actions had been implemented.

At a department level, staff review the feedback received from Listening to Learners sessions to inform their annual performance review, i.e. their 'Team Evaluation'. Staff identify areas of good practice and areas for improvement, with the latter captured in an action plan for implementation. At a college-wide level, the feedback received from the sessions and other feedback mechanisms, like student surveys, is considered alongside other evidence gathered about service delivery to identify improvement actions that are set out within the College's Enhancement Plan. For the College and two curriculum areas, we confirmed the appropriate action plans were in place for the current year and that there were clear links between the plans and the feedback provided.

Control Objective 5: A feedback loop exists to ensure transparency within the student feedback and hate incident processes, with regular updates being provided to students as appropriate.



Green

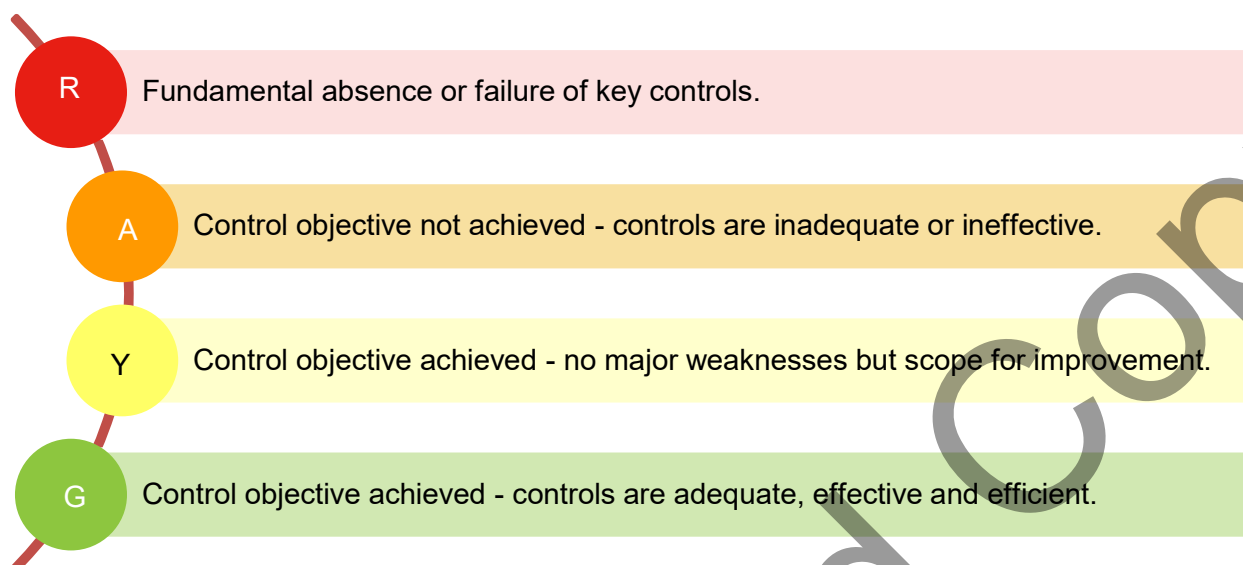
No weaknesses identified

The College publishes the Enhancement Plan on its website and the College's intranet for access by staff, students and the wider public. The Plan provides details of the areas of good practice identified and the actions identified to address improvement areas, including the timescales for implementation. We also understand from discussions with staff that verbal feedback arising from the 'Listening to Learners' sessions may be provided where appropriate to the classes concerned.

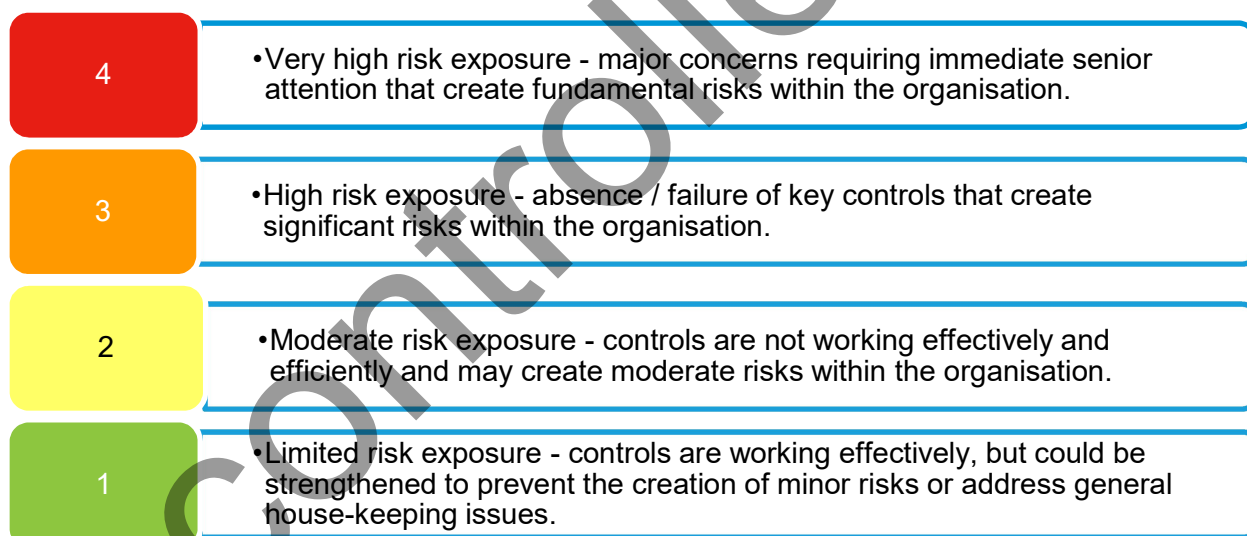
Curriculum staff or line managers provide direct feedback to complainants on the handling of the incident, including the outcome of any investigations performed. The Equalities team then issue a follow up email to confirm the outcome has been communicated appropriately. We confirmed for a sample of two incidents that this feedback process took place as expected.

Appendix A – Definitions

Control assessments



Management action grades



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**Forth Valley College
Internal Audit Report
Follow up 2017/18**

August 2018



Scott-Moncrieff
business advisers and accountants

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Forth Valley College

Internal Audit Report

Follow up 2017/18

Introduction and background

1

Summary of progress

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Appendix 1 – Action status by report

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Appendix 2 – Summary of outstanding overdue actions

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Introduction and background

Introduction

As part of the internal audit programme we complete an annual follow up review to provide the Senior Management Team and the Audit Committee with assurance that the management actions agreed in previous internal audit reports have been implemented satisfactorily.

This report summarises the progress made by management in implementing the agreed actions.

Scope

We followed up the management actions included in the College's audit recommendation tracker as at July 2018.

The reports covered are set out below:

2014/15	2016/2017	2017/2018
<ul style="list-style-type: none"> • Communications and marketing 	<ul style="list-style-type: none"> • Budget setting and monitoring • Non-pay expenditure and creditors • International strategy and operations 	<ul style="list-style-type: none"> • Payroll

We used the Audit Recommendation Tracker to obtain information about the latest position on each action and obtained evidence to confirm progress on all actions that were considered complete.

Action for the Audit Committee

The Audit Committee is asked to consider the contents of this report and note the outstanding actions detailed within Appendix 2.

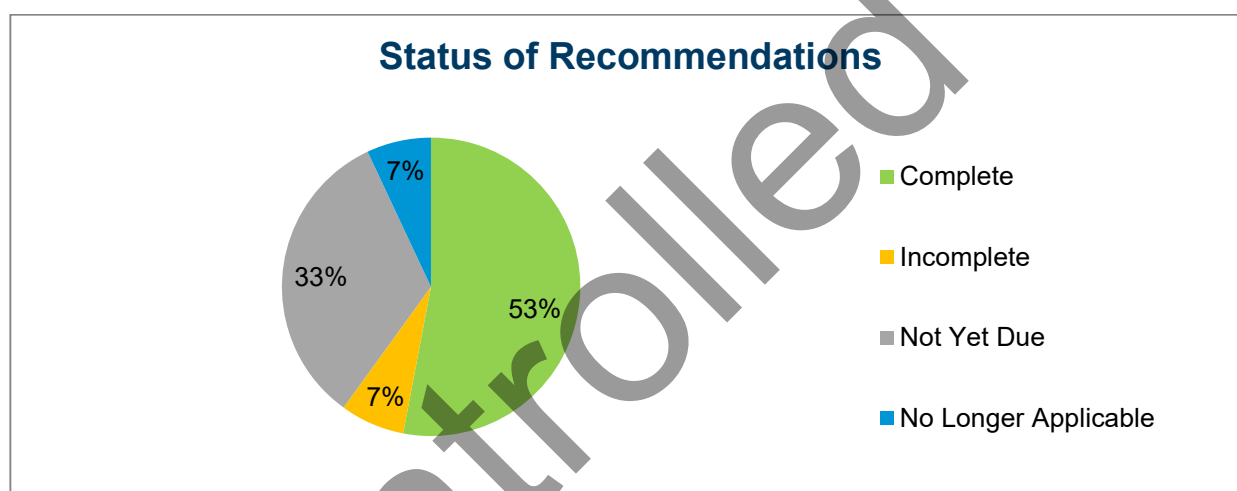
The Committee is also asked to review the action management have proposed as 'no longer applicable' and confirm whether they agree this action can be closed.

Summary of progress

The table below sets out the movement in actions included on the Audit Recommendation Tracker since the previous internal audit follow up review in June 2017:

	Number of Actions
Open actions brought forward from June 2017	5
New actions added to tracker in 2017/18	10
Total actions to follow up	15
Actions closed/accepted as 'no longer applicable' during 2017/18	9
Open actions carried forward	6

In our opinion, eight recommendations (53%) are "complete"; one recommendation (7%) is "incomplete" and five recommendations are "not yet due" (33%). We also confirmed one recommendation (7%) as "no longer applicable" with management and seek approval from the Audit Committee to close this action.



Conclusion

The college has made good progress in implementing the agreed actions from prior internal audit reviews, with eight actions confirmed as complete in the current period. Of the six actions outstanding, one low risk action is considered incomplete.

No longer applicable

Management has proposed one action as 'no longer applicable' and are seeking approval from the Audit Committee to close this action.

The action relates to the creation of a stakeholder engagement plan to support the College's international strategy. The College commenced an external business review of international and commercial activity during 2018. The review identified weaknesses in performance of the international strategy. As a result, the College is redesigning its international services and merging this activity with services already delivered by the Commercial team. The College is therefore no longer implementing the strategy in place at the time of our review.

In these circumstances, we agree with management's proposal to close this action as 'no longer applicable'.

Further Information

Appendix 1 categorises the recommendations for each report. These are categorised as complete, partially complete, incomplete, no longer applicable, or not yet due.

Appendix 2 contains a brief summary of the status of all the outstanding overdue recommendations.

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Appendix 1 – Action status by report

Report title	C	PC	I	NLA	NYD	Total
2014/15 Internal audits						
Communications and Marketing	1	-	-	-	-	1
2014/15 Sub-total	1	-	-	-	-	1
2016/17 Internal audits						
Budget Setting and Monitoring	1	-	-	-	-	1
International Strategy and Operations	2	-	-	1	2	5
Non-pay expenditure and creditors	2	-	1	-	-	3
2016/17 Sub-total	5	-	1	1	2	9
2017/18 Internal audits						
Payroll	2	-	-	-	3	5
2017/18 Sub-total	2	-	-	-	3	5
Total	8	-	1	1	5	15

Key:

C – Completed	PC - Partially Complete	I – Incomplete	NLA – No Longer Applicable	NYD – Not Yet Due
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Appendix 2 – Summary of outstanding overdue actions

Report	Recommendation	SMT Action Owner	Grade	Original date	Update as at August 2018	Revised date	Status
2016-17 Non-pay expenditure and creditors	We support management's plans to review the College's Scheme of Delegation. The revised document should clearly set out current purchasing approval processes and financial authorisation limits.	Head of Finance	2	31/07/2017	A revised Scheme of Delegation will be considered as part of the Board strategic session on 20/21 September 2018	31/09/18 – revised date agreed at June 2018 Committee meeting	Incomplete

Definitions - Management action grades

- 4

 - Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
- 3

 - High risk exposure - absence / failure of key controls that create significant risks within the organisation.
- 2

 - Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
- 1

 - Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

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Forth Valley College Internal Audit Report 2017/18 GDPR Compliance

August 2018



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business advisers and accountants

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Forth Valley College

Internal Audit Report 2017/18

GDPR Compliance

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Audit Sponsor

*David Allison, Vice
Principal Information
Systems and
Communications*

Key Contacts

*James Aston, IS Project Manager
Laura Calder, Assistant Project
Manager*

Audit team

*Paul Kelly - IT Audit Director
Farhan Tahir – IT Audit Senior
Emily Barker – IT Auditor*

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Executive Summary

Conclusion

The College has made significant progress in achieving compliance with the GDPR. A GDPR project team was established to ensure that the College was compliant with the GDPR by 25 May 2018. The project is currently being transitioned to business as usual and work is on-going to improve the College's GDPR policies and processes.

Our audit work has identified two areas where current processes could be improved in relation to GDPR compliance. One of these related to the need to create a work plan which details the remaining tasks and activities that need to be completed as part of business as usual GDPR activity. In addition, a timescale should be defined for the completion of data flow maps and data inventories for the academic departments within the College. The majority of data inventories for core services were either complete or nearing completion but these had still to be completed for academic departments.

Background and scope

The EU General Data Protection Regulation (GDPR) came into force on 25 May 2018 and brought in significant changes to the UK data protection laws. Additionally, the ICO (Information Commissioner's Office) is empowered to impose fines of up to 4% of global revenue or 20 million euros for breaches of the new guidelines.

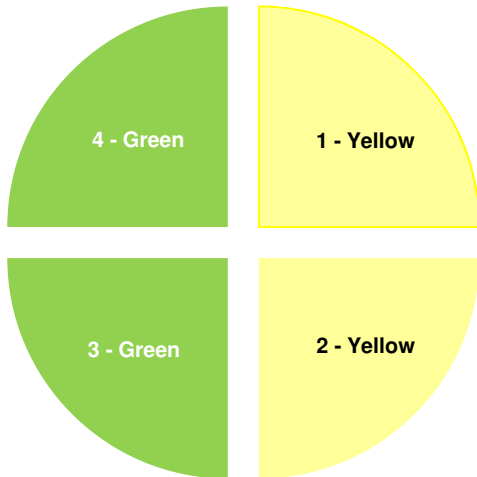
Compliance with the GDPR requires organisations to be able to understand and record what personal data they gather, the legal basis for gathering and processing it, how much data is gathered, how long it is held for, where and how securely it is held, and what safeguards are in place should data be transferred to third parties. Processes should be put in place to ensure that permission is obtained when necessary to gather data and that the data subjects are aware that their information is being gathered and what it will be used for. Data obtained should also be proportionate, kept up to date and accurate, and only held for as long as it is required.

In addition, the GDPR has introduced new rights for data subjects, such as the right to have data about them erased and the right to move data held on them to another provider (data portability). It also introduces important changes to how and why consent to obtain data can be gathered and how this consent can be used.

The review assessed the governance and measures taken by the College to ensure compliance with the GDPR.

Control assessment

- 1. Action plans have been developed to address identified GDPR compliance gaps, which include delivery dates and resource allocations.

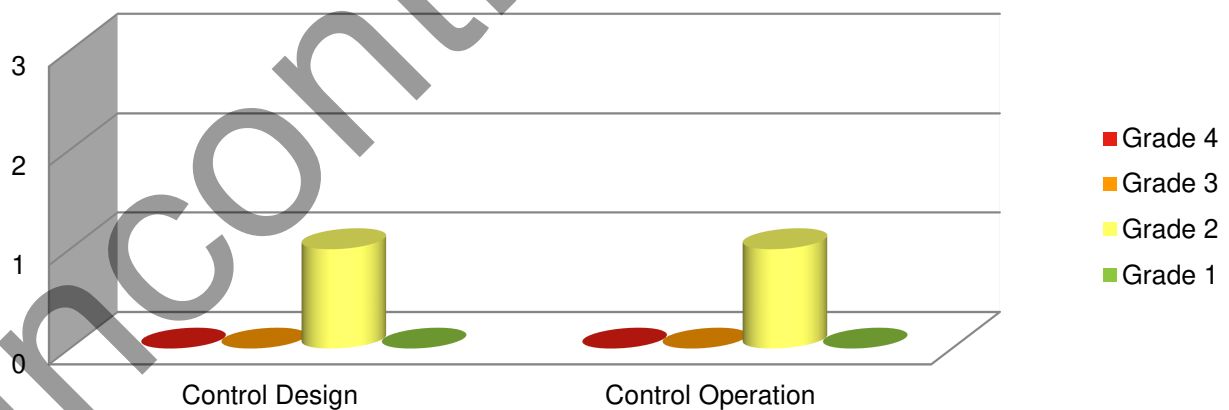


- 2. Data inventories have been created, identifying the storage and security arrangements of the data as well the legal basis for processing.

- 3. The College's policies and procedure have been reviewed and updated to reflect the changes in regulation.

- 4. There has been adequate staff training and awareness raising to ensure they are aware of their responsibilities.

Improvement actions by type and priority



Two improvement actions have been identified from this review, one of which relate to compliance with existing procedures, rather than the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that the College's procedures reflect good practice in a number of areas:

- The College has established a mandatory training module that all staff are required to complete. Approximately 90% of staff had completed the training at the time of our audit and line managers receive regular updates from HR in relation to staff that have not completed the training module.
- The College has updated a number of existing policies and procedures and is in the process of developing additional policies to support compliance with the GDPR. This included the Data Protection Officer working on developing a Criminal Convictions Data Policy.

Areas for improvement

We have identified a number of areas for improvement which, if addressed, would strengthen the College's control framework. These include:

- A single record of business as usual activities to support the College in complying with the GDPR was still to be produced. A work plan should be established and this should detail all remaining tasks and activities, and the resources required to deliver each task and activity.
- Whilst data flow maps and data inventories had been complete or were nearing completion for core service areas, these were still to be completed for the academic departments. A timescale for completion of these has not yet been agreed.

These are further discussed in the Management Action Plan below.

Impact on risk register

The College's risk register included the following risks relevant to this review:

- Risk 6 - Implementation of the new General Data Protection Regulations (GDPR) by the EU and any subsequent UK legislation will impact on College data management practices. (Initial Score = 20; Residual Score = 20)

The GDPR came into force on 25 May 2018 and will impact on the College's data management practices. The College established a project team to manage its project to achieve GDPR compliance. Significant progress has been made by the College towards achieving compliance. Work is continuing on compliance and continuous improvement activities as part of business as usual. Over the next 6-9 months, College management should consider the effectiveness of current GDPR processes and controls with a view to whether there is justification for reducing the risk (particularly the likelihood score).

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: Action plans have been developed to address identified GDPR compliance gaps, which include delivery dates and resource allocations.

Yellow

1.1 GDPR Task List

We noted that a high-level project plan and mind map were prepared in advance of the project to set out what needed to be done to achieve GDPR compliance. The project has now completed and remaining tasks relating to GDPR compliance and continuous improvement (based on new and revised guidance from the ICO) are being transitioned to 'business as usual'. Our audit work identified that a work plan which clearly sets out the tasks and activities to be completed within the College to support compliance with the GDPR is still to be completed. For example, the Data Protection Officer (DPO) is currently in the process of drafting additional policies, including a Criminal Conviction Data Policy but these are not formally listed as a task/activity.

Risk

There is a risk that not all tasks relating to the GDPR project have been identified and planned for. As a result, appropriate resources may not be in place to support the delivery of the GDPR project. In addition, there is a risk that the College will not be able to provide an accurate reflection of the current progress towards achieving full compliance with the GDPR.

Recommendation

We recommend that a workplan is created which records remaining tasks and activities that are necessary to support compliance with the GDPR. Once this document is produced, management should quantify resource requirements for each task and agree a target completion date. Consideration should be given to prioritising activities to minimise the risk of non-compliance. Progress against the work plan should be subject to regular management review to confirm that tasks and activities are being completed in line with expectations.

Management Action

Grade 2
(Design)

A GDPR workplan has been drafted by the College's Data Protection Officer, which will be agreed by the newly formed Information Governance Group. This workplan will be monitored by the group on a quarterly basis.

Action owner: Donald MacLean/David Allison

Due date: 28 September 2018

Control Objective 2: Data inventories have been created, identifying the storage and security arrangements of the data as well the legal basis for processing.

Yellow

2.1 Data Inventories

Good progress has been made within the College in producing data inventories for the core business areas with the majority of those either complete or were nearing completion. Our audit work identified that work on producing data flow maps and data inventories for academic departments had still to be completed and there was no defined timescale for completion of these.

Risk

There is a risk that the College will not be aware of all personal data processed and stored by academic departments. This could result in high risk processing and storage of personal data not being known and action not being taken to reduce risk to the College.

Recommendation

We recommend that Management agrees a timescale for academic departments to complete data flows and data inventories. The timescales and resources required to complete this work should be included in the work plan recommended in MAP1.1.

Management Action

Grade 2
(Operation)

Initial meetings have taken place with all teaching Departments where any personal data stored outwith core systems has been captured, and any risks identified. The task of documenting data flows and populating our data inventory will be included as work outstanding within the GDPR Workplan.

Action owner: Laura Calder/David Allison

Due date: 31 March 2019

Control Objective 3: The College's policies and procedure have been reviewed and updated to reflect the changes in regulation.

Green

No weaknesses identified

The College has updated its policies and procedures to be compliant with GDPR. The updated policies included the IT Security Policy and the College Data Policy. The updated procedures included the Data Breach Procedure, Data Breach Procedure and the Request for Information Procedure. The policies and procedures were submitted to the Board of Management and the Senior Management team, respectively, for approval.

We also noted that the College was in the process of implementing additional policies and procedures to support compliance with the GDPR. This included developing a Criminal Convictions Data Policy (to support compliance with Article 10 of the GDPR) and introducing a revised Social Media Policy.

Control Objective 4: There has been adequate staff training and awareness raising to ensure they are aware of their responsibilities.

Green

No weaknesses identified

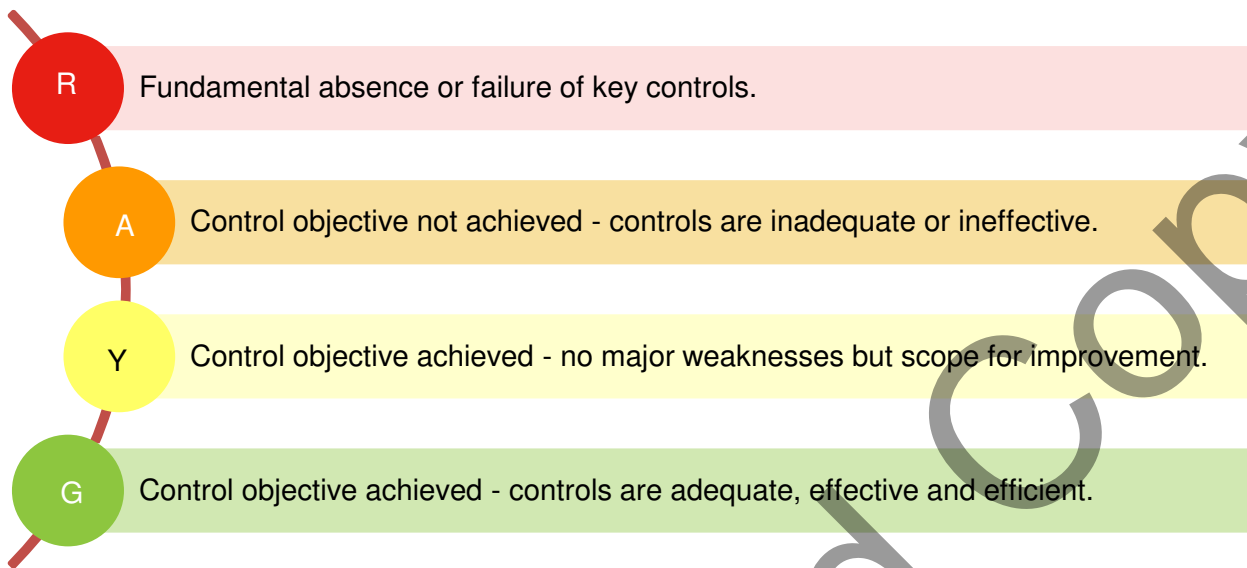
All staff are required to complete mandatory training and this is managed through the Moodle platform. At the time of our audit, over 90% of staff had completed the mandatory training module. A new GDPR module was launched in June to provide further training.

In addition, staff with more specific GDPR responsibilities have received additional awareness and training through externally-led GDPR sessions.

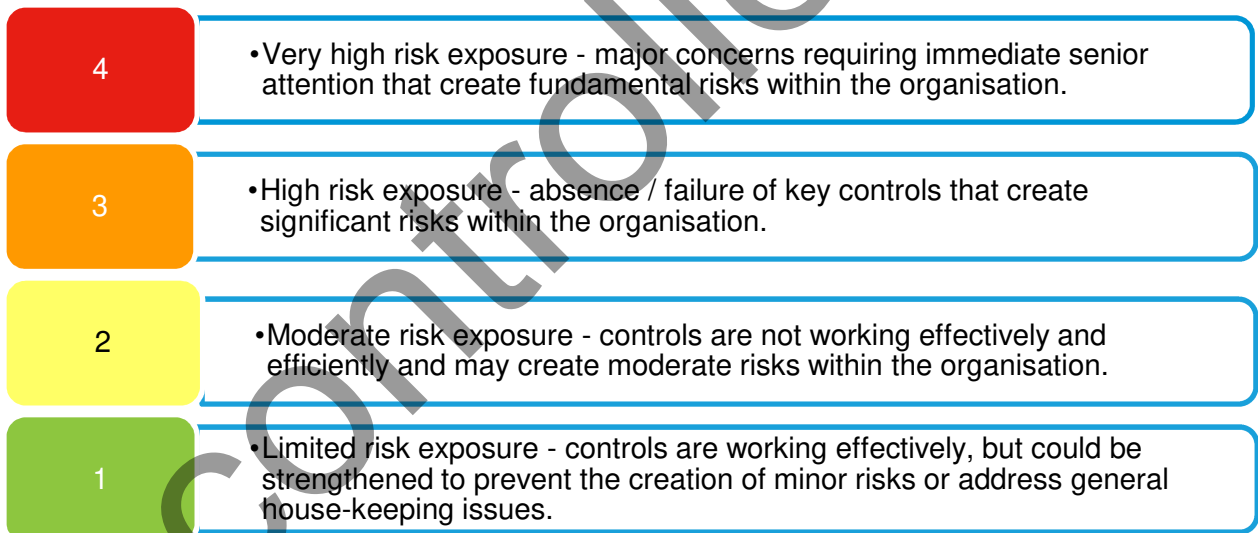
We also noted that a FAQ page has been set up on the College's GDPR Sharepoint website to provide an additional mechanism to raise staff awareness.

Appendix A – Definitions

Control assessments



Management action grades



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Forth Valley College

Internal Audit Annual Report 2017/18

August 2018



Scott-Moncrieff
business advisers and accountants



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Forth Valley College

Internal Audit Annual Report 2017/18

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Introduction

The Public Sector Internal Audit Standards (PSIAS) state that:

“The Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.”

“The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.”

To meet the above requirements, this Annual Report summarises our conclusions and key findings from the internal audit work undertaken at Forth Valley College during the year to 31 July 2018, including our overall opinion on the College’s internal control system.

Acknowledgement

We would like to take this opportunity to thank all members of management and staff for the help, courtesy and co-operation extended to us during the year.

Overall internal audit opinion

Basis of opinion

As the Internal Auditor of Forth Valley College, we are required by PSIAS to provide the audit committee with assurance on the whole system of internal control. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control.

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

- All reviews undertaken as part of the 2017/18 internal audit plan;
- Any scope limitations imposed by management;
- Matters arising from previous reviews and the extent of follow-up action taken including in year audits;
- Expectations of senior management, the audit committee and other stakeholders;
- The extent to which internal controls address the College's risk management/control framework;
- The effect of any significant changes in the College's objectives or systems; and
- The internal audit coverage achieved to date.

In my professional judgement as Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The conclusions are only applicable for the entity examined. The evidence gathered meets professional audit standards and is sufficient to provide senior management with proof of the conclusions derived from the internal audit work.

Internal Audit Opinion

In our opinion Forth Valley College has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, internal controls, effective and efficient achievement of objectives and the management of key risks.

Scott-Moncrieff

August 2018

Internal audit work performed

Scope and responsibilities

Management

It is management's responsibility to establish a sound internal control system. The internal control system comprises the whole network of systems and processes established to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:

- risk management;
- the effectiveness of operations;
- the economic and efficient use of resources;
- compliance with applicable policies, procedures, laws and regulations;
- safeguards against losses, including those arising from fraud, irregularity or corruption; and
- the integrity and reliability of information and data.

Internal auditor

The Internal Auditor assists management by examining, evaluating and reporting on the controls in order to provide an independent assessment of the adequacy of the internal control system. To achieve this, the Internal Auditor should:

- analyse the internal control system and establish a review programme;
- identify and evaluate the controls which are established to achieve objectives in the most economic and efficient manner;
- report findings and conclusions and, where appropriate, make recommendations for improvement;
- provide an opinion on the reliability of the controls in the system under review; and
- provide an assurance based on the evaluation of the internal control system within the organisation as a whole.

Planning process

In order that we can provide an annual assurance statement supporting the Governance Statement, we include all of Forth Valley College's activities and systems within the scope of our internal audit reviews.

Our strategic and annual internal audit plans are designed to provide the audit committee with assurance that the College's internal control system is effective in managing the key risks and best value is being achieved. The plans are therefore informed by the College's risk management system and linked to the strategic risk register.

The Strategic Internal Audit Plan was agreed in consultation with senior management and formally approved by the audit committee.

The Annual Internal Audit Plan is subject to revision throughout the year to reflect changes in the College's risk profile.

We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. However, internal audit can never guarantee to detect all fraud or other irregularities and cannot be held responsible for internal control failures.

Cover achieved

Our Internal Audit Plan comprises 33 days per annum. We completed all 31.5 days of core internal audit work in 2017/18. The difference relates to 1.5 days of unused contingency time.

A comparison of actual coverage against the 2017/18 plan is attached at Appendix 1.

We confirm that there were no resource limitations that impinged on our ability to meet the full audit needs of Forth Valley College and no restrictions were placed on our work by management.

We did not rely on the work performed by a third party during the period.

Reports

We have prepared a report for each of the internal audit reviews completed and presented these reports to the audit committee.

Where relevant, all reports contained action plans detailing responsible officers and implementation dates. The reports were fully discussed and agreed with management prior to submission to the audit committee.

We made no significant recommendations that were not accepted by management.

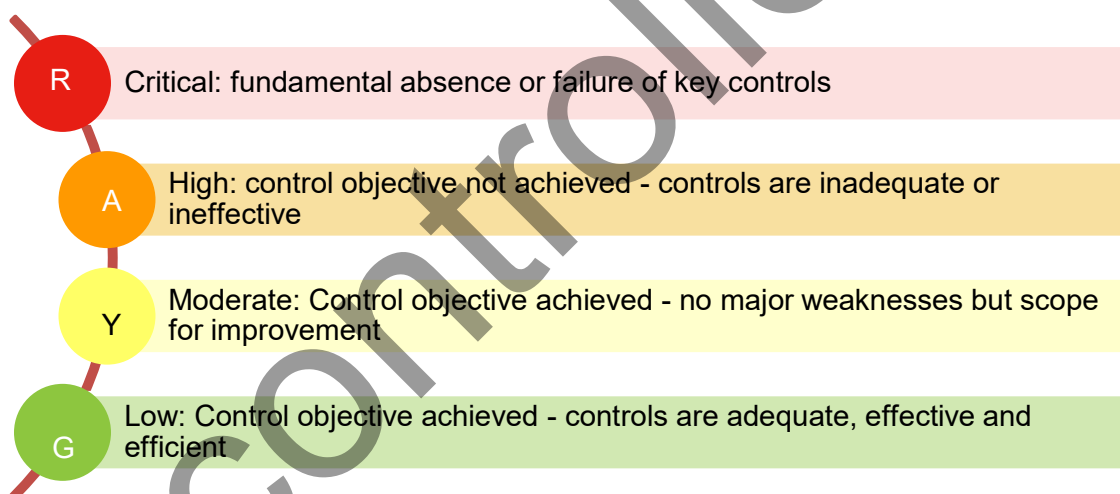
Summary of reports by control objective and action grade

Four internal audit reports have been completed during 2017/18, as summarised in the table below.

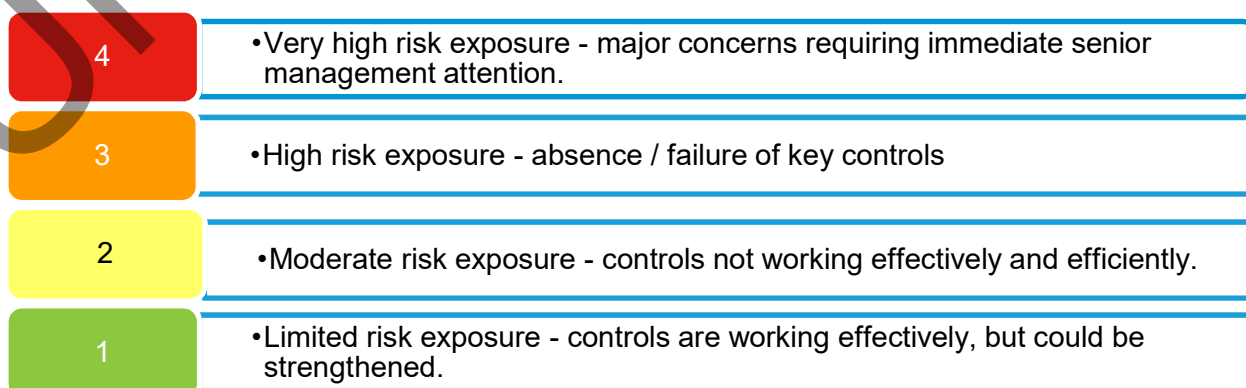
Review	Control objective assessment	No. of issues per grading			
		4	3	2	1
A.5 Payroll		-	-	5	0
C4. Student Experience		-	-	3	2
D1. Credits	N/A*	-	-	-	-
GDPR Compliance		-	-	1	1

*Different reporting style with no assessed control objectives.

Control objective assessment definitions

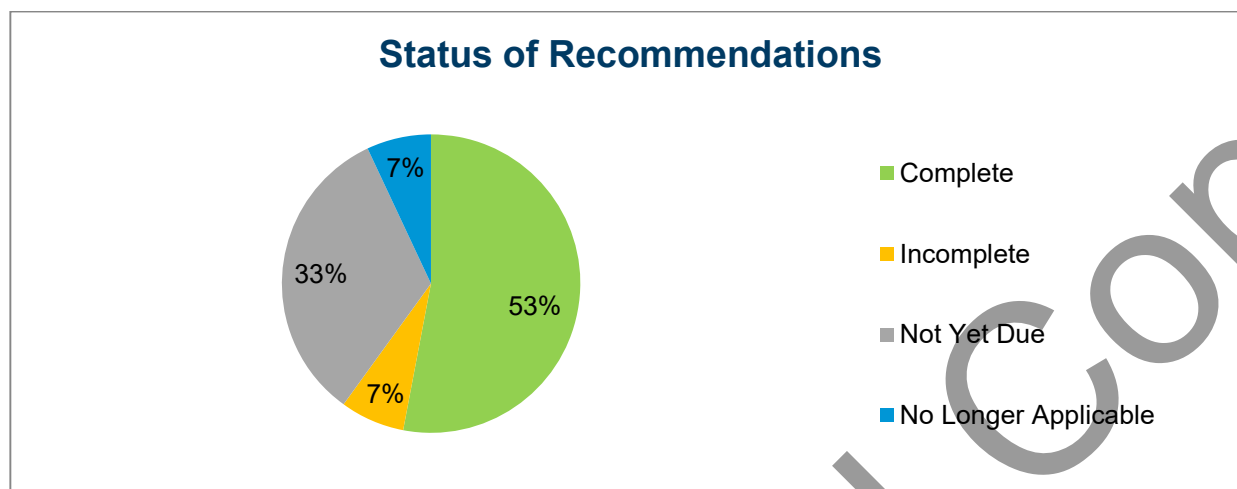


Management action prioritisation definitions



Progress in implementing internal audit actions

We reviewed management's progress in implementing the 15 outstanding actions and obtained sufficient evidence to close eight (53%) actions. A further one action (7%) was proposed as 'no longer applicable' by management. Of the six remaining outstanding actions, one (7%) is incomplete and five (33%) are not yet due for completion.



Key Themes

- We confirmed that the College made good progress in taking steps to comply with GDPR. We identified two areas where the College should take further action, including maintaining full oversight of outstanding work for GDPR compliance and the creation of data flow maps and inventories for all academic departments. These actions were not yet due at the time of our follow up.
- We performed a review over the student experience, focusing on student feedback mechanisms and the hate incident reporting process. We found robust processes for gathering, analysing and addressing feedback at a college-wide level and curriculum department level. Whilst we also confirmed the College had recently raised awareness of hate crime and the process for reporting incidents, we noted two actions that could be taken. These actions were not due at the time of our follow up.
- Our review over payroll confirmed the College generally has well-designed arrangements that are operating effectively. We did, however, note five improvement opportunities to ensure payroll data is accurate and complete. These actions were either completed or not yet due for implementation at the year-end.
- We provided a risk management workshop to staff during May 2017. The purpose of the workshop was to refresh staff members' awareness of risk management and assist in the identification and management of risk within their area of operations. Management are currently in the process of revising the strategic risk register together with members.

Independence

PSIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members involved in each 2017/18 internal audit review were independent of the College and their objectivity was not compromised in any way.

Conformance with Public Sector Internal Audit Standards

We confirm that our internal audit service conforms to the Public Sector Internal Audit Standards, which are based on the International Standards for the Professional Practice of Internal Auditing. This is confirmed through our quality assurance and improvement programme, which includes cyclical internal and external assessments of our methodology and practice, against the standards.

A summary of the results of our most recent assessments are provided at Appendix 2.

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Appendix 1 – Planned v actual days 2017/18

Ref and Name of report	Planned Days	Actual Days
A. Key Financial Systems reviews		
A5. Payroll and expenses	6	6
B. Key Strategic reviews		
C. Key Operational reviews		
C4. Student experience	7	7
D. Other reviews		
D.1 Review of Credits	5	5
D2. IT healthcheck / GDPR readiness	8	8
E. Management		
E1. Follow up	2	2
E2 Audit management, Audit Committees, annual planning, etc	3	3
E3. Management support / contingency	2	0.5
Total	33	31.5

All amendments to the plan set out above were agreed with management and reported to the Audit Committee during the year.

Appendix 2 – Summary of Quality Assurance Assessment

We are pleased to disclose the outcome of our regular internal and external quality assessments with our clients. We believe it is important to provide you with assurance that the service you receive is of a high quality and fully compliant with internal audit standards.

Outlined below are extracts from our most recent external quality assessment undertaken in July 2018.

External Quality Assessment summary

Executive Summary

We are pleased to report that Scott-Moncrieff may state in their internal audit reports that the work “has been performed in accordance with the IPPF”. The team similarly conform to the Public Sector Internal Audit Standards (PSIAS).

*The Internal Audit team **fully meet the vast majority of the Standards, as well as the Definition, Core Principles and the Code of Ethics**, which form the mandatory elements of the Institute of Internal Auditors’ International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing. The Institute describe this as “**Generally Conforms**”.*

This is an excellent result and is based on an extensive external quality assessment (EQA) covering the team’s approach, methodology, processes and a sample of files by an experienced external assessor who is a serving Head of Assurance and Audit Committee Chair.

Overview of the External Quality Assessment Process

We undertook extensive background research covering the team’s methodology and processes, before undertaking an intensive onsite visit over 25-28 June 2018, in which we interviewed a small number of team members and reviewed a sample of working files covering a representative range of the team’s clients and sectors. After the onsite visit we finalised our evaluation, assessment and reporting.

The EQA involved comparison of working practices against the Institute of Internal Auditors’ global International Professional Practices Framework¹ (the IPPF) and the Public Sector Internal Audit Standards (PSIAS).

During this external assessment we have followed this process:

- Examined and reflected upon the requirements of the Definition of Internal Auditing, the Code of Ethics and each International Standard. We have used the relevant Interpretation within the Standards to build our understanding.*
- Considered the key conformance criteria needed to demonstrate compliance.*
- Recorded the full range and extent of the evidence that exists within the team and that demonstrates conformance with the Standard. We have undertaken this through interviews with team members as well as reviewing files and engagement reports.*
- Compared the evidence to the key conformance criteria and assessed the degree of conformance. We have used the standard IIA definitions that are provided below on page 13 to guide our evaluation.*

Conformance to the Standards: The International Professional Practice Framework (IPPF)

Our objective of this External Quality Assurance (EQA) review was to undertake an independent, objective external quality assessment of the Scott-Moncrieff Internal Audit team against the IPPF and PSIAS. This included considering the team’s conformance to both the IPPF and PSIAS and informally benchmarking the function’s activities against best practice.

¹ The global IPPF is followed by more than 180,000 internal auditors in 190 countries around the world.

The Institute of Internal Audit's (IIA's) International Professional Practice Framework (IPPF) includes the Definition of Internal Auditing, Core Principles, Code of Ethics and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice.

We include a summary of the Internal Audit Service's conformance to both the IPPF and the core principles below. Overall, we believe that the Internal Audit Service has achieved an excellent performance given the breadth of the IPPF and the diverse organisational contexts and sectors that the team operate across.

Summary of IIA Conformance	Standards	N/A	Does not Conform	Partially Conforms	Generally Conforms	Total
Definition of IA and Code of Ethics	Rules of conduct	0	0	0	12	12
Purpose	1000 - 1130	0	0	0	8	8
Proficiency and Due Professional Care	1200 - 1230	0	0	0	4	4
Quality Assurance and Improvement Programme	1300 - 1322	2	0	1	4	7
Managing the Internal Audit Activity	2000 - 2130	0	0	1	11	12
Engagement Planning and Delivery	2200 - 2600	1	0	0	20	21
Total		3	0	2	59	64

The overall assessment resulting from the EQA is that the Scott-Moncrieff Internal Audit team “generally conforms to the IIA’s professional standards”.

The Scott-Moncrieff Internal Audit team are able to say in reports and other literature that it “conforms to the IIA’s professional standards” and that its work has been performed “in accordance with the IPPF.”

This EQA was conducted as a full external quality assessment using methods recommended by the Chartered Institute of Internal Auditors.

Key Achievements

We believe that the team perform particularly well in a number of areas. We were most impressed by the following points:

- The Scott-Moncrieff Internal Audit team delivers an effective, efficient and economic independent and objective assurance service across a range of client organisations primarily in the government, education, health and social housing sectors.
- The team develop an Audit Charter, Audit Needs Assessment, strategic and annual plans with each client. The team take account of the client's risk maturity.
- Annual planning is comprehensive and is a participative process involving clients and stakeholders at appropriate stages. Progress against the annual plans are documented and reported on regularly to respective audit committees and senior managers.
- The team have developed an appropriate methodology for auditing key objectives, risks and controls across client organisations at a high level. The operational internal audit processes are fit for purpose, documented in a professional audit manual and supported by use of Pentana an effective Audit Management Software application.

- *The team are beginning to make use of IDEA, an effective file interrogation software package since its adoption earlier this year. This has the potential to help make the team's internal audit process even more efficient, while enhancing the quality of assurance provided to client organisations.*
- *The team's standard internal audit engagement report template is professional, useful and represents good practice. The approach is concise. The reports we reviewed were jargon-free and (on the whole) reader friendly.*
- *Our file reviews demonstrated appropriate compliance with the methodology and sufficient evidence of appropriate supervision and review.*
- *The team's internal audit delivery is very efficient, with tightly focused engagements resulting in short durations and (usually) minimal elapsed time from start to finish.*
- *Follow up of outstanding recommendations occurs at least annually.*
- *Continuous Personal Development (CPD) is encouraged, knowledge sharing occurs across the team through quarterly development days (and other initiatives) and expertise from elsewhere across Scott-Moncrieff can be accessed (if required) for more specialist engagements.*
- *Client feedback is actively sought following the internal audit engagements and reported to the Audit, Risk and Governance Committee.*

Opportunities for Further Development

We believe that the Scott-Moncrieff Internal Audit team fall slightly short against just two Standards, both of which we assess as "partially conforms".

The first of these is Attribute Standard 1312, External Assessments. This Standard states, "External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation..." We understand that a CHEIA peer review was the only previous, formal external assessment of elements of the Scott-Moncrieff Internal Audit team. Our current review represents the first formal external assessment and so the team have not fully conformed to this Standard to date.

The second is Performance Standard 2050, Coordination. The Standard states, "The chief audit executive should share information, coordinate activities and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of efforts". The need to consider how best to rely on and coordinate with other assurance providers is an emerging area of internal audit practice. It depends as much on the client and their other assurance providers as it does internal audit. However, we believe that it is something that could be explored more fully as governance, risk management and control maturity increases across larger client organisations.

We also make a small number of additional suggestions for further development to enhance these – and other – areas of the team's service delivery.

Our response

We welcome the findings of the most recent external assessment. A detailed action plan has been put in place to address the areas for further development to further enhance our internal audit practices.

We are happy to provide audit committee members with the full EQA report on request.

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1. Purpose

To update members on progress with the implementation of recommendations contained within internal and external audit reports.

2. Recommendation

That members note the content of the report and associated appendix.

3. Background

The College monitors progress against internal and external audit recommendations and reports on progress to each meeting of the Audit Committee.

4. Summary of Changes

The current audit recommendations are detailed in full in Appendix 1. The table below represents a summary of the current position of these recommendations as at 24 August 2018.

The dates used to determine whether a recommendation has passed its' implementation date comes from the "Revised Completion Date" column in Appendix 1 attached to this report.

There are 10 recommendations covered in Appendix 1.

Since the last meeting of the Audit Committee, 2 of the 10 recommendations have reached a stage where the College considers them to be complete and we are seeking permission to remove 2 recommendations. Completed or removed recommendations are highlighted in grey in the appendix.

The College is seeking to remove id 2 and 3 as these recommendations have been overtaken by the recently completed review of business development and international activity, which has changed the focus of international activity. The Director of Business Development is working on a comprehensive business development strategy that will include streamlined international activity and stakeholder engagement.

The College is seeking extensions for the recommendations 6, 8 and 9 and appendix 1 contains further information on this.

	Grade 1	Grade 2	Grade 3	Total
Live within date	0	5	0	5
Live recommendation passed implementation date	0	1	0	1
Completed since last report to Committee	0	2	0	2
Seeking removal	0	2	0	2

5. Financial Implications

Please detail the financial implications of this item – There are no unexpected financial implications expected. All recommendations made to the College have either no cost (i.e. changes to existing procedures) or have been incorporated into College budget setting processes.

6. Equalities

Assessment in Place? – Yes No

If No, please explain why – Monitoring of audit recommendations does not require equalities assessment. Where a recommendation does have an equalities impact through the amendment to policy, each individual policy will be assessed in line with College procedure.

Please summarise any positive/negative impacts (noting mitigating actions) – Not applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low	X	X
Very Low		

Please describe any risks associated with this paper and associated mitigating actions – Any risk to the College would arise from the failure to implement agreed audit recommendations. Regular monitoring, along with accountability for each recommendation being assigned an SMT and action owner; ensures this does not occur.

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

ID	Audit Name	Date of Audit	SMT Owner	Action Owner	Recommendation	Management Response	Priority	Evaluation	Scheduled Completion Date	Revised Completion Date	Evidence	Completed
1	Non-Pay Expenditures and Creditors	Feb-17	Alison Stewart	Senga McKerr	We support management's plans to review the College's Scheme of Delegation. The revised document should clearly set out current purchasing approval processes and financial authorisation limits.	The College's Scheme of Delegation is currently being reviewed and will be revised to set out the relevant approval processes and authorisation limits. This will be made available to all staff on the public area of the Finance section in SharePoint.	Grade 2 (Operation)	August 18 - a revised Scheme of Delegation will be considered as part of the Board strategic session on 20/21 September 2018 June 18 - The high level Scheme of Delegation is being drafted and will go to the Sep 18 Board for approval. The Operations Scheme of Delegation is on hold until the Board approval, and will be amended following the change to Directors of Curriculum. Completion dates is requested to be moved to Dec 2018. Nov 17 - Board short life working group being arranged early in 2018 to review scheme of delegation. accordingly, completion date is requested to be moved to end March 2018. August 17 - this has been put on hold until after the Board Effectiveness workshop which will consider delegated authority. May 17 - An initial draft of the template has been prepared and is with the Director of Finance for review. Once the layout is agreed the template will be populated with the staff members details and limits and circulated for comment	31/07/2017	31/09/18		
2	International Strategy and Operations	Sep-17	Alison Stewart	Jennifer Tempny	The College should consider developing a Stakeholder Communication Plan to support the ongoing development of the International Strategy.	A Stakeholder Communication Plan will be generated in support of delivery of the International Strategy. The plan will address the 4 action points as set out in the above recommendation.	Grade 2 (Design)	August 2018 - Seeking approval to remove June 18 this will take place once the revised operational plan has been developed. Nov 17 - The plan is currently being developed and will be completed by the end of the year	31/12/2017	31/12/2018		
3	International Strategy and Operations	Sep-17	Alison Stewart	Jennifer Tempny	The College should make arrangements to review international development objectives to determine the level of resource needed to successfully deliver objectives within agreed timescales. Once workforce requirements have been identified, the College should look to recruit additional staff to support the delivery of the objectives within agreed timescales. In the short-term, the College should review its strategic and operational plans to determine if these remain appropriate and achievable based on current resources levels, if needed the plans may need to be revised.	A review of the whole Business Development Department which includes international will be undertaken. Actions arising from this review will be implemented in AY 2017/18.	Grade 2 (Design)	August 2018 - Seeking approval to remove June 2018 Following BD review and a review of international activity a new 2 year operational plan for international will be generated. This will focus on 3 activities, student mobility, university engagement and potential commercial work in Dubai. Nov 17 - The review of Business Development is now complete with plans in place to begin to draw out the recommendations and implement the changes in January 2018. This will allow us to refocus on the areas within BD and move forward.	31/07/2018	31/12/2018		
4	International Strategy and Operations	Sep-17	Alison Stewart	Jennifer Tempny	The College should make arrangements to develop a project review process. The process will allow the performance of projects to be assessed and good and poor practice to be identified, and communicated across the College to help aid future projects. Due to the current international development resource limitations (see 2.1), this process will be particularly valuable in assisting the College to identify and pursue projects that it has a good opportunity of securing	A formal process as part of a new Business Lifecycle will be implemented by the Head of Business Development. This will include the need to review lessons learned from bids/ proposals submitted	Grade 2 (Design)	August 2018 - the BD process is under review by the projects office and the evaluation of risk and review of a project is part of this. June 18 work on this is still to start due to other business priorities taking precedent. Nov 17 - We will devise a process where by projects are evaluated from initial concept through to completion. They will be ranked and evaluated for risk and opportunity to return on investment. The process of end of project evaluation will be included in this.	31/07/2018	31/12/2018		
5	Review of the 2016/17 Credits Return	Sep-17	David Allison	David Allison	Superclass Classification - We recommend that as part of the checks the Student Records team performs over courses during the curriculum planning process, staff complete reasonableness checks over the superclass and price group allocated to ensure courses have been classified appropriately.	Secondary checks of assigned Superclass to courses, involving staff from MIS and Curriculum & Quality, will be established prior to completion of the FES return.	Grade 2	August 2018 - The review has been scheduled for the end of August Jun 18 - A final review of Superclass classifications is planned in August prior to the final FES submission/Credits audit. August is the best time to review Superclass classifications. This will be an annual review prior to FES submission.	30/06/2018	31/08/2018		
6	Payroll and Expenses	Mar-18	Alison Stewart	Louise Burnett	Payroll policies and procedures - The College should review the payroll policies and procedures and, where necessary, update them. Given the good working practices and experience within the payroll team at present this is not deemed to be a significant risk.	Polices will be reviewed and updated in line with current practice	Grade 2 (Operation)	August 2018 - Owing to required updates to all teaching staff Job References, pension updates and apply staff increments for the August Payroll, we are proposing to revise the completion date of this to 30/11/2018	01/09/2018	30/11/2018		
7	Payroll and Expenses	Mar-18	Alison Stewart	Ralph Burns	Employee new start forms - All new start forms should be reviewed by a second member of HR, and the review evidenced by a signature on the new start form, before being sent to payroll for processing. The review should include agreeing details on the new start form to supporting documentation (employment contract) to ensure all details are correct and this review should be documented on the new start form. If HR cannot complete this check, all supporting documentation should be provided to payroll accompanying the new start report to enable the Payroll and Pension Coordinator to agree pay details before adding the new member of staff to the payroll system.	The New Start form is a form that originates within the HR department. The Payroll and Pensions Coordinator has spoken with the Head of Human Resources, Ralph Burns and he has confirmed that a second signature will be added as a check that information has been taken correctly from the new staff contract.	Grade 2 (Design)	August 2018 - a new process has been developed and is now in place	25/05/2018		Copies of emails detaining the new forms	Yes
8	Payroll and Expenses	Mar-18	Alison Stewart	Louise Burnett	Standard amendment forms - We recommend that all changes to payroll data are processed using a standard amendments form. This form should document with details of the change to be made and who is authorising the change. The Payroll and Pensions Coordinator should not make any changes to payroll data without this documentation.	Payroll currently receives various requests in a number of ways, for example: an amendment to contract can come through the Sharepoint system or as a memo from HR; an acting up allowance usually comes as an email from the SMT member responsible for HR. We will review all of these amendments and ensure that a common process is implemented and clear guidance is provided on the level of authorisation required for each change.	Grade 2 (Design)	August 2018 - work on this recommendation has commenced with HR to ensure all relevant information is captured and it is anticipated this will be completed by the end of November 2018	01/08/2018	30/11/2018		
9	Payroll and Expenses	Mar-18	Alison Stewart	Louise Burnett	Master-file Change Reports - There is a risk that unauthorised changes are made to the payroll masterfile where an independent periodic check of changes made is not performed. Management should enquire with the software provider to confirm whether a periodic masterfile change report can be run on the payroll system. Each month a report should be generated from the payroll system detailing all the changes that have been to the masterfile in the period, such as changes in personal and bank details etc. This report should be reviewed by an individual independent of making changes to ensure that changes made tie to supporting documentation and are valid.	The College has requested this report from Sage, however when we tried to run it at the time of the audit, it crashed the system. Sage suggested an update but this unfortunately had an impact on our yearend payroll figures. Since this is a business critical time for payroll, we have not pursued this further at the present time. With the current controls within the recruitment approval process there is a low risk of fraudulent employees being added. However we do acknowledge this is an important report and once we have processed the payroll year end, and set up for the new tax year we will work with IT and Sage to resolve the issues with this report.	Grade 2 (Design)	August 2018 - SAGE are looking into the issue with the report	01/09/2018	31/11/18		
10	Payroll and Expenses	Mar-18	Alison Stewart	Louise Burnett	New start added without proof of ID - There is a risk that the adding new employees to the payroll without obtaining a copy of their identification could result in identity fraud and non-compliance with HMRC requirements. It should be reiterated to all applicable staff that proof of identification should be obtained from all new members of staff to facilitate identity checks and right to work assessment are completed. This must be completed for all new employees, including returning employees who have had checks completed when they first joined the College.	All new employee's identification is obtained by HR and passed to Payroll, however on this occasion an individual, who was well known to the Payroll & Pensions Coordinator, had returned to the College as an invigilator having previously worked at the College for a number of years. Staff will be reminded to check that they receive identification for returning employees as well as new staff.	Grade 2 (Operation)	August 2018 - Both the Finance Manager and HR Managers have briefed their teams to remind them of the need for ID in all cases	27/04/2018			Yes

1. Purpose

To present members with the Strategic Risk Register for the College.

2. Recommendation

That members note the content of the register attached to this paper and the actions taken to date.

That members note the content and layout have continued to be presented in the existing format and that this will be changed once a decision on the new risk approach for the Board is reached following discussions at the Board strategic session in September.

3. Background

The College continues to monitor Strategic Risks to the College. These risks are discussed at SMT meetings and are also brought to each meeting of the Audit Committee.

4. Changes to the Risk Register

[Redacted]

5. Financial Implications

Please detail the financial implications of this item – Financial implications for relevant risks are outlined in the attached Strategic Risk Register.

6. Equalities

Assessment in Place? – Yes No

If No, please explain why – The Strategic Risk Register document does not require equalities impact assessment. Individual risks may result in Equalities assessments being completed for new/revised College policies and procedures.

Please summarise any positive/negative impacts (noting mitigating actions) – Not Applicable

7. Risk

Please indicate on the matrix below the risk score. Risk is scored against Impact and Likelihood as Very Low through to Very High.

	Likelihood	Impact
Very High		
High		
Medium		
Low	X	X
Very Low		

Please describe any risks associated with this paper and associated mitigating actions – Risk continues to be comprehensively managed and reviewed across the College on an ongoing basis.

Risk Owner – Ken Thomson

Action Owner – Ken Thomson

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Ken Thomson

Risk Management and Mitigation						Owners			Initial Risk Score		Score After Mitigation			Date Added and Date Score Updated		
No	Area	There is a real or perceived risk that...	Potential Consequences	Mitigating Actions	Actions/Progress to Date	Board Committee	SMT Risk Owner	Action Owner	Likelihood	Impact	Risk Score	Likelihood	Impact		Risk Score	Change to score since last meeting
1	Strategic	Strike action arising from National Bargaining negotiations will impact on the learning and teaching provision for students	<ul style="list-style-type: none"> Inability to hold classes in line with timetables Disruption to campus operations during strike action Impact on the delivery of commercial training Depending on timing, impact on assessment activity Commercial clients have requested changes to contracts with College to reflect strike action which may result in financial penalty. 	<ul style="list-style-type: none"> College continues to liaise with unions on a local and national levels to ascertain potential strike days Communications plan under development to notify shareholders of potential impacts Contingency planning for the recovery of lost teaching/assessment time 	<p>August 2018. Currently EIS National are seeking to ballot members for strike action over the cost of living offer. The ballot is planned to take place on 11 September 2018. Arrangements are currently being drawn up should strike action take place</p> <p>June 2018 - Sector currently in dispute with both unions regarding pay offer</p> <p>Nov 17 No further update discussion ongoing</p> <p>Aug17 The first 25% of the lecturer pay deal has been processed. In addition, the matching process for promoted posts has begun. Negotiations will begin soon regarding the terms and conditions. It has been suggested that the cost of living pay claim by EIS of £1000 flat cash will be rejected by the NJNC with the potential of a freeze on cost of living increases until the new salary ranges are completed. This has a potential risk of further strike action across the sector</p> <p>May 17 EIS strike action now suspended. Negotiated offer still to be agreed and the impact on students in terms of completion and progression, while plans are in place, is still to be fully managed. The College is also entering into negotiations with the Scottish Funding Council to secure additional funding to support the extra costs of the deal to the College. Score increased until these issues rectified.</p> <p>Feb 2017 - following further negotiations EIS have raised a dispute against the management side and are in the process of balloting members re strike action</p> <p>October 16. Negotiations continue with both unions. there is a dispute with EIS regarding the £100, pay award and how this has been implemented. Unison are currently in discussion with ACAS and the NJNC and continue with their action of not providing additional H&S and Fire Warding cover. (FVC is operating as normal with cover arrangements in place)</p> <p>August 16 - National UNISON strike action planned for 6 September. Contingency plans developed and enacted to allow learning and teaching to continue.</p> <p>May 16. Strike action successfully managed with limited destruction to students. NRPA now signed of by sector with EIS pay</p>	HR	P	DPCOO	VH	VH	25	VH	VH	25	↕	Mar-16
2	Finance	National bargaining will impact on the salary structure and terms and conditions of both support and teaching staff	<ul style="list-style-type: none"> Inability to fund pay increases agreed at a national level without impacting on College operations/existing staffing establishment Inability to effectively manage industrial relations with recognised College unions as a result of decisions/proposals made at a national level 	<ul style="list-style-type: none"> Continue effective local employee relation communication with Unison and EIS/FELA Participate in and contribute to the National Bargaining process Identify efficiencies to ensure affordability 	<p>August 2018 Information regarding the final harmonisation payment has been issues to all lecturing staff which clearly states the next payment and confirms revised salaries. The Job Evaluation process for support staff has yet to be fully launched</p> <p>June 2018 - Lecturer and promoted scale points agreed and harmonisation will be complete by April 2019. for support staff job evaluation is yet to begin and is to be concluded September 2019.</p> <p>Nov 17 No further Update</p> <p>Aug17 Unison pay deal has been accepted however, there remains a risk going forward of affordability. The Employers Association continue to seek clarity form Scottish Government regarding additional payment to meet the short fall in colleges overall budget</p> <p>May 17. No further update the position remains the same</p> <p>Feb 17 - given the current proposals from both unions re salary this has the potential increase the salary budget overall</p> <p>October 16 Negotiations continue no further update</p> <p>Aug 16 Detailed work has begun with the NJNC and Workforce of the Future Committees in preparing recommendations to be presented to both Unions on the migration of salaries and revised terms and conditions. This remains a risk in relation to potential disputes</p> <p>May 16 NRPA now signed be the sector however, this remains a high risk as discussion begin on the next stage of Terms and Conditions</p> <p>March 2016 - There are still a number of colleges who have not yet signed the NRPA which is causing difficulties in moving the process further</p> <p>November 2015</p> <p>National Recognised Procedure Agreement signed by all colleges and a pay offer has been communicated to both unions which</p>	HR	P	DPCOO	VH	H	20	VH	H	20	↕	Jun-14
3	Finance	The current economic environment including BREXIT, changes to the Oil & Gas sector, HEI investment levels and international unrest will impact on the College's ability to generate commercial income	Loss of commercial income impacting on the College's ability to cover its overheads and generate surpluses	Identification of new income streams/ expansion of unaffected existing streams and other funding streams	<p>August 2018 - No further update at this time</p> <p>June 18 - Review of international activity completed with a more refined focus on partnership working with HE sector</p> <p>Nov 17 - Review of Business Development completed which will provide greater focus on identifying new opportunities</p> <p>Aug 17 Very little change with this situation opportunities are being explored</p> <p>May 17 - no further update</p> <p>Feb 17 - Challenges with commercial income continue with the oil and gas downturn still having an impact on CompEx numbers. MA activity performed well even with lower engineering numbers and bidding to secure similar numbers for next year.. Full commercialisation plan being developed for next 5 years to evaluate and assess the different strands of income and project position going forward with level of support required</p> <p>November 2016 - Still a challenging period and impacts of Brexit and oil and gas downturn still affecting MA numbers, continue market as much as possible for MAs and commercial delivery and have managed to secure 76% of MA engineering numbers which is very high in Scotland. International picking up and are starting work in both Russia and Dubai.</p> <p>August 2016 - Strategy in place for Development and Fund Raising and this will be taken to SDC on 8 Sept, marketing support for commercial activities has stabilised the numbers for CompEx and International delivery underway with an Iraqi project and a scoping team currently out in Russia, as well as improved student numbers due to company sponsorship and links being established with universities. Challenges still remain to secure MA places as the oil/engineering sector still experiencing difficulties.</p> <p>May 2016 - No further update at this time</p> <p>March 2016 - Developing areas of activity across the teaching departments to generate additional income. Bid to SDS to expand the numbers and frameworks within the MA programme. Relunched the MA Engineering programme and seeking to attract additional companies. Active marketing campaign on commercial activities. Recruiting a Development and Fund Raising Manager</p> <p>November 2015 - Meeting held with all Heads of Teaching department to identify new streams of income</p>	F	P	VPFACA	VH	VH	25	VH	H	20	↕	Nov-15
4	Strategic	Uncertainty over SFC allocation levels for the College will impact on the curriculum planning process	<ul style="list-style-type: none"> Inability to accurately curriculum plan impacting on course advertising, recruitment and staffing levels Uncertainty over meeting Outcome agreement targets if reductions are received in allocation 	<ul style="list-style-type: none"> Liaise with SFC to receive assurance over funding levels Update Outcome Agreement to match available funding levels once known 	<p>August 18 - Alison Stewart is a member of sector working group looking at the new funding model.</p> <p>June 18 - SFC are reviewing the current funding model for implementation in 20/21. In the meantime the Guidance for 5 year financial plans gives indicative allocations for Colleges over that period.</p> <p>November 2017 - Response for SFC was not positive in terms of addressing the current funding model which recognises historic inefficiencies and inconsistent funding across colleges. In addition the 24 hour contact no detriment agreed through National Bargaining is not helpful to the FVC position. however additional £500k allocation received for Flexible Workforce Development Fund is welcomed. 18/19 allocations will be announced in the new year following the outcome of the spending review and the new format for Outcome Agreement negotiations.</p>	B	P	P	H	H	16	H	H	16	↕	March 2016 Score Increase May 2016 Score decrease Nov 2017

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5	Operational	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	F	Principal	DBD	VH	VH	25	H	H	16		Aug-18
6	Strategic	implementation of the new General Data Protection Regulations (GDPR) by the EU and any subsequent UK legislation will impact on College data management practices	<ul style="list-style-type: none"> Significant changes to College practices to ensure GDPR compliance Breach of GDPR is a significantly higher risk than is current under the Data Protection Act 1998 	Task group being set up to review all College data systems and updating all practices and consents to ensure compliance	<p>August 2018 - GDPR Audit undertaken. Information Governance group established.</p> <p>June 18 - Data Protection Officer appointed through University and Colleges Shared Service. Policies and procedures written/ revised to reflect legislative changes. Information Asset register populated for all core systems, retention periods reviewed, with data deleted/anonymised in light of these revisions. Staff training available to all staff</p> <p>Nov 17 - SMT have approved the creation of a GDPR Project Board, with the first meeting taking place early November, with an Information Audit commencing. Business Development are in the final stages of updating contract template, and interim privacy statements have been added to our online application process.</p> <p>Aug 17 - Activity has begun on compliance, with Business Development updating all contract templates to reflect strengthened privacy statements. Staff training will also be develop and included in staff development sessions</p>	SDC	VPISC	VPISC	VH	H	20	M	H	12	↔	Sep-17
7	Finance	SDS funding for Foundation Apprenticeships is insufficient to cover college costs and prevents the college from delivering on this DYW target. The college is unable to deliver on the Scottish Government's targets for Foundation Apprenticeship (FA) delivery	Reputational damage (schools, LAs, SDS, SFC); College finds itself running Foundation Apprenticeships with lower than viable group sizes SDS funding is insufficient to cover college costs; challenges in recruitment leave the college with lower than viable FA group sizes; reputational damage (schools, LAs, SDS, SFC, SG) if college is unable to upscale FA delivery	Ensure clear communication about the requirements of adequate funding to all stakeholders from the outset; Ensure that tender to SDS makes it clear that courses will only run with adequate funding and sufficient candidates; close partnership with senior LA education managers to ensure joint ownership of FA targets and full support for recruitment and delivery.	<p>August 2018: Enrolment for 2018-2020 courses is not yet complete and exact funding will not be finalised until after contract review in October 2018. The 2019-2021 tender is now open (deadline 11 September) and the funding model has changed once again. The costing information and proposed tender pricing will be taken to SMT for approval on 4 September, prior to tender submission.</p> <p>June 18: 260 places secured for 2018-2020 contract and recruitment is improving but still eliciting small numbers for some groups. Costs revisited to reduce these where possible. Early indications are that the funding model may not yet be stabilised for the 2019-2021 tender, so this continues to need monitored as a risk.</p> <p>Nov 17: Review of contract for 2016-2018 and 2017-2019 FAs submitted for the five programmes that fell below the enrolment thresholds required by SDS. Case made for levels of fixed cost funding not to be reduced. Result not yet know. Tender for 2018-2020 FA contract submitted and result awaited, so levels of funding offered not yet know. Significant efforts have been made to secure strong schools and local authority support to maximise recruitment for 2018-202, however the uncertainty around funding and recruitment to these programmes remain a risk.</p>	F	VPLQ	VPLQ	H	M	12	H	M	12	↔	Nov-16
8	Estates	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	P	VPED	VPED	VH	VH	25	VH	L	10	↔	May-16
9	Strategic	reputational damage may arise to the sector from the new Education Scotland self evaluation system	Consistency of grading across the sector could lead to reputational damage both to the College if other colleges score themselves higher, and to the sector if scorings are rejected or proven to be fabricated	College will engage positively with Education Scotland and also advocate for consistency in scoring via College's Scotland/SQA and other quality forums	<p>August 2018: The college's EREP for 2017-2018 is in preparation and will be submitted (with grades) by the end of October, following SMT and Board approval. There is currently some uncertainty about the external endorsement process for the reports and grades, which has been raised with Education Scotland by the CPG. This risk remains until the process for SFC and Education Scotland to endorse grades has been completed and found to be robust.</p> <p>June 18: the college's EREP for 2016-2017 was endorsed by Education Scotland and SFC and received positive feedback. The reporting model has been changed somewhat for the 2017-2018 report, due in October 18 and this will also be the first year in which Grades will be published, so this risk remains until the process is fully established.</p> <p>Nov 2017: The college's first Evaluative Report and Enhancement were submitted to SFC and Education Scotland on 31 October. Feedback from Pre-endorsement Meeting was positive. Formal Endorsement Meeting to be held on 17 Nov. No grades will be published this year.</p>	SDC	VPLQ	VPLQ	M	M	9	M	M	9	↔	New - Aug 17
10	Business Continuity	As the College becomes ever more reliant on IT and systems to deliver to our learners, and to support learners and staff, that disruption to this provision has a more significant impact.	The College could experience loss of access to any of its core systems, which could result in loss of service to staff and/or learners, or could impact our ability to deliver learning.	<ul style="list-style-type: none"> The IT Disaster Recovery plan is maintained, and shows the impact of the loss of each of our core systems, and how we would recover each of these core systems The College's Business Continuity is updated and informs when to access the College's IT Disaster Recovery Plan The College's Business Continuity Plan is tested Physical Security is reviewed Changes to legislation e.g. (European Data Protection/ Public Records (Scotland) Act) etc. are reviewed and relevant sections implemented 	<p>August 2018 - Preparatory work for Cyber Essentials certification has taken place.</p> <p>Jun 18 - As part of the Public Sector Cyber Catalyst Programme, College staff have participated in workshops preparing for introduction of SG's Public Sector Action Plan on Cyber Resilience. Part of this is the requirement for Public Sector Organisations to be attain Cyber Essentials certification.</p> <p>Nov 17 - The College has agreed to be part of the Public Sector Cyber Catalyst Programme, which is a key recommendation of SG's Public Sector Action Plan on Cyber Resilience, which is launched this month.</p> <p>Aug 17 - No further update</p> <p>May 17 - Jisc review of Infrastructure undertaken, with no key issues identified. Recent widespread ransom ware attack did not impact the College owing to robust systems including anti-virus and intrusion detection systems.</p> <p>Feb 17 - Additional storage installed at Stirling, allowing further fall-over of key systems.</p> <p>Nov 16 - No further update</p> <p>Sept 16 - Risk analysis of physical security carried out</p> <p>May 16 - IT Health check undertaken by Internal Auditors. No significant risks identified.</p> <p>March 2016 - Further resilience added through additional break-out access added to Alloa and Stirling.</p> <p>November 2015</p> <p>No further update</p> <p>August 2015</p> <p>An additional high-speed internet connection was installed in May to provide resilience</p> <p>May 2015</p> <ul style="list-style-type: none"> An additional internet connection to provide resilience should there be any disruption to our main connection has been purchased and will be configured and tested this month. <p>March 2015</p> <ul style="list-style-type: none"> We are planning to install an additional internet connection to provide resilience should there be any disruption to our main connection. 	F	VPISC	VPISC	L	VH	10	L	H	8	↔	Jun-14

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11	HR	Financial restrictions limit the ability to fund pay increases	<ul style="list-style-type: none"> Low staff morale Inability to attract and/or retain key staff 	<ul style="list-style-type: none"> Implementation of alternative benefits (i.e. additional holidays, salary sacrifice schemes, season ticket loan for travel, Edenred Staff Benefits system) Clear communication with staff and engagement with Unions on funding restrictions 	<p>August 2018 No further update</p> <p>June 18 - while the sector is currently in dispute with both unions, the management offer made has been budgeted for.</p> <p>Nov 17 No further update - agreed pay rises were budgeted for</p> <p>Aug 17, Both Unions pay deal are now accepted with payments made in July for lecturing staff and August for support staff. There remains an issue regarding the sustainability of the payments and additional funding is being sought from the Scottish Government</p> <p>May 17 No further update the position remains the same</p> <p>Feb 17 - We have accounted for public pay sector pay rises within College budgeting</p> <p>October 16 FVC have accounted for the current pay offer to Unison in this financial year. However, there remains a dispute with Unison in which the offer has not been accepted. Talks are currently underway between NJNC, Unison and ACAS to agree a solution.</p> <p>Aug 16 Following a ballot by Unison the current pay offer was rejected and we have notification of industrial action</p> <p>May 16 EIS pay award now completed for 15/16 & 16/17 Unison pay award for 15/16 completed Negotiations still on going for 16/17</p> <p>March 2016 - Unison have now accepted a pay award backdated to April 2015. Unison have also tabled a pay awards for 16/17 November 2015</p> <p>National Recognised Procedure Agreement signed by all colleges and a budgeted pay offer has been communicated to both unions which has subsequently been rejected and both unions are considering industrial action.</p> <p>July 2015.</p> <p>National Bargaining Process is in the process of being signed by all colleges. This will enable the pay negotiations to move forward and take place at a National Level . The outcome of negotiations will determine the next stage . FVC has budget in place to meet the suggested level of increase for staff</p> <p>May 2015</p> <p>National Bargaining process remains ongoing which could result in local pay negotiation taking place. Financial details require to</p>	HR	DPCOO	DPCOO	H	H	16	L	M	6	<p>Nov-14 Score reduced from 12 to 6 (April 2014 score increased from 9 to 12) (January 2014 Score reduced) (21 November 2013 increased) August 2013</p>
12	Governance	In the event of a serious incident, the lack of an up to date and tested Business Continuity Plan could lead to increased risk, delay and costs		<ul style="list-style-type: none"> Full review of business continuity conducted by Baker Tilly resulting in a number of recommendations Initial investigation of engaging external specialist to conduct review of BCP and implementation of audit recommendations Creation of BCP policy which will govern frequency of update and testing of new plan 	<p>August 18 - No further update at this time</p> <p>June 18 - The snow closures in March 2018 allowed the College to test the BCP under real world conditions. Overall the process worked very well, with areas of improvement identified to further streamline communications.</p> <p>Nov 17 - Staff training activity for key staff on BCP scheduled for 27 November 2017</p> <p>August 17 - BC plan remains up to date. Staff are also currently examining tying the plan into College MIS data to ensure currency of information supporting the BC plan</p> <p>May 17 No further update</p> <p>Feb 17 - No further update</p>	A	P	VPFACA	L	VH	10	L	M	6	<p>Nov-13</p>
13	Strategic	Failure to deliver upon targets within Outcome Agreement impact upon the College	<ul style="list-style-type: none"> Impact on future financial settlements Reputational damage Potential removal of Board members 	<ul style="list-style-type: none"> KPI reporting to relevant committees to ensure appropriate monitoring occurs Robust internal monitoring processes to ensure KPI achievement Regular engagement with SFC on progress and expectations 	<p>August 2018 - Outcome Agreement for 2018/21 has been approved and published.</p> <p>June 18 - The Outcome Agreement for 2018/21 is going to the June meeting of BOM for approval.</p> <p>Nov 17 - Outcome Agreement guidance for 2018/19 has been released by SFC, and work has begun on refreshing our OA based on this. OA self evaluation report is also presented to the Board of Management</p> <p>Aug 17 - Outcome Agreement for 2017/20 approved at June Board meeting.</p> <p>May 17 - Final Outcome Agreement for 2017/18 being prepared for Board approval in June. Ongoing strike action has the potential to impact upon student achievement and thereafter on PI's within the Outcome Agreement.</p> <p>Feb 17 - Draft Outcome Agreement for 2017/18 submitted to SFC, with favourable feedback. Draft Outcome Agreement and targets discussed at Strategic Development Committee.</p> <p>Nov 16 - No further update</p>	SDC	VPISC	VPISC	L	VH	10	L	M	6	<p>Aug-13</p>

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