

Boardroom, Falkirk Campus at 5.00pm

AGENDA

1. Annual Report and Financial Statements 2018/19
(Joint item with Finance Committee) Senga McKerr

(Elements of paper 1 are withheld from publication on the Forth Valley College website under Section 27 Information Intended for Future Publication of the Freedom of Information (Scotland) Act 2002.)

2. Draft External Audit Annual Report to the Board of Management
(Joint item with Finance Committee) Ernst and Young

(Elements of paper 2 are withheld from publication on the Forth Valley College website under Section 27 Information Intended for Future Publication of the Freedom of Information (Scotland) Act 2002.)

3. Declarations of interest
4. Apologies

FOR APPROVAL

5. Minutes of meeting of 5 September 2019
(Elements of Paper 5 are withheld from publication on the Forth Valley College website under Section 38 Personal Information of the Freedom of Information (Scotland) Act 2002.)

6. Matters Arising - None

7. Chairs Report to the Board Lorna Dougall

8. Ernst & Young Letter of Representation Response Lorna Dougall

9. Risk Management Policy Alison Stewart

FOR DISCUSSION

10. Internal Audit Progress Report HLA Henderson
Loggie

11. Presentation of Internal Audit Reports HLA Henderson
Loggie

- a) Student Elections

(Paper 11a is withheld from publication on the Forth Valley College website under Section 38 Personal Information of the Freedom of Information (Scotland) Act 2002.)

- b) Credits
-

- c) Student Support Funds
- | | | |
|-----|--|----------------|
| 12. | Progress Report on Audit Recommendations | Stephen Jarvie |
| 13. | Risk Management | Alison Stewart |
| 14. | National Fraud Initiative | Alison Stewart |
| 15. | Review of Risk | |
| 16. | Any other competent business | |
| 17. | Private Discussion between Members and Auditors (Verbal) | Lorna Dougall |

FOR INFORMATION

Strategic Internal Audit Plan 2019-2022
Forward Programme of Committee Business

Uncontrolled Copy

1. Purpose

To present to members the Annual Report and Financial Statements for the year to 31 July 2019.

2. Recommendation

Members consider the financial position of the College for the year ended 31 July 2019 and approve the submission of the Annual Report and Financial Statements for the year ended 31 July 2019 to the Board of Management for final approval.

3. Background

The Office for National Statistics (ONS) reclassification of FE Colleges came into effect from 1 April 2014. There are a number of significant implications resulting from this reclassification not least the inability to retain surplus cash without this in effect being frozen due to government resource budgeting restrictions.

The Annual Report and Financial Statements have been prepared in accordance with the Accounts Direction issued by the Scottish Funding Council in July 2019. This direction requires the College to comply with the Statement of Recommended Practice: Accounting for Further and Higher Education issued in July 2015 (2015 SORP), the Scottish Public Finance Manual (SPFM) and the Scottish governments Financial Reporting Manual (FRM).

The SPFM and FRM both require additional disclosures.

4. Key Considerations

The adoption of the Financial Reporting standard (FRS) 102 and the 2015 SORP, combined with the government accounting restrictions on the ability to retain cash surpluses due to resource budgeting restrictions, means it is difficult to present the College's financial position in a way which informs readers of the true underlying financial sustainability of the College.

The key consideration for members is the long term financial sustainability of the College. This is referred to within the Annual Report and Financial Statements as the College continuing to operate on a "going concern" basis. Under the current reporting regime previous indicators such as reporting an operating surplus and having a strong Balance Sheet with net assets are no longer achievable. This does not however mean that the College is financially unsustainable.

The key measures going forward is the College's ability to generate cash from its day to day operational activities, and evidence that it can meet its liabilities as they fall due. The impact of non-cash technical accounting adjustments, while they are relevant to some extent, should be excluded when assessing the College's financial strength.

The Financial Performance section of the Performance Report provides a detailed review of the College's financial performance for the year ended 31 July 2019 and its financial position at 31 July 2019. The key points to note are:

- The College generated an underlying operational surplus of £1,268k excluding non-cash adjustments, funding from the Forth Valley College Foundation, the estates development costs and the loan repayments. This surplus demonstrates that the College is operating sustainably within its funding allocation.
- The net liability position in the Balance Sheet is distorted due to the technical accounting adjustments in relation to the treatment of government capital grants and pension liabilities. Additionally, the impact of reclassification where surplus cash has been donated to an arm's length foundation or spent to support the estates development programme impacts on the net liabilities.
- £187k is receivable within 2018/19 from the Forth Valley College Foundation in relation to capital IT spend for the new Falkirk Campus.
- The external auditors are content there are no going concern issues as the underlying financial position has been clearly demonstrated.

5. Financial Implications

SFC guidance states that for the financial period ended 31 July 2019 Colleges are permitted to report deficits equivalent to the spend on cash budget for priorities, FRS 17 pension charges and FRS 102 adjustments. The reported financial position falls within these guidelines.

Reporting a deficit does have implications however, and to counter any queries or concerns by the users of the Financial Statements, the Underlying Performance table on page 12 schedules out the non-cash technical adjustments and one-off adjustments included within the deficit, thereby highlighting the true underlying surplus.

6. Equalities

Assessment in Place? – not applicable given the nature of this report.

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		

Due to the adoption of FRS 102 in terms of the accounting treatment of certain items and the associated presentational changes, the College's underlying financial health is masked. There is a risk that those not familiar with the technical aspects of Financial Statements will misinterpret the state of the College's financial health. In mitigation of this, it needs to be stressed that the Board of Management, SFC and the external auditors are all in agreement that there is no going concern issue.

Risk Owner – Alison Stewart

Action Owner – Senga McKerr

Paper Author – Senga McKerr

SMT Owner – Alison Stewart

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Boardroom, Falkirk Campus (commencing at 4.30pm)

Present: Mrs Lorna Dougall (Chair)
Mrs Pamela Duncan
Mr Lindsay Graham (FVSAVP) (Exited for item A/19/003)
Mr Steven Torrie (Co-opted Member)
Ms Mandy Wright (Co-opted Member)

In Attendance: Dr Ken Thomson, Principal
Mr Andrew Lawson, Depute Principal and Chief Operating Officer (DPCOO) – left after A/19/10
Mrs Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Mr Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)
Ms Claire Beattie, Scott Moncrieff – for AA/19/001 and 002 only
Ms Elizabeth Young, Scott Moncrieff – for AA/19/001 and 002 only
Mr Stuart Inglis, MHA Henderson Loggie

The Chair welcomed members to the first meeting of the 2019/20 academic year. She noted that the order of the meeting would be altered from the agenda; with the outgoing internal auditors presenting their reports first then there would be an AOCB from the College prior to resuming the agenda, as it is relevant to the proposed internal audit plan for the coming year.

A/19/001 Presentation of Internal Audit Reports

Claire Beattie, Scott Moncrieff, presented two internal audit reports to members.

Student Experience – Curriculum Planning

She reported that this was a very positive report, with examples of good practice identified, and three green and one yellow (low level) recommendation. She confirmed that the yellow recommendation related to aspects of curriculum planning which did occur but which were not formally documented. She noted that this recommendation had already been completed by the College.

Follow Up

She presented the follow up review report, which is an annual review of the implementation of audit recommendations. She reported that, of the 15 actions, 11 were complete, with one partially complete and due to be finalised by the end of September. The remaining recommendations were all newer and were within their agreed implementation dates.

a) Members noted the contents of the reports

A/19/002 Internal Audit Annual Report 2018-19

Elizabeth Young, Scott Moncrieff, presented the overview of the internal audit activity for the year. She highlighted the audit opinion provided, which is the most positive opinion it is possible to receive. She expressed the opinion that the College was well controlled and managed.

The Chair welcomed the report and highlighted that continued positive reports can lead to a sense of complacency that the Committee should be aware of.

The Chair thanked Scott Moncrieff for their work and the support that they had offered to the Audit Committee.

a) Members noted the content of the report

Section A/19/003 of the minute is exempt from disclosure under the Freedom of Information (Scotland) Act 2002 section 35(1)(a) and section 38(1)(b)

A/19/003 Any Other Competent Business

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

A/19/004 Declarations of Interest

None

A/19/005 Apologies for Absence

Mrs Beth Hamilton
David Archibald, Henderson Loggie
Olga Potapova, Ernst & Young

A/19/006 Minutes of meeting of 23 May 2019

The minutes of the Meeting of 23 May 2019 were approved as an accurate record.

A/19/007 Matters Arising

a) A/18/033 National Fraud Initiative 2018/19

The Chair noted that the requested checklist had been circulated after the May meeting.

b) A/18/034 Scottish Government Audit & Assurance Committee Handbook 2018

The Chair noted that the CDN training link had been sent to all members

c) A/18/034 Scottish Government Audit & Assurance Committee Handbook 2018

The Chair noted that there had been an action to review the handbook's checklist and that this would be covered under A/19/00

A/19/008 Review of Committee Remit

The VPFACA noted that the Scottish Government Audit & Assurance Committee Handbook 2018 (the handbook) recommended that the Committee consider its remit on an annual basis.

She noted that the remit currently states that staff or student members should not serve on the Committee. She recommended that this restriction be removed as the College views staff and student members to be full Board members.

a) Members agreed fully and approved that staff and student members should be able to serve on the Committee.

The Chair noted that the handbook recommended four meetings per year. She highlighted that this had been the previous model but that some meetings were light in terms of agenda content.

She recommended that the Committee keep to three meetings per year, with the option as with all Committees to call additional meetings if required.

b) Members approved three meetings per year

A/19/009 Internal Audit Plan 2019/20

Stuart Inglis, Henderson Loggie, presented the draft internal audit plan for 2019/20. He noted that the plan had been created in consultation with the College Senior Management team looking at the key risks to, and issues for, the College.

He highlighted the forward planning for the next three academic years, noting that this will change based upon circumstances and feedback from the Committee.

Members noted that there were no audits of the College's financial aspects.

He reported that this was due to the level of scrutiny that the College financial systems had had in recent years and that this was based on previous internal audit reports and the external auditor's annual review of the College accounts.

The Chair noted that it would be useful to provide newer members of the Committee with an overview of previous internal audit coverage. The CGPO agreed to do this.

The VPFACA noted that there was a significant amount of financial planning underway and the Principal agreed that the contingency days in the plan for 2019/20 would be useful to support review of this activity.

a) Members approved the internal audit plan for 2019/20 and the use of the contingency days in the plan to review financial planning.

A/19/010 Policy Approval

The Chair noted that there were two policies being presented for consideration for approval.

Safeguarding

The VPCOO presented the safeguarding policy, noting that the only change was a title change for the Senior Manager with responsibility for this area. He highlighted that, since the paper was issued, there had been internal reorganisation and that the correct title was Vice Principal Learning & Student Experience.

a) Members approved the policy and title change

Whistleblowing

The VPCOO presented the updated policy, noting that there were a significant number of changes tracked in the document, primarily relating to changes in terminology or legislative changes.

He noted that both the policies being presented had been to the College's Unions for consideration.

Members queried whether the changes to the Whistleblowing policy had taken into account best practice. The VPCOO confirmed that information from organisations such as ACAS had been considered when updating the policy.

A/19/011 b) Members approved the policy
Governance Statement

The VPFAA presented the draft governance statement for the College annual accounts. She noted that members would have previously been presented this as part of the full accounts in November but that the handbook recommends considering it separately.

She noted that the statement had been updated with the recent Audit Scotland guidance in mind and asked members to consider the content of the statement.

A/19/012 a) Members considered and approved the governance statement
Audit Committee Self-Assessment

The Chair informed members that she, Beth Hamilton and the VPFAA had conducted a review of the self-assessment checklist which accompanies the handbook

She confirmed that, as already considered earlier in the meeting, where changes to Committee business had been identified these had been implemented.

She also commented on the annual meeting between the Committee and internal and external auditors without the College present and the one to one annual meetings with the Chair of the Board of Management. She also noted that there is an annual report on the work of the Committee which is presented to the full Board of Management and that the minutes are considered by the Board as well.

Stuart Inglis also noted that activity of the Committee is reviewed every three to five years as part of the overall external Board effectiveness review.

The Chair asked members if there were other aspects of self-assessment that should be considered.

Members queried how often the membership of the Committee is considered.

The VPFAA informed members that the membership had been considered and approved by the full Board of Management in September 2018. She noted that all Board members have the opportunity to discuss the committees they would like to serve on in their annual one to one with the Board Chair. Finally, she also noted that there is a skills matrix maintained for the Board of Management and that, when recruitment takes place, this is reviewed to ensure appropriate placement of members on committees.

Members queried when the Union members of the Board of Management would be appointed. The VPACA confirmed that, while the Scottish Government had announced their intention for two union members of the Board, there were legislative changes that the Scottish Government would need to implement before this could happen.

a) Members noted the content of the report

A/19/013 Progress Report on Audit Recommendations

The CGPO presented members with an update on progress against audit recommendations since the last meeting. He confirmed that there were no recommendations out with their approved implementation dates.

a) Members noted the content of the report

A/19/014 Risk Management

The VPFACA presented the risk register to members, noting that there had been no changes since it had been discussed by the full Board of Management the previous week.

She requested approval to remove risk ID10 as this related to an area of College activity which was no longer in place.

Members queried why national bargaining was still listed as a risk. The VPFACA confirmed that this was due to the job evaluation process for all support staff still being ongoing.

The Principal commented on the top risk relating to funding noting that, while the College was working to provide some mitigation to this, it should remain red as it represents one of the highest risks to the College since merger.

a) Members noted the content of the report and approved the removal of risk ID10

A/19/015 Review of Risk

All risks were covered in their respective papers

1. Purpose

To present to members the annual report from the Chair of the Audit Committee to the Board of Management for approval.

2. Recommendation

That members approve the attached report.

3. Background

The Chair of the Audit Committee presents a report of the Committee's activities on an annual basis.

As this report is linked directly to the associated financial year, the information within this paper covers the 12 month period from 1 August 2018 to 31 July 2019 period.

4. Financial Implications

Please detail the financial implications of this item – None. All audit activity is fully budgeted and progress against agreed activity is monitored.

5. Equalities

Assessment in Place? – Yes No

If No, please explain why – Not applicable

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

6. 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 – Failure to adequately check internal systems via the internal audit service could lead to systemic errors or inefficiencies. The Internal Audit function, overseen by the Audit Committee, ensures that adequate assurances are received.

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

7. 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

ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF MANAGEMENT

1. Introduction

This report covers the 12 month period from 1 August 2018 to 31 July 2019. Membership of the Committee during that period underwent a number of changes following a review of committee membership. Attendance was as follows:

Name	Attendance Record
Lorna Dougall (Chair)	3 of 3 meetings
Colin Alexander (last meeting 6 September 2018)	1 of 1 meetings
Trudi Craggs (last meeting 6 September 2018)	1 of 1 meetings
Pamela Duncan (Joined 4 December 2018)	2 of 2 meetings
Lindsay Graham (joined 4 December 2018)	2 of 2 meetings
Beth Hamilton	2 of 3 meetings
Steven Torrie (co-opted) (joined 4 December 2018)	2 of 2 meetings
Mandy Wright (co-opted) (joined 4 December 2018)	1 of 2 meetings

The Committee met on the following dates:

6 September 2018
4 December 2018
23 May 2019

2. Internal Audit

Internal Audit is governed by the Code of Audit Practice, as published by the Scottish Funding Council (SFC). The Code requires the Internal Auditors to adopt a risk-based approach to the programme, and to undertake follow-up work to ensure that all recommendations accepted by College management have been implemented.

Audit Provider: Scott Moncrieff. Their charge for the period was £21,807. (Fees are based upon the degree of responsibility and skill of staff, and the time involved in the work. Fees for additional services or assignments are agreed separately in advance).

Annual Report on Audit Activities: The Internal Auditor's report on audit activities carried out during the year 2018–2019 was considered by the Audit Committee at its 9 September 2019 meeting. Internal Audit assignments for this period were carried out broadly in accordance with the Audit Plan agreed by the Audit Committee on 6 September 2018.

Achievements: The audit assignments were identified based upon a review of the College risk register, the identification of new systems being implemented within the College and those audits (i.e. credits) required on a rolling basis.

The specific audit reports produced for each assignment made recommendations for the improvement of internal procedures and controls, and each recommendation was given an agreed

target date for implementation. The monitoring of internal audit recommendations is a standing agenda item on Audit Committee agendas.

Effectiveness: On the basis of the work undertaken during the year the auditors have expressed an opinion that the 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.”

3. External Audit

Audit Provider: Ernst & Young LLP.

Auditors Report: The External Auditor’s report on the Financial Statements for the year 2018-2019 is included in the papers. The audit was carried out during October/November 2019.

Management Letter: During the course of the audit the Auditors performed overviews of the key financial systems of the College to assess their adequacy for the purposes of ensuring that accurate, timely and complete accounting records were being maintained. The recommendations resulting from this exercise are set out in the report of the External Auditor.

4. Other Matters

During the past 12 month period, in addition to receiving reports from the Internal and External Auditors, the Committee also considered the Risk Register and treatment of significant risks.

The Audit Committee will also meet with the Internal and External Auditors without College staff in attendance at their meeting of 19 November 2019.

5. Adequacy and Effectiveness

The Committee accepts the views of the internal and external auditors that Forth Valley College’s internal financial and management systems are adequate and that the Board of Management’s responsibilities have been satisfactorily discharged.

Lorna Dougall
Chair
5 December 2019

1. Purpose

To present members with correspondence from the College's current external auditors, Ernst & Young, to the Committee seeking information on the Committee's oversight of the College.

2. Recommendation

That members consider the content of the letter (Appendix 1) and approve the proposed response developed by the College for the Chair (Appendix 2).

3. Background

The College external auditors are appointed by Audit Scotland and are, at this time, Ernst and Young.

4. Key Considerations

The letter attached as Appendix 1 forms part of Ernst and Young's annual review of oversight performed by the Audit Committee.

The letter has been reviewed by both the Board Secretary and Depute Board Secretary who have identified that, owing to the Committee structure of the College, not all questions relate directly to the work of the Audit Committee. Where this is the case, this has been identified and explained in the proposed response in Appendix 2.

5. Financial Implications

Please detail the financial implications of this item – None

6. Equalities

Assessment in Place? – Yes No

If No, please explain why – Not applicable

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		
Very Low	X	

Please describe any risks associated with this paper and associated mitigating actions – Failure to ensure adequate oversight of systems in use by the College can lead to issues of poor performance or fraud. The College and Board mitigate this via a strong internal and external audit function, regular reporting to Board and Committees.

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

Members of the Audit Committee
Forth Valley College
Grangemouth Rd
Falkirk
FK2 9AD

04 June 2019

Ref: SR/OP/TM

Direct line: 131 777 2839

Email: SReid2@uk.ey.com

Dear Sirs,

External audit: Year ending 31 July 2019

Auditing standards require us to formally update our understanding of your arrangements for oversight of management processes and arrangements annually. I am therefore writing to ask that you please provide a response to the following questions.

1. How does the Audit Committee, as 'those charged with governance' at Forth Valley College ("the College"), exercise oversight of management's processes in relation to:
 - undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);
 - identifying and responding to risks of fraud in the College, including any specific risks of fraud which management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
 - communicating to employees its view on business practice and ethical behaviour, for example by updating, communicating and monitoring against the College's code of conduct;
 - encouraging employees to report their concerns about fraud; and
 - communicating to you the processes for identifying and responding to fraud or error?
2. How does the Audit Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?
3. Is the Audit Committee aware of any:
 - breaches of, or deficiencies in internal control; and
 - actual, suspected or alleged frauds during 2018/19?
4. Is the Audit Committee aware of any organisational or management pressure to meet financial or operating targets?

5. How does the Audit Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2018/19?
6. Is the Audit Committee aware of any actual or potential litigation or claims that would affect the financial statements?
7. How does the Audit Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?
8. How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with the Scottish Funding Council's ("SFC") Accounts Direction and Financial Memorandum?
9. How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with its requirements as an independent charity as set out by OSCR?
10. How does the Audit Committee satisfy itself that the College has arrangements to monitor and maintain the regularity of income and expenditure?
11. What does the Audit Committee consider to be the related parties that are significant to the College and what is its understanding of the relationships and transactions with those related parties?
12. Does the Audit Committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?

Thank you for your assistance. Please respond to the inquiries above (or if you have any queries in respect of this letter) by emailing Olga Potapova/Tom McGowan at opotapova@uk.ey.com/tmcgowan1@uk.ey.com.

Yours faithfully



Stephen Reid
Partner
For and on behalf of Ernst & Young LLP

Appendix 2 – Proposed Response

DATE TO BE CONFIRMED

Stephen Reid
Partner
Ernst & Young LLP Atria One
144 Morrison Street
Edinburgh
EH3 8EB

Dear Mr Reid,

Thank you for your letter (Ref SR/OP/TM) of 4 June 2019 to the Audit Committee of Forth Valley College of Further and Higher Education.

The Audit Committee has reviewed the content of your letter and agreed the following responses to your queries –

1) How does the Audit Committee, as ‘those charged with governance’ at Forth Valley College (“the College”), exercise oversight of management’s processes in relation to:

Undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments);

The Audit Committee relies on a number of measures to obtain comfort in relation to the financial statements. These include –

- The work undertaken by Internal and External auditors, as guided by the Audit Committee, into providing assurance on the efficacy of College controls
- The College Anti-Fraud policy
- The regular reports taken to our sister Committee, the Finance Committee, which would highlight unexpected and/or significant expenditure
- The joint annual meeting between the Audit and Finance Committee’s to consider the annual accounts at which the external auditors provide written assurance as to the accuracy and materiality of the accounts
- The Audit Committee also meets at least annually in private with both Internal and External Auditors who can raise any concerns they might have without College management being present

Identifying and responding to risks of fraud in the College, including any specific risks of fraud which management has identified or that have been brought to its attention, or classes of transactions, account balances or disclosures for which a risk of fraud is likely to exist;

Along with the anti-fraud policy referred to in the previous response, all Committee and Board papers have a requirement for risk to be identified along with mitigating actions. Committee members take

cognisance of risks which are identified in this manner and, should a risk be deemed too high, the Committee would not approve the item under consideration.

The College is also a participant in the National Fraud Initiative (NFI). The NFI provides external checks to identify potential instances of fraud.

Additionally, any expenditure of £25k or over is managed via the contracted APUC procurement specialists. This ensures quality, independent procurement advice and systems is adhered to for material levels of expenditure. The Board of Management review and approve the College Procurement policies.

Communicating to employees its views on business practice and ethical behaviour, for example by updating, communicating and monitoring against the College's code of conduct.

The primary method of communication is via the Policies approved by the Board which clearly set out the conduct and actions expected of staff members.

Encouraging employees to report their concerns about fraud;

The College has a comprehensive whistleblowing policy in place for all staff. Additionally, in line with the Code of Good Governance adopted by the Board of Management, the Board Secretary and Depute Board Secretary both have a duty to report issues of concern to the Board which would include instances of fraud.

Communicating to you the processes for identifying and responding to fraud or error?

The anti-fraud policy outlines the required notifications. In relation to errors, this would be communicated by the relevant member of the senior management team or the Board Secretary/Depute Board Secretary as appropriate.

2) How does the Audit Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?

Beyond the anti-fraud policy, the Audit Committee reviews and approves the internal audit plan which is based in part on the College risk register. The Audit Committee meets privately with the Internal and External Auditors each year so any matters of concern can be raised then without management being present if necessary.

3) Is the Audit Committee aware of any:

- Breaches of, or deficiencies in, internal control; and
- Actual, suspected or alleged frauds during 2018/19

No. Through ongoing Internal Audit activity, areas of improvement in internal controls are identified, however none of these have been categorised as "red" by the internal auditors.

4) Is the Audit Committee aware any organisational or management pressure to meet financial or operational targets?

The Audit Committee is aware that the College continues to operate in a challenging financial environment whilst having ambitious operational targets in order to achieve its Outcome Agreement with the Scottish Funding Council. It is not the impression of the Committee however that this would result in management malfeasance to achieve these targets.

5) How does the Audit Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2018/19?

The Audit Committee gains assurance via a rolling programme of internal audits which examine areas within the College for legislative compliance and the implementation of best practice. The Audit Committee is not aware of any instances of non-compliance during 2018/19.

6) Is the Audit Committee aware of any actual or potential litigation or claims that would affect the financial statements?

No

7) How does the Audit Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?

The College Senior Management Team provide comprehensive budgeting and forecasting information which is scrutinised by colleagues on the Finance Committee. At the annual joint meeting between the Audit and Finance Committees, Finance members have the opportunity to highlight concerns. Also in attendance at this meeting are the College Internal and External auditors who have the opportunity to raise any concerns they may have.

8) How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with the Scottish Funding Council's ("SFC") Accounts Direction and Financial Memorandum?

Board members are provided with copies of the Financial Memorandum during induction which they can refer to if needed. The primary route of assurance is via the scrutiny of the information provided by College Senior Management to the Finance Committee. As with question 7 above, there is a joint meeting where Finance Colleagues, Internal and External auditors all have an opportunity to raise any concerns regarding compliance with the accounts direction and financial memorandum.

9) How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with its requirements as an independent charity as set out by OSCR?

The Audit Committee relies upon the judgement of the Finance Committee in scrutinising information provided by the Senior Management Team. Additionally, any correspondence for OSCR would be brought to the relevant Committee or the full Board to further inform members.

10) How does the Audit Committee satisfy itself that the College has arrangements to monitor and maintain the regularity of income and expenditure?

The Audit Committee satisfies itself that this is monitored by the Finance Committee of the Board through ensuring compliance with financial regulations. Additionally, each Committee Chair is afforded the opportunity at Board meetings to raise any items of concern.

11) What does the Audit Committee consider to be the related parties that are significant to the College and what is its understanding of the relationships and transactions with those related parties?

On appointment all members are required to complete a register of interest which is updated annually and published on the College website. Any related parties would be identified through this process. There are no related parties that we would considered to be significant. All transactions with related parties are of a routine nature in terms of the College's business.

12) Does the Audit Committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?

No.

I hope the above responses meet your requirements. Should you require further clarification, please do not hesitate to contact me via Alison Stewart (alison.stewart@forthvalley.ac.uk)

Yours sincerely

Lorna Dougall
Chair
Audit Committee

1. Purpose

To request approval from members for the updated Risk Management Policy.

2. Recommendation

That members review and approve the attached Risk Management Policy.

3. Background

The College has had a risk management policy in place for a number of years now, with an attendant strategic risk register which is presented to each meeting of the Audit committee and annually to the full Board.

In 2018/19, members of the Audit Committee and the Vice Principal Finance and Corporate Affairs undertook a review of the College's approach to risk management to identify if there were any areas for improvement.

Following the review, and comment from the then internal auditors, it was decided that the current arrangements remain fit for purpose.

4. Key Considerations

Given the above, the attached policy document has been reviewed to ensure it continues to match the internal arrangements within the College and, where necessary, update job roles.

All changes are tracked for ease of identification.

The policy was reviewed and approved by the College Senior Management Team on 5 November 2019.

5. Financial Implications

None

6. Equalities

Assessment in Place? – not applicable given the nature of this report.

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		
Very Low	x	x

The Risk Management policy has been operated successfully within the College for a number of years. As there are no changes to the content of the policy, no risk is anticipated in relation to the approval of the updated document.

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

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Risk Management Policy

Status	Approved – Audit Committee <u>Draft</u>
Date of Version	April 2012 <u>October 2019</u>
Responsibility for Contents	Depute Principal <u>Vice Principal Finance and Corporate Affairs</u>
Responsibility for Review	Policy <u>Corporate Governance</u> and Planning Officer
Review Date	April 2015 <u>October 2022</u>
Primary Contact	Policy <u>Corporate Governance</u> and Planning Officer Ext 3273

1.0 Purpose

This policy and procedure details and disseminates the College's approach to risk capture, monitoring and reporting.

2.0 Policy Statement

Forth Valley College is committed to effectively identifying and managing risk, taking all reasonable steps to safeguard staff, learners and assets. Risk registers will be reviewed on a structured basis, with new risks added whenever identified.

3.0 Responsibility for the Implementation of this Policy and Procedure

While all College staff should be aware of all policies and procedures, the following areas are specifically responsible for implementing this policy and procedure –

- Board of Management
- Audit Committee
- Senior Management Team
- Corporate Services Team
- College Teaching and Service Departments

4.0 Extent of Policy

- 4.1 This Risk Management policy forms a core component of the College's Corporate Governance responsibilities and internal control functions.
- 4.2 The policy outlines the College's underlying approach to risk management and details the roles and responsibilities of the Board of Management and staff.
- 4.3 The policy outlines the main aspects of the risk management process, and details the primary reporting methodologies.
- 4.4 This document should be read in conjunction with either the current College Risk Register, available from the [Policy and Corporate Governance](#) and Planning Officer, or a specific departmental risk register available from the relevant Head.

5.0 Specific Responsibilities

- 5.1 The Board of Management has overall responsibility for ensuring the effective identification, mitigation and monitoring of strategic risks within the College. The Audit Committee has delegated authority from the Board of Management to approve the Risk Management Policy and to review regular reports from the College Senior Management Team regarding risk.
- 5.2 The Senior Management Team, with the Depute Principal as lead, is responsible for the maintenance of a College strategic risk register and for ensuring appropriate risk mitigation actions are implemented to address significant risks to College operations and strategic objectives.
- 5.3 Senior Management Team members are responsible for establishing controls to mitigate identified risks wherever possible. This information is included on the Strategic Risk Register in summary form.
- 5.4 Senior Management Team members will nominate an 'action owner' for each identified risk. These individuals will be responsible for the implementation of mitigating actions at an operational level.
- 5.5 The [Policy Corporate Governance](#) and Planning Officer is responsible for the maintenance of the Strategic Risk Register and the production of monitoring reports on a regular basis for consideration by the Audit Committee.
- 5.6 [Heads of Department/Service Directors](#) are responsible for the maintenance of a Departmental risk register and the cascading of high level departmental risks to the relevant Senior Management member for consideration and action where necessary. Departmental risk registers will also form a key component of the Departmental Operational planning process.
- 5.7 When risks are identified within their area of responsibility, Senior Management Team members are responsible for the timely communication to ~~the weekly~~ Senior Management [and Leadership](#) Team meetings. Identification of risk will be a standing item on ~~weekly~~ Senior Management [and Leadership](#) Team agendas.

- 5.8 All papers presented to the Senior Management Team meeting must contain a risk assessment matrix. All departments are encouraged to use this approach.
- 5.9 Significant projects within the College (e.g. estates development) should maintain an appropriate risk register to enable the management of associated risks to the College (see section 9).

6.0 Risk Registers

- 6.1 Copies of the current risk registers are available from the Policy and Planning Officer or appropriate Departmental Head/Project lead.
- 6.2 Identified risks are assessed on a basis of the likelihood of the risk happening and the impact this would have on the College. Mitigating actions are identified to reduce the potential risk to the College and a net risk score is identified.

A full description and examples of each scoring level is contained in Annex 1 of this document.

- 6.3 Each risk register within the College has 2 components –
- A full version of the particular risk register, detailing all risks and their causes and controls.
 - An explanation of the scoring criteria for use when adding new risks or reviewing existing risks.

7.0 Maintenance of Risk Registers

- 7.1 To ensure the continued relevance and utility of College risk registers at all levels, all registers must be updated regularly either when new risks are identified or as part of a rolling monthly/quarterly process depending upon the nature of the individual register

8.0 Reporting Arrangements – Strategic Risk Register

~~8.1 The Strategic Risk Register should be presented to the quarterly internal Progress Review Meetings.~~

- 8.2 Information on the Strategic Risk Register is presented to the Audit Committee of the Board of Management. The Chair of the Audit Committee reports to the overall Board of Management on any areas of concern arising from the Risk Register.

- 8.3 The Strategic Risk Register will be presented to the Board of Management on an annual basis.

9.0 Project Risk Registers

9.1 Occasionally, large or high profile projects within the College will require the setting up and maintenance of a specific risk register. This will apply to any project within the College the Senior Management Team deems appropriate.

9.2 When a specific risk register is created, the creator should –

- Ensure that the reason for the creation of a specific register is included in the College Strategic Risk Register
- Utilise as much as possible, depending upon the type of project, the scoring criteria in Appendix 1
- Use the standard format for risk registers, available in excel format from the Policy and Planning Officer
- Notify the Policy and Planning Officer of the creation of another risk register and the reason for its creation.

9.3 Annex 2 contains a flow chart detailing the inputs, outputs and interdependencies of the risk registers in operation within the College.

Annex 1

Scoring Criteria

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LIKELIHOOD

Description	Scenario	Code Letter	Risk Rating Value	Guide Probability
Very High	Almost certain to occur	VH	5	90%+
High	More likely to occur than not	H	4	75%
Medium	Fairly likely to happen	M	3	50%
Low	Low but not impossible	L	2	25%
Unlikely	Extremely unlikely to happen	VL	1	5%

IMPACT

Description	Scenario	Code Letter	Risk Rating Value
Very High	Significant ongoing change to College operations and strategic direction	VH	5
High	Critical or Major impact on costs, objectives. Serious impact on output and/or quality and reputation. Medium to long-term effect and expensive to recover.	H	4
Medium	Reduces viability significant waste of time and resources and impact on operational efficiency, output, and quality. Medium term effect, which may be expensive to recover.	M	3
Low	Minor loss, delay, inconvenience or interruption. Short to medium term effect.	L	2
Very Low	Minimal loss, delay, inconvenience or interruption. Can be easily and quickly remedied.	VL	1

CONSEQUENCE

Description	Scenario
Financial	Generating non-budgeted additional costs for the College or impacting upon our ability to source or draw down funding
Reputational	Public perception, press reports, MP/MSP, Local Authorities, Partner Organisations
Operational	Impact upon ability to deliver frontline services
Business risk	Any action or event that effects the Colleges ability to achieve its objectives or comply with legislation

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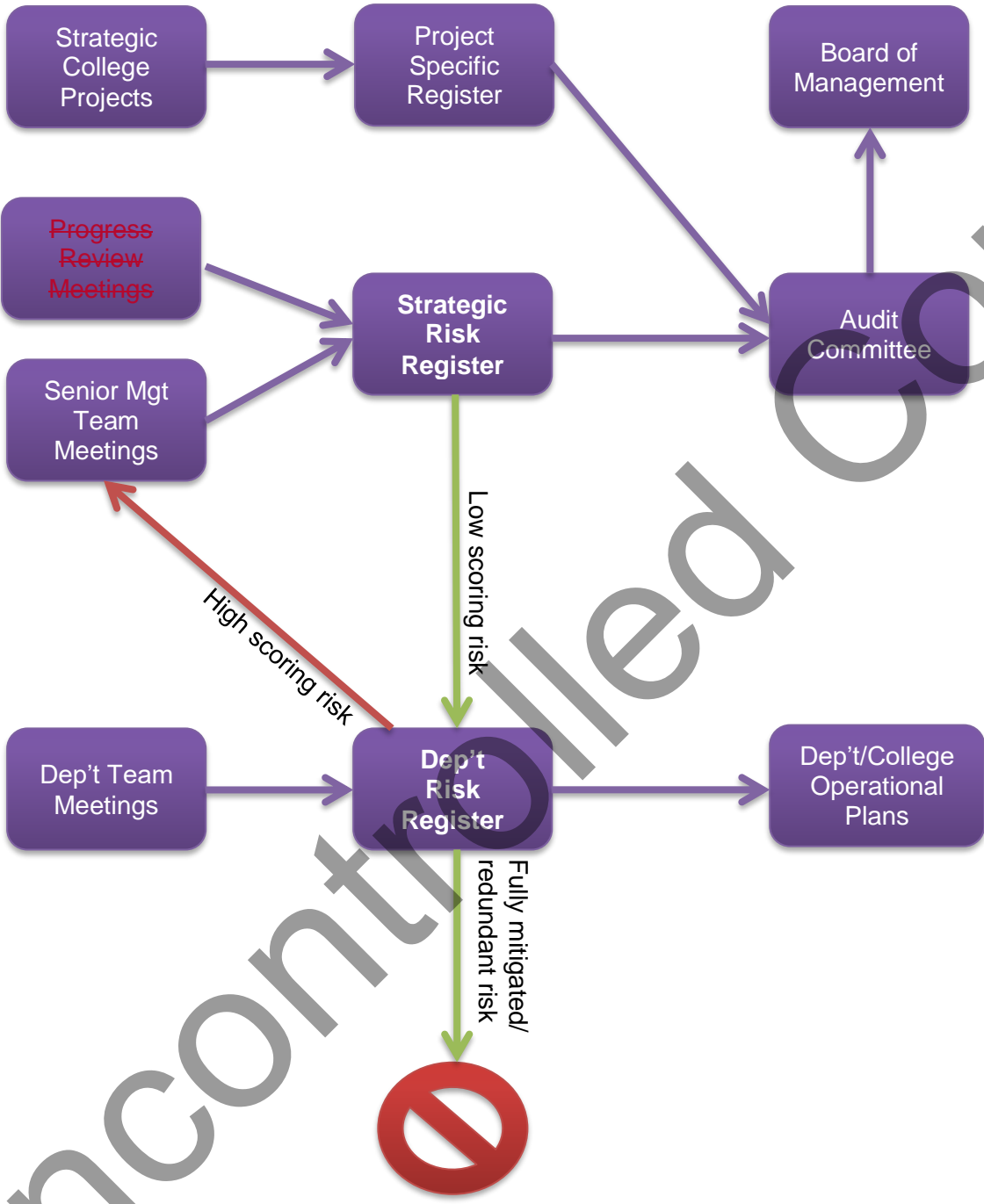
Annex 2
Risk Register Relationships

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Input

Register

Output



Forth Valley College

Internal Audit Progress Report
2019/20 Annual Plan

19 November 2019

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Internal Audit Progress Report November 2019

Progress made in delivering the annual plan for 2019/20, issued in September 2019, is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Strategic Internal Audit Plan 2019 to 2022 and Outline Internal Audit Annual Plan 2019/20	September 2019	Draft 29/08/19 2 nd Draft 04/09/19 3 rd Draft 20/09/19 Final 12/11/19	2020/01	N/A	05/09/19	
Student Engagement – Student Association	November 2019	Draft 06/11/19 Final 11/11/19	2020/04	Satisfactory	19/11/19	
Estates Maintenance	May 2020					Agreed start date for fieldwork 16/03/20.
Financial Planning	September 2020					Agreed start date for fieldwork 06/07/20.
Business Development Process (BPR)	May 2020					Agreed start date for fieldwork 25/11/19.
Credits audit	November 2019	Draft 15/10/19 Final 21/10/19	2020/02	Audit opinion unqualified	19/11/19	
Student Support Funds	November 2019	Draft 06/11/19 Final 13/11/19	2020/03	Audit opinions unqualified	19/11/19	
Follow-Up Reviews	September 2020					Agreed start date for fieldwork 03/08/20.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

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Forth Valley College

2018/19 Student Activity Data

Internal Audit Report No: 2020/02

Draft issued: 15 October 2019

Final issued: 21 October 2019

Now, for tomorrow

 **mha**
HENDERSON LOGGIE

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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 30 May 2019, '*2018-19 data return for funding purposes (FES return) and audit guidance for colleges*', requested submission by Forth Valley College ('the College') of the FES return for session 2018/19, which includes the Credits data relating to College activity for the academic year 2018/19.

Guidance on completion of the 2018/19 return was issued by the SFC on 2 July 2018.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

Scope of Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

Audit Staffing

An Audit Director with 26 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by an Assistant Manager and a Senior Auditor with 14 and one-years' experience in the sector respectively.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was 6, split 1 day for the Audit Director, 3 days for the Assistant Manager and 2 days for the Senior Auditor.

2018/19 Student Activity Data

Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Conclusion

Our report was submitted to the SFC on 9 October 2019. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

A copy of our Audit Certificate is included at Appendix I to this report.

Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.2.1	<p>Systems and Procedures for Compilation of Returns</p> <p>Attendance Monitoring</p> <p>R1 The College should ensure that instances of non-attendance for students on school taster programmes are communicated to Student Records staff on a timely basis to ensure that the information in UNIT-e, which impacts the FES data and Credits claim, can be updated.</p>	3	A report will be written to identify any students on school taster programmes who have never attended, which will be passed to the School Partnership Coordinator for action.	Y	Student Records Manager	November 2019

Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 30 May 2019 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of dominant Price Group code;
- capturing of enrolments and identification and recording of student withdrawals;
- allocation of Credit values;
- claims for related study;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes;
- claims for non-accredited work experience / placement; and
- claims for collaborative provision.

1.1.2 This is the first year that we have carried out the Credits audit for the College. For academic year 2018/19 we documented the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; details of any additional testing carried out as a result of errors found in initial sampling; the external data examined; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also includes a summary of adjusted and unadjusted errors found during the course of the audit.

2018/19 Student Activity Data

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.

2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:

- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
- b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
- c) Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance;
- d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
- e) Checked allocation of Credits to courses is in accordance with the Credits guidance.

2.1.3 For a total of 81 students selected from the above courses the following tests were carried out, where applicable:

- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
- b) Checked back to signed enrolment forms, or electronic equivalent, for the 2018/19 academic year;
- c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
- d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
- e) For students following courses of open / distance and work-based learning vouched to study plan etc. and ensured that required criteria was met; and
- f) For students undertaking work experience ensured that the Credits value had been calculated in line with the Credits guidance.

2.1.4 The following tests were carried out by reviewing records for all College courses:

- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2018/19 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
- b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
- c) Confirmed that Credits had not been claimed for distance learning student's resident outwith Scotland.

2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:

- a) reviewed the eligibility of students flagged for ESF Credits;
- b) ensured that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality; proof of permanent residence; and appropriate notification issued to the student; and
- c) ensuring that Credits are only claimed for completed modules.

2018/19 Student Activity Data

2. Systems and Procedures for Compilation of Returns (continued)

2.1 Introduction (continued)

- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of seven part-time students we confirmed that College staff had verified the entitlement to benefit.
- 2.1.7 It was confirmed by the Vice Principal, Information Systems and Communications that there had been no collaborative activity during 2018/19 and no such courses were identified during our audit testing.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this report discusses issues identified during our review of the 2018/19 student activity data.

2.2 Attendance Monitoring

- 2.2.1 Although, overall, our audit testing on student attendance and withdrawals proved satisfactory some issues were noted with the recording of attendance for students enrolled on school taster programmes. School pupils enrolled on taster programmes are not subject to attendance monitoring in the same way as other College students, however there are several levels of monitoring in place, including attendance recorded by curriculum staff and checking of attendance records by the School Liaison Officer. Schools also have access to an online application which allows them to confirm that school pupils are attending the College on the required days. The Student Records team, who record instances of withdrawals in UNIT-e, are reliant on curriculum staff and the School Liaison Officer monitoring attendance. Our audit testing identified two instances, from a sample of 13 students enrolled on two separate school taster programmes, where we noted that the last date of physical attendance recorded was prior to the required date for the course, resulting in an over-claim of 12 Credits. This was adjusted at the time of our audit.

Recommendation

R1 The College should ensure that instances of non-attendance for students on school taster programmes are communicated to Student Records staff on a timely basis to ensure that the information in UNIT-e, which impacts the FES data and Credits claim, can be updated.

2018/19 Student Activity Data

3. Analytical Review

3.1 The analytical review by DPG for the current year, included at Appendix IV of this report, showed significant variances in DPG 4, 5, 12, 14 and 15. Analytical review by dominant Price Group at Appendix III also showed variances in Price Groups 1, 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- DPG 4 Computers, Software & Information – there was a drop in the uptake of ECDL courses and short IT courses were no longer offered in 2018/19. This decrease is included within Price Group 2 which overall shows an increase in activity due to increased Credits delivered across other DPGs;
- DPG 5 Construction – there were three fewer full-time courses offered in 2018/19 in comparison to 2017/18. Reductions in Credits in this area were reflected in a reduction in Price Group 3 Credits;
- DPG 12 Science & Maths – there was a planned increase in activity due to new courses being introduced, such as Higher Maths at the Alloa Campus, STEM primary engagement and an increase in full-time enrolments. This increase in Credits offsets the reduction in other Price Group 2 activity;
- DPG 14 Social Studies & Languages – there was a decrease due to several part-time courses no longer being offered and a course re-design which is reflected in the increase in DPG 15 activity. This decrease is included within Price Group 2 which overall shows an increase in activity due to increased Credits delivered across other DPGs; and
- DPG 15 Social Work – the increase in Credits is due to two new full-time courses being offered in 2018/19 and a course re-design of programmes previously categorised as DPG 14 now falling into DPG 15. This increase partly offsets the reduction in other Price Group 1 activity.

2018/19 Student Activity Data

Appendix I – Copy of Audit Certificate

FORT250/DA/SI

Forth Valley College
Grangemouth Road
Falkirk
FK2 9AD

9 October 2019

Dear Sirs

Auditor's Report to the Members of the Board of Management of Forth Valley College

We have audited the FES return which has been prepared by Forth Valley College under the 'Credits' Guidance issued 2 July 2018 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 3 October 2019. We conducted our audit in accordance with guidance contained in the 2018-19 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

Stuart Inglis
Director
For and on behalf of MHA Henderson Loggie
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

9 October 2019

Date FES returned: 8 October 2019

Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1	Credits claimed for two students enrolled on school taster programmes whose last date of physical attendance was prior to the required date.	Adjusted	-12 Credits

College Funded Target 2018/19 86,018 Credits

The above target figure includes 84,202 core Credits and 1,816 ESF Credits.

Final claimed 2018/19 86,100 Credits

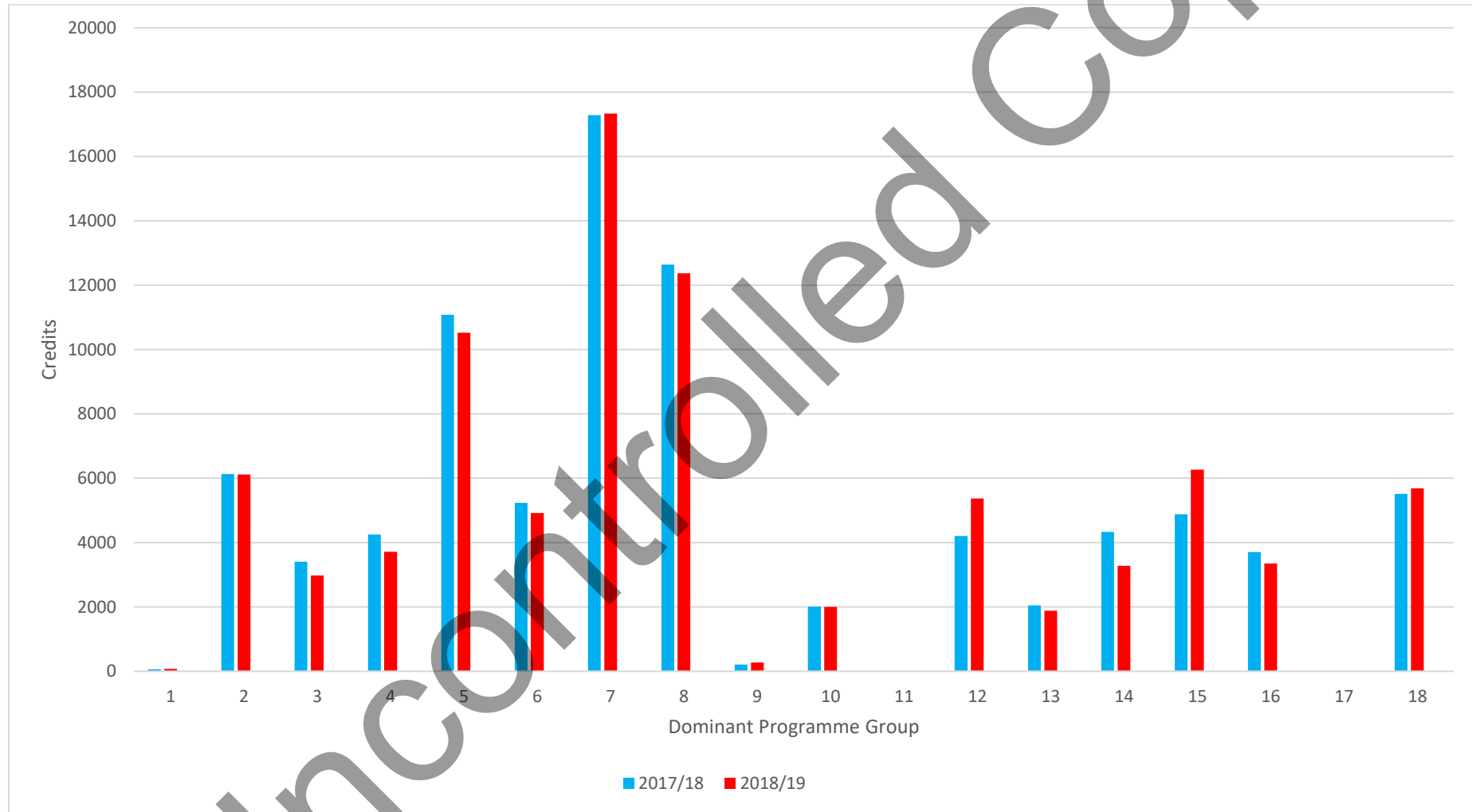
Appendix III – Price Group Analytical Review 2017/18 and 2018/19

Price Group	2017/2018	2018/2019	Variance	Variance
	Credits	Credits	Credits	%
1	13,038	12,364	(674)	(5.2)
2	35,493	36,498	1,005	2.8
3	32,934	31,551	(1,383)	(4.2)
4	0	0	0	0
5	5,511	5,687	176	3.2
	86,976	86,100	(876)	(1.0)

Appendix IV – DPG Analytical Review 2017/18 and 2018/19 - Figures

Dom Gp		2017/2018	2018/2019	Credits	%
		Credits	Credits	Variance	Variance
1	Agriculture, horticulture and animal care	56	71	15	26.8
2	Business & management	6,134	6,118	(16)	(0.3)
3	Catering & food	3,406	2,972	(434)	(12.7)
4	Computers, software & information	4,250	3,710	(540)	(12.7)
5	Construction	11,080	10,525	(555)	(5.0)
6	Creative arts & design	5,232	4,918	(314)	(6.0)
7	Engineering	17,286	17,330	44	0.3
8	Health & related studies	12,643	12,367	(276)	(2.2)
9	Minerals, materials & fabrics	210	270	60	28.6
10	Personal development & self help	2,005	1,996	(9)	(0.4)
11	Printing	0	0	0	0
12	Science & maths	4,205	5,373	1,168	27.8
13	Secretarial/office & sales work	2,047	1,878	(169)	(8.3)
14	Social studies & languages	4,333	3,273	(1,060)	(24.5)
15	Social work	4,875	6,267	1,392	28.6
16	Sport & leisure	3,703	3,345	(358)	(9.7)
17	Transport, services & vehicle engineering	0	0	0	0
18	Special educational needs	5,511	5,687	176	3.2
	Totals (excluding ELS)	86,976	86,100	(876)	(1.0)
	Total Target Activity		86,018		
	- including ESF Target Activity of:		1,816		
	ESF Actual Activity		2,490		

Appendix V – DPG Analytical Review 2017/18 and 2018/19 - Graph



Appendix VI – Updated Action Plan – Student Activity Data 2017/18 (Scott-Moncrieff)

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2019
<p>Distance and Flexible Learners</p> <p>The College should consider agreeing a set of guidelines that can be applied consistently in order to determine whether flexible or distance learners have achieved the required date for credits purposes and agreeing these with teaching areas.</p>	2	<p>While sampling of this area identified no students where evidence couldn't be provided of progress, we agree that this is an area where guidance could be enhanced to ensure that Credits are only claimed for progressing distance and flexible students, and will look to implement during this academic session.</p>	Y	Learning Services Co-ordinator / Student Records Manager	February 2019	<p>The Vice Principal, Information Systems and Communications advised that there is now more regular contact made with students and monitoring of any course submissions and more frequent reporting of any non-engagement to the Student Records team. No issues were noted from our testing in this area for 2018/19.</p>

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Forth Valley College

Student Support Funds 2018/19

Internal Audit Report No: 2020/03

Draft issued: 6 November 2019

Final issued: 13 November 2019

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Appendix III	Education Maintenance Allowance Return and Audit Certificate	

Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from both the Further Education Discretionary Fund and the Higher Education Discretionary Fund is £4,000.

Childcare Funds sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to lone parents, part-time students and mature students when allocating funds from the Further Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

Bursary funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student due to an additional home, their dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

Education Maintenance Allowances (EMAs) provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines

Student Support Funds 2018/19

Audit Scope

For the 2018/19 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary Fund; and
- Education Maintenance Allowance Return.

Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2019, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to letters of award or other supporting documents;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Findings and Conclusions

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

In our covering letter to the SFC enclosing the audited EMA Return we made the following observation. Total EMA payments of £171,090 were made by the College in the year-ended 31 July 2019 compared with £169,080 included in the monthly returns and year-end statement. The difference of £2,010 was investigated by the College and found to relate to an underclaim in February 2019 due to incorrect cut-off dates being used and, as a result, transactions being missed from the monthly return. We understand that this amount will be added by the College on the monthly return for November 2019.

In addition, the following minor point was noted during the course of our audit:

Bursary Fund

From our testing of the Bursary Fund, we noted that, due to an administrative error, one student received a small overpayment of £212.54 as a result of initially being assessed as a parentally supported student but later identified as a care experienced student. As a result of the re-calculation, the student received an additional one week care experienced maintenance rate plus one week travel allowance in error.

Findings and Conclusions (continued)

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

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**Appendix I – Further Education Discretionary Fund,
Further and Higher Education Childcare
Fund and Bursary Return and Audit
Certificate**

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**Appendix II – Higher Education Discretionary Fund
Return**

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**Appendix III – Education Maintenance Allowance Return
and Audit Certificate**

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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 7 November 2019.

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 4 recommendations covered in Appendix 1.

Since the last meeting of the Audit Committee, 3 of the 4 recommendations have reached a stage where the College considers them to be complete. Completed recommendations are highlighted in grey in the appendix.

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

5. Financial Implications

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

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.

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		

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

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)	<p>November 2019 - Scheme of Delegation completed and approved by SMT</p> <p>August 2019 - work is ongoing and will be completed by end of September 19.</p> <p>May 2019 - due to the budget process being brought forward by SMT, and staff changes within the department, we have been unable to address this audit point. Completion date is requested to be moved to September 2019 so that this can be completed over the summer</p> <p>November 2018 - The Board approved a high level Scheme of Delegation in September 18. We plan to update the Operations Scheme of Delegation once staffing has settled in the department. Completion date is requested to be moved to April 19.</p> <p>August 18 - a revised Scheme of Delegation will be considered as part of the Board strategic session on 20/21 September 2018</p> <p>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.</p> <p>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.</p> <p>August 17 - this has been put on hold until after the Board Effectiveness workshop which will consider delegated authority.</p> <p>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</p>	31/07/2017	30/09/2019	Scheme of Delegation document	Yes
2	GDPR Compliance	Aug-18	David Allison	Laura Calder	Data Inventories - 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	Initial meetings have taken place with all teaching Departments where any personal data stored out with 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.	Grade 2 (Operation)	<p>Nov 19 - The College's Asset Register has been completed</p> <p>Aug 19 - Significant progress has been made by Departments in the destruction of old information in preparation for the move to the old campus. Revised guidance on the storage of information have been written, and a 'decision tree' developed to guide staff on where to store information. Our Asset register is nearing completion.</p> <p>May 2019 - The GDPR project is also working with the Document Management Project, the Transition project and the Scanning project. Currently major work is being carried out with all departments carrying out a housekeeping exercise of old paper documentation at Falkirk and work to create a bespoke scanning process for existing paper documentation. Business and Communities have been the first academic department to have removed old documentation and now there is a process being created to scan existing documents and explore digitalisation of manual paper processes. An accurate audit will be carried out once this has been created. Engineering and Science are working on this exercise just now. The driver of all projects will be the move to the new Falkirk Campus.</p> <p>November 2018 - continuing to meet with Academic departments and updating Information Asset Register. As part of the process working with departments to look at creating a departmental Document Retention Guide. Rob McDermott is in discussion with cross sector working group looking at a standardised retention guide for student assessment material which will provide appropriate guidance for departments.</p>	31/03/2019	29/11/2019	Guidance and asset register	Yes
3	Mental Health Services	Feb-19	Andrew Lawson	Mhairi Shillinglaw	Wider Staff Training - The College should develop a training plan for all staff involved in supporting students with additional needs that is tailored to their individual role. This should include mental health awareness and the avenues of support available both within and out with the College to ensure that staff are able to appropriately direct students. Where training is mandatory, staff completion should be appropriately monitored and reported.	An overarching Mental Health and Wellbeing Action Plan for FVC, covering students and staff will be created. This would link to the recent Student Mental Health Agreement (SMHA) and the Mental Health Learning Framework, part of the People Strategy. The Plan is a requirement in the college regional outcome agreement with the Scottish Funding Council.	Grade 2 (Design)	<p>November 2019 - Plan in place and initial training has occurred with staff at the Creative Learning Conference</p> <p>August 2019 - The Wellbeing Action Plan for FVC has now been produced and approved. Work is now underway to ensure staff training is in place and that the plan also supports the requirements of the SFC and our outcome agreement. The Wellbeing action plan has also been discussed with Service Managers and Directors of Curriculum</p>	30/10/2019		Training plan	Yes
4	Mental Health Services	Feb-19	Andrew Lawson	Mhairi Shillinglaw	Student Assessments - Whilst we recognise that college staff are not professional counsellors, the College should ensure that the internal student assessment approach and the criteria for referring a student to external counselling are as consistent as possible with the counsellors assessment criteria, to minimise the number of incorrect referrals. In referral cases where the counsellor feels that the counselling is not necessary or appropriate, the College should aim to understand the reasoning behind this. This can be used as a learning tool to further improve services.	We have increased our counselling provision in the past month as a result of the increase in demand on the service. We will undertake a full review of the referral system we have in place and the sign posting activity we have in place with external provides with a view to improving the referral systems and ensure that those most in need can be referred as quickly as possible	Grade 2 (Design)	<p>November 2019 - Funding announcement from SFC received regarding the provision of just over 2 FTE counsellor posts. This additional funding and attendant staffing will be factored into the review.</p> <p>August 2019 - A full review of this service is well underway taking into account the additional information and funding from SFC. Although SFC the guidelines have not been available at the time of writing the initial findings for the review has identified that a clear structure and referral system is required to ensure success. This is currently being developed</p>	31/12/2019			

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 that risk was discussed at the recent Board of Management Strategic Session and give consideration to how this may amend the risks on the register.

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

There have been no material changes to the risk register since the last update provided to members.

5. 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

6. Risk

	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

7. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Paper Author – Stephen Jarvie

SMT Owner – Ken Thomson

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Forth Valley College Strategic Risk Register

Risk Management and Mitigation					Owners			Initial Risk Score			Score After Mitigation			Date Added and Date Score Updated
No	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	
1	There is insufficient funding from Scottish Government/SFC to support the core activities of the College	<ul style="list-style-type: none"> - Inability to deliver high quality learning - Inability to react to changing economic and local environment - Inability to maintain College infrastructure - Impact on College performance indicators 	<ul style="list-style-type: none"> - Principal and Chair represented on sector groups to lobby SFC/Scottish Government - Vice Principal Finance and Corporate Affairs member of SFC new funding model group - Business Development strategy to increase commercial income being developed by Director of Business Development 	<p>Nov 19 - Chair of BoM and Principal have meeting scheduled with Karen Watt, SFC on 18 November 2019.</p> <p>August 19 - 5 year FFR currently being prepared based on SFC guidance. Funding gap of £2m has been identified in the medium term. A futures programme is being led by the Principal to address the gap.</p> <p>May 19 - Indicative allocations for 2019/20 are based on flat cash GIA and a reduction in capital & maintenance funding both of which are insufficient to meet the ongoing operations of the college. Efficiency savings are being planned and maintenance delayed.</p> <p>Nov 18 - work ongoing</p>	B	P	VPFACA	VH	VH	25	VH	VH	25	
2	Delays to completion and/or issues with the transition process to the new Falkirk Campus (e.g. as a result of adverse weather/impact of Brexit on supply chain)	<ul style="list-style-type: none"> - Impact on student experience and success - Potential increase in costs - Reputational damage 	<ul style="list-style-type: none"> - EEG and FCPB monitoring progress - Development of migration strategy - Communications with stakeholders to manage expectations 	<p>Nov 19 The project remains 3 weeks behind. However we will still have access on the 15 November to begin the transition to the new campus. Balfour Beattie will retain the insurance requirements for the building until full completion is done. We (FVC) do not see this as a major issues at this time</p> <p>Aug 19 The project remains on track with no major issues identified. The slight delay is being mitigated by Balfour Beatty</p> <p>April 19 - confirmation of completion date is now 15 November. Space Solution now in place and transitions groups are meeting to manage the transition process. At the point of writing no major issues have been identified</p> <p>Nov 18 - Actions being planned as per mitigating actions</p>	FCPB	P	DPCOO	H	H	16	M	H	12	
3	National Bargaining process will negatively impact on the College	<ul style="list-style-type: none"> - Unaffordable pay awards - Potential strike action which could impact on the Student experience and meeting commercial contracts - 'No Detriment' restricts options for FVC compared to sector 	<ul style="list-style-type: none"> - Chair and DPCOO represent the College on the Employers Association - Communication with staff, students and other users - Force Majeure clauses in commercial contracts to mitigate impact of strike action 	<p>Nov 19 - No further update</p> <p>Aug 19. Following a lengthy negotiation final settlement has been reached with new Terms & Condition in place. The settlement did have an impact on the colleges financial situation however, this has been worked through</p> <p>April 19. This situation regarding EIS dispute continues. No settlement has been agreed and further strike action is planned for the month of May. EIS have also initiated ASOS. WE continue to ensure that where possible services to students have minimum impact</p> <p>Nov 18 - We continue to be actively involved in this process which allows us to keep on track with potential changes and able to work through the implication quickly and effectively</p>	B	P	DPCOO	H	H	16	H	M	12	
4	Employers pension contributions to the Scottish Teachers Pension Scheme could increase by 5.2% from April 2019	<ul style="list-style-type: none"> - Additional cost of approx. £500k per annum 	<ul style="list-style-type: none"> - Scottish Government in discussion with UK Treasury - Working with Colleges Scotland to lobby Scottish Government for additional funding 	<p>Nov 19 - no further update</p> <p>August 19 - SFC have confirmed 100% funding for the period September 2019 to March 2020. There is no guarantee of funding beyond this point. SFC guidance for the FFR is to assume 100% funding going forward but have stressed this is only a planning assumption and not confirmation of funding.</p> <p>May 19 - Initial guidance from SFC is to assume 50% funding being worst case scenario. Score changed - impact low v medium</p> <p>Nov 18 - awaiting outcome of discussions with Scottish Government</p>	F	P	VPFACA	VH	M	15	VH	L	10	

Forth Valley College Strategic Risk Register

5	The College will fail to deliver the Outcome Agreement	<ul style="list-style-type: none"> - Reputational damage - Potential clawback of funding and risk of reduction in credits allocated to the College 	<ul style="list-style-type: none"> - Ongoing monitoring of performance against targets by new Leadership Team - Targets cascaded to Directors with accountability 	<p>Nov 19 - The College met its Credits Activity target. Performance against full time PI targets was disappointing, despite the introduction on in-year tracking. Earlier and more in-depth tracking is being introduced this session.</p> <p>Aug 19 - Comparisons of in-year PI estimates with final outcomes is ongoing.</p> <p>May 19 - Additional monitoring reports have been built, and will be refined through usage.</p> <p>Nov 18 - Additional monitoring reports being built for Department teams to allow granular monitoring of targets.</p>	LSE	P	VPISC	M	VH	15	L	VH	10		
6	The student experience fails to meet student expectations	<ul style="list-style-type: none"> - Reputational risk - Current/Potential students choose another College/Learning provider - Impact on College meeting credit and PI targets 	<ul style="list-style-type: none"> - Listening to Learners - Ensuring relevance of courses through robust curriculum review - Robust evaluation processes at all levels - Student support systems in place and effective - Deliver on Creative Learning and Technologies Strategy 	<p>Nov 19 - Official release of SFC Student Satisfaction Survey highlights FVC FE Students 95.8% satisfied and HE Students 86.3% satisfied with their college experience. Combined 91% satisfied. Student success PIs released to SFC. Down 1.5% combined (PT/FT FE and PT/FT HE) on 17-18 but mitigation plans in place</p> <p>August 2019 - In the SFC Student Satisfaction Survey, 94% of 2018-2019 FVC students were satisfied with their college experience. Positive internal audit of curriculum completed. 2018-2019 Student Success PIs not yet finalised.</p> <p>May 19 - Work ongoing</p> <p>Nov 18 - Actions in Evaluative Report and Enhancement Plan 2017-2018 to address areas where student success PIs are lower than target and to review and enhance student support arrangements; objectives and targets for delivery of year 2 of CLT Strategy in College Operational Plan 2018-2019.</p>	LSE	P	VPISC	M	VH	15	L	VH	10		
7	The College is adversely impacted by a cyber attack.	<ul style="list-style-type: none"> - Reputational risk - Impact on learning & teaching - Impact on key services 	<ul style="list-style-type: none"> - Up to date firewall, and cyber protection through Disc - Regular security patching - Full nightly backups and hourly snapshots to minimise disruption in the event of the need to restore data - Up to date anti-virus and malware software - Scanning and monitoring of all external drives - Resilience through additional connections to outside world - Documented and tested business continuity plan 	<p>Nov 19 - College staff continue to attend security briefings, and Windows security updates are deployed estate-wide as they are received from Microsoft.</p> <p>Aug 19 - College staff are attending regular security briefings. Windows updates are deployed estate-wide as they are received from Microsoft.</p> <p>May 19 - College staff are members of Scottish Government Cyber Catalyst Group, and receive early warnings of any known cyber attacks.</p> <p>Nov 18 - Cyber Essentials accreditation secured, Member of National Cyber Security Information Sharing Partnership</p>	A	P	VPISC	M	VH	15	L	VH	10		
8	the National Job Evaluation Process may impact staff	<ul style="list-style-type: none"> - Impact on staff morale - Short timescales for completion of submission - Potential financial impact on staff 	<ul style="list-style-type: none"> - Driven by National Agreement - Sector wide Process - Follow guidelines from Colleges Scotland 	<p>Nov 19 - With the exception of staff on maternity leave FVC have now submitted all JE document to Scotland Colleges. A team of analysts have been identified to take this process forward</p> <p>Aug 19 The first part of this process in near completion with only a few post to be evaluated. This is mainly due to post holder either being on maternity leave or having left the college after the cut of date of 18 September 18. This post will be evaluated by the relevant line manager</p> <p>May 19 - Process now begun with a Project Manager in place to support staff going through the process. Unison involvement is also in place and meeting are planed for key staff to support them in completing the sector wide template to role profiles</p>	HR	DPCOO	DPCOO	H	M	12	M	M	9		Apr-19

Forth Valley College Strategic Risk Register

9	Loss of key staff will impact on College operations	- Loss of knowledge, experience and links within the Sector and to employers etc	<ul style="list-style-type: none"> - People Strategy - Succession Planning - Talent Management Programme in place - Directors in post 	<p>Nov 19 - There is no further update</p> <p>Aug 19 There is little evidence of staff exiting the college. The second stage of the Peoples Strategy is now underway and the focus is on potential managers of the future.</p> <p>April 19 - The first six months of the People Strategy has proven to be a success. We made the decision to fill vacancies internally where possible to encourage talent to remain within the college</p> <p>Nov 18 - First cohort of staff now on Talent Management programme. Effective TNA in place in all departments. Talent Management programme for first time managers ready to roll out</p>	HR	DPCOO	DPCOO	H	M	12	H	L	8		
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1. Purpose

To present to members the National Fraud Initiative exercise for the period to 30 September 2018.

2. Recommendation

Members consider the National Fraud Initiative exercise carried out within the College for the 3 year period ended 30 September 2018.

3. Background

The National Fraud Initiative (NFI) is a UK wide data matching exercise whose primary purpose is to help public sector bodies to prevent and detect fraud and error in their financial systems. The data matching exercise is led by the Cabinet Office.

Under the provisions of Part 2A of the Public Finance and Accountability (Scotland) Act 2000, Audit Scotland requested FVC to submit creditors and payroll data for the period 1 October 2015 to 30 September 2018. The legislation enables Audit Scotland to require any body which comes under the remit of the Auditor General for Scotland to submit data for matching. This was the first time FVC had been requested to submit data and this will now be an exercise required every 2 years.

The creditors data submitted included creditor reference, name, address, bank account details, invoice numbers, invoice amounts, VAT, and methods of payment.

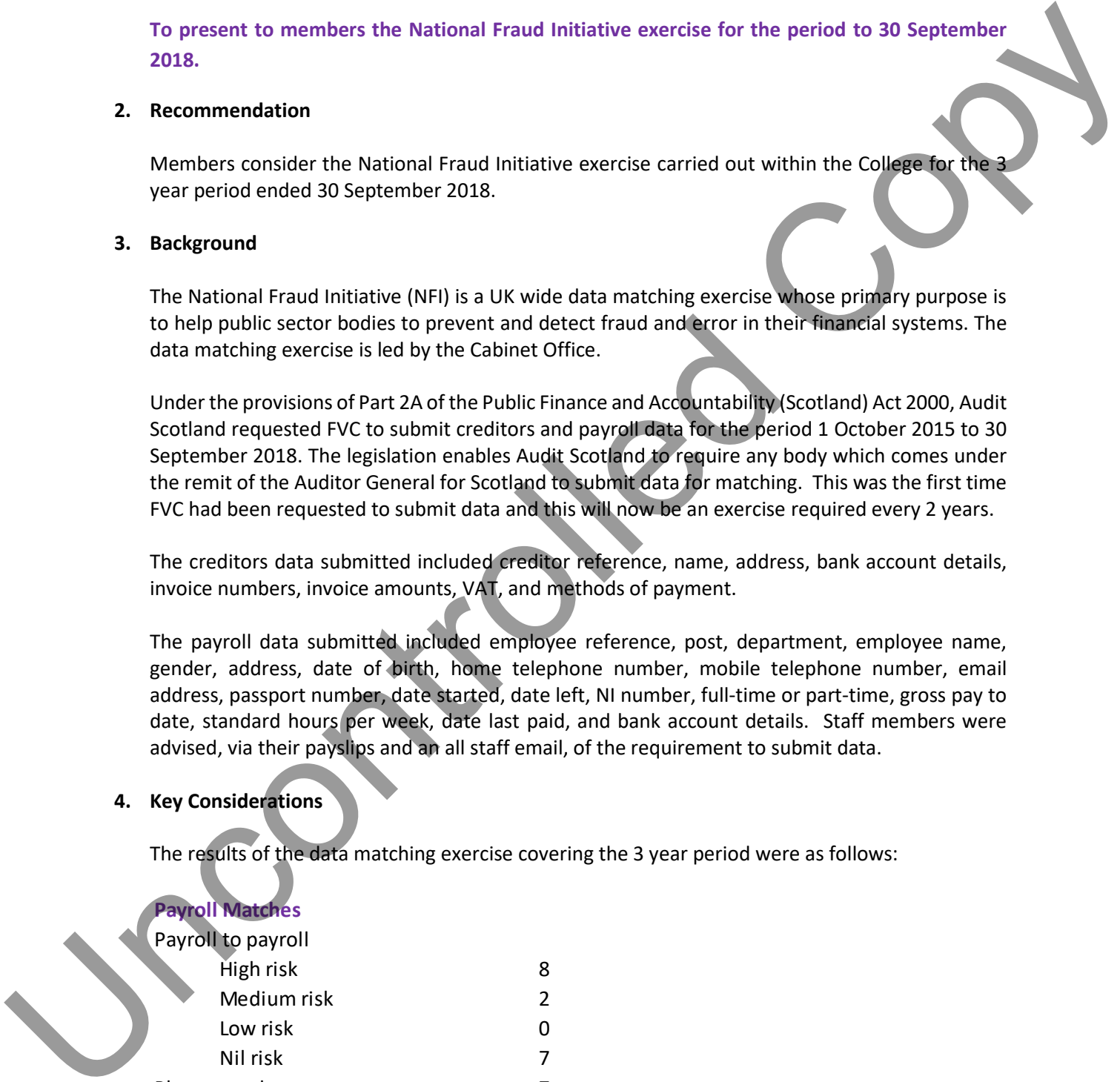
The payroll data submitted included employee reference, post, department, employee name, gender, address, date of birth, home telephone number, mobile telephone number, email address, passport number, date started, date left, NI number, full-time or part-time, gross pay to date, standard hours per week, date last paid, and bank account details. Staff members were advised, via their payslips and an all staff email, of the requirement to submit data.

4. Key Considerations

The results of the data matching exercise covering the 3 year period were as follows:

Payroll Matches

Payroll to payroll	
High risk	8
Medium risk	2
Low risk	0
Nil risk	7
Phone numbers	7
Payroll to creditors	2
	26



The purpose of the [payroll to payroll](#) matches is to identify individuals who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or are taking long-term sickness absence from one employer and working for another employer at the same time.

The reasons for our 17 payroll to payroll matches included issues such as an employee who works evenings with FVC and full-time elsewhere, or where an employee has 2 part-time roles, or leavers during the period to take up a full-time role at another college.

The [phone numbers](#) category is where the supplied employee phone number matches to another individual within the NFI data. All 7 of the FVC matches were investigated and our records confirmed as accurate – 4 of the matches were due to family relationships, 2 have no relationship with the matched person, therefore in order to be satisfied that there is no fraud we have emailed the corresponding organisations requesting their findings. One FVC staff member has yet to reply to the Head of HR's query and this is being followed up.

The [payroll to creditors](#) category is where a member of staff also has raised invoices to the College paid through the purchase ledger. The 2 matches for FVC related to a member of staff who had initially started at FVC as a training associate before being employed as a lecturer, and a part-time member of staff who also does some consultancy for FVC.

All 26 payroll matches were investigated by HR and Finance and no issues were found.

Creditors Matches

Duplicate creditors by creditor name	8
Duplicate creditors by address detail	6
Duplicate creditors by bank account number	2
Duplicate records by amount and creditor reference	95
Duplicate records by name, invoice number and amount but different creditor reference	1
Duplicate records by invoice number and amount but different creditor reference and name	1
Procurement - payroll to Companies House (Director)	1
	114

[Duplicate creditors by creditor name](#) - to identify instances where the same supplier has been set up with more than one reference number on the system thus increasing the potential for creditors to obscure fraudulent activity. All 8 of our matches were investigated and were primarily due to large organisations having different departments and bank accounts for different services, or where the supplier had a new account set-up and the old one had been closed during the period. No action was required following investigations as all records were found to be in order.

Duplicate creditors by address detail – to identify multiple creditors operating at the same address. All 6 of our matches were investigated and were due to supplier name changes, subsidiary companies in the same building or multi-office premises, eg Falkirk Business Hub.

Duplicate creditors by bank account number – may indicate where a supplier has changed name but the standing data has not been updated. Both of the FVC matches did highlight this situation and action has been taken to close the supplier accounts no longer required. A check on the accounts showed no issues with the monetary transactions.

The largest category of Creditors matches (95 records) was for **Duplicate records by amount and creditor reference**. This is where identical amounts have been paid to a supplier under different invoice numbers. Within this category the numbers of transactions within value bandings was as follows:

Duplicate Records by Values

Greater than £10,000	16
£5,000 to £10,000	10
£2,000 to £5,000	33
£1,000 to £2,000	36
	95

Many of the matches for FVC were as a result of contracts with identical regular payments eg Servest, Falkirk Council pension payments, quarterly equipment rentals, and various annual subscriptions. All 95 records were investigated and no further action was required.

Duplicate records by name, invoice number and amount but different creditor reference. This match is to identify possible duplicate payments for the same goods/services but to different creditor references. The one match for FVC was an invoice that was paid twice with the duplicate payment promptly recovered and the second supplier reference blocked.

Duplicate records by invoice number and amount but different creditor reference and name. This match is to identify possible duplicate payments for the same goods/services but to different creditors. The one match for FVC was due to a PO being raised for the wrong supplier. The money was promptly recovered.

Procurement - payroll to Companies House (Director). This is to identify potentially undeclared interests that have given a pecuniary advantage. The one match for FVC related to the Principal's non-executive directorship with Ceteris, which is fully declared.

5. Financial Implications

Other than staff time, there are no direct financial implications of this paper. No instances of financial fraud or error were discovered.

6. Equalities

Assessment in Place? – not applicable given the nature of this report.

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		

Our strong controls within both HR and Finance provide mitigation against the risk of fraud and error. Our stable complement of staff members is key to this within the Finance department, both within payroll and purchase ledger processing.

Risk Owner – Alison Stewart

Action Owner – Senga McKerr

Paper Author – Senga McKerr

SMT Owner – Alison Stewart

Forth Valley College

Strategic Internal Audit Plan 2019 to 2022 and Outline Internal Audit Annual Plan 2019/20

Internal Audit Report 2020/01

Draft Issued:	29 August 2019
2 nd Draft Issued:	04 September 2019
3 rd Draft Issued:	20 September 2019
Final Issued:	12 November 2019

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1. Introduction

- 1.1 We have been appointed as Internal Auditors of Forth Valley College ('the College') for the period from 1 August 2019 to 31 July 2022, with an option available to the College to extend for a further 12 months thereafter.
- 1.2 Internal audit primarily provides an independent and objective opinion to the Board and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.
- 1.3 Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.
- 1.4 The purpose of this document is to present to the members of the Audit Committee the Strategic Plan for 2019 to 2022 and the outline annual internal audit operating plan for the year ended 31 July 2020.
- 1.5 We see completion of the Audit Needs Assessment (ANA) as very much a partnership process in order to ensure that the risks facing the College are fully and properly identified and therefore covered in the work cycle.
- 1.6 Through discussions with management and review of key documentation (including the Strategic Plan 2019-2022, the strategic risk register and previous internal and external audit reports) we have built up a picture of the key issues facing the College. This analysis informed a discussion with the College Leadership Team and a subsequent discussion between the Chair of the Audit Committee and MHA Henderson Loggie's Head of Public Sector and Internal Audit Services to discuss the key risks, issues and priorities for the College over the next three years.
- 1.7 Undertaking this work allows us to consider the level of risk and complexity of each area of your operations and to assess the internal audit resources required to allow adequate coverage of the elements of the audit universe where it is appropriate for internal audit to focus attention. The audit universe utilised has been tailored specifically for the circumstances of the College. From this we have drawn up a 3 Year Strategic Plan setting out proposed areas for audit over the internal audit cycle.
- 1.8 The Strategic Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to finalisation of the Annual Plan and detailed audit planning of individual assignments.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

- 1.9 There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems; budgetary processes and controls. This has been taken into consideration in formulating the Strategic Plan.
- 1.10 Value for Money (VFM) is an integral part of all audits and has been mentioned at key points within this ANA. Specific VFM reviews will be carried out in areas agreed with management and the Audit Committee although VFM is considered as an integral part of any audit work that we are undertaking.
- 1.11 We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate and relevant to the specific audit assignment.
- 1.12 For discussion purposes, at Section 2 we have included proposed coverage for the three years commencing 2019/20 which has been determined from the ANA process. This takes into account previous internal audit coverage and other sources of assurance available to the College.
- 1.13 At Section 3 we have included high-level outline scopes for each of the proposed areas to be covered in the 2019/20 internal audit programme.
- 1.14 Separate reports will be issued for each assignment. Recommendations are graded in each report to reflect the significance of the issues raised.
- 1.15 We can confirm that our audit service complies with Public Sector Internal Audit Standards (PSIAS).

2. Strategic Plan 2019 to 2022

The Strategic Plan covers the financial years 2019/20 to 2021/22. Audit days have been allocated to the categories identified from our review of key risk areas to produce a rolling programme of work. Frequency of visits, the number of days allocated, and the position in the audit cycle has been determined with reference to the combined risk factors identified in the ANA, and previous internal and external audit coverage. The division of days between core internal audit activity, Credits, Bursary Funds and Follow up is in line with the estimated number of days set out in Table 1 in our tender submission.

Audit Methodology

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Reputation					
Publicity and Communications	Gov	M			
Health and Safety	Gov	M		5	
Student Experience					
Curriculum planning	Perf	M			
Quality assurance	Perf	M			
Student support	Perf	M			
Student application process BPR	Perf	M/H		7	
Student recruitment and retention	Fin/Perf	H			
Student Engagement/ Students' Association	Gov	H	5		
Staffing Issues					
Staff recruitment, retention & succession planning	Perf	M/H			5
Staff development	Perf	M			
Sickness absence	Perf	M			
Workforce planning	Perf	M			
Payroll	Fin	L/M			
Estates and Facilities					
Estates maintenance	Fin/Perf	M/H	5		
Estates strategy / capital projects	Fin/Perf	M			
Space management	Perf	M			
Asset / fleet management	Perf	M/H			
Financial Issues					
Budgetary control	Fin	L/M			
Financial planning	Fin	H	3		
Student fees and contracts / registry	Fin	M			
General ledger	Fin	L/M			
Procurement and creditors / purchasing	Fin	M			
Debtors/ Income	Fin	L/M			
Cash & Bank / Treasury management	Fin	M			
Fraud prevention, detection and response	Fin	M			
Commercial Issues					
Business Development Process BPR	Fin/Perf	M/H	10		
Organisational Issues					
Risk Management	Perf	M			
Business Continuity	Perf	M			5
Corporate Governance	Gov	L/M			5
Corporate Planning/Service Redesign	Perf	M/H		6	
Performance reporting / KPIs	Perf	M			
Partnership Working	Gov/Perf	L			
Equalities	Gov	M			

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Information and IT					
IT network arrangements	Perf	M		5	
Cyber Security	Perf	M			4
Data protection	Gov	M			4
FOI	Gov	L			
Systems development / implementation	Perf	M			
IT strategy	Perf	M			
Other Audit Activities					
Credits audit		Required	5	5	5
Student Support Funds		Required	7	7	7
Management and Planning)			5	5	5
External audit / SFC)					
Attendance at Audit Committee)					
Follow-up reviews		Various	2	2	2
Total			42	42	42
			====	====	====

Key:

Category: Gov = Governance; Perf = Performance; Fin = Financial

BPR = Business Process Review

3. Annual Plan 2019/20 - Outline Scope and Objectives

Audit Assignment:	Student Engagement / Students' Association
Priority:	High
Fieldwork Timing	7 October 2019
Audit Committee Meeting:	19 November 2019
Days:	5

Scope

We will conduct a review of the circumstances around the recent investigation report conducted within the College's Students' Association and the implications of this report for the control environment.

Objectives

The objectives of the audit will be to ensure that:

- lessons learned are identified in relation to the recent investigation report relating to the Students' Association.

Our audit approach will be:

We will assess the findings arising from the separate investigation report and through discussions with senior management and other staff, and review of relevant documentation will examine the implications for current controls to ensure that the appropriate lessons are learned, and appropriate and proportionate action is taken to prevent a recurrence.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Estates Maintenance
Priority:	Medium / High
Fieldwork Timing	16 March 2020
Audit Committee Meeting:	21 May 2020
Days:	5

Scope

An Estates Maintenance Strategy is currently under development. This review will examine the extent to which this new strategy will support lifecycle maintenance for the Falkirk, Stirling and Alloa campuses given the limitations on available funding.

Objectives

- the College has an Estates Maintenance Strategy in place which is aligned with the College's strategic planning objectives and other relevant strategies;
- oversight of the Estates Maintenance Strategy, including review of implementation and funding risks, have been aligned to an appropriate committee reporting to the Board;
- progress made on lifecycle maintenance projects, and expenditure against budget, is monitored by management and an appropriate committee(s). The process includes arrangements to ensure value for money is achieved;
- regular condition surveys are undertaken, and other good quality information is available, to inform asset management decisions;
- plans are in place to maintain the College's assets in good condition, as economically as possible, and in line with manufacturer's warrant conditions in order to meet changing and rising standards as far as they can be foreseen; and
- there is a comprehensive cyclical testing and maintenance programme that covers all items requiring regular testing or maintenance under the relevant legal and regulatory framework.

Our audit approach will be:

We will review the terms of the contract with the external contractor to identify what its responsibilities are. Through discussion with the Depute Principal and Chief Operating Officer and the Head of Estates, and review of documentation, we will then establish the systems and controls which have been put in place to ensure that these responsibilities are met. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Compliance testing will be carried out where necessary to ensure that the controls in place are operating effectively.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Financial Planning
Priority:	High
Fieldwork Timing	6 July 2020
Audit Committee Meeting:	September 2020
Days:	3

Scope

The scope of the audit will be to review the College's long-term financial planning arrangements to consider whether these are in line with good practice.

Objectives

The objectives of the audit will be to obtain reasonable assurance that:

- the College has developed a long-term financial strategy, which includes long-term financial forecasts;
- the College is engaged with the Scottish Funding Council (SFC) to develop its approach to long-term financial forecasting;
- assumptions used in the financial forecasting returns submitted to the SFC are robust, realistic and applied consistently; and
- any departure from the SFC guidance on common sector assumptions is justified to the Board of Management, auditors and to the SFC.

Our audit approach will be:

From discussion with the Vice Principal Finance and Corporate Affairs and Finance staff, and review of financial plans and forecasts, we will assess compliance with the above objectives.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Business Development Process BPR
Priority:	Medium/High
Fieldwork Timing	25 November 2019
Audit Committee Meeting:	21 May 2020
Days:	10

Scope

We will examine the current Business Development Process from identification of opportunities through to invoicing. This will include reviewing the costing methodology, the approvals process, and the contacting and invoicing processes to ensure that the overall process is proportionate and fit for purpose going forward. There is a perception that the current methodology is overly complex and bureaucratic, and the levels of authorisation required are not flexible to align with the size of the opportunity being evaluated. This audit will also consider the processes in relation to commercial training income and will include reviewing the booking and payment processes for both online and offline bookings and the way in which this links to the student record system. This review will have a specific focus around commercial booking for statutory training courses.

Objectives

The specific objectives of our audit will be to provide recommendations to simplify the process by considering:

- the scope of activity included within the process is appropriate;
- there is clarity amongst the staff involved in the process on the approach to be adopted;
- the agreed costing methodology is reviewed and is applied consistently;
- the methodology for calculating direct and indirect costs is sensible and proportionate;
- authorisation requirements, at the various stages of the evaluation process, are aligned to the risk and size of the opportunity being evaluated;
- the contracting and invoicing processes are appropriate;
- customer relationship / experience is appropriately managed; and
- any non-value adding steps in the process are identified.

Our audit approach will be:

Through one or more focus groups, and subsequent discussion with relevant senior managers we will deploy a range of business improvement tools to examine the current Business Development Process with a view to simplifying the process and reducing bureaucracy. We will then present a prioritised list of areas for management to take forward in order to refine and improve the current processes.

Where relevant, sample testing will be carried out to establish whether key controls in place within the above areas are operating effectively in practice.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Credits Audit
Priority:	Required audit
Fieldwork Timing	19 September 2019
Audit Committee Meeting:	19 November 2019
Days:	5

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

Objectives

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return contains no material misstatements.

Our audit approach will be:

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year's activity.

Our testing will be designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to the Credits Audit Guidance and the key areas of risk identified in Annex D.

We will also review the final error report from the FES on-line checks.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Student Support Funds
Priority:	Required Audit
Fieldwork Timing	23 September 2019
Audit Committee Meeting:	19 November 2019
Days:	7

Scope

We will carry out an audit on the College's student support funds for the year ended 31 July 2019 and provide an audit certificate. Three specific fund statements will require an audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary Fund; and
- Education Maintenance Allowance (EMA) Return.

Objectives

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2019 is in agreement with underlying records.

Our audit approach will be:

- Reviewing new guidance from the SFC, SAAS and the Scottish Government and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare, and 'Guidance on the audit requirements for EMA.'

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	3 August 2020
Audit Committee Meeting:	September 2020
Days:	2

Scope

This review will cover reports from the 2019/20 internal audit programme and reports from earlier years that have either not already been subject to follow-up or where previous follow-up identified recommendations outstanding.

Objectives

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit Committee.

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MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities



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Audit Committee	2019/20	2020/21		
Agenda Items	May	Sept	Nov	Future Years
Governance				
Terms of Reference		✓		
Governance Statement		✓		
Audit Committee Chair's Annual Report to Board			✓	
Audit Committee Self Assessment	✓	✓		
Items to be discussed privately with Auditors	✓	✓	✓	
Internal Audit				
Appointment / Extension of Internal Auditors				May 22 / May 23
Internal Audit Plan	✓			
Internal Audit Plan Progress Report	✓	✓	✓	
Annual Internal Audit Report		✓		
Internal Audit Reports	✓	✓	✓	
Progress on Internal Audit Recommendations	✓	✓	✓	
External Audit				
External Audit Report			✓	
Letter of Representation			✓	
External Audit Plan	✓			
Risk Management				
Risk Management	✓	✓	✓	
Deep Dive Proposals				
Policies (Review every 3 years)				
Risk Management				Nov-22
Value for Money Policy	✓			
Fraud & Anti - Corruption	✓			
Modern Slavery	✓			
Whistleblowing		✓		Sep-22
Safeguarding / Prevent		✓		
GDPR				Jun-21
Other				
Audit Scotland Report - Scotland's Colleges		✓		
Business Continuity	✓			
National Fraud initiative				Sep-21
Annual Complaints Report			✓	
Audit & Assurance Committee Handbook 2018				As required