

Room 109, Falkirk Campus
4.30pm

AGENDA

1. Apologies for Absence
2. Declarations of interest

FOR APPROVAL

3. Minute of Audit Committee of 1 December 2015
4. Matters Arising
A/15/013 Risk Management

FOR DISCUSSION

5. Presentation of Internal Audit Reports Scott Moncrieff
 - a) Financial Systems
 - b) Health and Safety
6. Internal Audit Programme Progress Report Scott Moncrieff
7. Progress Report on Audit Recommendations Stephen Jarvie
8. Risk Management Stephen Jarvie
9. Review of Risk
10. Any other competent business

FOR INFORMATION

Programme of Committee Business

Boardroom, Falkirk Campus (commencing at 5.00pm)

Present: Mr Nigel Scott (Chair)
Mr Colin Alexander
Mrs Lorna Dougall
Mrs Beth Hamilton
Ms Angela Winchester

In Attendance: Mrs Alison Stewart, Associate Principal and Executive Director of Finance
Mr Stephen Jarvie, Corporate Governance and Planning Officer
Ms Cathie Wyllie, Henderson Loggie
Mr Michael Smith, Scott Moncrieff
Mrs Caroline Hogg (for item A/15/010)

A/15/001 Apologies for Absence

None

A/15/002 Declarations of Interest

None

A/15/003 Annual Report and Financial Statements 2014/15 (Joint item with Finance Committee)

The Associate Principal and Executive Director of Finance presented the Annual Report and Financial Statements for 2014/15 to the Audit and Finance Committees noting that, as previously indicated to the Finance Committee, the accounts were reporting a deficit of £2.9 million as a result of a number of significant non-cash adjustments that were deducted from the operating surplus of £1.6 million. These adjustments were discussed and explained individually and concerned: pension provision, loss on revaluation of assets and depreciation. In addition there was a donation to the FVC Foundation of £1.1 million agreed by the Board at a previous meeting. She highlighted that arriving at a deficit position was likely to be common across the College sector this year due to similar adjustments being made at other Colleges.

She discussed the challenges posed in comparing this accounting period of 16 months with the previous period which covered 8 months owing to changes arising from Colleges reclassification as public bodies by the Office for National Statistics (ONS).

Members queried the change in the gearing ratio number. The Associate Principal and Executive Director of Finance noted that this was due to increases in pension liability levels. While this is not an immediate cost, it does need to be reflected in the accounts and has therefore impacted on the gearing ratio.

Finance Committee members noted that the deficit position had been indicated at previous Committee meetings and asked if it was anticipated that this would impact on the College's lending or the funding for the new Falkirk Campus.

The Associate Principal and Executive Director of Finance confirmed that the College was in breach of the existing banking covenants with Barclays Bank, as it had been at the end of the last accounting period. She provided an overview of discussions with Barclays to remove the covenants as these were not normally applied to public bodies which the College is following reclassification.

In relation to funding for estates, she confirmed that the SFC statement in the accounts confirms that this is a technical issue and does not reflect on the overall financial health and sustainability of the College.

Members of Audit and Finance Committees noted their thanks to the Finance team for a significant piece of work.

- a) Members approved the Annual Report and Financial Statements 2014/15

A/15/004 Draft External Audit Annual Report to the Board of Management (Joint item with Finance Committee)

Cathie Wyllie, Henderson Loggie, presented the draft external auditors annual report.

She reported that Henderson Loggie were anticipating issuing an unqualified opinion on all aspects of the accounts once their final checks were completed.

She noted the adjustments as contained within the report but confirmed none of these individually or collectively breached the materiality limit.

She also noted that Audit Scotland were completing their review of College severance packages over the last few years and that a report would be issued in due course. Members queried the severance package provided to the previous Principal in light of recent press attention to this area. It was confirmed that the severance package provided was in line with what was provided to previous staff and in line with SFC guidance.

Members also queried the section covering compliance, noting that the wording used could give rise to misconceptions. It was agreed that this would be changed to clarify the matter.

- a) Members approved the Draft External Audit to the Board of Management subject to the discussed amendments and thanked Ms Wyllie for her firm's conduct of the audit.
-

A/15/005 Minute of Audit Committee of 27 August 2015

Members approved the minute subject to a minor amendment.

A/15/006 Matters Arising

a) A/14/036 Internal Audit Plan 2015-2018

The Chair noted that the Internal Audit plan had been considered at the last Committee and members had asked for an assurance map to be provided to enable comment. This had been provided and the relevant information would be covered under items A/15/008 and A/15/009

b) A/14/040 Risk Management

The Chair asked for an update on arrangements for a Board risk management workshop.

The Associate Principal and Executive Director of Finance noted that discussions with Scott Moncrieff had occurred on the structure of risk workshops and a proposed agenda would be passed to the Board Chair for his approval. It was intended to have a joint Board/SMT session in the New Year.

A/15/007 Chair's Annual Report to the Board of Management

The Chair presented the annual report, noting that this incorporated the extensions which had been provided to the tenure of the previous internal audit firm in response to changes in the financial year end and that it also covered the appointment of Scott Moncrieff after a comprehensive tender exercise.

- a) Members approved the report for submission to the Board of Management

A/15/008 Internal Audit Plan 2015-2018

Michael Scott, Scott Moncrieff, presented the Internal Audit plan for 2015-2018. He noted that this was similar to the version presented at the last committee with some updated audit dates contained within Appendix 3.

He noted that while the plan was a three year plan, it was intended to bring this annually to the Committee to enable them to comment on progress and add in any new areas of audit activity that may have arisen.

He also informed members of his intention to provide a progress report against the plan to each meeting of the Committee.

The Chair informed members that, after the comments on the timings for the Health and Safety audit at the last meeting, he had taken the opportunity to discuss this with the Health and Safety Manager who favoured a single, in depth review.

- a) Members approved the internal audit plan for 2015- 2018

A/15/009 College Assurance Map

The Associate Principal and Executive Director of Finance presented the assurance map that the Committee had requested at the last meeting. She noted that this listed the major assurance mechanisms in place, tied to the relevant strategic area.

Members queried whether there was some assurance arising from student feedback. The Corporate Governance and Planning Officer noted that there was the comprehensive 'Listening to Learners' process and confirmed that this would be added to the assurance map.

- a) Members noted the content of the report

A/15/010 SDS Audit Report

Caroline Hogg, Depute Development Manager, presented the outcome of the most recent SDS audit of Modern Apprenticeship and Employability activity. She noted that the College had one of the largest contracts in Scotland for this activity and noted the excellent results of the comprehensive audit.

- a) Members noted the content of the report and asked that their thanks be passed to the team for their work

A/15/011 Presentation of Internal Audit Reports

Michael Smith, Scott Moncrieff, presented the report covering the College SUMS activity.

He noted that the College had delivered against the SFC target and that there was no risk of a funding claw back. He highlighted that previous recommendations had been implemented and that the audit had only highlighted two minor issues.

- a) Members noted the content of the report and recorded their thanks to the team for a well-managed process.
-

A/15/012 Progress Report on Audit Recommendations

The Corporate Governance and Planning Officer presented the update on progress against audit recommendations.

He noted that recommendation 42 - Monitoring of Actuals for Business Development Contracts is past its scheduled implementation date and outlined the reasons for this delay.

- a) Member noted the content of the report

A/15/013 Risk Management

The Associate Principal and Executive Director of Finance presented the College Strategic and Estates Risk registers.

She highlighted the changes, including an increase in the risk of strike action resulting from the national bargaining process and a new risk linked to the reduction in commercial income.

Members queried when risks became issues owing to being live at the time of reporting. The Corporate Governance and Planning Officer noted that the risks were held on the register as risks to enable the Committee to track progress against College mitigating actions.

- a) Members noted the content of the report

A/15/014 Review of Risk

No new risks were identified

A/15/015 Any Other Competent Business

None

1. Purpose

To present members with the audit reports for the internal audit activity which has occurred since the last meeting of the Committee.

2. Recommendation

That members note the contents of the attached internal audit reports and the management responses from the College.

3. Background

The College has an agreed programme of internal audit each year, which covers statutory reviews along with areas which are covered on a recurring basis or are new audit areas which are identified by SMT following changes to systems or practices.

4. Key Points

There are 2 internal audit reports attached for presentation –

- Financial Systems
- Health and Safety

5. Financial Implications

Please detail the financial implications of this item – None. All audit activity is budgeted for under College running costs and there are no recommendations with significant financial implications.

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		
Low		
Very Low	X	X

Please describe any risks associated with this paper and associated mitigating actions – There is an agreed internal audit plan in place. Compliance with this plan will mitigate against key aspects of College processes and procedures not being independently reviewed.

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart



Forth Valley College
Internal Audit Report 2015/16
Income & receivables
Treasury & cash management

February 2016



Scott-Moncrieff
business advisers and accountants

Uncontrolled Copy

Forth Valley College

Internal Audit Report 2015/16

Income & receivables

Treasury & cash management

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Introduction

Background

Forth Valley College (the College) must have robust financial systems in place to uphold the principles of economy, efficiency and effectiveness, and ensure the financial health and success of the organisation. Two of the key financial systems are income & receivables and treasury & cash management.

While the majority of the College's income is received from the Scottish Funding Council, the College also generates other income from commercial sources. In the period ended 31 March 2014, the College reported income of £5.311 million from tuition fees and educational contracts and £1.34 million of other operating income.

In its financial statements for the period ended 31 March 2014, the College reported cash balances of £0.786 million (2013 £6.292 million). Following the ONS reclassification of colleges as public sector bodies, they are no longer allowed to hold reserves. It is therefore essential that the College has robust procedures in place to manage its cash flow in the short-to-medium term.

Scope

We evaluated the College's processes and procedures in relation to key financial controls to determine whether they provide a robust system of internal control. All key financial systems are audited on a cyclical basis over the course of the Strategic Internal Audit Plan. In accordance with the 2015/16 Internal Audit Plan, this review focused on income and receivables and treasury and cash management.

The control objectives for this audit, along with our assessment of the controls in place to meet each objective, are set out in the Summary of Findings.

Acknowledgements

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

Summary of findings

The table below summarises our assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, along with any improvement actions, are set out in the Management Action Plan.

No	Control Objective	Control objective assessment	Action rating				
			5	4	3	2	1
1	The College has a strategy in place for non-SFC income, which includes both short term and long term objectives for achieving set targets of income from various sources.	YELLOW	-	-	1	-	-
2	Invoices are raised correctly and timeously for all income generating activities.	GREEN	-	-	-	-	1
3	Debtor terms are in place and communicated to all debtors.	GREEN	-	-	-	-	-
4	Debtors are managed appropriately to minimise aged debt and maximise income received.	YELLOW	-	-	-	2	-
5	Income is reflected accurately in the accounting system.	GREEN	-	-	-	-	-
6	Accounts receivable data on the accounting system is held securely and protected from unauthorised changes.	GREEN	-	-	-	-	1
7	The College has formal policies and procedures in place for treasury and cash management, which are aligned with Scottish Government and SFC reporting requirements.	GREEN	-	-	-	-	-
8	Security over cash, cheques, and bank accounts is adequate and access is restricted to authorised personnel.	YELLOW	-	-	1	-	-
9	Bank and cash reconciliations are performed and reviewed with appropriate frequency.	GREEN	-	-	-	-	-

No	Control Objective	Control	Action rating				
10	Cash levels are documented, communicated, reviewed and approved on a regular basis.	YELLOW	-	-	-	1	-
11	Cash is banked with appropriate frequency and in a timely fashion.	YELLOW	-	-	1	-	-

Assessment	Definition
RED	The control procedures in place are not effective - inadequate management of key risks.
YELLOW	No major weaknesses in control but scope for improvement.
GREEN	Adequate and effective controls which are operating satisfactorily.

Conclusion

We have gained assurance that the College has appropriate key financial controls in place within the two areas we reviewed and these are generally operating effectively. However, we have identified some areas where existing controls and processes can be improved.

Main Findings

Good practice

We identified the following areas of good practice:

- There is a formal process for raising sales invoices. The relevant department will complete an invoice request form and forward this to Finance. The Finance team will then raise the sales invoice and distribute it to the customer. The relevant adjustments will then be made to the ledger. We performed sample-testing and gained assurance that invoice request forms were in place and the Finance team had posted the income to the most appropriate account codes on the ledger. The College operates standard 30 day payment terms and this is clearly stated on all sales invoices. The College has formal processes in place for chasing overdue debts, although we raised a recommendation to ensure that these controls are applied consistently.
- The College uses the Sun accounting system. Each user requires a unique username and password to access the system. Users are given access to different modules within the system depending on their role.
- Bank reconciliations are performed monthly for all bank accounts and reviewed by a secondary member of the Finance team to ensure accuracy. The Finance team also performs monthly cashflow forecasts to ensure the College will have sufficient cash to meet its short-term liabilities.
- The College uses an external courier company, Security Plus, for banking purposes. Security Plus visits the College twice weekly. This ensures that cash is banked both securely and regularly.

Areas for improvement

The College does not have a formal strategy in place for income generation. Given the reduction in SFC funding it is essential that the College has overarching plans in place setting out those areas in which it believes it can maximise non-SFC income.

The College uses the Collect Plus software for credit control purposes. The College also has formal documented Debt Management Procedures in place. The Procedures set out the College's approach to managing overdue debts. The Procedures, along with the Collect Plus software, are intended to minimise the amount of outstanding debt and ensure the College receives all income it is due. However, as noted above, we identified areas where these processes were not being applied consistently. For example, there are different processes for chasing overdue student debts compared to overdue non-student debts. However, we were informed that the procedures for chasing overdue student debts are not applied in practice and instead the procedures for chasing non-student debts are applied to all overdue debtors. The procedures for chasing non-student debts is actually more strict, so it may be that the College is operating inefficiently through applying the same procedures to overdue student debts.

We identified instances where the College's Cash Handling Guidance was not adhered to. For example, the Guidance states that "2 members of staff must be present when cash is transferred from tills to the counting location". However, during our review we observed this being undertaken by only one member of staff. In addition, we noted that when cash is dropped at the drop-in safe, there is no independent cash count undertaken to ensure the physical cash being deposited or removed reconciles with the corresponding cash records. Also, whilst we were informed that float checks are conducted, these are not formally documented so this could not be confirmed.

The College uses an external courier company, Security Plus, for banking purposes. Security Plus visits the College twice weekly. However, we identified one instance where the receipt given by Security Plus for the amount of cash they collected was greater than the College's own records; the difference was £290. In addition, we identified four of ten (40%) instances where the cash collection records could not be located.

Further details of the points noted above, as well as a number of less significant issues, are included in the Management Action Plan.

Management Action Plan

Each action has been allocated a risk rating as follows:

Risk rating	Definition
5	Very high risk exposure – Major concerns requiring immediate Board attention.
4	High risk exposure – Absence / failure of significant key controls.
3	Moderate risk exposure – Not all key control procedures are working effectively.
2	Limited risk exposure – Minor control procedures are not in place / not working effectively.
1	Efficiency / housekeeping point.

1. Control objective: The College has a strategy in place for non-SFC income, which includes both short term and long term objectives for achieving set targets of income from various sources.

Observation and Risk	Recommendation	Management Response
<p>1.1 Income generation strategy and policy</p> <p>Scottish Colleges receive approximately 70% of their income from the SFC. However, it is acknowledged that SFC funding is unlikely to increase in the future. There is therefore a need for colleges to become more self-sufficient in terms of generating their own income from non-SFC sources. The College has a Business Development team in place, which focuses on maximising commercial income. Within the Strategic Plan 2014-18, the College has identified a strategic objective to “Contribute to the College’s long term financial sustainability”. However, this objective is not then underpinned by a strategy for income generation or measurable targets around areas that the College believes it can maximise its non-SFC income.</p> <p>There is a risk that opportunities for income generation are not identified and investigated in a coordinated and joined-up manner. This may lead to the College failing to maximise its income and not achieving its strategic objectives.</p>	<p>The College should develop a formal Income Generation Strategy. The Strategy should identify the areas in which the College believes it can maximise non-SFC income. Appropriate targets should be developed and monitored to measure progress against the Strategy, and progress should be regularly reported to the Board.</p> <p>The College should also develop formal policies and procedures which set out the College’s approach to generating non-SFC income and how staff should generate ideas and develop business cases, etc.</p>	<p>The College has an overarching Strategic Plan (2014-18) with a clear vision for Making Learning Work. As part of this plan there are 6 strategic themes one of which focusses on being the business and community partner of choice and as such contributing to the financial sustainability of the college. This plan drives the actions and agenda in relation to generating non-SFC income and this is delivered against the targets set in the annual budgets which are monitored quarterly and reported to the Finance Committee. In addition the annual operating plan (developed from the Strategic Plan) is also monitored quarterly and this is reported to the Strategic Development Committee.</p> <p>The College generates non-SFC income from commercial activity and other sources of public funding. All contract based and commercial activity which link to the delivery of training is managed via the Business Development Process and the targets and contributions for this activity are set within the budgeting process with contribution levels agreed by SMT.</p>

1. Control objective: The College has a strategy in place for non-SFC income, which includes both short term and long term objectives for achieving set targets of income from various sources.

A full review of this income analysing the different types of income from SDS funding, company fees, training board fees, international company fees etc is being carried out and then presented to the Board for further discussion at the March 2016 board meeting.

In terms of non SFC income not linked to direct training delivery, the College is currently recruiting for a Development and Fund Raising Manager and a key remit for this role is to develop, implement and manage the college's development and fund raising strategy. This type of income/funding will be focussed on trusts, lottery, foundations, alumni development and links to the main capital project for the new campus in Falkirk.

To be actioned by: Colette Filippi

No later than: August 2016

Grade

3

2. Control objective: Invoices are raised correctly and timeously for all income generating activities.

Observation and Risk	Recommendation	Management Response
<p>2.1 Departmental invoice requests</p> <p>The College has formal processes in place to raise invoices. The relevant department should complete an invoice request form and submit this to Finance. The invoice request form should specify the customer, service and the value. Finance will then raise the invoice and issue this to the customer. We tested a sample of sales invoices and identified one of 24 instances (4%) where the invoice request form was not submitted to Finance in a timely manner. In this instance, the service was delivered in January 2015 and the invoice was not raised until May 2015. Further investigation identified that the documentation had been lost by the department and when it was rediscovered it was forwarded to Finance immediately.</p> <p>There is a risk that the College does not collect all income due.</p>	<p>The College should review the process for departments submitting invoice request forms to Finance. Finance should remind departments about the importance of submitting invoice request forms in a timely manner. Finance should proactively contact departments if they suspect all invoice request forms have not been submitted.</p>	<p>Hospitality bookings are logged into an electronic diary which is now to be reviewed on a weekly basis. This is then used to ensure that all booking forms which are used by the department administrator to complete the sales invoice request match a booking from the diary and any bookings missed are identified in a timely manner.</p> <p>Other departments track what income is due to be invoiced by the use of a planner which is based on any agreed contract and submit sales invoice requests as required.</p> <p>In addition, the College has recently introduced a new sales invoice request form which all departments in the College are required to use. The new form incorporates the requirement for the budget holder to approve and date the sales invoice request to ensure that Finance processes all invoices in a timely manner.</p> <p>The sales invoice request template also enforces the requirement for the same level of information to be provided by each department to allow monitoring of the various types of income being generated by the College.</p>

To be actioned by: Finance/Department teams

No later than: In operation

Grade

1

3. Control objective: Debtors terms are in place and communicated to debtors.

We identified no significant issues in relation to this control objective.

The College operates standard 30 day payment terms from date of invoice, which is in line with accepted practice. Payment terms are clearly stated on all sales invoices. There can be variations to the College's standard payment terms where specific payment terms are agreed with individual customers. Any amended payment terms are agreed up front so the College is aware when it can expect the income.

4. Control objective: Debtors are managed appropriately to minimise aged debt and maximise income received.

Observation and Risk	Recommendation	Management Response		
<p>4.1 Credit notes for student debts</p> <p>The College issues credit notes if an invoice has been issued incorrectly or inaccurately. For example, if the invoice is for the wrong value or addressed to the wrong customer. The College has a formal process in place for non-student debts whereby a credit note request form is completed and authorised, before being processed by Finance. The relevant adjustments are then made to the ledger. We tested a sample of 24 credit notes and confirmed that in each instance there was an authorised credit note request form in place.</p> <p>However, the process for raising credit notes for student debts is less formal. Credit notes are typically raised for student debts if the student leaves the course before a certain date. We were informed that the process involves the relevant department emailing Finance, who then write-off the student debt on the ledger. However, no formal audit trail is maintained.</p> <p>There is a risk that credit notes are raised for student debts without appropriate authorisation or audit trails.</p>	<p>The process for raising credit notes for student debts should be formalised. The current process for raising credit notes for non-student debts should be applied to credit notes for student debts.</p>	<p>The College plans to adopt the same procedure for student debts as non-student debts.</p> <p>The credit note request form will be introduced and will be required for each credit note raised. The credit note request form will be authorised via e-mail from the relevant Head of Department before being processed by the student records officer and a credit note raised.</p> <p>To be actioned by: Student Records Team</p> <p>No later than: April 2016</p> <table border="1" data-bbox="1429 1193 2074 1340"> <tr> <td data-bbox="1429 1193 1747 1340">Grade</td> <td data-bbox="1747 1193 2074 1340">2</td> </tr> </table>	Grade	2
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Observation and Risk	Recommendation	Management Response		
<p>4.2 Credit control / debt recovery</p> <p>The College uses the Collect Plus software for credit control purposes. The College also has formal documented Debt Management Procedures in place. The Procedures set out the College's approach to managing overdue student and non-student debts, where separate procedures are applied depending on the type of debtor. However, we were informed that the procedures for chasing overdue student debts is not applied in practice and instead the procedures for managing overdue non-student debts are applied to all overdue debtors. The procedures for chasing overdue non-student debts are actually stricter and therefore the College is potentially operating inefficiently.</p> <p>In addition, we performed testing over a sample of overdue organisational debts. We identified one of three (33%) overdue debts where the debt was not referred to the debt collection agency in June 2015, whereas per the Debt Management Procedure the debt should have been referred in March 2015. The invoice in question was raised in November 2014 for £80.</p> <p>There is a risk that the College does not receive all income it is due, either in a timely manner or at all. This may impact on the College's ability to deliver a balanced financial position and invest in developing its services.</p>	<p>The College should review the procedures for chasing overdue student debts. It may be more efficient to have one overall procedure for chasing overdue debtors, regardless of whether they are students or non-students. If the College decides to continue with two separate approaches then staff should be made aware of the relevant approach to follow depending on the type of debtor.</p> <p>The College should ensure that credit control processes are undertaken on a monthly basis, in line with the agreed procedures.</p>	<p>The College has updated the debt management procedures to align the process for chasing overdue student debts to the process for chasing organisational debts.</p> <p>The College believes it is more prudent and efficient to apply the same procedure for both classes of debt.</p> <p>The College currently completes credit control procedures on a monthly basis.</p> <p>To be actioned by: Finance Team</p> <p>No later than: In operation</p> <table border="1" data-bbox="1435 1209 2080 1415"> <tr> <td data-bbox="1435 1209 1765 1415">Grade</td> <td data-bbox="1765 1209 2080 1415">2</td> </tr> </table>	Grade	2
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5. Control objective: Income is reflected accurately in the accounting system.

We identified no significant issues in relation to this control objective.

Income is recognised when it is due, which is normally the earlier of the sales invoice being raised or once the services have been delivered. The sales income is posted to the relevant income code on the ledger when the sales invoice is raised. The College uses different income accounts on the ledger to recognise income. We tested a sample of 24 sales invoices and verified that the account codes where the income was posted were reasonable and appropriate.

6. Control objective: Accounts receivable data on the accounting system is held securely and protected from unauthorised changes.

Observation and Risk	Recommendation	Management Response		
<p>6.1 Sun user access</p> <p>The College uses the Sun accounting system. Each user requires a unique username and password to access the system. Users are given access to different modules within the system depending on their role. However, there is not a formal process in place for adding, amending or removing users. In addition, formal user access reviews are not performed.</p> <p>There is a risk that inappropriate staff have access to the system or staff have the wrong levels of access.</p>	<p>The College should develop a standard form for adding, amending or removing user access rights to the Sun accounting system. The form should be authorised by the line manager prior to processing by the System Administrator.</p> <p>The College should also undertake an annual user access review to determine that only relevant staff have access to the system and they have the correct levels of access.</p>	<p>The College believes that this check is already in operation as it is only Finance who have access to the Sun accounting system. Therefore if any change to user rights were to occur such as a new member of the team, as part of the set-up, user rights would be reviewed and signed off by the line manager prior to the request being sent to the System Administrator.</p> <p>The annual user access review is also in operation to ensure that only relevant persons have access to the Sun accounting system. This will now be formally documented and signed off by the Head of Finance.</p> <p>To be actioned by: Finance</p> <p>No later than: July 2016</p>		
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7. Control objective: The College has formal policies and procedures in place for treasury and cash management, which are aligned with Scottish Government and SFC reporting requirements.

We identified no significant issues in relation to this control objective.

The College has formal cash handling procedures in place. The procedures cover various aspects, including cash counts and what to do in the event of loss or theft. The procedures are available to all relevant staff.

8. Control objective: Security over cash, cheques, and bank accounts is adequate and access is restricted to authorised personnel.

Observation and Risk	Recommendation	Management Response		
<p>8.1 Cash and float counts</p> <p>The College has formal documented Cash Handling Guidance in place. The Guidance was updated following a Cash Handling Risk Assessment, which was undertaken in March 2015. However, we identified some instances where the Guidance was not being followed. For example, the Guidance states that “2 members of staff must be present when cash is transferred from tills to the counting location”. However, during our review we observed this being undertaken by only one member of staff.</p> <p>In addition, we noted some gaps in existing controls. For example, a formal independent cash count is not undertaken when depositing the daily cash takings at the drop-off safe. In addition, no cash count takes place when taking float money from the safe for the till.</p> <p>There is a risk that money is lost / stolen and it cannot be attributed to any individuals or specific dates / times.</p>	<p>The Cash Handling Guidance should be reiterated to staff and training provided where necessary.</p> <p>When cash is dropped-off at the safe a formal independent cash count should be undertaken to ensure that the amount of cash being deposited in the safe is accurate. At least two individuals should be present for the cash count and it should be documented.</p> <p>The same procedures should be applied to till float counts.</p>	<p>The College accepts that there is an increased risk around the lack of independent cash counts when floats are either picked up or dropped off from a safe. The College will review with each of the relevant individuals the process currently in operation and assess where the additional checks can be added to the daily process to ensure that the risk is mitigated.</p> <p>The College will also ensure that any process designed to mitigate the risk above also applies to till float counts.</p> <p>To be actioned by: Finance Team/Departments</p> <p>No later than: July 2016</p> <table border="1" data-bbox="1435 1246 2072 1345"> <tr> <td data-bbox="1435 1246 1756 1345">Grade</td> <td data-bbox="1756 1246 2072 1345">3</td> </tr> </table>	Grade	3
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9. Control objective: Bank and cash reconciliations are performed and reviewed with appropriate frequency.

We identified no significant issues in relation to this control objective.

The College has four bank accounts in place. Formal bank reconciliations are undertaken on a monthly basis. The reconciliations are subject to review and approval by a senior member of the Finance team. We tested a sample of three months' worth of reconciliations and confirmed that they had been undertaken, reviewed and approved. However, we did note that the bank reconciliations are not dated by the preparer or reviewer. The College should ask staff to do this to ensure that reconciliations have been prepared and reviewed in a timely manner.

10. Control objective: Cash levels are documented, communicated, reviewed and approved on a regular basis.

Observation and Risk	Recommendation	Management Response			
<p>10.1 Cashflow forecasts</p> <p>The Finance team prepares a comprehensive cashflow forecast each month. The cashflow forecast incorporates the expected cash income and expenditure during the month to project the closing bank balance. The forecast then informs the required cash to be drawn down from the SFC. However, the cashflow forecast is not reviewed and approved by a senior member of the Finance team.</p> <p>There is a risk that the cashflow forecast is not fully accurate. This could lead to an inaccurate cash drawdown from the SFC.</p>	<p>The monthly cashflow forecast should be subject to review and approval by a senior member of the Finance team.</p>	<p>The monthly cash flow forecast submitted to the Scottish Funding Council is now subject to review and approval by the Head of Finance/Associate Principal & Executive Director of Finance.</p> <p>To be actioned by: Head of Finance/Exec Director of Finance</p> <p>No later than: In operation</p> <table border="1" data-bbox="1435 1043 2078 1126"> <tr> <td data-bbox="1435 1043 1756 1126">Grade</td> <td data-bbox="1756 1043 2078 1126">2</td> </tr> </table>		Grade	2
Grade	2				

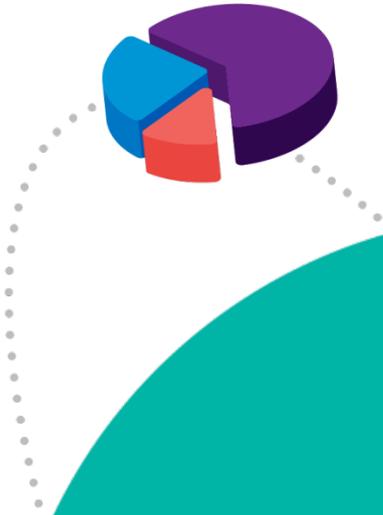
11. Control objective: Cash is banked with appropriate frequency and in a timely fashion.

Observation and Risk	Recommendation	Management Response		
<p>11.1 Security Plus receipts and record-keeping</p> <p>The College uses an external courier, Security Plus, for banking purposes. Security Plus visits the College twice weekly to collect cash for banking. The College prepares a cash collection sheet to record the amount of cash that is passed to Security Plus for banking. Security Plus provides a receipt to the College which states the amount of cash they have collected. We reviewed a sample of six cash collection sheets and noted one instance where the corresponding receipt from Security Plus did not reconcile with the cash noted on the cash collection sheet. In this instance, the cash to be collected per the cash collection sheet was £7,130, yet the Security Plus receipt was for £7,420, a discrepancy of £290. Staff advised us that Security Plus record any amount on their receipt as they say it will reconcile when the cash goes through the bank.</p> <p>In addition, we noted four of ten instances (40%) where the cash collection sheet could not be located.</p> <p>There is a risk that cash is lost in transit or misappropriated. The College may have no recourse if the Security Plus receipt is different from College records.</p>	<p>The College should engage with Security Plus to ensure receipts provided by Security Plus match the College's cash records. Finance staff should check the Security Plus receipts agree to the College's records whilst Security Plus is collecting the cash each week.</p> <p>The College should also reiterate to staff the importance of maintaining records.</p>	<p>The College will ensure it has a full understanding of each of the components of the Security Plus service including what the procedures are for producing receipts. This will then be communicated to the relevant staff who deals directly with Security Plus to ensure that the service delivered is in line with expectations.</p> <p>The College has now developed a new cash record log which will be required to be sent to Finance on the relevant Security Plus pick up day, (e.g. for the Falkirk Campus on a Tuesday and Thursday). This will then ensure that any discrepancies are identified in a timely manner.</p> <p>To be actioned by: Finance Team</p> <p>No later than: July 2016</p> <table border="1" data-bbox="1420 1289 2072 1390"> <tr> <td data-bbox="1420 1289 1747 1390">Grade</td> <td data-bbox="1747 1289 2072 1390">3</td> </tr> </table>	Grade	3
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Forth Valley College

Internal Audit Report 2015/16

Health and safety

February 2016



Scott-Moncrieff
business advisers and accountants

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Forth Valley College

Internal Audit Report 2015/16

Health and safety

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Introduction

Background

Forth Valley College (the College) must have health and safety policies designed to enable all members of the College community to go about their everyday business with the knowledge that they can do so, safely and without risks to their health and wellbeing.

Management needs to be assured that all relevant and prevailing legislation and regulations are being complied with, along with health and safety policies and procedures and that staff are fully aware of their responsibilities and are adequately trained.

Scope

We examined the arrangements in place to ensure that the College provides a suitably safe working environment for students, staff and visitors.

The control objectives for this audit, along with our assessment of the controls in place to meet each objective, are set out in the Summary of Findings.

Acknowledgements

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

Summary of findings

The table below summarises our assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Further details, along with any improvement actions, are set out in the Management Action Plan.

No	Control Objective	Control objective assessment	Action rating				
			5	4	3	2	1
1	Appropriate policies, procedures and guidance have been developed to address all health and safety requirements and have been communicated to all staff.	GREEN	-	-	-	-	-
2	Roles and responsibilities for ensuring compliance with health and safety legislation are clearly defined.	YELLOW	-	-	-	-	1
3	Health and safety training is provided to all staff at induction and refreshed on a regular basis.	GREEN	-	-	-	-	-
4	Monitoring procedures allow management and the Board to confirm that health and safety policies and procedures are followed consistently across the organisation.	YELLOW	-	-	-	1	-
5	All instances of non-compliance are identified and action taken to address these to ensure future compliance.	GREEN	-	-	-	-	-

Assessment	Definition
RED	The control procedures in place are not effective - inadequate management of key risks.
YELLOW	No major weaknesses in control but scope for improvement.
GREEN	Adequate and effective controls which are operating satisfactorily.

Conclusion

We have gained assurance that the College has established a robust framework for managing health and safety and we have identified no major weaknesses in these arrangements. We have identified a small number of areas where the existing procedures can be improved. In particular, through ensuring explicit deadlines are given for investigation of health and safety incidents.

Main Findings

Good practice

The College has developed appropriate statements, policies and procedures to cover the various aspects of health and safety across the College. These include a Health & Safety Policy Statement, a Health, Safety & Welfare Policy and an Emergency Evacuation Statement, amongst others. The policies and procedures are up-to-date, subject to regular review and accessible by staff, students and third parties. Guidance on how to report a health and safety incident is clearly set out on the SharePoint intranet page.

The Board has devolved responsibility for monitoring and oversight of health and safety to the Health & Safety Committee. The Health & Safety Committee meets quarterly to review long-term strategic planning, review and update policies and discuss reports on key aspects of health and safety within the College. In addition, the Health & Safety Committee provides assurance to the Board through an annual report on key aspects of health and safety and developments during the year.

The College has a dedicated Health & Safety Team in place. The Health & Safety Team is suitably qualified and experienced to provide advice, support and guidance on all areas of health and safety. The roles and responsibilities for key staff within the health and safety processes are clearly set out within job descriptions.

Health and safety training is mandatory for all new members of staff. All training is delivered through Moodle (online learning portal for staff and students). Moodle is integrated with the Human Resources management system. The HR management system has facilities to ensure staff refresher training is planned and conducted as and when required. When a staff member is added to the HR management system, the training they require for their role is also input along with the frequency with which it needs to be refreshed. The HR Team monitors completion of refresher training and will notify line managers if staff fail to complete the training.

The Health & Safety Team is responsible for promoting, developing and maintaining a positive safety culture throughout the College. The Team operates a health and safety audit schedule which covers various departments across the four campuses (Falkirk, Stirling, Alloa and Raploch). The Team also carries out random spot-checks in departments where personal protective equipment is used. These processes help the Team to identify instances of non-compliance across the College and ensure health and safety policies and procedures are being followed.

Areas for improvement

We identified the following areas for improvement:

- Heads of Department are not explicitly given deadlines for conducting investigations into health and safety incidents. We were informed there is an assumption that they will provide feedback to the Health & Safety Team within one month; however this is not explicitly stated.

- We identified one instance where the appraisal for a member of the Health & Safety Team had not been conducted using the electronic system and instead had been conducted using a traditional paper-based approach.

Further details of the points noted above are included in the Management Action Plan.

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Management Action Plan

All actions are given a risk rating as follows:

Risk rating	Definition
5	Very high risk exposure – Major concerns requiring immediate Board attention.
4	High risk exposure - Absence / failure of significant key controls.
3	Moderate risk exposure - Not all key control procedures are working effectively.
2	Limited risk exposure - Minor control procedures are not in place / not working effectively.
1	Efficiency / housekeeping point.

1. Control objective: Appropriate policies, procedures and guidance have been developed to address all health and safety requirements and have been communicated to all staff.

We identified no significant issues in relation to this control objective.

The College has developed appropriate statements, policies and procedures to cover the various aspects of health and safety across the College. These include a Health & Safety Policy Statement, a Health, Safety & Welfare Policy and an Emergency Evacuation Statement, amongst others. The policies and procedures are up-to-date, subject to regular review and accessible by staff, students and third parties. Guidance on how to report a health and safety incident is clearly set out on the SharePoint intranet page.

2. Control objective: Roles and responsibilities for ensuring compliance with health and safety legislation are clearly defined.

Observation and Risk	Recommendation	Management Response		
<p>2.1 Staff appraisal process</p> <p>The College has a formal staff appraisal process in place. Appraisals are carried out using the online HR management system. The staff member and their line manager should update the appraisal three times throughout the year; firstly to initially agree the staff objectives, secondly to check progress against meeting those objectives and finally at year-end to complete appraisal evaluation. The appraisal process is one of the key mechanisms for ensuring staff are aware and fulfilling their roles and responsibilities.</p> <p>We reviewed the 2014/15 appraisals for three members of the Health & Safety Team. We noted that for one member of staff (33%), the appraisal was not available on the HR management system. Further investigation identified that the appraisal had been completed on paper and had not been input to the system.</p> <p>It may be inefficient to operate with a paper-based process when an electronic system is available.</p>	<p>The College should remind line managers that the HR management system should be used for staff appraisals. Compliance should be periodically checked by the Head of Department to ensure this is being followed.</p>	<p>Recommendation accepted.</p> <p>HR will continue to review accordingly, as is the current process, to remind managers to complete these online.</p> <p>Regular reports are reviewed on the PRD system by our HR dept. The PRD for the individual was carried out in paper form in this instance, but not logged formally on SharePoint. This was addressed at the time of the audit and a digital copy uploaded.</p> <p>To be actioned by: HR Department</p> <p>No later than: Complete</p> <table border="1" data-bbox="1435 1230 2069 1331"> <tr> <td data-bbox="1435 1230 1756 1331">Grade</td> <td data-bbox="1756 1230 2069 1331">1</td> </tr> </table>	Grade	1
Grade	1			

3. Control objective: Health and safety training is provided to all staff at induction and refreshed on a regular basis.

We identified no significant issues in relation to this control objective.

Health and safety training is a mandatory element of the staff induction process. We confirmed that a recent new member of staff had completed the induction process, including the health and safety elements.

The HR management system has facilities to ensure staff refresher training is planned and conducted as and when required. When a staff member is added to the HR management system, the training they require for their role is also input along with the frequency with which it needs to be refreshed. Automatic reminders are then sent to staff to complete their refresher training at the agreed intervals. The HR Team monitors completion of refresher training and will notify line managers if staff fail to complete the training they require for their role.

4. Control objective: Monitoring procedures allow management and the Board to confirm that health and safety policies and procedures are followed consistently across the organisation.

Observation and Risk	Recommendation	Management Response		
<p>4.1 Investigating health and safety accidents and incidents</p> <p>When a health and safety incident occurs, it is reported through SharePoint by the relevant member of staff. Once an incident is reported through SharePoint, an alert is sent to the Health & Safety Coordinator. The Health & Safety Coordinator forwards a template to the relevant Head of Department instructing them to carry out an investigation into the incident. The findings from the investigation are then used to ensure it does not recur and lessons can be learned.</p> <p>The Health & Safety Coordinator has a process for tracking investigations. This includes maintaining a database and printing copies of relevant emails and other documentation. We were informed that there is an expectation that Heads of Department will complete their investigations within one month. However, this is not explicitly stated to them.</p> <p>There is a risk that Heads of Department are not aware of the timescales for completing investigations and returning their responses to the Health & Safety Coordinator. This may lead to investigations not being conducted in a timely manner and issues not being addressed.</p>	<p>The College should agree timescales for Heads of Department to complete investigations and return their responses to the Health & Safety Coordinator. Timescales should be congruent with the severity of the incident.</p>	<p>Recommendation accepted.</p> <p>Timescales were agreed through the HS Committee on 19th February 2016. The process has been changed to request all feedback within ten days of the incident.</p> <p>High risk incidents will continue to be addressed on the same day, as is our current process.</p> <p>To be actioned by: Health & Safety Committee</p> <p>No later than: Complete</p> <table border="1" data-bbox="1426 1326 2074 1414"> <tr> <td data-bbox="1426 1326 1760 1414">Grade</td> <td data-bbox="1767 1326 2074 1414">2</td> </tr> </table>	Grade	2
Grade	2			

5. Control objective: All instances of non-compliance are identified and action taken to address these to ensure future compliance.

We identified no significant issues in relation to this control objective.

The Health & Safety Team has a process of rolling health and safety audits, which take place across all departments. The audits include confirming that all applicable health and safety risk assessments are in place and up-to-date. In addition, spot-checks are undertaken within PPE (personal protective equipment) departments. Finally, all incidents or accidents rated as severe are reported to the Health & Safety Committee, which is attended by other departments. This helps ensure lessons are learned and shared across the College and will help ensure similar incidents do not recur in other areas.

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1. Purpose

To present members with the report from Scott Moncrieff detailing progress against the agreed internal audit programme.

2. Recommendation

That members note the contents of the attached report.

3. Overview

Following the approval of the Internal Audit programme by the Committee, Scott Moncrieff have undertaken to produce a report to each committee updating members on progress against the programme.

4. Financial Implications

Please detail the financial implications of this item – None. This report is produced by Scott Moncrieff as part of the budgeted Internal Audit provision to the College.

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		
Very Low	X	X

Please describe any risks associated with this paper and associated mitigating actions – Regular independent reporting on progress will provide assurance to members on College progress against the agreed internal audit programme.

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

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Forth Valley College
2015/16 Internal Audit Plan
Progress Report

March 2016



Scott-Moncrieff
business advisers and accountants

Forth Valley College

Internal Audit 2015/16

Progress Report – March 2016

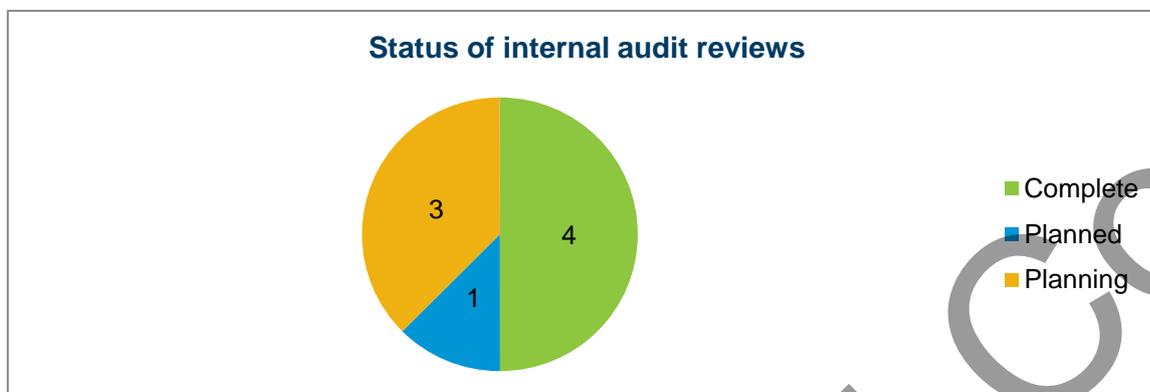
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Audits Completed	2
Appendix 1 – Progress against 2015/16 Internal Audit Plan	3

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Summary of Progress

This paper provides a summary of internal audit activity during the year to date and confirms the reviews planned for the coming quarter, identifying any changes to the original annual plan.

Progress against annual audit plan



As at March 2016, four audits have been completed so far in 2015/16; wSUMs, treasury and cash management, income and receivables, and health and safety.

All reviews scheduled for the next Audit Committee meeting in June 2016 are planned or at the planning stage, and we remain on track to deliver the full programme of audit days on time.

We have also held planning discussions with the Principal and Director of Finance regarding our risk workshop. We have agreed that the first workshop in 2015/16 will focus on the Board and Senior Management Team. We are still discussing potential dates with management and will update the Audit Committee once a date is confirmed.

Appendix 1 sets out the status of the 2015/16 internal audit programme.

Plan for next quarter

We will present the following reports to the June 2016 Audit Committee:

- IT healthcheck
- Risk workshop

Action for Audit Committee

The Audit Committee is asked to note the contents of this report and to approve the plan for the next quarter. We also invite any comments on the format or content of this report. Contact details are as follows:

Gary Devlin, Audit Partner	gary.devlin@scott-moncrieff.com	0131 473 3500
Michael Smith, Audit Manager	michael.smith@scott-moncrieff.com	0141 567 4500

Audits Completed

The table below sets out the reports completed during 2015/16. There were no Grade 4 or 5 recommendations (very high risk exposure) and there are no control objectives assessed as red or black. Full definitions for the colour coding and the grading structure are set out below.

Review	Control objective assessment	No. of issues per grading				
		5	4	3	2	1
wSUMs	N/A*	-	-	-	2	-
Treasury and cash management		-	-	2	1	-
Income and receivables		-	-	1	2	2
Health and safety		-	-	-	1	1

*The report format followed a different style and therefore there were no colour-coded control objectives.

Definitions

We use the following definitions to describe the effectiveness of controls in the area under review.

Assessment	Definition
BLACK	Fundamental absence or failure of key control procedures - immediate action required.
RED	The control procedures in place are not effective - inadequate management of key risks.
YELLOW	No major weaknesses in control but scope for improvement.
GREEN	Adequate and effective controls which are operating satisfactorily.

Recommendations are graded as follows:

Grade	Definition
5	Very high risk exposure – Major concerns requiring immediate Board attention.
4	High risk exposure – Absence / failure of significant key controls.
3	Moderate risk exposure – Not all key control procedures are working effectively.
2	Limited risk exposure – Minor control procedures are not in place / not working effectively.
1	Efficiency / housekeeping point.

Appendix 1 – Progress against 2015/16 Internal Audit Plan

Shaded areas denote completion.

Name of report	Status	Audit start	Draft report issued	Management responses	Final report issued	Planned Audit C'ttee meeting	Actual Audit C'ttee meeting
Treasury and cash management	Complete	Jan 2016	Feb 2016	Feb 2016	Feb 2016	Mar 2016	Mar 2016
Income and receivables	Complete	Jan 2016	Feb 2016	Feb 2016	Feb 2016	Mar 2016	Mar 2016
Financial return	Planning	Jul 2016	Jul 2016	Aug 2016	Aug 2016	Aug 2016	
Health and safety	Complete	Feb 2016	Feb 2016	Mar 2016	Mar 2016	Mar 2016	Mar 2016
wSUMs	Complete	Oct 2015	Nov 2015	Nov 2015	Nov 2015	Nov 2015	Nov 2015
IT healthcheck	Planning	Mar 2016	Apr 2016	Apr 2016	May 2016	Jun 2016	
Risk workshop	Planning	TBC	TBC	TBC	TBC	Jun 2016*	
Follow up	Planned	Jun 2016	Jul 2016	Jul 2016	Jul 2016	Aug 2016	
Annual report	-	-	-	-	-	Aug 2016	
Annual Internal Audit Plan 2016/17	-	-	-	-	-	Aug 2016	

*The output report from our risk workshop will be dependent on when the workshop is undertaken. We are currently discussing potential dates with management.

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1. Purpose

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

2. Recommendation

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

3. Background

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

4. Summary of Changes

The current audit recommendations are detailed in full in Appendix 1. The table below represents a summary of the current position of these recommendations as at 24 February 2016.

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 these papers.

The two recommendations from the "Review of 2014/15 SUMs Return" which was presented at the 1 December 2015 Audit Committee meeting were added to the appended recommendation tracker to make a total of 11 recommendations.

Since the last meeting of the Audit Committee, 5 of the 11 recommendations have reached a stage where the College considers them to be complete. These are highlighted in grey in the appendix.

The Follow Up and Marketing and Communications audit reports did not contain scheduled completion dates. These have been added where appropriate and the text is in red for easy reference.

There are four recommendations where an extension is being requested, numbers 42, 63, 68 and 75 with a brief overview of the reasons for these extensions in the appendix.

	High	Medium	Low	N/a	Total
Live within date	0	3	2	0	5
Live recommendation passed implementation date	0	2	2	0	4
Completed since last report to Committee	0	2	2	0	4

5. Financial Implications

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

6. Equalities

Assessment in Place? – Yes No

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

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

7. Risk

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

	Likelihood	Impact
Very High		
High		
Medium		
Low	X	X
Very Low		

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

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

ID	Audit Name	Date of Audit	SMT Owner	Action Owner	Recommendation	Management Response	Priority	Evaluation	Scheduled Completion Date	Revised Completion Date	Evidence	Completed
42	Business Development Processes – Phase I	20/03/2014	Colette Filippi		Monitoring of Actuals - We would recommend that consideration is given to conducting actual versus modelled reviews – in particular for some of the college's most significant contracts. , To support this consideration should be given to trialling time recording on the most significant contracts in order to gauge the accuracy of currently modelled positions and the validity of current pricing.	The ability to record time against contracts is complicated by contracts infilling with each other and into core delivery. To support a review of actual staffing costs v budgeted it is proposed that a review of planned hours & £ budget is compared with actual hours recorded in Celcat and £ actual cost at departmental level. This will be completed at the end of each academic session.	(2)Medium	Feb 2016 - This is proving to be a challenging review as the accounts year end has changed twice recently with accounts being prepared for 16 months and then 8 months. Finance are currently reviewing this to see if this exercise will be possible. Nov 2015 - Finance still finalising year end accounts and this will be utilised to run a comparison Aug 2015 - Will be undertaken pre the end of Oct 2015 May 2014 - This will be undertaken by finance at the end of the academic year. February 2015 - No further update. This activity is scheduled for completion in June/July 2015 September 2014 - Same as in May as year end still to be reached. May 2014 - This will be undertaken by finance at the end of the academic year.	31/10/2015	31/05/2016		No
63	Payroll	24/10/2014	Alison Stewart	Louise Burnett	Receipt of Changes to Employee Information - Any changes to be made to employee records come largely through email either directly to the Payroll Coordinator or to HR, who then pass on information to Payroll. Changes are not currently reported in a standard template or form. We recommend that standard forms are utilised for employees to report change of details to ensure information provided in consistent and of sufficient detail. Consideration should also be given as to whether there is scope for making this form available for employees to submit on SharePoint. This could then be sent to both HR and Payroll to ensure both departments receive the same information.	Agreed Action: An infopath form available through SharePoint would be the best way to capture any changes to employee details, due to staff availability this will be reviewed towards the end of year	(3)Low	Feb 16 - Form completed and tested. Will be rolled out with a suite of other improvements in March 2016. Nov 15 - the new staff portal is live and we are processing the expenses and additional hours through it, the change of bank details form is now in development, staff will open a link enter details and these will be emailed to Payroll and it is hoped to launch in early December July 15 - This process is being incorporated into the new Staff Portal that IS Development and HR have developed. The portal is going to be a one stop shop were staff will be able to change their name, address and bank details, view their absence and PRD info as well as process claims for expenses and additional hours/overtime. It is hoped that the portal will be launched mid august and we will need to document processes between HR and Pavroll	01/12/2015	01/04/2016		No
68	Follow Up	06/08/2015	Alison Stewart	Stephen Jarvie	Business continuity: Disaster Recovery plan - Perform a test of the disaster recovery plan as soon as practicable, record the results and review them in order to feedback any revisions or improvements into the plan.		(2)Medium	Feb 16 - Dedicated testing exercise to be conducted with all SMT. Nov 15. Test scenarios developed and session with SMT and key managers scheduled to perform test in Jan 16.	01/02/2016	01/04/2016		
69	Follow Up	06/08/2015	Alison Stewart	Diane Creed	Stock control: EPOS system -The EPOS system should continue to be implemented as soon as possible, with due consideration given to the difficulties encountered in its implementation.		(2)Medium	Feb 16 - All major supplier contracts are now in place in compliance with APUC/TUCO and College procurement guidelines. In addition we have just about finalised all product lists, menus and recipes, which means we can now start populate the new Web Back Office for the Bleep system. The upgrade for the new hardware and software is scheduled to take place in April 2016. Nov 15 - This is still ongoing as a College project but significant progress has been made. Almost all contracts with suppliers are in place now and all suppliers are on the TUCO framework. This will make stock control using the BLEEP system much simpler in the long run.	01/04/2016		http://info/li/hosp/Stock%20Order%20Library/Stock%20Order%20Form%20Area.aspx?PageView=Shared http://infoadmin/projects/brp/General%20Library/Forms/AllItems.aspx	
72	Communications and Marketing	01/08/2015	David Allison	Lyndsay Condie	College Branding (Departments) The teaching material produced at a departmental level did not fit the current style and branding associated with the College.	Departmental cover sheets will be rolled out across the department and act as a standard template for corporate style and branding. Marketing and Communications Officers will hold regular meetings with Department and Curriculum Heads to ensure the College brand is adhered to. The print unit staff will also identify any departmental materials of a poor quality and feed this back to the Marketing and Communications Officers to discuss at their meetings with departments. The current print environment set up only allows print volume to be reported for each user, but there are plans to retender the print environment and as part of this we will investigate including enhanced reporting mechanisms.	(2)Medium	Feb 16 - Templates have been produced and are being rolled out for department use. Nov 15 - In progress. Staff are working with individual teaching departments to promote the usage of these cover sheets. Templates currently introduced to the department of HSS and being rolled out.	01/03/2016		Available from Comms and Marketing department	Yes
73	Communications and Marketing	01/08/2015	David Allison	Lyndsay Condie	Data Storage It was found that one of the Graphic Designers held information on a local drive which was not backed up to the secure server.	The College will ensure that all work is backed up safely and securely on the remote server to prevent loss or theft of marketing activities.	(2)Medium	Feb 16 - All materials are currently backed up and minimising risk to lost work. Nov 15 - No update at this time.	01/04/2016		Available from Comms and Marketing department	Yes
74	Communications and Marketing	01/08/2015	David Allison	Lyndsay Condie	Copyright Policy There was no approved Copyright Policy in place to provide guidance to staff on key regulatory requirements when publishing teaching notes and conducting advertising campaigns.	The College will finalise the Copyright Policy and roll out formal training, which will be delivered through the performance management framework.	(2)Medium	Feb 16 - Initial meeting took place in early Feb and in progress to meet June deadline. Nov 15 - A draft of the policy is available and a further meeting in due to take place in early December.	01/06/2016			

75	Communications and Marketing	01/08/2015	David Allison	Lyndsay Condie	Workboard Sign Off & Reporting There was a lack of documented sign off for both 1st draft and final versions of published material on Workboard. Weekly reports could be better utilised to identify such instances and to ensure Workboard is an accurate reflection of the department's activity.	Staff will be reminded of the importance of capturing both 1st draft dates and final sign off on Workboard. This will ensure that there is a trail for KPI purposes in relation to meeting internal deadlines for projects and evidencing authorisation. The College will investigate further electronic sign off which can be evidenced in Workboard and in the meantime ensure there are clear links captured on Workboard to the sign off mechanism and where this is held. With regards the final paragraph in the Findings section, Management feel that there is sufficient reporting in place. It is also felt that sufficient review of this reporting is completed to ensure department activity is overseen and challenged effectively. Therefore no further action on this finding is proposed.	(3)Low	Feb 16 - The new system has been reviewed and new procedures are under development. These will be implemented by April 2016. Nov 15 - Electronic document sign off licence as been purchase and the department is currently looking into the roll out procedures.	01/01/2016	01/04/2016		
76	Communications and Marketing	01/08/2015	David Allison	Lyndsay Condie	Role Profiles Some of the role profiles for staff within the Department were still to be reviewed and updated as part of the on-going review cycle.	The Marketing and Communications roles will be regularly reviewed as per the normal College practice and also to reflect advances in digital technologies.	(3)Low	Feb 16 - 80% of team role profiles have been updated and on course to be completed by June deadline. Nov 15 - No update at this time.	01/06/2016			
77	Review of 2014/15 SUMs Return	01/10/2015	David Allison		Enrolment - We recommend that: · Staff should be reminded that default data on the system should be retrospectively updated when actual data becomes available. An audit trail of any manual amendments should be maintained. · The College should ensure that staff are made aware of which version of the enrolment forms are to be used and out of date forms should not be accepted.	Staff will be reminded of the need to accurately update enrolment start dates for individual students. Staff will be reminded to use the enrolment form for the correct session, and not to store old versions of enrolment forms.	2 - Limited Risk	Dec 15 - completed at team meeting	22/12/2015		http://infoadmin/is/sr/srtm/default.aspx?instanceID=9&Paged=Next&p_StartTimeUTC=20150122T141500Z&View=%7b06651998%2d8647%2d4786%2d8c1b%2de30b22703351%7d	Yes
78	Review of 2014/15 SUMs Return	01/10/2015	David Allison		Course start/end dates - We recommend that: · Staff are reminded of the need to ensure that attendance data is accurately recorded at the point of enrolment or withdrawal.	Staff will be reminded of the need to accurately update enrolment start and end dates for individual students.	2 - Limited Risk	Dec 15 - completed at team meeting	22/12/2015		http://infoadmin/is/sr/srtm/default.aspx?instanceID=9&Paged=Next&p_StartTimeUTC=20150122T141500Z&View=%7b06651998%2d8647%2d4786%2d8c1b%2de30b22703351%7d	Yes

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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, the actions taken to date and changes to risks as outlined below.

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

Risk No 1 – Strike Action. This is a new risk as a result of the recent EIS ballot for strike action. The College has been making preparations for this risk for a period of time and now that the ballot is in has begun to implement some of these mitigating actions.

Risk No 7 – SFC Allocation Levels. This is a new risk which has been added to reflect ongoing uncertainty over funding levels.

Risk No 10 – Overtime and holiday payments. The score for this risk has reduced slightly as there has been no further guidance has been issued to date which would indicate higher costs than those anticipated by the College.

5. Financial Implications

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

6. Equalities

Assessment in Place? – Yes No

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

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

7. Risk

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

	Likelihood	Impact
Very High		
High		
Medium		
Low	X	X
Very Low		

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

Risk Owner – Ken Thomson

Action Owner – Alison Stewart

8. Other Implications –

Please indicate whether there are implications for the areas below.

Communications – Yes No

Health and Safety – Yes No

Please provide a summary of these implications – Not Applicable

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

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Forth Valley College Strategic Risk Register

Risk Management and Mitigation						Owners			Initial Risk Score			Score After Mitigation				
No	Area	There is a real or perceived risk that...	Potential Consequences	Mitigating Actions	Actions/Progress to Date	Board Committee	SMT Risk Owner	Action Owner	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score	Change to score since last meeting	Date Added and Date Score Updated
1	Strategic	Strike action arising from National Bargaining negotiations will impact on the learning and teaching provision for students	<ul style="list-style-type: none"> Inability to hold classes in line with timetables Disruption to campus operations during strike action Impact on the delivery of commercial training Depending on timing, impact on assessment activity 	<ul style="list-style-type: none"> College continues to liaise with unions on a local and national levels to ascertain potential strike days Communications plan under development to notify shareholders of potential impacts Contingency planning for the recovery of lost teaching/assessment time 	<p>March 2016 - We have developed a communication plan to make sure that stakeholders are kept fully informed of mitigating actions we may take. We are actively working with departments to alleviate the impact on learners.</p>	HR	P	APHROE	VH	VH	25	VH	H	20	NEW	Mar-16
2	Finance	Government accounting rules restrict Colleges ability to use available resource at the Board's discretion.	<ul style="list-style-type: none"> Inability to utilise surplus cash Additional complexity of managing projects over a number of financial years Unable to spend our capital without appropriate budget cover 	<ul style="list-style-type: none"> Implementation of revised budgeting and forecast processes to support decision making Transfer of surplus funds to Arm's Length Foundation 	<p>March 2016 - No further update at this time</p> <p>November 2015 No further update at this time</p> <p>August 2015 No further update at this time.</p> <p>May 2015 £1.1M donated to FVC Foundation in March 15. SFC/SG & College group set up to review long term implications. indication is that for 2015/16 surplus cash should be used to fund shortfall in Student Support.</p> <p>March 2015 Further paper going to Finance Committee in March. Ongoing discussions with SFC and Scottish Government on how we can utilise surplus cash</p> <p>November 2014 <ul style="list-style-type: none"> Paper going to Finance Committee on implications of resource budgets - 25/11/14 May 2014 <ul style="list-style-type: none"> Processes in place for drawing down funding from SFC based on cash flow projections </p>	F	APEDF	APEDF	H	VH	20	H	VH	20		March 2015 - Score increased from 12 to 20 01/05/2014
3	Governance	That the College will be in breach of the covenants relating to the £4.5m term loan facility with Barclay's bank.	Could require immediate repayment or seek to renegotiate facility on less favourable terms	<ul style="list-style-type: none"> Barclays have been kept informed through the year on the implications of ONS and the possibility of a breach of covenants. 	<p>March 2016 - The College waiting to hear from Barclays on this matter.</p> <p>November 2015 No further update at this time</p> <p>August 15 Meeting held with Barclays in July 15. Chris Hearn, Head of Education in Barclays is progressing the removal of covenants.</p> <p>May 2015 Meeting set up with Barclays to discuss further. College is likely to breach covenant again at 31 July 2015 due to donation to FVC Foundation.</p> <p>March 2015 The accounts have now been submitted to Barclays. AS met Barclays in February and they are still reviewing their position</p> <p>November 2014 <ul style="list-style-type: none"> No further update as unable to submit 2013/14 Accounts to Barclays until they have been laid before Parliament. May 2014 <ul style="list-style-type: none"> AS met with Chris Hearn, Head of FE/HE Sector at Barclays to discuss the implications of the ONS reclassification on Scottish FE colleges and why this differs from the rest of the UK, in preparation for paper they will need to submit to Barclay's credit department. </p>	F	APEDF	APEDF	VH	H	20	VH	H	20		March 2015 - Score increased from 15 to 20 01/06/2014
4	Finance	National bargaining will impact on the salary structure and terms and conditions of both support and teaching staff	<ul style="list-style-type: none"> Inability to fund pay increases agreed at a national level without impacting on College operations/existing staffing establishment Inability to effectively manage industrial relations with recognised College unions as a result of decisions/proposals made at a national level 	<ul style="list-style-type: none"> Continue effective local employee relation communication with Unison and EIS/FELA Participate in and contribute to the National Bargaining process Identify efficiencies to ensure affordability 	<p>March 2016 - There are still a number of colleges who have not yet signed the NRPA which is causing difficulties in moving the process further</p> <p>November 2015 National Recognised Procedure Agreement signed by all colleges and a pay offer has been communicated to both unions which has subsequently been rejected and both unions are considering industrial action.</p> <p>July 2015. National Bargaining Process is in the process of being signed by all colleges. This will enable the pay negotiations to move forward and take place at a National Level. The outcome of negotiations will determine the next stage. FVC has budget in place to meet the suggested level of increase for staff</p> <p>May 2015 Discussions continue with National Bargaining Committee and Scottish Government no further information as been received</p> <p>March 2015 - First draft of Recognised Procedural Agreement (RPA) discussed</p> <p>November 2014 - No significant changes</p> <p>May 2014 <ul style="list-style-type: none"> College continues to monitor developments at a national level and share information with recognised trade unions. </p>	HR	P	APEDHROE	VH	H	20	VH	H	20		Jun-14
5	Finance	The current economic environment, changes to the Oil & Gas sector, HEI investment levels and international unrest will impact on the College's ability to generate commercial income	Loss of commercial income impacting on the College's ability to cover its overheads and generate surpluses	Identification of new income streams/ expansion of unaffected existing streams and other funding streams	<p>March 2016 - Developing areas of activity across the teaching departments to generate additional income. Bid to SDS to expand the numbers and frameworks within the MA programme. Relaunched the MA Engineering programme and seeking to attract additional companies. Active marketing campaign on commercial activities. Recruiting a Development and Fund Raising Manager</p> <p>November 2015 - Meeting held with all Heads of Teaching department to identify new streams of income</p>	F	P	CF	VH	VH	25	VH	H	20		Nov-15

Forth Valley College Strategic Risk Register

6	Estates	there will be inadequate facilities for learners due to lack of capital investment	<ul style="list-style-type: none"> • Reputational damage • Inability to deliver quality learning facilities to the same standard as Alloa and Stirling Campuses • Prohibitive on-going maintenance costs for Falkirk • Restriction on ability to grow commercial income • Expiry of temporary occupation certificates for Carron & Grange buildings 	<ul style="list-style-type: none"> • Preparation of Falkirk Outline Business case (OBC) • Development of Funding Strategy which will require SFC approval • Maximising receipts from existing assets • Negotiate extension to temporary occupation certificate with Falkirk Council 	<p>March 2016 - Draft FBC completed February 2016 and issued to SFT and SFC. Planning Permission in Principal (PPP) submitted. Site Investigation contractor appointed. Negotiations commenced on sale of Branshill site.</p> <p>November 2015 - Architect appointed June 2015, Legal Advisor appointed November 2015, Conditional Legal Missives concluded for additional Middlefield strip October 2015.</p> <p>August 2015. Financial Advisors appointed and preferred legal advisors identified. Architects consultation meetings with staff underway. Work ongoing to develop FBC.</p> <p>May 2015 Technical Advisor appointed April 2015.</p> <p>March 2015 - Middlefield demolition complete. Technical Advisor tenders returned 6 March 2015. OJEU for architect issued.</p> <p>November 2014</p> <ul style="list-style-type: none"> • NPD funding strategy announced in Scottish Government October 2014 budget for Forth Valley College • Agreement reached with SFC to fund demolition of Middlefield campus; demolition programmed to start in November 2014. • Falkirk OBC completed and to be submitted to SFC for approval in December 2014 • Ongoing discussions with SFT and SFC re overall procurement route, FBC and next steps <p>May 2014</p> <ul style="list-style-type: none"> • Fundraising proposal for Middlefield demolition submitted to SFC • Paper on demolition proposal on Board of Management agenda for 26 June 2014. <p>8 April 2014</p> <ul style="list-style-type: none"> • SFC advised on 7/2/14 they are happy for FVC to proceed to developing Falkirk Business Case, with proviso that capital funding is constrained. • Falkirk OBC tender commenced <p>13 January 2014</p> <ul style="list-style-type: none"> • New concept plan for Falkirk developed and presented to Board of Management on 12 December 	B	APEDED	APEDED	VH	VH	25	M	VH	15		Nov-14 score reduced from 20 to 15 Added - 01/08/2013
7	Strategic	Uncertainty over SFC allocation levels for the College will impact on the curriculum planning process	<ul style="list-style-type: none"> • Inability to accurately curriculum plan impacting on course advertising, recruitment and staffing levels • Uncertainty over meeting Outcome agreement targets if reductions are received in allocation 	<ul style="list-style-type: none"> • Liaise with SFC to receive assurance over funding levels • Update Outcome Agreement to match available funding levels once known 	<p>March 2016 - Ongoing dialogue with Outcome Agreement Manager. Principals group involved in strategic dialogue with SFC and Scottish Government.</p>	B	P	P	M	H	12	M	H	12	NEW	Mar-16
8	Finance	The Government has announced that it is ending the contracting out regime from the 2nd state pension scheme from 1 April 2016 .	<ul style="list-style-type: none"> • Unavoidable increased employers NI contributions (loss of 3.4% rebate for all employees in pension scheme) 	<ul style="list-style-type: none"> • Provision to be included into 15/16 budget • Clear communication with staff on the requirements placed upon the College and impact on budgets 	<p>March 2016 - No further update at this time</p> <p>November 2015 No further update at this time</p> <p>August 2015 Affordability of increase has significant impact on 16/17 budget which is currently in deficit.</p> <p>May 2015 Draft budget for 2015/16 currently being prepared and will reflect the changes. Budget will be presented to June Finance Committee and Board of Management. March 2015</p> <p>Will be incorporated into 2015/16 budget</p> <p>November 2014</p> <ul style="list-style-type: none"> • Additional cost factored into 2015/16 reforecast. <p>May 2014</p> <ul style="list-style-type: none"> • No further update at this time <p>8 April 2014</p> <ul style="list-style-type: none"> • No further update at this time <p>17 January 2014</p> <ul style="list-style-type: none"> • Initial estimate of cost is £350k 	F	APEDF	APEDF	VH	M	15	VH	L	10		Nov 14 Score reduced from 15 to 10 Added - 01/01/2014
9	Governance	the Forth Valley College Foundation does not operate as originally envisaged.	<ul style="list-style-type: none"> • Loss of control over surplus cash by Forth Valley College 	<ul style="list-style-type: none"> • Memorandum of Understanding agreed between parties 	<p>March 2016 - No further update at this time</p> <p>November 2015 No further update at this time</p> <p>August 2015 Foundation approved grant application.</p> <p>May 2015 Grant Application submitted and awaiting confirmation of meeting date with Foundation to review application. March 2015</p> <p>The Foundation were supportive of the new Falkirk campus developments and the grant application will be submitted for the FBC costs</p> <p>November 2014</p> <ul style="list-style-type: none"> • Meeting scheduled with Foundation 3 December 2014 <p>May 2014 - Memorandum of Understanding signed by Forth Valley College and Forth Valley College Foundation</p>	B	APEDF	APEDF	M	VH	15	L	VH	10		May-14
10	Finance	changes to legislation regarding overtime as part of holiday payments may lead to retrospective costs for the College.	<ul style="list-style-type: none"> • Financial cost to the College that has not been budgeted for • Staff/Union relationships whilst this matter is being resolved 	<ul style="list-style-type: none"> • Monitoring situation as it proceeds through a variety of legal steps • Commence contingency planning to identify potential staff affected by this ruling and costs to the College 	<p>March 2016 - There has been no further legal advice on this.</p> <p>November 2015 No further developments at this time</p> <p>July 2015 No further update at this time</p> <p>May 2015 No further information received regarding this</p> <p>March 2015 - No update at this time</p>	HR	APEDHROE	APEDHROE	H	H	16	M	M	9		Nov-14

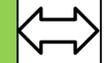
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11	Business Continuity	As the College becomes ever more reliant on IT and systems to deliver to our learners, and to support learners and staff, that disruption to this provision has a more significant impact.	The College could experience loss of access to any of its core systems, which could result in loss of service to staff and/or learners, or could impact our ability to deliver learning.	<ul style="list-style-type: none"> The IT Disaster Recovery plan is maintained, and shows the impact of the loss of each of our core systems, and how we would recover each of these core systems The College's Business Continuity is updated and informs when to access the College's IT Disaster Recovery Plan The College's Business Continuity Plan is tested 	<p>March 2016 - Further resilience added through additional break-out access added to Alloa and Stirling.</p> <p>November 2015 No further update</p> <p>August 2015 An additional high-speed internet connection was installed in May to provide resilience</p> <p>May 2015 • An additional internet connection to provide resilience should there be any disruption to our main connection has been purchased and will be configured and tested this month.</p> <p>March 2015 • We are planning to install an additional internet connection to provide resilience should there be any disruption to our main connection.</p> <p>November 2014 • No Further Update</p> <p>May 2014 • IT services participating as pilot department for Business Continuity planning processes</p>	F	APEDIS	APEDIS	L	VH	10	L	H	8		Jun-14
12	HR	Financial restrictions limit the ability to fund pay increases	<ul style="list-style-type: none"> Low staff morale Inability to attract and/or retain key staff 	<ul style="list-style-type: none"> Implementation of alternative benefits (i.e. additional holidays, salary sacrifice schemes, season ticket loan for travel, Edenred Staff Benefits system) Clear communication with staff and engagement with Unions on funding restrictions 	<p>March 2016 - Unison have now accepted a pay award backdated to April 2015. Unison have also tabled a pay awards for 16/17</p> <p>November 2015 National Recognised Procedure Agreement signed by all colleges and a budgeted pay offer has been communicated to both unions which has subsequently been rejected and both unions are considering industrial action.</p> <p>July 2015. National Bargaining Process is in the process of being signed by all colleges. This will enable the pay negotiations to move forward and take place at a National Level . The outcome of negotiations will determine the next stage . FVC has budget in place to meet the suggested level of increase for staff</p> <p>May 2015 National Bargaining process remains ongoing which could result in local pay negotiation taking place. Financial details require to be worked through.</p> <p>March 2015 - No longer a risk pay settlement accepted by both unions. However, new risk for 15/16 is the implications of national bargaining. College agreed not to negotiate until RPA is signed.</p> <p>November 2014 - UNISON accepted pay offer</p> <p>28 May 2014 • EIS/FELA have accepted the pay award for 14/15 and this has now been processed. A revised pay offer to Unison has now been made.</p> <p>8 April 2014 • Pay offer made to EIS and Unison to be taken to members - awaiting outcome</p> <p>17 January 2014 • Pay offer now accepted by both unions and implemented December 13. Implementation plan for Staff Survey underway and will be communication to staff early February</p> <p>21 November 2013 • Cultural survey completed as a baseline for planning going forward and to identify quick wins</p>	HR	APEDHROE	APEDHROE	H	H	16	L	M	6		Nov-14 Score reduced from 12 to 6 (April 2014 score increased from 9 to 12) (January 2014 Score reduced) (21 November 2013 increased) August 2013
13	Governance	In the event of a serious incident, the lack of an up to date and tested Business Continuity Plan could lead to increased risk, delay and costs		<ul style="list-style-type: none"> Full review of business continuity conducted by Baker Tilly resulting in a number of recommendations Initial investigation of engaging external specialist to conduct review of BCP and implementation of audit recommendations Creation of BCP policy which will govern frequency of update and testing of new plan 	<p>March 2016 - Testing to occur in March 2016</p> <p>November 2015 Test scenario developed. Test will occur Jan 2016 to accommodate scheduling issues.</p> <p>August 2015 Business continuity plan in place. Testing to occur during early 2015/16 to close of this risk.</p> <p>May 2015 No further update</p> <p>March 2015 Business Continuity Plan developed and approved by SMT</p> <p>10 November 2014 • Business Continuity Plan being developed</p> <p>May 2014 • Business Continuity Policy approved</p> <p>8 April 2014 • Discussions undertaken with colleagues at Strathclyde University and Stirling University. Draft Business Continuity Policy prepared and will be presented to Audit Committee on 1 May 2014.</p> <p>17 January 2014 • Scope for services required to meet recommendations within Audit Report developed</p> <p>• Potential candidate list for consultancy services created</p> <p>• Discussions on next steps on-going</p> <p>21 November 2013 • No actions to date - paper will be taken to SMT to get approval to appoint consultant to support development of new BCP</p>	A	P	APEDF	L	VH	10	L	M	6		Nov-13

Forth Valley College Strategic Risk Register

14	Strategic	Failure to deliver upon targets within Outcome Agreement impact upon the College	<ul style="list-style-type: none"> Impact on future financial settlements Reputational damage Potential removal of Board members 	<ul style="list-style-type: none"> KPI reporting to relevant committees to ensure appropriate monitoring occurs Robust internal monitoring processes to ensure KPI achievement Regular engagement with SFC on progress and expectations 	<p>March 2016 - Early Draft Outcome Agreement shared with SFC. Revised draft taken to Strategic Development Committee in February 2016.</p> <p>November 2015 - • Early Draft Outcome Agreement for 2016/17 going to Strategic Development Committee on November 19th.</p> <p>• 2014/15 Outcome Agreement Self Evaluation submitted to SFC on 31st October, with key targets met.</p> <p>August 2015 No further update</p> <p>May 2015 Outcome Agreement for 2015/17 agreed with SFC</p> <p>March 2015 - The College continues to monitor progress against all targets</p> <p>November 2014 • Draft Outcome Agreement for 2015/17 going to Strategic Development Committee on November 20th.</p> <p>• 2013/14 Outcome Agreement Self Evaluation submitted to SFC on 31st October, with all key targets met.</p> <p>8 April 2014 KPI's for 2012/13 reported to SDC ??</p> <p>16 January 2014 • Draft Outcome Agreement shared with Strategic Development Committee and Board of Management</p> <p>• Draft Outcome Agreement shared with SFC, with changes made following suggested enhancements</p> <p>21 November 2013 • 2012/13 Outcome Agreement self evaluation completed and returned to SFC identifying that key targets within the Outcome Agreement have been met. Regular meetings between College and SFC Regional Outcome Agreement manager. Software to produce KPI reports tested</p>	SDC	APEDIS	APEDIS	L	VH	10	L	M	6	Aug-13
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	Jun 16
Apologies for Absence	✓
Declarations of Interest	✓
For Approval	
Minutes of Previous Meeting	✓
SDS Audit Report	✓
For Discussion	
Matters Arising	✓
Progress Report on Audit Recs	✓
Internal Audit Reports	
• IT Healthcheck	✓
Risk Management	✓
AOCB	✓

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