

Zoom – 4.30pm

AGENDA

1. Declarations of interest
2. Apologies

FOR APPROVAL

3. Minutes of meeting of 18 May 2023
4. Matters Arising
 - 4.1 A/22/036 Update on Internal Audit Investigation (Verbal)
5. Review of Committee Remit Alison Stewart
6. Risk Management Policy Stephen Jarvie
7. Audit Needs Assessment Wylie and Bisset
8. Governance Statement Alison Stewart

(Paper 8 is withheld from publication on the Forth Valley College website under Section 27 Information Intended for Future Publication of the Freedom of Information (Scotland) Act 2002.)
9. Audit Committee Self-Assessment Lorna Dougal

FOR DISCUSSION

10. Internal Audit Annual Report Henderson Loggie
 11. Presentation of Internal Audit Reports Henderson Loggie
 - 11.1 Review of Facilities Management Contract
 - 11.2 Quality Assurance
 - 11.3 Follow Up Review
 12. Progress Report on Audit Recommendations Stephen Jarvie
 13. Risk Management Alison Stewart
 14. National Fraud Initiative Senga McKerr
 15. Review of Risk
-

16. Any other competent business

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On line at 4.30pm

Present: Lorna Dougall (Chair)
Hazel Burt
Alistair McKean
Emma Meredith

In Attendance: Kenny MacInnes, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Michael Speight, Mazars
David Archibald, Henderson Loggie – exited for A/22/041
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)

A/22/030 Declarations of Interest

David Archibald declared an interest in relation to item A/22/041 as it relates to the internal audit tender. He also informed members that he was the author of the report which was attached as a for information paper.

A/22/031 Apologies

Paul Devoy

A/22/032 Minutes of meeting of 15 November 2022

The minutes of the meeting of 15 November 2022 were approved.

A/22/033 Matters Arising

A/22/022 Internal Audit Plan 2022/23

The Chair noted that the plan had been considered but not formally approved at the last meeting. Following discussion, members approved the plan

Members also requested that the November committee date be considered as it clashed with an annual external commitment. It was agreed this will be reviewed.

A/22/034 External Audit Plan

Michael Speight, Mazars, presented the proposed external audit plan for members' consideration and approval.

He commented that there was nothing noteworthy in the plan and would be largely similar to that of the previous external auditor.

He outlined the approach of Mazars, stating that the intention was to work proactively with the College and discuss any issues that may be identified on an ongoing basis.

He discussed the risks underlying the plan, noting that these were similar to previous audits. He highlighted that there had been one risk added in terms of the Falkirk Council Pension fund owing to its value and confirmed that an in house actuary would be used to review this item.

He queried members if there were any issues they had that would be of note for the plan. Members confirmed that there were not at this time.

The VPFACA did note that there was one area of potential additional risk which would be discussed later in the agenda.

a) Members approved the external audit plan

A/22/035

Presentation of Internal Audit Reports

David Archibald presented four internal audit reports for members' consideration.

Performance Reporting and KPI's

He highlighted that this had been overall a very positive report looking into the reporting and analysis of data used at management and Board level.

He discussed a number of strengths which were identified in the report and summarised the minor recommendation in the report relating to Chairs' inductions for new members.

Members welcomed the content of the report, noting it helped to reaffirm the data being presented to the Committee.

The VPFACA confirmed that Chairs' inductions were a positive for all committees to do and that she would look into this further to have in place for the start of the next academic year.

a) Members noted the content of the report

Freedom of Information

David Archibald presented the report on the College's compliance with Freedom of Information Scotland act (FOISA) requirements.

He noted that the requirements on the College were quite proscriptive and the audit focussed on the arrangements in place to allow the College to comply with the Act.

He confirmed it was a positive report and outlined a number of areas of compliance within the College's approach to FOISA which were applied consistently.

He discussed the recommendations arising from the audit to help improve the process.

The Principal noted that this activity did not sit under him in his previous role and he would be happy to review the recommendations and how robust the college processes are.

a) Members noted the content of the report

Complaints

David Archibald presented the report on the Colleges' compliance with the Model Complaints Handling process as proscribed by the Scottish Public Sector Ombudsman.

He noted this was another proscriptive area for College compliance and confirmed the review had identified that College was meeting its obligations.

There were some minor weaknesses identified however, as the College had already started to address these prior to the audit, these were not included as recommendations.

a) Members noted the content of the report

Budgetary Control

David Archibald presented the report on budgetary control. He commented on the level of challenge in the sector finances and that tight budgetary control was key. He reported that the outcome of the audit was a positive one and outlined the work done to reach this conclusion.

The VPFACA informed members that this report would also be shared with the Finance Committee at the next meeting.

a) Members noted the content of the report

A/22/036

Update on Internal Audit Investigation (Verbal)

This item of the agenda is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.

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A/22/037

Progress Report on Audit Recommendations

The CGPO presented the latest version of the recommendation tracker. He informed members that there were two outstanding recommendations that had TBC as their revised completion date.

He advised that this was as a result of the College needing JISC to perform the services and that JISC had experienced high demand so were not able to commit to a date. Once a date is known, the tracker will be updated.

a) Members noted the content of the report

A/22/038 Risk Management

The VPFACA presented members with the College strategic risk register. She noted some changes to scoring and outlined the reasons for this. She also highlighted that a risk had been added in relation to student accommodation related to a commercial contract the College has held for a number of years.

She confirmed a tender exercise for provision of this accommodation was underway and noted that, as there is a single provider at this time, there is a risk to commercial income if they decide not tender. She also confirmed that alternatives were being investigated at this time as well.

She provided an update on progress to date with the consultation exercise in the College. Following discussion, members requested that the risk score be amended to be higher until such time as the consultation is concluded.

The VPIC also noted to members that AI use might be added as a risk in the future.

a) Members noted the content of the report

A/22/039 Review of Risk

No new risks identified

A/22/040 Any Other Competent Business

Business Continuity Flowcharts

Following a request at the previous meeting, the CGPO provided as overview of the College Business Continuity flowcharts which are designed to direct activity in a range of scenarios

a) Member's noted the content of the presentation

Admincontrol On-boarding

The CGPO noted that the College intended to fully move Board papers onto the Admincontrol system and there would be training given for members who were new or had not already moved.

A/22/041 Internal Auditor Appointment

The VPFACA presented the outcome of the recent tender process for internal auditor provision at the college. She noted that the winning tender was significantly lower in terms of cost and that the College had verified these costings before finalising the recommendation.

Members queried, given the price differentials, whether there were concerns about hidden costs later in the contract. The VPFACA confirmed that the pricings were in alignment with the APUC framework and that the College anticipated a standard number of days activity in the coming year.

Members noted the contribution of the current internal auditors and it was agreed the Chair would write to them to express the thanks of the Committee.

a) Members approved the awarding of the contract as per the paper to Wylie & Bisset

1. Purpose

To review the remit of the Audit Committee to ensure it continues to provide the Board of Management with the appropriate assurances for next Academic Year.

2. Recommendation

That members review the attached remit of the Audit Committee and recommend any changes to the Board of Management.

3. Key Considerations

The Scottish Government Audit & Assurance Committee Handbook considers it good practice for the remit of the committee be reviewed on an annual basis to ensure they continue to fulfil their role of providing the Board of Management with the necessary assurances in relation to good Governance.

4. Resource Implications (Financial, People, Estates and Communications)

None

5. Equalities

There are no impacts associated with this paper.

6. Communities and Partners

None

7. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)		
Very Low (1)	X	X

Total Risk Score – 1

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Failure to keep Committee remits under review could lead to a position where the committee is not providing the relevant assurances to the wider Board of Management. Mitigation is this annual review of remit by members.

Is the score above the Board Risk Appetite level? No

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

Audit Committee

1 Committee Rationale

To contribute to good governance by providing assistance to the Board of Management on issues of compliance, risk, financial probity and the overall effectiveness of internal College control systems

2 Purpose

- To advise the Board of Management on the effectiveness of the financial and other internal governance systems
- To advise the Board of Management on compliance with the Code of Audit Practice for Further Education Colleges
- To undertake reviews of topics referred from the main Board of Management and make such recommendations as may be appropriate

3 Membership

- The Audit Committee is appointed by the Board of Management and must comprise 5 members
- The Chair of the Board of Management, Principal, and other senior members of staff are not eligible for membership
- The Chair of the Committee shall be appointed by the Board of Management and should not be the Principal. In the event that the Chair is unavailable to attend a meeting of the committee, a substitute will be nominated by the Committee members in attendance
- Committee members should possess an appropriate level of experience in finance, accounting or auditing
- Finance committee members are eligible to become members of the Audit Committee however, to maintain the independence of these committees, no more than 2 current members of the Finance Committee may serve on the Audit Committee. The Chair of the Finance Committee is not eligible to serve as Chair of the Audit Committee

4 Meetings

- The Audit Committee should normally meet at least three times per year. Additional meetings may be convened at the request of the Chair of the Committee or at the request of the Internal or External Auditor

- The meeting shall be quorate if 3 or more members eligible to vote are in attendance
- The External Auditor will be invited to attend meetings where an external audit report is being considered but may attend any meeting of the Committee
- The Chair of the Finance Committee will be invited to attend the joint meeting of the Finance and Audit Committees where the annual external auditors report is considered
- Minutes will be kept of the proceedings and circulated after approval by the Chair. The minutes will be presented to the following meeting of the Committee for approval and to the next Board of Management meeting
- Meetings will be held in accordance with the Board of Management Standing Orders and Operating Guidelines
- Other members of College staff may be invited to attend meetings of the Committee

5 Specific Duties of the Committee

Internal Governance Systems

- Review and advise the Board of Management of the Internal and External Auditors' assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness
- Review and advise the Board of Management on its compliance with The Code of Good Governance for Scotland's Colleges
- Monitor on behalf of the Board of Management the content of the College Strategic Risk Register and the relevance of actions implemented by Senior Management to mitigate identified risks
- Review and approve the College Business Continuity plan
- Monitor on behalf of the Board of Management compliance with the General Data Protection Regulations

Internal Audit

- Advise the Board of Management on the terms of reference, selection, appointment (or removal), resourcing and remuneration of the Internal Audit providers

- Review the scope, efficiency and effectiveness of internal audit reports and the responses of Senior Management, advising the Board of Management of any significant issues raised
- Review the Internal Auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit review reports and internal audit annual reports
- Consider and endorse the annual audit plan for the College as developed by Senior Management in consultation with the current internal auditor providers
- Ensure establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service

External Audit

- Consider the College's annual financial statements and the External Auditor's report prior to submission to the Board of Management as part of the annual joint meeting with the Finance Committee
- Review the External Auditor's annual Management Letter and monitor management progress on the implementation of the agreed recommendations. Advise the Board of Management of any issues arising from this activity.
- Establish appropriate performance measures and indicators to monitor the effectiveness of the external audit service

Other Duties

- Produce an annual report to the Board of Management
- Review compliance with the Code of Audit Practice and advise thereon
- Consider relevant reports from SFC and Audit Scotland, and successor bodies, and where appropriate, advise the Board of Management of action required
- Review reported cases of impropriety and consider whether they have been appropriately handled
- To receive advice, and act on recommendations, from the Finance Committee

6 Authority

- The Committee is authorised by the Board of Management to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee
- The Committee is authorised by the Board of Management to obtain legal or other independent professional advice and to commit reasonable financial resources to fulfil its responsibilities
- The Committee is authorised by the Board of Management to approve all policies relevant to the Committee, or where appropriate refer to the Board of Management for final approval

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1. Purpose

To seek approval from members for the reviewed College Risk Management Policy (the Policy) which is attached.

2. Recommendation

That members consider and approve the Policy.

3. Background

The College has a strong approach to risk, with the identification and consideration of risk forming a standard part of all reports to Leadership Management Team, Senior Management Team and the Board and its Committees.

Strategic risk is monitored by the Executive Office and reported to each meeting of the Audit Committee. It is also used to inform activities such as internal audit planning.

The College has had the Policy in place for a number of years and, to ensure its continued relevance, a review has taken place.

4. Key Considerations

The Policy has been reviewed and, as well as minor changes such as titles and meeting names, a section has been added to reflect the role of the Board in setting the overall risk appetite for the College across a number of key themes.

5. Resource Implications (Financial, People, Estates and Communications)

There are no resource implications associated with the update of this policy.

6. Equalities

The Policy does not require impact assessment. While it does identify and monitor risks at a strategic level, operational changes required to meet and mitigate these risks (where possible) would be assessed for equalities impact on an individual bases as appropriate.

7. Communities and Partners

The strategic risk register produced under the Policy is of value to College management, the Board of Management as well as the College's internal and external auditors.

8. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		X
Medium (3)		
Low (2)		
Very Low (1)	X	

Total Risk Score – 4

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)				
Cautious <15		Open 15> <20		Eager >20
Governance	X	Strategy		People
Legal		Financial		Project/Programme
Property		Reputational		
		Technology		

Failure to have an effective risk management approach within the College would lead to a reactive, rather than proactive approach to risk which can damage the College's offering to students, its reputation and its finances. Mitigation is provided by ensuring risk consideration is embedded into College decision making.

Is the score above the Board Risk Appetite level? - No

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

Risk Management Policy

Status	Approved Audit Committee
Date of Version	<u>September 2023</u>
Responsibility for Contents	Vice Principal Finance and Corporate Affairs
Responsibility for Review	Corporate Governance and Planning Officer
Review Date	<u>August 2026</u>
Primary Contact	Corporate Governance and Planning Officer Ext 3273

1.0 Purpose

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

2.0 Policy Statement

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

3.0 Responsibility for the Implementation of this Policy and Procedure

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

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

4.0 Extent of Policy

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

5.0 Specific Responsibilities

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

Identification of risk will be a standing item on Senior Management and Leadership Management Team agendas.

- 5.8 All papers presented to the Senior Management Team and Leadership Management Team meetings must contain a risk assessment matrix. All departments are encouraged to use this approach.
- 5.9 Significant projects within the College (e.g. estates development) should maintain an appropriate risk register to enable the management of associated risks to the College (see section 910).

6.0 Board Risk Appetite

- 6.1 A key component of effective risk management at a strategic level is to measure identified risk levels against the level of comfort or 'appetite' the Board of Management has across a number of key College aspects.
- 6.2 The Board risk appetite will be reviewed every three years, or earlier if the Board wishes it.
- 6.3 All papers to Board and Committee meetings as well as Senior Management and Leadership Management Team meetings must compare identified risks against the currently established Board appetite levels

6.07.0 Risk Registers

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

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

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

7.08.0 Maintenance of Risk Registers

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

8.09.0 Reporting Arrangements – Strategic Risk Register

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

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

9.010.0 Project Risk Registers

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

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

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

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

Annex 1
Scoring Criteria

Scoring of likelihood and impact changes as a risk matures and mitigating actions take effect. A new risk will often have a score that reflects the initial risk to the College. While a range of mitigations can be identified, these should only begin to impact the risk score once they have commenced and can be seen to be effective.

LIKELIHOOD

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

IMPACT

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

CONSEQUENCE

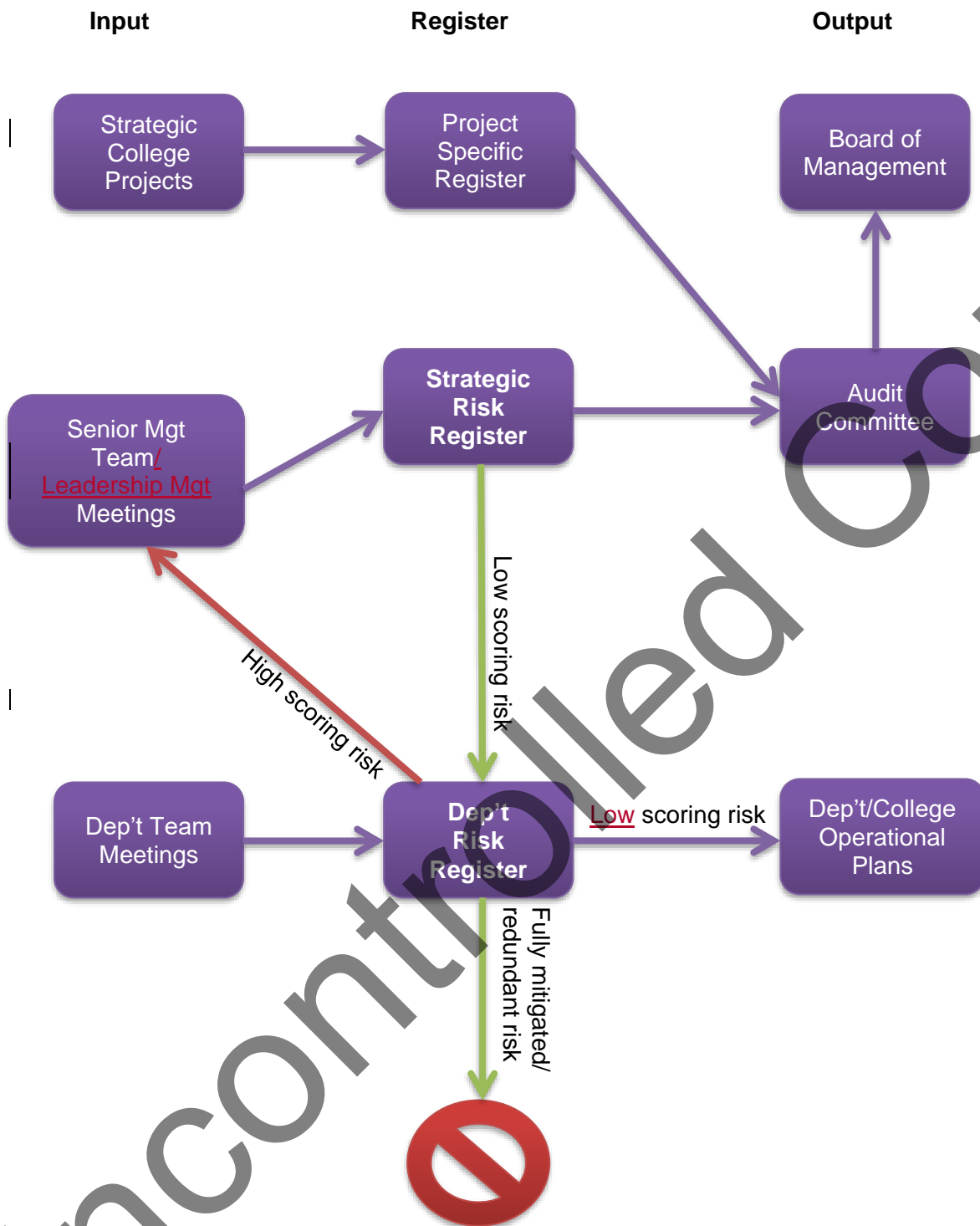
Description	Scenario
Financial	Generating non-budgeted additional costs for the College or impacting upon our ability to source or draw down funding
Reputational	Public perception, press reports, MP/MSP, Local Authorities, Partner Organisations
Operational	Impact upon ability to deliver frontline services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

BOARD RISK APPETITE

Area	Maximum Risk Score	Overall Appetite
Financial	20	Open
Governance	15	Cautious
Legal	15	Cautious
People	25	Eager
Project/Programme	25	Eager
Property	15	Cautious
Reputational	20	Open
Strategy	20	Open
Technology	20	Open

Annex 2

Risk Register Relationships



Forth Valley College

Audit Needs Assessment
2023/24 to 2025/26

+ August 2023



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Background

Wylie & Bisset LLP were appointed as Internal Auditors by the Audit Committee for 3 academic years commencing with the year ended 31 July 2024, with the option of a further 1 year extension.

Internal Audit

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

IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College.

Also, the operation and conduct of the IAS must comply with the guidelines set down by the Institute of Internal Auditors and the Public Sector Internal Audit Standards.

Terms of Reference – Internal Audit

The provision of the IAS by Wylie & Bisset LLP is covered by the letter of engagement dated 17 August 2023.

Formal Approval

The ANA will be presented to the Audit Committee for discussion and approval on 7 September 2023.

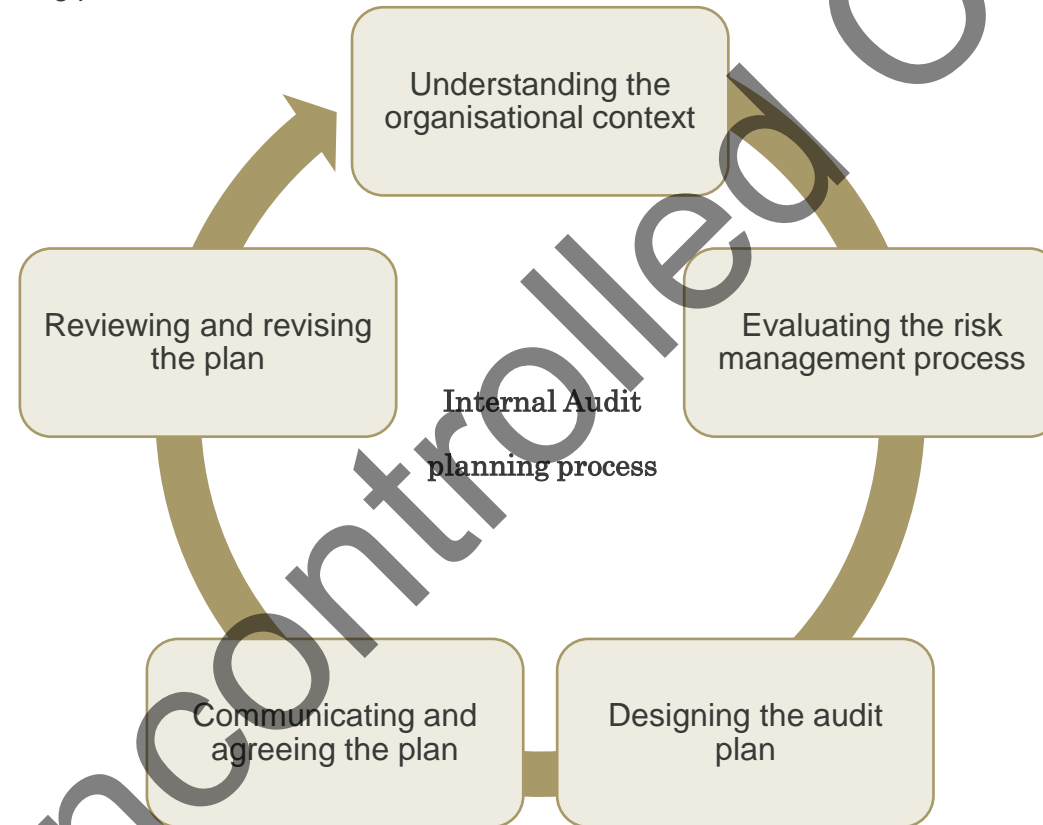
Approach

Planning process and review





The Audit Needs Assessment (“ANA”) has been produced based on the following:

- + Review of the College’s Risk Register;
- + Review of prior years Internal Audit Plans and Reports;
- + Discussions with the SMT;
- + Undertaking an Assurance Mapping exercise of the College’s Risk Register;
- + The identification of all areas of work by system and sub-system;
- + The grouping of systems for audit purposes;
- + The identification of key controls and associated risks for each system and sub-system; and
- + The determination of the internal audit resource required to meet the identified audit needs.

Below is a diagram which details our planning process:



The ANA will be reviewed continuously throughout our appointment and will take account of the results of audit work, the development of new systems and any other risk factors identified. Any proposed changes to the ANA will be presented to the Audit Committee on at least an annual basis for discussion and approval.

	Name	Role	Email address
	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
	Stephen Pringle	Director of Internal Audit	stephen.pringle@wyliebisset.com
	Siobhan Archibald	Assistant Manager	siobhan.archibald@wyliebisset.com
	Kevin McDermott	Senior IT Auditor	kevin.mcdermott@wyliebisset.com

Operational Plan

2023/24

+ August 2023



Audit area	High level indicative summary scope	Total number of days
Estates Management - Maintenance	<p>We will review the College's operational management of its existing estate and facilities functions. The audit will incorporate reviewing preventative maintenance controls (including risk assessments, inspections, and surveys), organisation and monitoring of contractors, and the effectiveness and efficiency of the planned maintenance programme.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> ➤ The College has appropriate arrangements in place to ensure that its Estates are managed effectively, including the effective monitoring of contractors, servicing arrangements and record keeping. ➤ The College has an annual service and inspection schedule in place so that it is meeting its statutory obligations in relation to Estates Management. ➤ There are robust procedures in place for ongoing maintenance and repairs within the College, including risk assessments, inspections and surveys. ➤ There are sufficient controls in place to manage the Estates Budget, and contractor charges therein reflect completion of agreed works. 	5

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

Audit area	High level indicative summary scope	Total number of days
Strategic Planning	<p>We will undertake a review of the strategic planning arrangements in place with consideration of compliance with regulatory guidance. We will also look to ensure that the Board were fully involved in the development of the Strategic Plan. We will also review the methods in place to monitor the progress of the Strategic Plan and the reporting arrangements in place to ensure that the Board receive regular updates.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> ➤ The College has robust planning processes in place to develop the Strategic Plan. ➤ The College regularly reviews and monitors the Strategic Plan. ➤ The Board were fully involved in the development of the Strategic Plan and receive regular updates on the progress of the Plan. 	4

Audit area	High level indicative summary scope	Total number of days
Overall Financial Controls	<p>This review will consider the financial controls in place at the College to ensure these are adequate, performing as expected and are being adhered to by staff. We will perform a high-level controls review across all key financial control systems. This will include a review of processes relating to purchasing, income, cash and banking, payroll and fixed assets.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> ➤ Efficient and effective procedures and controls are in place for key finance processes. ➤ Adequate segregation of duties are in place. ➤ There is adequate management oversight of finance processes. 	5

Audit area	High level indicative summary scope	Total number of days
Fraud Awareness	<p>We will undertake a review of the Fraud Policy in place and also review some of the areas of fraud which we have seen across the sector and test whether there are appropriate controls in place to reduce the risk of fraud in these areas at the College. We will also consider the robustness of the fraud response plan.</p> <p>Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> ➤ The College has a robust Fraud, Theft and Bribery Policy in place that is being adhered to and supported by a Fraud Response Plan. ➤ The College's Financial Regulations are being adhered to and set out the College's approach to controlling fraud, theft and bribery. ➤ The College has controls in place surrounding the setting up of new suppliers, changes to existing suppliers, processing of invoices to suppliers and processing of payments to suppliers that are being adhered to. ➤ The College has controls in place for month-end reconciliations of creditors, monitoring of dormant bank accounts and credit card transactions that are being adhered to. ➤ The College take robust action where any potential fraud, theft or bribery is highlighted and this is reported to the relevant Committee. 	4

Audit area	High level indicative summary scope	Total number of days
Credits Audit	Mandatory review of the Credits Return.	5
SSF Audit	Mandatory review of the Student Support Funds Returns.	4
EMA Audit	Mandatory review of the Education Maintenance Allowance Return	3
Follow Up review	<p>The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit Committee with assurance that prior year recommendations are implemented within the expected timescales. Our objective for this review is to ensure that:</p> <ul style="list-style-type: none"> ➤ The College has appropriately implemented any outstanding internal audit recommendations made in prior years. 	2

Assignment Plans

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

Key Dates

Visit	Name	No. of audit days	Key college personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit Committee
1	Credits	5	Tbc	11 September 2023 and 18 September 2023	29 September 2023	21 November 2023
	SSF	4				
	EMA	3				
2	Estates Management - Maintenance	5	Tbc	15 January 2024	2 February 2024	16 May 2024
	Overall Financial Controls	5				
	Strategic Planning	4				
3	New HR/Payroll System	5	Tbc	6 May 2024	24 May 2024	5 September 2024
	Fraud Awareness	4				
	Follow Up	2				

Reporting & Initial 3-year Audit Needs Assessment

The reporting arrangements for internal audit will be discussed and agreed with the Audit Committee.

The following reports will be produced by internal audit:

- + An Audit Needs Assessment;
- + A report on each audit assignment;
- + An annual report on Internal Audit Service's activities.

For each audit report we will have an overall level of assurance.

For each recommendation a target date for remedial action will be set taking into account the degree of priority associated with the recommendation.

The draft report for each assignment will be discussed with the auditees and the factual accuracy agreed prior to issue of the report in its final form.

The auditees will be required to respond to the recommendations stating their proposed action and nominating the person responsible for each action point.

Initial 3-year Audit Needs Assessment



System	Audit Area	Operating Plan (No. Of days)		
		2023/24	2024/25	2025/26
Financial Systems	Overall Financial Controls	5		
	Budgeting and Monitoring (Done in 2022/23)			
	Commercial Income		5	
Non- Financial Systems	Cyber Security		5	
	Review of new HR / Payroll System	5		
	Business Continuity & Disaster Recovery			5
Governance	Corporate Governance		4	
	Risk Management			4
	Strategic Planning	4		
Student	Student Recruitment & Retention (Done in 22/23)			
	Safeguarding, Wellbeing and Counselling			5
Other	Human Resources			4
	Student Support		4	
	Sustainability & Carbon Management		5	
	Health and Safety			5
	Total Days C/F	14	23	23

Initial 3-year Audit Needs Assessment



System	Audit Area	Operating Plan (No of days)		
		2023/24	2024/25	2025/26
	Total Days b/f	14	23	23
	Fraud Awareness	4		
	Estates Management – Maintenance	5		
Mandatory	Credits Audit	5	5	5
	SSF Audit	4	4	4
	EMA Audit	3	3	3
Required	Follow Up review	2	2	2
	Audit Management	5	5	5
	Total Days	42	42	42

Appendices

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

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

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

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

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

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

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

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

D – Assurance Map



Risk	Residual Risk Score	Mitigating Actions	Assurance	Internal Audit Assurance
We are unable to maximise the long term return on investment on the College estate	20	<ul style="list-style-type: none"> ➤ Effective monitoring of lifecycle maintenance programme ➤ Continue to secure best value for TFM contract ➤ Development of commercialisation strategy ➤ Review of campus utilisation ➤ Maximising the legacy status of the Falkirk campus with project lead-in the Falkirk growth deal and for future inward investment 	<ul style="list-style-type: none"> ➤ Regular reporting ➤ Survey of all campuses re backlog maintenance ➤ AECOM contracted to commence work on ensuring best value when renewing FM Contract. 	<p>Estates Management</p> <p>Commercial Income</p>
We are unable to maintain financial sustainability	20	<ul style="list-style-type: none"> ➤ Principal and Chair represented on sector groups to lobby SFC/Scottish Government ➤ Director of Business Development has strategic relationships with key stakeholders ➤ Regular reporting on financial position to Leadership Team, Finance Committee and the Board 	<ul style="list-style-type: none"> ➤ Regular reporting 	Budgetary & Financial Controls
National bargaining adversely impacts College staffing relationships and finances	16	<ul style="list-style-type: none"> ➤ Ongoing engagement with local union representatives and Employers Association 	<ul style="list-style-type: none"> ➤ Engagement with Unions ➤ Regular reporting 	Human Resources

Risk	Residual Risk Score	Mitigating Actions	Assurance	Internal Audit Assurance
We fail to deliver a high-quality learning experience and meet targets of outcome agreement	15	<ul style="list-style-type: none"> ➤ Implementation of the Digital Skills Academy ➤ Success of Project NxGen ➤ Student Engagement and Feedback ➤ Effective staff structures to support the student experience ➤ Milestone dates for meeting with Springback project leads and working groups to test progress 	<ul style="list-style-type: none"> ➤ Continuous Curriculum Improvement process ➤ Education Scotland feedback 	Performance Reporting (Review undertaken in 2022/23) Student Complaints review (done in 2022/23) Student Experience
Fuel Change investigation identifies governance issues related to the project resulting in SFC involvement and reputational damage to the College.	9	<ul style="list-style-type: none"> ➤ Full internal investigation launched. ➤ Internal Auditors engaged to carry out independent audit on Fuel Change project. ➤ Quick resolution of issues raised. All mitigations quickly acted on. 	<ul style="list-style-type: none"> ➤ Internal College Investigation ➤ Previous Internal Auditors undertook review 	N/A – covered by previous internal auditors
The college will not be able to secure student accommodation for the upcoming academic year. This could result in the loss of ECITB and other tendered programs.	8	<ul style="list-style-type: none"> ➤ Early and widening of the tender ahead of the upcoming academic year. ➤ The college should look at the possibility of building or leasing student accommodation. ➤ The college should develop a contingency plan in case the hotel is unable to offer accommodation. 	<ul style="list-style-type: none"> ➤ SMT Monitoring 	Business Continuity Planning

Risk	Residual Risk Score	Mitigating Actions	Assurance	Internal Audit Assurance
A major incident prevents the College from operating	8	<ul style="list-style-type: none"> ➤ Business Continuity Plan which is regularly tested ➤ Specific IT cyber security plan and IT business continuity plan ➤ Regular testing of Health and Safety systems inc fire drills 	<ul style="list-style-type: none"> ➤ Jisc to implement a managed Security Information and Event Management System. ➤ IT Incident Response Plan 	IT/Cyber Security Business Continuity Planning
We are unable to deliver on the ambitions of the People Strategy	8	<ul style="list-style-type: none"> ➤ Additional support mechanisms - employee counselling system, mental health ambassadors, carers support forum, signposting to training and wellbeing support days in place. A dedicated space has also been created on SharePoint ➤ Initiatives such as time for me, weekly recharge ➤ Increase in flexible working and staff autonomy ➤ Futures programme to deliver effective and efficient structures 	<ul style="list-style-type: none"> ➤ Regular reporting ➤ Consultation process 	Human Resources Safeguarding, Wellbeing & Counselling
Failure to grow and influence strategic partnerships impacts on our reputation as a partner of choice	8	<ul style="list-style-type: none"> ➤ Director of Business Development works closely with Scottish Government/SFC/SDS and other key stakeholders ➤ FVC key partner in City Deals/Investment Zone activity across the region ➤ Project NxGen 	<ul style="list-style-type: none"> ➤ Regular reporting 	Strategic Planning

Risk	Residual Risk Score	Mitigating Actions	Assurance	Internal Audit Assurance
SQA Maladministration and malpractice could impact on College's ability to offer courses	8	<ul style="list-style-type: none"> ➤ Internal audit review of quality processes ➤ Learning and Quality department in place with quality policy and procedures ➤ Procedure for internal verification in place ➤ Ongoing training 	<ul style="list-style-type: none"> ➤ SMT monitoring ➤ Training rolled out across College 	Quality Assurance (Review in 2022/23)
New Principal is inexperienced and handover process does not run smoothly creating reputational risk to the College.	8	<ul style="list-style-type: none"> ➤ Damage to reputation. ➤ Impact in relationships internal and external. 	<ul style="list-style-type: none"> ➤ Weekly meetings with Chair 	N/A
Consultation does not deliver required savings or creates reputational risk to the College.	3	<ul style="list-style-type: none"> ➤ LMT oversight of process, timelines and decisions through consultation processes. Quick resolution of issues raised. All mitigations quickly acted on. 	<ul style="list-style-type: none"> ➤ Management Reporting 	N/A

1. Purpose

To consider the performance of the Audit Committee.

2. Recommendation

That members review and approve the draft Audit Committee self-assessment checklist which has been completed.

3. Background

Since 2019, the Audit Committee has undertaken a self-assessment against the template from the Scottish Government Audit and Assurance Committee Handbook was discussed.

The most recently completed draft checklist for is attached to this paper for review.

4. Resource Implications (Financial, People, Estates and Communications)

None. This is a monitoring report on the activities of the Committee.

5. Equalities

Not applicable. This is a monitoring report on the activities of the Committee.

6. Communities and Partners

Not applicable. This is a monitoring report on the activities of the Committee.

7. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)		
Very Low (1)	X	X

Total Risk Score – 1

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Failure to review Committee performance could lead to unsatisfactory performance or areas for potential improvement being missed.

Is the score above the Board Risk Appetite level? - No

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

Annex H: Self-assessment checklist

Role and remit	YES/NO/NA	Comments/Action
Does the committee have written terms of reference?	Yes	
Do the terms of reference cover the core functions as identified in the <i>SG Audit and Assurance Committee Handbook</i> ?	Yes	
Are the terms of reference approved by the Audit and Assurance Committee and reviewed periodically?	Yes	Reviewed and approved by the Committee on 7 September 2023 as part of the annual review
Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Yes	
Does the body's governance statement mention the committee's establishment and its broad purpose?	Yes	
Does the committee periodically assess its own effectiveness?	Yes	Covered by Board Self-evaluation and this Self-Assessment activity.
Membership, induction and training	YES/NO/NA	Comments/Action
Has the membership of the committee been formally agreed by the management board and or Accountable Officer and a quorum set?	Yes	Most recent Board approval regarding all committee memberships granted 23 June 2023

Are members appointed for a fixed term?	No	Membership reviewed periodically.
Does at least one of the committee members have a financial background?	Yes	Non-Executive Member
Are all members, including the Chair, independent of the Executive function?	Yes	
Are new committee members provided with an appropriate induction?	Yes	Covered by Board induction and CDN training.
Has each member formally declared his or her business interests?	Yes	
Are members sufficiently independent of the other key committees of the Board?	Yes	
Has the committee considered the arrangements for assessing the attendance and performance of each member?	Yes	Covered by 1:1s and 2022/23 Chairs report to Chair of BOM. The annual chair's report to the Board and the Annual Accounts also consider attendance
Meetings	YES/NO/NA	Comments/Action
Does the committee meet regularly, at least four times a year?	No	3 meetings a year considered sufficient. Additional meetings can be added.
Do the terms of reference set out the frequency and broad timing of meetings?	Yes	
Does the committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?	Yes	

Are members attending meetings on a regular basis and if not, is appropriate action taken?	Yes	
Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?	No Yes	Attends most meetings. Copies of minutes are circulated and discussed.
Does the committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?	Yes	
Internal control	YES/NO/NA	Comments/Action
Does the committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?	Yes	
Does the committee consider the findings of reviews on the effectiveness of the system of internal control?	Yes	
Does the committee have responsibility for review of the draft governance statement and does it consider it separately from the accounts?	Yes	
Does the committee consider how accurate and meaningful the governance statement is?	Yes	
Does the committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	Yes	Risk registers reviewed at every meeting. Additional Risk Appetite workshop conducted with full Board February 2022

Has the committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	Yes	Audit will recommend risks for consideration by other committees and the other committees can also recommend to Audit
Has the committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	Yes	
Has the committee been made aware of the role of risk management in the preparation of the internal audit plan?	Yes	
Does the committee's terms of reference include oversight of the risk management process?	Yes	
Does the committee consider assurances provided by senior staff?	Yes	
Does the committee receive and consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?	No	Covered by Board and Finance /HR Committees.
Financial reporting and regulatory matters	YES/NO/NA	Comments/Action
Is the committee's role in the consideration of the annual accounts clearly defined?	Yes	
Does the committee consider, as appropriate:		
• the suitability of accounting policies and treatments	No	Finance Committee
• major judgements made	No	Finance Committee
• large write-offs	No	Finance Committee

• changes in accounting treatment	No	Finance Committee
• the reasonableness of accounting estimates	No	Finance Committee
• the narrative aspects of reporting?	No	Finance Committee
Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Yes	Joint meeting with Finance Committee.
Does the committee review management's letter of representation?	Yes	
Does the committee gain an understanding of management's procedures for preparing the body's annual accounts?	Yes	
Does the committee have a mechanism to keep it aware of topical legal and regulatory issues?	Yes	Raised by Board Secretary and internal / external auditors.
Internal audit	YES/NO/NA	Comments/Action
Does the externally appointed Internal Auditors attend meetings of the committee?	Yes	
Does the committee consider, annually and in detail, the internal audit plan including consideration of whether the scope of internal audit work addresses the body's significant risks?	Yes	
Does internal audit have a direct reporting line, if required, to the committee?	Yes	

As well as an annual report from the Externally appointed Internal Auditors, does the committee receive progress reports from internal audit?	Yes	
Are outputs from follow-up audits by internal audit monitored by the committee and does the committee consider the adequacy of implementation of recommendations?	Yes	
If considered necessary, is the committee chair able to hold private discussions with the externally appointed Internal Auditors?	Yes	
Is there appropriate co-operation between the internal and external auditors?	Yes	
Does the committee review the adequacy of internal audit staffing and other resources?	Yes	Considered as part of annual audit plan.
Are internal audit performance measures monitored by the committee?	Yes	Monitored through internal audit progress reports.
Has the committee considered the information it wishes to receive from internal audit?	Yes	Considered as part of annual audit plan.
Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines?	Yes	
External audit	YES/NO/NA	Comments/Action
Does the external audit representative attend meetings of the committee?	Yes	

Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)?	Yes	
Does the committee chair hold periodic private discussions with the external auditor?	Yes	Annually each November
Does the committee review the external auditor's annual report to those charged with governance?	Yes	
Does the committee ensure that officials are monitoring action taken to implement external audit recommendations?	Yes	
Are reports on the work of external audit presented to the Audit and Assurance Committee?	Yes	
Does the committee assess the performance of external audit?	Yes	Completed through Audit Scotland questionnaire.
Does the committee consider the external audit fee?	Yes	Fee determined by Audit Scotland
Administration	YES/NO/NA	Comments/Action
Does the committee have a designated secretariat?	Yes	
Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members and attendees?	Yes	
Do reports to the committee communicate relevant information at the right frequency, time, and in a format that is effective?	Yes	

Does the committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?	No	Standard pro forma document used for all committees.
Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?	Yes	
Is a report on matters arising presented or does the Chair raise them at the committee's next meeting?	Yes	Raised at next meeting.
Do action points indicate who is to perform what and by when?	Yes	
Does the committee provide an effective annual report on its own activities?	Yes	
Overall	YES/NO/NA	Comments/Action
Does the committee effectively contribute to the overall control environment of the organisation?	Yes	
Are there any areas where the committee could improve upon its current level of effectiveness?	Yes	Implementing assessment of committee performance
Does the committee seek feedback on its performance from the Board and Accountable Officer?	Partially	Chair covered through annual Board self-evaluation. Minutes reviewed by BoM.

Forth Valley College

Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2022/23

Internal Audit report No: 2023/11

Draft issued: 5 September 2023

Final issued: 7 September 2023



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Annual Report and Opinion

Introduction

- 1.1 We were appointed as internal auditors of Forth Valley College ('the College') for the period 1 August 2019 to 31 July 2022, with an option to extend for a further 12-months subject to satisfactory performance and continued College requirements. The contract extension was approved in May 2022. This report summarises the internal audit work performed during 2022/23.
- 1.2 Given that the College invoked a one-year contract extension, which took us beyond the Audit Needs Assessment (ANA) and Strategic Plan 2019 to 2022 (Report 2020/01, finalised in May 2019), it was agreed that a full ANA should not be undertaken as part of the 2022/23 internal audit programme. The Annual Plan for 2022/23 was based on discussions with the Vice Principal – Finance and Corporate Affairs and consideration by other members of the College Senior Management Team (SMT), consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage.
- 1.3 The work undertaken in the year followed that set out in the Annual Plan for 2022/23 with the exception of the proposed Student Application Process Business Process Review (BPR), which was not progressed at the request of College management.
- 1.4 The reports submitted during 2022/23 are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is included at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent, risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
 - Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist in April to confirm our PSIAS compliance.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (Continued)

- 1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent review conducted in March 2019, when we were part of the MHA network, included our internal audit service. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.
- 1.9 In the intervening years between formal external assessment against PSIAS we conduct our own self-assessment annually. The result of our latest self-assessment, conducted in April 2023, confirms that our service is independent of the College and continues to comply with the PSIAS.

Significant Issues

- 1.10 All work completed in 2022/23 assessed systems as either 'Good' or 'Satisfactory', or provided an unqualified opinion on College returns, and therefore there were no significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas tested, but a number of areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

- 1.11 In our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2022/23 and in the prior years following our appointment in 2019/20.

Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2023/01	Internal Audit Annual Plan 2022/23	N/A	N/A	N/A	N/A	N/A
2023/02	2021/22 Student Activity Data	Audit opinion unqualified	-	-	-	-
2023/03	Student Support Funds 2021/22	Audit opinion unqualified	-	-	-	-
2023/04	Freedom of Information	Satisfactory	3	-	-	3
2023/05	Complaints	Satisfactory	-	-	-	-
2023/06	Facilities Management Services Contract	N/A	-	-	-	-
2023/07	Performance Reporting / KPI's	Good	-	-	-	-
2023/08	Budgetary Control	Good	3	-	-	3
2023/09	Quality Assurance	Good	-	-	-	-
2023/10	Follow-Up Reviews	N/A	8 recommendations required further action	-	-	8

Overall gradings are defined as follows:

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

Recommendation grades are defined as follows:

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

Summary of Results and Conclusions

2023/01 – Internal Audit Annual Plan 2022/23

Final Issued – December 2022

The purpose of this document was to present for consideration by the Audit Committee the annual operating plan for the year ending 31 July 2023. This would normally be based on a comprehensive Audit Needs Assessment (ANA) and three-year Strategic Plan, which would be prepared following discussion with Board members and managers throughout the College. Given that the College had invoked a one-year contract extension, which took us beyond the ANA and Strategic Plan 2019 to 2022 (Report 2020/01, finalised in May 2019) it was agreed that a full ANA should not be undertaken as part of the 2022/23 internal audit programme. The Annual Plan for 2022/23 was based on discussions with the Vice Principal – Finance and Corporate Affairs and consideration by other members of the College Senior Management Team (SMT), consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage.

2023/02 – 2021/22 Student Activity Data

Final Issued – November 2022

In accordance with the Credits Audit Guidance, we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance, COVID-19 related guidance at Annex D and the key areas of risk identified in Annex E.

Our report was submitted to the SFC on 9 November 2022. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

No issues were identified from our audit testing for 2021/22 that required a recommendation for improvement to be made.

2023/03 – Student Support Funds 2021/22

Final Issued – November 2022

We carried out an audit on the following fund statements for the 2021/22 academic year:

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

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2022, is in agreement with underlying records.

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

2023/04 – Freedom of Information

The scope of the review was to assess whether the arrangements in place within the College for dealing with requests for information under the Freedom of Information (Scotland) Act 2002 (FOISA) are sufficient to meet the requirements placed on the organisation as a public body.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The organisation had established a publication scheme based on the Model Publication Scheme developed by the Scottish Information Commissioner;
- The publication scheme was updated on an ongoing basis by the Corporate Governance and Planning Officer who had oversight to all changes which may impact the publication scheme;
- The responsibility for dealing with FOISA requests had been established and was published in the Publication Scheme;
- While not documented, the College had established a robust process for dealing with FOI requests which was centrally co-ordinated by the Corporate Governance and Planning Officer;
- All FOI requests were recorded on a FOI Monitoring Spreadsheet which recorded key details for each request including date received, who the request was from, a summary of the request, date a response was due, and the actual date a response had been provided;
- The College operated a separate FOI email inbox which was monitored on an ongoing basis for incoming requests;
- FOI requests were kept for the current year plus the four previous academic years to allow for monitoring and analysis of requests made to the College;
- All information gathered in response to a FOI request was reviewed by both the Corporate Governance and Planning Officer and Principal prior to being issued to the requester; and
- Responses to FOI requests were drafted by the Corporate Governance and Planning Officer and reviewed by the Principal, or the Vice Principal Finance and Corporate Affairs in the Principal's absence, for accuracy prior to being issued to the requestor.

Final Issued – May 2023

The objective of our audit was to obtain reasonable assurance that:	
1. The organisation has established a publication scheme which sets out the information which will be published	Good
2. The responsibility and approach for dealing with FOISA requests has been formally documented	Satisfactory
3. Requests for information under the Act are promptly transferred to the appropriate part of the organisation for action and procedures ensure that requests are actioned in a timely fashion	Satisfactory
4. Procedures are in place to allow effective monitoring of performance to ensure that requests are dealt with within the statutory timescales and to make sure that the information provided is accurate and up to date before it is published or released	Satisfactory
5. There are arrangements in place to report compliance with the requirements set out within the Act on at least an annual basis	Satisfactory
Overall Level of Assurance	Satisfactory

2023/04 – Freedom of Information (Continued)

Weaknesses

- The approach for dealing with FOISA requests, including the recording, handing and review of requests, had not been formally documented by the College;
- Due to an issue with training records, it could not be confirmed how many members of staff had completed the compulsory FOI induction or refresher training and how many members of staff were overdue in completing this training. College management advised that they were confident that staff were completing compulsory training;
- Due to requests being monitored in Excel, there were no built-in notifications to ensure that requests were being completed within required deadlines. As action was already planned to develop a monitoring tool, we did not raise a recommendation in our report. It was also recognised that the number of requests received in a year was relatively low, and all requests received in 2022/23 to date of our audit had been responded to within the statutory timescale; and
- As part of good practice, the College should report to the Board on at least an annual basis regarding compliance with the requirements of the Act however no such reporting was in place.

2023/05 – Complaints

The scope of this audit was to carry out a review of the operation of the College Complaints Handling Procedure (CHP) process to provide assurances to the Principal and the Board that the processes and their application meet the requirements of the model CHP.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College had adopted the Scottish Public Services Ombudsman's CHP for Further Education bodies and it was up to date;
- The CHP was reviewed and updated on an ongoing basis by the Corporate Governance and Planning Officer, who had oversight to all changes which would require the procedure to be updated;
- Complaints were recorded on a monitoring spreadsheet, which detailed the date a complaint was received, through which method, the complainant, summary of the complaint, who was involved in the investigation, response due date, and the date a response was sent;
- The College was developing an improved complaints monitoring tool through Microsoft PowerApps which would allow staff members to record details about all complaints received at both Stage 1 and Stage 2, resulting in improved monitoring of complaints. This would also allow notifications to be built into the system to ensure that deadlines were being monitored and met;
- Complaints that were raised as a Stage 2 Investigation were received and co-ordinated by the Executive Office, offering a central point of contact and oversight for the complaints process;
- There was a robust 'lessons learned' process in place, which ensured that complaints were reviewed to identify areas where improvements could be made and that these improvements were implemented;
- Steps have been taken to improve the customer experience and minimise the number of Stage 2 complaints by identifying areas of repeated complaint and closure of complaints at Stage 1 wherever possible;

Final Issued – May 2023

The objective of our audit was to ensure that:	
1. The College CHP is in line with the Scottish Public Services Ombudsman's model for public sector bodies	Good
2. Adequate training and guidance have been provided to staff on dealing with complaints and decision reviews	Satisfactory
3. There is a robust system to ensure 'lessons learned' are identified from complaint resolution and the outcomes from the decision review process and appropriate action is taken to make improvements if required	Good
4. Steps have been taken to improve the customer experience and minimise the number of Stage 2 complaints through better first-time handling of initial complaints lodged	Satisfactory
5. Effective governance arrangements are in place, including regular reporting to the Principal, senior managers and the Board, on the volume and outcome of complaints and decision review requests	Satisfactory
Overall Level of Assurance	Satisfactory

2023/05 – Complaints (Continued)

Strengths (continued)

- The Principal (or Vice Principal Finance and Corporate Affairs in the absence of the Principal), was involved in reviewing and approving all responses for Stage 2 Investigation complaints, allowing ongoing oversight of complaints lodged with the College; and
- An annual Complaints overview was presented to the Board following the end of each academic year summarising total Stage 2 complaints received, outcomes, trends and a summary of each complaint including investigation outcome, action taken, and any lessons learned.

Weaknesses

- Formal training had not been provided to members of staff in regard to the College's CHP;
- There was no written guidance or documentation for staff setting out how a complaint should be handled, which would complement the document 'Forth Valley College Complaints Procedure – a guide for students'; and
- Due to the fact that only Stage 2 Investigation complaints required escalation to the Executive Office, not all Stage 1 complaints were captured on the monitoring spreadsheet.

As action was already underway or planned to address the above points, we did not raise separate recommendations in our report.

2023/06 – Facilities Management Services Contract

Final Issued – September 2023

We conducted a review of the current outsourced Facilities Management Contract with Servest, with a view to identifying opportunities for the College to drive cash releasing savings, or performance improvements, by reconfiguring the scope of the forthcoming tender exercise to appoint a new Total FM contractor.

Given the timing requested for the fieldwork, the focus of the review was on the following objectives:

- Opportunities to bring aspects of the current contract in-house have been identified and appropriately evaluated to inform the specification for the forthcoming tender exercise; and
- Market analysis has been conducted to assess the likely cost of delivering the range of services delivered under the current contract.

Summary of Main Findings

Objective 1 - Our interviews with key managers, and analysis of documentation, identified a number of opportunities to revise the existing service specification to enhance delivery and better meet the needs of all stakeholders. It was apparent from our discussions that careful consideration would be required on any decision to exclude elements of the existing total facilities management specification in order to bring this service in-house or to let this service directly to a third party rather than via the total facilities management contract. In particular, there was a clear understanding amongst the managers interviewed that the scale of the services contained within the final agreed specification must be sufficiently attractive to incentivise bidders with capacity to deliver the services to submit a bid. Should too much be removed from the service specification then this could be counter-productive in reducing the number of bidders and potentially impacting on the competitive tender process. A list of opportunities to amend the existing specification was provided in our report. We recommended that management review this list as part of the process to finalise the specification for the tender exercise.

Objective 2 – Our analysis of documentation provided demonstrated that there had been extensive market analysis conducted to assess the likely cost of delivering the range of services delivered under the current contract. In particular, we noted that detailed benchmarking had been conducted to compare the costs for delivering various Hard and Soft Facilities Management services with similar campuses in New College Lanarkshire. This provided an excellent baseline for estimating the true market costs for delivering these services in a College environment in Central Scotland, recognising the impact which high levels of inflation would have in increasing the baseline figures gathered and benchmarked in 2022.

The cost information gathered by the Head of Estates, Facilities Management & Health and Safety highlighted that there may be a requirement for significant expenditure on heating and preventative maintenance in the next two to three years, including the need to replace fire detection devices. This had been supported by a detailed annual review covering the period from July 2021 – June 2022, which provided useful performance and cost data. This would be supplemented by information gathered by an external consultant, which set out lifecycle costing and backlog maintenance. In addition, the review of facilities management structures and the analysis of staffing costs provided a solid platform to assess the impact of any proposed changes to the structure or the scale of the in-house team.

2023/07 – Performance Reporting / KPIs

This audit considered the format, content and timeliness of management information, both financial and non-financial, provided to senior management and to the Board (although budget monitoring is excluded because this is covered separately within the internal audit programme for 2022/23). We also considered whether the information reported to the Board is appropriate, and whether such information is accurate and easy to understand for those who rely on it.

The table opposite notes each separate objective for this review and records the results.

Strengths

The audit identified the following areas of good practice:

- The College had live reporting of strategic Performance Indicators (PIs) via the IBM system;
- Reporting to Board and Committees had evolved over time to meet the needs of member requests and what they felt they benefit the most from;
- Additional information was made available upon request in advance of the committee meetings for all members;
- Committee data was provided to members digitally, six days in advance of the meetings to allow adequate time for review of the information;
- A review of trends relating to local demographics, and students with protected characteristics, was undertaken by the College;
- Detailed information could be obtained in real time by management and this information could be presented to committee members to allow analysis of the specific factors which were impacting on the performance indicators;
- A Board induction pack was in place to allow for members to understand the remits of each committee and the range of information which they would be reviewing;
- Data was reported in visual formats such as charts and graphs which were more understandable than detailed technical reports;
- Every committee had an agenda item on the main Board which allowed highlighting of any points to note from the committee;

Final Issued – May 2023

The objective of our audit was to ensure that:	
1. The management information needs of users have been identified and the information provided meets those needs.	Good
2. The management information is clearly set out, easily accessible, accurate, provided on a timely basis and readily understood by users.	Good
3. Management information is available which: - Reports on appropriate key performance indicators and, where applicable, on outputs, outcomes and impacts; - Enables the impacts of key strategic and operational decisions to be measured; - Assists in forecasting.	Good
4. Processes in place to provide and disseminate management information are efficient.	Good
Overall Level of Assurance	Good

2023/07 – Performance Reporting / KPIs (Continued)

Strengths (continued)

- Management information was submitted automatically through the system via standard reports, with real time information also available;
- Committee reporting included a 'matters arising' section where actions from previous meetings / discussions were raised and followed up on;
- All committee data was retained by the Corporate Governance and Planning Officer in secure share drive folders;
- All managers had real time access to the systems to allow scrutiny of data at any time; and
- All previous meeting information and supporting documentation was held on the AdminControl system for review by Board members at any time.

Area for Improvement

The audit also identified one area for improvement as follows:

- Committee Chair inductions for new committee members had not been taking place since the changes implemented by the Covid-19 pandemic took effect, and as a result, members were potentially missing out on key learnings which could assist them in discharging their role.

2023/08 – Budgetary Control

This audit looked at the College's budgetary control practices and protocols. It specifically considered budget monitoring procedures in place centrally and within a sample of Academic Departments and Corporate Services, and also cash flow reporting to senior management and the Board, and SFC.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Financial Regulations were in place covering the Financial Planning and Financial Control processes, and were up to date (last updated in September 2022);
- Detailed Finance department procedures had also been drafted covering the Budget Setting process, In-Year Monitoring and Reforecasting, and Budget Monitoring and Month End processes;
- There was an established budget setting process in place, with a timetable set out to complete and approve the annual budget by June each year;
- There were planned budget reforecasting milestones in place during the financial year to review the budget as the actual financial position became clearer;
- Budget reports were provided to budget holders and managers on a monthly basis, to allow responsible budget holders to monitor progress. The budget holders and managers interviewed as part of our audit did not have any issues with the timeliness and format of the financial reports received from Finance, although it was recognised that the current information would be enhanced by the implementation of the Infor Dynamic Enterprise Performance Management (Infor d/EPM) system from August 2023 onwards. This would provide real-time access and allow the facility to drill down to detailed transaction lists and individual invoices;
- The budget holders or managers could request meetings with Finance, or request further information in relation to these budget reports, as and when required. Formal meetings with Finance staff were set on a quarterly basis;
- Some departments also utilised information available from other systems as part of their budget monitoring process. For example the Arlo online booking system for commercial training courses and the Bleep Electronic Point of Sale (EPOS) system for catering;

Final Issued – May 2023

The objective of our audit was to ensure that:	
1. Budgets are controlled in accordance with the Financial Regulations and Procedures.	Satisfactory
2. Budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change or funding targets are not achieved.	Good
3. Information is available to management in Academic Departments and Corporate Services which is up-to-date and in a format that can be easily understood.	Good
4. Budget holders have the necessary skills for managing budgets.	Good
5. Budget variations are reported and acted upon.	Good
6. There is accurate cash flow reporting.	Satisfactory
7. Senior management and the Board regularly review the College's overall financial position.	Good
Overall Level of Assurance	Good

2023/08 – Budgetary Control (Continued)

Strengths (continued)

- All the budget holders and managers interviewed as part of our audit demonstrated that they had the necessary skills required to effectively manage their devolved budgets;
- A key budgetary control was enacted through the purchase order authorisation process, which prevented the raising of orders on the P2P/FIDO system if the remaining funds in the budget line would be exceeded. Where this scenario occurred, this necessitated a discussion with Finance and approval by the Finance Manager prior to committing to the spend; and
- Management Accounts were prepared for the LMT and Finance Committee, as a minimum, on a quarterly basis. Explanations were included within the Management Accounts LMT and Finance Committee covering papers for all variances considered significant. A paper on the forecast outturn was also prepared for the Finance Committee on a quarterly basis.

Opportunities for Improvement

- The College did not have a specific Finance Strategy or Financial Plan document in place and the Financial Forecast Return (FFR) was the main tool utilised by the College for financial planning. The Director of Finance advised that the FFR would be moving from five to two-year forecasts and therefore it would be important for the College to develop separate medium-term financial plans moving forward;
- There was a certain amount of scenario planning and sensitivity analysis undertaken as part of the preparation of the annual budget and FFR. However, this could be further developed to build on the existing work completed. We understood that the implementation of the Infor d/EPM system would make this process more straightforward, as it would no longer be a manual, time consuming, spreadsheet-based process; and
- Although Finance staff did provide training and support to budget holders and managers, including the provision of one-to-one support when requested or required, there was no formal training programme or detailed written procedures in place for the training of budget holders and managers, including those taking on budget holder roles for the first time.

2023/09 – Quality Assurance

The scope of this assignment was to carry out a review of the College's quality procedures for internal assessment and verification of units and programmes made on behalf of awarding bodies, with a view to providing assurance that the procedures reflect good practice and identifying opportunities for procedural improvements and efficiencies.

The table opposite notes each separate objective for this review and records the results.

Strengths

- From discussion with the Quality team and a sample of Curriculum Managers, and review of the College's quality procedures, we noted that the College's processes reflected the SQA guidance and several examples of good practice were identified including; collaboration between those assigned as Quality Assurance Leads (QALs), Assessors, and Internal Verifiers, as well as with managers and lecturing staff to ensure that delivery and assessment standards were applied consistently; good use was made of analysis of assessment results and other performance data which may indicate potential quality concerns which verification could focus on; and a system-based approach which had been established to allow the College to clearly identify students selected for verification within each unit and provided links to the verification results which concluded on record-keeping and that resulting of candidates was accurate.
- Procedures had been established which ensured the availability and retention of assessment evidence in line with the requirements of qualification awarding bodies, and for the purposes of internal and external verification.
- Through discussion with Quality and curriculum staff and review of procedures we noted that there were good arrangements which allowed robust review and root cause analyses when quality concerns were raised to identify underlying issues and develop appropriate corrective and preventive actions. This included transparent and open communication about quality concerns, actions taken to address them, and the outcomes of any external verification visits, investigations, or improvement initiatives. Action plans were developed to address identified quality concerns and monitor the progress of the implementation of these plans.

Final Issued – August 2023

The objective of this review was to ensure that the College can demonstrate that:	
1. the internal verification model is valid and accords with guidance and good practice published by awarding bodies such as the SQA.	Good
2. the assessment process ensures that sufficient evidence is obtained in order to demonstrate that students have met the national standard for the qualification.	Good
3. all assessors have access to awarding bodies standards, are familiar with the standards and can evidence that they have been applied.	Good
4. assessors reach accurate and consistent assessment judgements for the same qualification for all candidates in line with the national standard of the qualification.	Good
5. systems are in place which facilitate collaboration between assessors and internal verifiers, ensuring that standards are met across the College, whilst maintaining appropriate segregation and access to results.	Good
6. systems are in place which allow quality concerns to be captured and addressed.	Good
7. record-keeping and resulting of students is accurate.	Good

2023/09 – Quality Assurance (Continued)

Weaknesses

- No significant weaknesses were identified during our review.

Overall Level of Assurance

Good



2023/10 – Follow-Up Reviews

Final Issued – September 2023

As part of the Internal Audit programme at the College for 2022/23 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2022/23 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2022/07 – Follow-Up Reviews 2021/22;
- Internal Audit Report 2023/04 – Freedom of Information; and
- Internal Audit Report 2023/08 – Budgetary Control.

Reports 2022/06 – Business Continuity, 2022/08 – Annual Report 2021/22, 2023/01 – Annual Plan 2022/23, 2023/02 – 2021/22 Student Activity Data, 2023/03 – Student Support Funds 2021/22, 2023/05 – Complaints, 2023/06 – Facilities Management Services Contract, 2023/07 – Performance Reporting / KPIs and 2023/09 – Quality Assurance did not contain an action plan and therefore no follow-up was required as part of the review.

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that, where little or no progress had been made towards implementation, that plans were in place to progress them.

Good progress had been made in implementing the previous internal audit recommendations that had reached their target completion date, with 10 (71%) of the 14 recommendations past their due date classified as 'fully implemented'.

We found that four (29%) of recommendations were categorised as 'partially implemented' and four were not past their agreed completion date.

2023/10 – Follow-Up Reviews (Continued)

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2022/07 – Follow-Up Reviews 2021/22	1	-	-	-	-	-	-
	2	2	2	-	-	-	-
	3	8	4	4	-	-	-
	N/A	2	2	-	-	-	-
Total		12	8	4	-	-	-
2023/04 – Freedom of Information	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	1	-	-	2	-
Total		3	1	-	-	2	-
2023/08 – Budgetary Control	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	1	-	-	2	-
Total		3	1	-	-	2	-
Grand Totals		18	10	4	-	4	-

Time Spent – Budget v Actual

	Report number	Planned days	Actual days feed	Days to fee at Sep 2023	Days to spend / WIP	Variance
Student Experience						
<i>Quality Assurance</i>	2023/09	6	6	-	-	-
<i>Student Application Process BPR</i>	N/A	5	-	-	-	5
Estates and Facilities						
<i>Soft FM Services Contract</i>	2023/06	5	5	-	-	-
Financial Issues						
<i>Budgetary Control</i>	2023/08	4	4	-	-	-
Organisational Issues						
<i>Performance reporting / KPIs</i>	2023/07	5	5	-	-	-
Information and IT						
<i>FOI</i>	2023/04	4	4	-	-	-
<i>Complaints</i>	2023/05	4	4	-	-	-
Other Audit Activities						
Credits audit	2023/02	5	5	-	-	-
Student Support Funds	2023/03	7	7	-	-	-
Management and Planning)	2023/01	5	5	-	-	-
External audit / SFC)	& 2023/11					
Attendance at Audit Committee)						
Follow-up reviews	2023/10	2	2	-	-	-
Total		52	47	-	-	5
		=====	=====	=====	=====	=====

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Forth Valley College

Facilities Management Services Contract

Internal Audit report No: 2023/06

Draft issued: 31 August 2023

Final issued: 4 September 2023



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Management Summary

Background

As part of the internal audit programme for 2022/23, Forth Valley College ("the College") has engaged with Henderson Loggie to conduct a review of the Facilities Management Services Contract to identify opportunities for improvement and facilitate the agreement of recommendations for overall process improvements.

We conducted a review of the current outsourced Facilities Management Contract with Servest, with a view to identifying opportunities for the College to drive cash releasing savings, or performance improvements, by reconfiguring the scope of the forthcoming tender exercise to appoint a new Total FM contractor.

The services procured as part of the contract are as follows:

- FM Management and Helpdesk Service (for in-scope services);
- Hard FM Services comprising of:
 - Planned Preventative Maintenance (PPM) & reactive maintenance;
- Soft FM Services comprising of:
 - Cleaning Service (including window cleaning);
 - Washroom Services (including Vending machine provision);
 - Grounds Maintenance;
 - Waste Management Service; and
 - Pest Control Service.

Objectives

Due to the timing of the audit fieldwork a number of the original objectives could not be explored given the status of the exercise to create the specification for the new contract. This work had not yet commenced at the time of the audit fieldwork and therefore stakeholder engagement and performance evaluation had not yet been conducted to assess the extent to which the current contract specification met the identified needs of all College stakeholders. In addition, the detailed financial analysis required to allow the potential impact (both financial and non-financial) of bringing aspects of the existing contract in-house had not been fully evaluated and market analysis had not been conducted to assess the likely cost of delivering the range of services delivered under the current contract. This also meant that there was no communication plan in place at that time to ensure appropriate engagement with staff and trade unions at appropriate milestones in the development of the specification and in conducting the tender exercise.

Therefore, given the timing requested for the fieldwork, the focus of the review was on the following objectives:

- Opportunities to bring aspects of the current contract in-house have been identified and appropriately evaluated to inform the specification for the forthcoming tender exercise; and
- Market analysis has been conducted to assess the likely cost of delivering the range of services delivered under the current contract.

Audit Approach

We conducted one to one interviews with the Head of Estates, Facilities Management & Health and Safety, the FM Manager Hard Services, and the Soft Services & Sustainability Manager.

These interviews were supplemented by a detailed review of the Total Facilities Management Contract signed between the College and the appointed main contractor Atilian Servest which commenced on 1 July 2017; the FVC Integrated Facilities Management Annual Review: Year 5 July 2021 – June 2022; the market analysis and benchmarking data collated to compare the costs of hard and soft maintenance costs with similar campuses operated in New College Lanarkshire; the pricing matrix utilised by the main contractor and sub-contractors; and the financial analysis produced on Hard and Soft facilities management staffing structures and pay costs.

Summary of Main Findings

Objective 1 - Our interviews with key managers, and analysis of documentation, identified a number of opportunities to revise the existing service specification to enhance delivery and better meet the needs of all stakeholders. It was apparent from our discussions that careful consideration will be required on any decision to exclude elements of the existing total facilities management specification in order to bring this service in-house or to let this service directly to a third party rather than via the total facilities management contract. In particular, there was a clear understanding amongst the managers interviewed that the scale of the services contained within the final agreed specification must be sufficiently attractive to incentivise bidders with capacity to deliver the services to submit a bid. Should too much be removed from the service specification then this could be counter-productive in reducing the number of bidders and potentially impacting on the competitive tender process. The list of opportunities to amend the existing specification is provided below and should be viewed in the context described above. We recommend that management review this list as part of the process to finalise the specification for the tender exercise.

Objective 2 – Our analysis of documentation provided demonstrates that there has been extensive market analysis conducted to assess the likely cost of delivering the range of services delivered under the current contract. In particular, we noted that detailed benchmarking has been conducted to compare the costs for delivering various Hard and Soft Facilities Management services with similar campuses in New College Lanarkshire. This provides an excellent baseline for estimating the true market costs for delivering these services in a College environment in Central Scotland, recognising the impact which high levels of inflation will have in increasing the baseline figures gathered and benchmarked in 2022.

The cost information gathered by the Head of Estates, Facilities Management & Health and Safety highlights that there may be a requirement for significant expenditure on heating and preventative maintenance in the next two to three years, including the need to replace fire detection devices. This has been supported by a detailed annual review covering the period from July 2021 – June 2022, which provides useful performance and cost data. This will be supplemented by information gathered by an external consultant, which sets out lifecycle costing and backlog maintenance. In addition, the review of facilities management structures and the analysis of staffing costs provides a solid platform to assess the impact of any proposed changes to the structure or the scale of the in-house team.

Acknowledgments

We would like to take this opportunity to thank the staff from Forth Valley College, who helped us during our review.

Opportunities to bring aspects of the current contract in-house or to mend the current contractual arrangements

Issue 1 – Penalty Clauses - The current penalty clauses operate on a threshold basis which caps the penalties at 6 failures per month. As a result, the contract is not incentivised to avoid failures because the penalties are identical whether there are 6 failures in a month or 20 failures.

Issue 2 – Cleaning Quality – It was apparent from our interviews with key managers, that there are issues with cleaning quality linked to turnover of cleaners and a perceived lack of investment in training. The current model means that cleaning supervisors undertake people management duties, clean their own area, and oversee contract delivery. It is the view of College Estates staff that this model places an unmanageable workload on cleaning supervisors, which impacts on quality.

Issue 3 – Cleaning Shift Patterns -The current cleaning shift patterns involve a split shift, with cleaners working in the morning and then returning at 4pm in the afternoon. There are instances where night classes are run in the College and therefore it is important that these rooms are cleaned after the night classes to ensure that they are presentable for the next class occupying the space. We were advised that there have been complaints from cleaners about having to clean the same space twice, due to night classes, and there have been suggestions that a night shift could be introduced. However, this presents issues in terms of security, which would require to be resolved before this could be implemented.

Issue 4 – Variances in Cleaning Delivery across campuses - Currently only the cleaning of the Falkirk and Stirling campuses are included in the contract, with the cleaning of the Alloa campus delivered by in-house cleaners employed by the College. Therefore, consideration should be given to bringing the cleaning for the Alloa campus within the contract in order to standardise the cleaning arrangements across all campuses.

Issue 5 – Window Cleaning - The current window cleaning contract involves two external cleans and one internal clean per annum. The current contractor utilises a wash and reach system, but issues have been encountered at some locations with regard to water pressure. There are no penalty clauses for window cleaning and therefore the remedial action, when the quality of a clean is sub optimal, is to call the contractor back to wash the windows again. However, there is a perception amongst Estates management that a different approach is required and that this could be achieved by extracting window cleaning from the contract and letting it as a separate standalone contract.

Issue 6 – Grounds Maintenance - With regard to the grounds maintenance aspects of the contract we were advised that the local company which carries out the works was previously directly contracted by the College but now operates as a sub-contractor for the main total FM contractor. This results in a lack of flexibility and a gap between the scope of works which the College would like and the works which the FM contractor pays them to undertake. We were also advised that the local company which completes the grounds maintenance works has also encountered issues in being paid by the main FM contractor. Therefore, it is felt that removing grounds maintenance from the contract and letting it directly would provide improved flexibility and ensure that contractors are paid in a timely fashion.

Issue 7 - Snow clearing and gritting services are included in the current contract. However, issues have been encountered with the standard of service provided and therefore the removal of this service from the new contract seems like a logical step to maintain the standard of snow cleaning and gritting.

Issue 8 – Specialist Tree Services - The maintenance of trees varies from routine mowing of grass or weeding of beds. The current model involves the main FM contractor seeking quotes from three specialist tree contractors to bid to carry out the necessary works on a case-by-case basis. This results in a lack of consistency and means that the current grounds maintenance contractor is not incentivised to highlight any emerging issues with trees on the College estate because they may not be awarded the work. Therefore, it is proposed that the provision of specialist tree services should be excluded from the main FM contract, but that the appointed GM contractor should be given the first opportunity to bid for the specialist tree maintenance works, thus incentivising them to highlight emerging issues with trees on the College estate.

Issue 9 – Waste Management - The waste management element of the contract is not functioning as intended and College Estates staff advised that they regularly have to phone the contractor to query why waste has not been collected. This is a particular issue for the collection of food waste at the Stirling and Alloa campuses due to issues encountered with rats when the waste is not collected. We were advised that a new waste management sub-contractor was appointed when the main FM contractor won another contract. The current contract requires two failures per month before a penalty is applied. However, given the quality issues encountered, and the time required by management to rectify these issues by contacting the contractor, we would recommend that these penalty clauses are reviewed in the new contract to incentivise the new FM contractor to effectively manage the waste management service.

Issue 10 – Access to information on the status of jobs - Lack of access to the contractor system means that Estates managers are required to maintain their own records of 'live' jobs on the Fix It system. Once a job is logged by the service user the job is passed to either the Head of HM or the Head of SM to be keyed into Fix It and at this stage the decision is made on whether to complete the job in-house or pass to the main FM contractor. The status of 'live' jobs is tracked through Fix It. As part of the tender process, we would encourage the College to explore the potential for gaining direct access to the contractor system to allow access to the information they need to establish the status on a particular job, without the need to maintain a parallel record.

Issue 11 - Pest control – the current contract ensures that where rodent infestation is identified that boxes are baited monthly. Issues with bees and wasps are dealt with on a case-by-case basis. This service is delivered in-house by personnel employed by the main FM contractor. However, it is the view of FM managers that better value for the College could be obtained by commissioning these pest control services outwith the FM contract. Therefore, we would recommend that a benchmarking exercise is completed to determine whether better value for money would be delivered by contracting directly with a pest control company.

Issue 12 – Technical competence of the Contract Manager - All of the College managers interviewed highlighted the importance of the role of Contract Manager in building trust between the College and the main FM contractor. It was highlighted that there have been changes in the personnel filling the Contract Manager post during the current contract term, and there is perception that this change in personnel has resulted in a dilution in the technical knowledge of the buildings on the College estate. Therefore, the importance of having a technically competent Contract Manager, who understands the three College buildings, and who has the technical expertise to share details of the underlying causes of issues encountered, should be built into the tender specification.

Issue 13 – CCTV - The maintenance of the CCTV systems at the Stirling and Alloa campuses has been problematic, with the FM contractor stating that the systems have now exhausted their economic life. We were advised that the computer system – rather than the cameras – presents the issue, so there is potentially an IT solution to this issue.

Issue 14 – Sustainability – The main contractor employs two sustainability experts who gather meter readings monthly. Reports are provided which highlight trends in energy usage, for example, but no support is provided to the College to explore these opportunities fully. Therefore, it is recommended that the contract specification should be expanded to specifically include the requirement to provide support in developing spend to save initiatives and delivering shared projects which will drive better value for money for investment in new sustainable technology.

Issue 15 – Maintenance standard – It was highlighted that there is no maintenance standard, such as SFG20, which is the standard maintenance specification for building engineering services. It is recognised as the industry standard and is an essential tool for planned maintenance. It is the benchmark for working standards; providing building owners, managers, contractors, consultants and end users with the tools to keep buildings properly maintained and compliant. Therefore, it is recommended that the SFG20 maintenance standard is embedded within the specification for the new contract.

Issue 16 – Historic Data for Planned Preventative Maintenance – It was highlighted the main contractor utilises a system called Concept Reach to hold historic records of planned preventative maintenance activity. The information made available to the College is 18 months out of date and therefore it is recommended that the requirement to hold historic planned preventative data and to provide access to reporting functionality which would allow the College to interrogate this data, should be embedded within the new contract conditions.

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Forth Valley College

Quality Assurance

Internal Audit report No: 2023/09

Draft issued: 25 August 2023

Final issued: 1 September 2023



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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

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

Action Grades

Priority 1	Fundamental issue subjecting the organisations to material risk which requires to be addressed by management and the Audit Committee as a matter of urgency.
Priority 2	Issue subjecting the organisations to significant risk, and which should be addressed by management as a priority.
Priority 3	Matters subjecting the organisations to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Forth Valley College ('the College') Risk Register:

- R1 – We fail to deliver a high-quality learning experience and meet targets of the outcome agreement (risk rating – 20).
- R6 – We are unable to deliver on the ambitions of the People Strategy (risk rating – 8).

Background

As part of the Internal Audit programme at the College for 2022/23, we carried out a review of the systems in place in relation to academic quality assurance. The ANA identified this as an area where risk can arise and where Internal Audit can assist in providing assurances that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Internal verification is a crucial element of both the College's and awarding bodies quality assurance processes. It ensures that all candidates entered for the same qualification are assessed fairly and consistently to the specified national standard.

The College must ensure that internally assessed qualifications are credible with staff, students, partner organisations, and regulatory bodies. This requires an effective quality assurance system within the College. The College is responsible for operating an effective and documented internal quality assurance system. This is an essential requirement of awarding bodies, including the Scottish Qualifications Authority (SQA).

Scope, Objectives and Overall Findings

The scope of this assignment was to carry out a review of the College's quality procedures for internal assessment and verification of units and programmes made on behalf of awarding bodies, with a view to providing assurance that the procedures reflect good practice and identifying opportunities for procedural improvements and efficiencies.

The table below notes each separate objective for this review and records the results:

Objective	Findings			
		1	2	3
The objective of this review was to ensure that the College can demonstrate that:		No. of Agreed Actions		
1. the internal verification model is valid and accords with guidance and good practice published by awarding bodies such as the SQA.	Good	-	-	-
2. the assessment process ensures that sufficient evidence is obtained in order to demonstrate that students have met the national standard for the qualification.	Good	-	-	-
3. all assessors have access to awarding bodies standards, are familiar with the standards and can evidence that they have been applied.	Good	-	-	-
4. assessors reach accurate and consistent assessment judgements for the same qualification for all candidates in line with the national standard of the qualification.	Good	-	-	-
5. systems are in place which facilitate collaboration between assessors and internal verifiers, ensuring that standards are met across the College, whilst maintaining appropriate segregation and access to results.	Good	-	-	-
6. systems are in place which allow quality concerns to be captured and addressed.	Good	-	-	-
7. record-keeping and resulting of students is accurate.	Good	-	-	-
Overall Level of Assurance	Good	System meets control objectives.		

Audit Approach

Through one-to-one interviews with members of the Quality team and Curriculum Managers, review of the College's quality procedures and internal verification documentation we considered:

- internal stakeholder needs;
- opportunities for removing inefficiencies from the internal verification process; and
- ways to improve the process to maintain compliance with awarding bodies guidance, where appropriate.

Summary of Main Findings

Strengths

- From discussion with the Quality team and a sample of Curriculum Managers, and review of the College's quality procedures, we noted that the College's processes reflect the SQA guidance and several examples of good practice were identified including: collaboration between those assigned as Quality Assurance Leads (QALs), Assessors, and Internal Verifiers, as well as with managers and lecturing staff to ensure that delivery and assessment standards are applied consistently; good use is made of analysis of assessment results and other performance data which may indicate potential quality concerns which verification can focus on; and a system-based approach which has been established to allow the College to clearly identify students selected for verification within each unit and provides links to the verification results which conclude on record-keeping and that resulting of candidates is accurate;
- Procedures have been established which ensure the availability and retention of assessment evidence in line with the requirements of qualification awarding bodies, and for the purposes of internal and external verification; and
- Through discussion with Quality and curriculum staff and review of procedures we noted that there are good arrangements which allow robust review and root cause analyses when quality concerns are raised to identify underlying issues and develop appropriate corrective and preventive actions. This includes transparent and open communication about quality concerns, actions taken to address them, and the outcomes of any external verification visits, investigations, or improvement initiatives. Action plans are developed to address identified quality concerns and monitor the progress of the implementation of these plans.

Weaknesses

No significant weaknesses were identified during our review.

Acknowledgments

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

Main Findings

Objective 1: The internal verification model is valid and accords with guidance and good practice published by awarding bodies such as the SQA.

An internal verification system (IV) assists colleges in ensuring that all assessments being offered are valid, reliable, practicable, equitable and fair, and helps assessors to apply the standards of assessment consistently. As outlined in the SQA guidance, the model of IV deployed is at the discretion of each individual college, and the approach to IV chosen must operate effectively within the context of each college.

Each award certification and standards body produces guidance on the IV process. Most awards delivered at the College fall under the remit of the SQA, and approaches to IV referenced in the SQA guidance include:

- allocating responsibility to named members of staff for carrying out IV relating to particular units/awards. This has the advantage of giving the designated internal verifier a view of all assessment activities relating to the units/awards they are responsible for quality assuring.
- allocating responsibility to named members of staff for carrying out IV relating to particular assessors. This is particularly appropriate where the units/awards contain a high degree of performance evidence.
- all members of staff taking responsibility for both assessing and internally verifying units. This has the advantage of allowing all staff to take part in assessment and verification, helping to promote an in-depth understanding of unit/award requirements and facilitating standardisation by, for example, the cross-marking of each other's assessments. The College's IV process follows this approach.

This College's IV process can be divided into key phases, including pre-delivery, sampling and verification, and post-delivery review. Key elements of the College's IV procedures include:

Pre-Delivery

Most delivery staff (e.g., lecturers and assessors) within each curriculum team are responsible for the administration of a group of externally or college certificated units. The responsible member of staff is known as the Quality Assurance Lead (QA Lead) for that particular group of units. The QA Lead is responsible for maintaining an up-to-date Unit Master Folder on SharePoint for each unit. The QA Lead is responsible for ensuring that unit and qualification frameworks have been updated in line with awarding body requirements ahead of the start of the academic year. The QA Lead also ensures that the delivery team have participated in planning and standardisation activities and that standardised assessment arrangements have been agreed and communicated. A pre-delivery checklist is utilised to guide the QA Lead through the pre-delivery phase and to evidence that all required work has been completed ahead of the start of the academic year.

Objective 1: The internal verification model is valid and accords with guidance and good practice published by awarding bodies such as the SQA (Continued).

Sampling and Verification

All internal assessments performed in the College are subject to IV sampling. Sampling plans are agreed between Internal Verifiers and managers. We noted that sampling is continuous, risk based, cover the assessment decisions of all assessors, and include all methods of assessment across a range of units, thus ensuring that all staff, units, and locations are covered by the IV process. Each occurrence identified within the sampling plan follows an agreed sampling methodology, which identifies minimum sample sizes that are dependent on identified risk factors, including the number of staff assessing each unit, whether it is the first year of delivery of the unit or the first year for a staff member delivering the unit, or if any issues were previously identified through previous internal or external verification exercises.

During sampling, the internal verifier will, for each sampled occurrence:

- check that the correct means of assessment have been adopted.
- check and confirm that the assessors' decisions are fair, consistent, and meet awarding body specifications.
- check that appropriate and adequate assessment evidence is available.
- complete an Internal Verification Record of Sampling, recording the findings of the sampling activity and any actions to be taken as a result and feed back to lecturers on the outcomes and any actions arising.

Our review of the sampling and verification process deployed across the College confirmed that this approach is in line with the SQA's guidance and recommended practice.

Post-Delivery

We noted that evidence of assessment is retained in line with the awarding body requirements. Managers review the results of the IV process, including ensuring that Master files have been adequately maintained, sampling plans have been followed, and that results of IVs have been recorded (including feedback provided to assessors). There are opportunities for the wider delivery team to receive feedback from the IV process and participate in the external verification process, where required. Any actions resulting from either the internal or external verification process are shared across the College and are incorporated into the relevant curriculum team's quality procedures.

Objective 1: The internal verification model is valid and accords with guidance and good practice published by awarding bodies such as the SQA (continued).

From discussion with the Quality team, and a sample of Curriculum Managers, and through review of the College's quality procedures, we noted that the College's processes reflect the SQA guidance and recommended good practice. We noted that:

- valid assessments are used for each qualification.
- systems have been established to ensure that assessments are as accessible as possible while maintaining the national standards for the qualification.
- whilst modes of assessment may differ between curriculum areas, e.g., formal exam, assessments of practical skills, or review of portfolios, assessments are designed to be flexible in the context of the learner whilst satisfying the requirements of the qualification framework. Systems are in place to capture evidence and allow assessors access to that evidence and record the results of assessment to allow both the College and students to demonstrate that they have met the national standard for the qualification.
- all staff interviewed were very familiar with the national standards and understood how to apply them.
- the College's quality framework, and arrangements for how curriculum teams apply this, such as standardisation, peer discussion and review and analysis of performance indicator data, ensure that assessors reach accurate and consistent assessment judgements in line with the national standard of the qualification.

Examples of particular good practice identified during our review included:

- quality processes established with curriculum teams facilitate collaboration between those assigned as QA Leads, Assessors, and Internal Verifiers, as well as interaction with managers and lecturing staff to ensure that standards are applied consistently across each unit occurrence and campus.
- mechanisms have been established which allow quality concerns to be captured and addressed, including opportunities for discussion between verifiers and assessors and lecturing staff, and clear procedures embedded for the escalation of any concerns to managers and the Quality team. Good use is made of analysis of assessment results and other performance data, which may flag potential quality concerns which verification can focus in on.
- a system-based approach has now been established, which allows the College to clearly identify students selected for verification within each unit and provides links to the verification results which conclude on record-keeping and that the award result for candidates is accurate.
- procedures are in place for the identification and reporting conflicts of interest in the assessment or IV process.

Objective 2: The assessment process ensures that sufficient evidence is obtained in order to demonstrate that students have met the national standard for the qualification.

Procedures for assessment arrangements are documented which consider:

- the students' needs, activities, and abilities
- how students' needs are met across different subjects/units
- how recommendations for assessment arrangements are independently confirmed, including discussion with awarding bodies such as the SQA
- communicating assessment arrangements to students and delivery teams
- secure storage of student assessment evidence to minimise the risks of malpractice and to ensure that it is available for internal and external verification.

Standardisation procedures have been established which ensure that there is a shared understanding of the assessment criteria within the delivery team, and the awarding of grades is clear and in line with unit's learning outcomes. This ensures that the students are marked equally and fairly against the assessment criteria set out by the learning outcomes. Through review of systems and documentation we noted that procedures have been established, which ensure the availability and retention of assessment evidence in line with the requirements of qualification awarding bodies, and for the purposes of internal and external verification. Our review of the system we confirmed that these procedures are being followed in practice.

Objective 3: All assessors have access to awarding bodies standards, are familiar with the standards and can evidence that they have been applied.

The QA Lead is responsible for maintaining an up-to-date Master Folder on SharePoint for each unit. The QA Lead is responsible for ensuring that unit and qualification frameworks have been updated in line with awarding body requirements ahead of the start of the relevant academic year, which includes identifying and communicating any changes in unit requirements, assessments and learning outcomes to the delivery team. Master Folders are made available to all members of the delivery team. The pre-delivery checklist completed by the QA Lead includes the requirement to ensure that details of any updates to unit standards, specifications and assessments are identified and shared. Curriculum and Operational Managers review the completeness of Master Folders ensuring that pre-delivery tasks have been completed. The Quality team also perform checks on Master Folders to provide additional assurance that these requirements are being met in practice. All curriculum staff interviewed as part of our audit confirmed that they were familiar with the College quality procedures and the standards and frameworks within their curriculum areas.

Objective 4: Assessors reach accurate and consistent assessment judgements for the same qualification for all candidates in line with the national standard of the qualification.

Assessors are provided with clear and detailed assessment criteria and guidelines from the awarding body or qualification authority. These criteria outline the specific skills, knowledge, and performance expectations for each aspect of the qualification. Assessors are provided with training to familiarise themselves with the assessment criteria, methods, and standards set by each awarding body, such as the SQA. Managers ensure that the appropriately experienced and qualified staff are assigned the roles of assessor within the delivery team. We noted that several members of staff at the College also have experience as SQA assessors and external verifiers. Standardisation sessions are held to ensure that all assessors have a common understanding of the assessment expectations and grading standards.

Regular meetings are conducted among assessors and verifiers to discuss assessment decisions, review sample work, and align their understanding of the standards. This process helps minimise subjectivity and ensures consistency in assessment judgments.

The mode of assessment of student work or performance can vary across curriculum areas in order to ensure that the most appropriate method is chosen for student. Whilst the SQA, and other awarding bodies, would normally define the assessment approach, they do allow for a degree of flexibility - as demonstrated during Covid. For example, whilst exams maybe a suitable form of assessment for some students, portfolio or other practical work may be better suited to other students. However, the College's overall quality approach to assessment is designed in a standardised manner, ensuring that all students are presented with the same tasks or questions. This approach ensures fair and consistent evaluation across all students, including those undertaking the same units at different campuses and delivered by different lecturing staff.

The College has quality assurance processes in place to regularly review the assessment practices and outcomes. This ensures that the assessments meet the required standards set by the SQA and other awarding bodies.

Internal verifiers provide feedback to lecturing staff on assessment processes to identify areas of improvement.

Objective 5: Systems are in place which facilitate collaboration between assessors and internal verifiers, ensuring that standards are met across the College, whilst maintaining appropriate segregation and access to results.

Clear communication channels and protocols have been established for assessors and internal verifiers, and the wider delivery team, to share information, ask questions, and seek guidance regarding assessment processes and standards. These are set out in the College's quality procedures and are communicated to delivery teams, via QA Leads and managers, as part of pre-delivery arrangements and throughout the academic year.

Moderation meetings are convened, where assessors and internal verifiers come together to discuss assessment decisions, review sample work, and align their understanding of assessment criteria and standards.

A system is in place within the College, which allows assessment sampling plans and outcomes to be shared and reviewed by both assessors and internal verifiers. This helps identify potential issues and ensures that the assessment process aligns with the relevant qualification standards and frameworks.

Where required, re-assessment or second marking may be performed for critical assessments or where issues or concerns are identified by verifiers. In this process, a second assessor, independent of the first assessor, would evaluate the same work to ensure consistency and fairness.

The Master Folder structure within the College's SharePoint system acts as a centralised database where links to sampled assessment records, feedback, decisions and verification sampling and results are stored. This ensures transparency and easy access to results, while maintaining appropriate segregation of duties.

We noted that there are clear and transparent reporting mechanisms for sharing assessment and verification outcomes and findings between assessors and verifiers and other stakeholders, including College management and the Quality team. Internal verifiers are encouraged to provide constructive feedback to assessors, highlighting areas of improvement and best practice to ensure ongoing enhancement of assessment practices.

Objective 6: Systems are in place which allow quality concerns to be captured and addressed.

To allow quality concerns to be captured and addressed effectively the College has developed a quality assurance framework that outlines the College's commitment to maintaining and enhancing the quality of learning and assessment processes. We noted that the associated procedures and guidance included within the framework clearly define the roles and responsibilities of different stakeholders involved in quality management, including lecturers, QA Leads, Assessors, internal verifiers, the Quality team, and management. Clear and accessible reporting mechanisms are in place for students, staff, and other stakeholders to raise quality concerns.

An incident reporting system has been established, which ensures that any quality-related incidents, such as assessment irregularities or procedural breaches, can be documented, investigated, and addressed promptly.

Student and staff surveys are conducted to gather feedback on various aspects of the College's operations, including programme delivery, assessment, and support services. Feedback is analysed to identify potential quality concerns and areas for improvement.

The College engages with external verifiers, who are independent of the College, to review assessment practices, curriculum content and delivery, and quality assurance processes.

Through discussion with Quality and curriculum staff, and review of procedures, we noted that there are embedded arrangements which allow robust review and root cause analyses when quality concerns are raised in order to identify underlying issues and develop appropriate corrective and preventive actions. This includes transparent and open communication about quality concerns, any actions taken to address them, and the outcomes of any external verification reviews, investigations, or improvement initiatives. Action plans are developed to address identified quality concerns and to monitor the progress of the implementation of these plans.

Objective 7: Record-keeping and resulting of students is accurate.

The standardisation process ensures that delivery teams agree the method of assessment delivery and evidence, and how evidence will be collected and stored. Delivery teams agree the timetable for assessments and how evidence will be made available to Assessors. These arrangements help to minimise errors and ensures consistency in record keeping.

Staff are provided with training on record-keeping and resulting, including assessors, verifiers, and administrative personnel.

The verification checks are designed to provide confirmation that adequate and appropriate evidence is available to ensure that Assessor judgements are supported. Where relevant, the College, makes use of systems to store records of assessment and supporting evidence in secure and controlled environments, ensuring that only authorised staff have access.

Analysis of performance indicators across curriculum teams and programmes is conducted by curriculum and operational managers, as well as high level reviews by Quality and wider management team. These reviews allow inconsistencies, discrepancies, or errors to be identified and investigated.

Through discussion with curriculum managers, and review of system information, we noted that the College maintains clear and well-documented records of assessment decisions, feedback, and any adjustments made to results. This documentation provides a trail of evidence for any subsequent reviews or audits.

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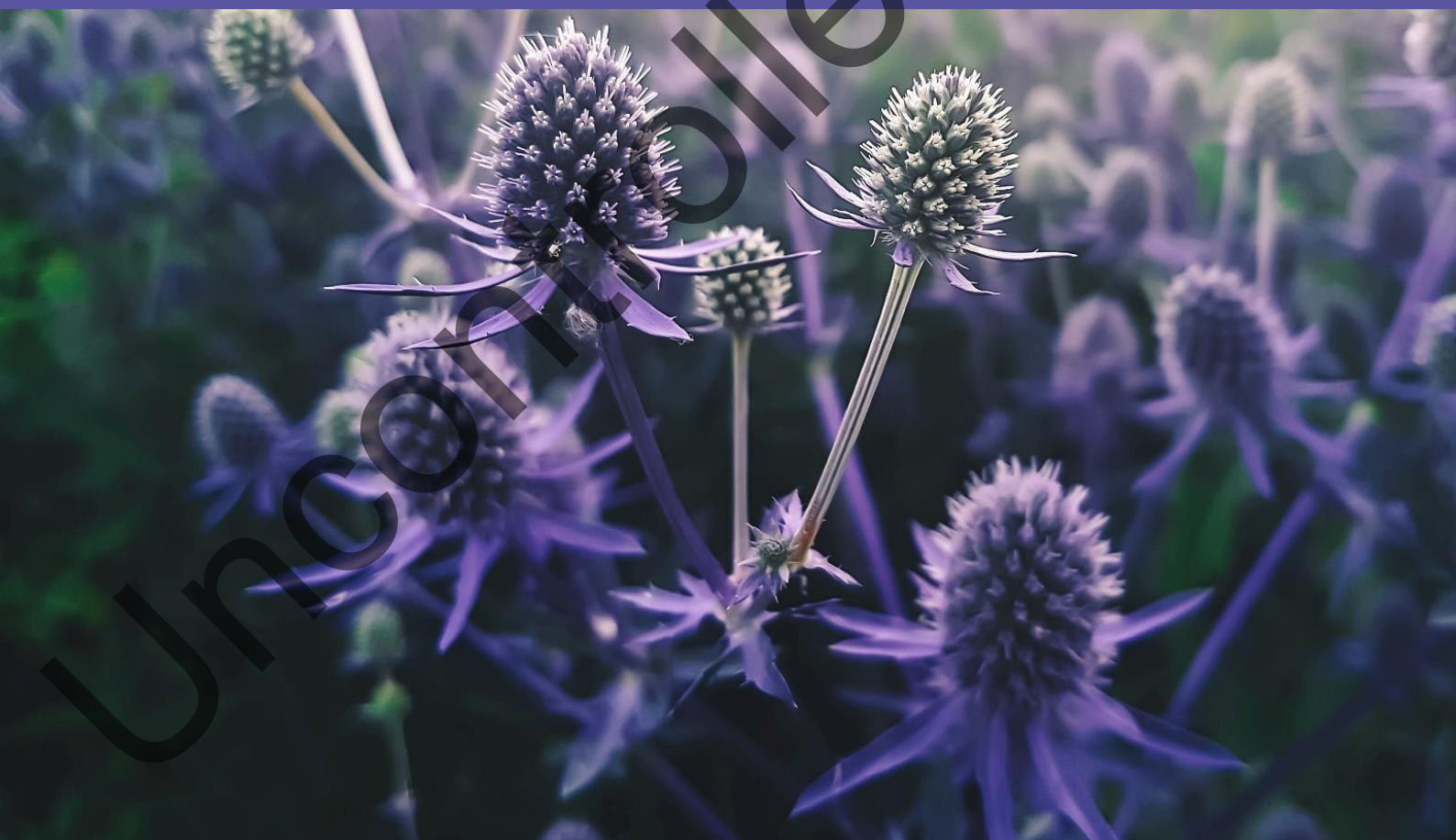
Forth Valley College

Follow Up Reviews 2022/23

Internal Audit report No: 2023/10

Draft issued: 6 September 2023

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Management Summary

Introduction and Background

As part of the Internal Audit programme at Forth Valley College ('the College') for 2022/23 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2022/23 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2022/07 – Follow-Up Reviews 2021/22;
- Internal Audit Report 2023/04 – Freedom of Information; and
- Internal Audit Report 2023/08 – Budgetary Control.

Reports 2022/06 – Business Continuity, 2022/08 – Annual Report 2021/22, 2023/01 – Annual Plan 2022/23, 2023/02 – 2021/22 Student Activity Data, 2023/03 – Student Support Funds 2021/22, 2023/05 – Complaints, 2023/06 – Facilities Management Services Contract, 2023/07 – Performance Reporting / KPIs and 2023/09 – Quality Assurance did not contain an action plan and therefore no follow-up was required as part of the review.

Objectives of the Audit

The objective of each of our follow-up reviews is to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry and review of supporting documentation, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Overall Conclusion

Good progress has been made in implementing the previous internal audit recommendations that have reached their target completion date, with 10 (71%) of the 14 recommendations past their due date classified as 'fully implemented'.

We found that four (29%) of recommendations were categorised as 'partially implemented' and four were not past their agreed completion date.

Overall Conclusion (Continued)

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2022/07 – Follow-Up Reviews 2021/22	1	-	-	-	-	-	-
	2	2	2	-	-	-	-
	3	8	4	4	-	-	-
	N/A	2	2	-	-	-	-
Total		12	8	4	-	-	-
2023/04 – Freedom of Information	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	1	-	-	2	-
Total		3	1	-	-	2	-
2023/08 – Budgetary Control	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	1	-	-	2	-
Total		3	1	-	-	2	-
Grand Totals		18	10	4	-	4	-

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Gradings for recommendations from Henderson Loggie internal audit reports:

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

Acknowledgements

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.

Appendix I - Updated Action Plan

Internal Audit Report 2022/07 – Follow-Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
2020/06 – Estates Maintenance						
R2 The College should review its strategic, governance and corporate oversight to identify a management group and / or a sub-committee of the Board that has a formal defined responsibility for the estates function to ensure that it maintains current teaching capability and any risks associated with the ability to maintain delivery of the curriculum are identified and mitigated.	3	This recommendation matches requests from the Board to ensure capital utilisation and maintenance is monitored. The Board Chair and Board Secretary have had discussions around how best to achieve this. Recommendations and a remit for this work will be taken to the Board of Management for consideration and approval in February 2021.	Vice Principal Finance and Corporate Affairs	28 February 2021	<p>August 2021 With the cancellation of the February 2021 strategic session, owing to Covid-19 restrictions in place, the completion date for this action was revised to December 2021 to allow consideration by members at the rescheduled Board strategic sessions happening in November 2021.</p> <p>August 2022 The scheduled strategic event did not take place as planned. With the Strategic Plan to 2025 having been approved in February 2022, consideration was given to committee structures and implemented from August 2022.</p> <p>Management agreed with the Chair of the Board of Management that estates will sit under the remit of the Finance Committee. A revised remit will be taken to the September meeting of the Committee.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 September 2022</p>	<p>At the Board of Management meeting on 28 April 2023 the Corporate Governance and Planning Officer and Deputy Board Secretary presented a paper outlining a proposal to merge the Finance and HR Committees together from the 2023/24 academic year. Proposed duties of the new Committee were set out in an updated remit document and included a focus on the College estate. Board members approved the formation of the Finance, Resource and Infrastructure Committee.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
2021/04 – Externally Facilitated Effectiveness Review						
R3 Consideration should be given to the production of a "You said – We did" feedback document which would capture the outputs from the student surveys and Feedback Fridays and would showcase the work which is being progressed to address the issues raised.	N/A	Feedback mechanisms (including recurring timescales) to be developed. These will be presented to the Learning & Student Experience Committee and thereafter distributed to students by FVSA.	Vice Principal Learning and Student Experience	30 November 2021	<p>August 2021 On-going. On target for completion.</p> <p>August 2022 There has been ongoing engagement with Learning & Quality and the Forth Valley Students' Association (FVSA) to implement the correct document format and process.</p> <p>Monthly meetings with FVSA and the Learning and Student Experience Committee (LISEC) are being used to capture student concerns and feedback updates and solutions to students.</p> <p>The College's new student portal, Campus M, will be the vehicle to communicate all student feedback. Outcomes and feedback from Student surveys; Listening to learners; and Student Association 'Feedback Fridays' will commence from the start of academic session 2022/23.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 September 2022</p>	<p>With the launch of the student specific app, campus-M, it was decided that this would be the vehicle to communicate outputs from surveys etc from FVSA. The app can be accessed via the relevant app store and guest access is possible although the data accessible is limited compared to what a student sees.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
2021/04 – Externally Facilitated Effectiveness Review						
R8 As part of the development of the Strategic Plan the Board should develop a consensus around partnerships and collaborations with entities who are involved in fossil fuels and explain this in a way which makes it clear to stakeholders how this stance can be aligned with the Net Zero and decarbonisation agenda.	N/A	The Board will discuss this at the next strategic planning session and develop an Ethical Policy.	Board of Management	30 October 2021	<p>August 2021 The Strategic Planning session has been scheduled for November 2021 owing to Board members availability. Given this and the need to develop the policy following Board input, the completion date for this recommendation will need to be revised to 24 February 2022.</p> <p>August 2022 Following further review, it was felt that this should not be a standalone item and instead should form part of a wider Corporate Social Responsibility Policy.</p> <p>A draft Policy has been prepared and will be considered at the Board of Management meeting in September 2022 for approval.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 September 2022</p>	<p>The Board of Management approved the Corporate Social Responsibility Policy at its meeting on 22 September 2022.</p> <p>The policy document was designed to be an overview that sets out the College's intentions across a number of areas, and also to be an aid when policies or plans / strategies are created or renewed to ensure College operations are in adherence with its Corporate values.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/05 – Health and Safety						
<p>R3 A more ‘joined-up’ approach between HR and H&S is required to ensure that H&S training needs are identified and delivered in a cost-effective manner.</p> <p>A process should be developed to ensure that HR and H&S teams review all specialised H&S training requests to determine need and inhouse provision. All H&S training should be reported to HR using the SDAF. No H&S training should be approved without due diligence over SDAF forms by the H&S Team.</p> <p>Management should identify the H&S skills and knowledge needed for staff to do their job in a safe way. This could take the form of a skills matrix based on job roles that details the mandatory and desired H&S training requirements.</p> <p>The process for reporting H&S training needs to HR and</p>	2	<p>From R2 - The College is in agreement with R2 and is making adjustment to reflect the required changes.</p> <p>The College will review the process of identifying mandatory training for all staff to develop a matrix of mandatory training by role profile, which will be linked to staff records.</p> <p>A suite of reports will be developed to identify outstanding mandatory training, and when training is due to lapse, including alerts to line managers and HR managers. Completion of mandatory training will be monitored through LMT on a regular basis.</p> <p>Health and Safety will be added to the College risk register, and there will be a review of current processes to ensure that student Health & Safety training is being effectively recorded.</p>	Head of HR, Head of Estates and Directors of Curriculum	31 March 2022	<p>August 2022 Progress has been made, and all mandatory training courses have been re-written within Moodle to ensure they are functioning correctly and capturing details of when a member of staff completes.</p> <p>In relation to non-mandatory training, the College is awaiting the output from the national support staff role profile exercise to identify role specific CPD. This, combined with the functionality of the new HR system, will greatly aid in developing a process for ensuring all necessary training is undertaken. As the Role profile work is being done at a sector level, the date has been changed to allow time for completion and implementation.</p> <p>Reports have been created that show the College picture, with the option to drill down to course or department level and to identify individuals. Work continues to provide this in a dashboard for managers to utilise as required and without prompting.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 20 December 2022</p>	<p>The joined-up approach driving the recommendation formed a key part of the new HR system design, and work has taken place to support this.</p> <p>A Health & Safety Skills Matrix has been completed showing mandatory and beneficial training, and health surveillance, required for each post at the College.</p> <p>One of the key components of the new HR system is to ensure each role has a bespoke training profile attached. This will ensure that the system correctly allocates training on a role basis and is able to report back on completion levels etc.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/05 – Health and Safety						
R3 (continued) H&S should be defined in policies for staff awareness, including that training needs be identified from completing risk assessments and who to communicate needs to.						

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/07 – IT Network Arrangements / Cyber Security						
R2 Mechanisms should be established for testing the effectiveness and value for money of the security training provided to staff. The areas of the organisation that regularly feature in security reports, or achieve the lowest feedback from information security questionnaires, should be targeted for further tailored training activity.	3	The IT Team will explore testing the effectiveness of training provided through the use of ethical phishing campaigns.	Head of IT	31 July 2022	<p>August 2022 An ethical phishing campaign was developed and originally planned to be delivered in July 2022.</p> <p>While the materials are ready, it was realised that most staff would still be on leave at that point and the College didn't want the campaign to be lost in the usual start of term work.</p> <p>Subsequently, management will be seeking permission at the upcoming Audit meeting to extend the deadline to the end of November 2022 when staff will be settled into the new academic year, and staff will be more receptive.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 November 2022</p>	<p>The IT Team has undertaken a cost-benefit analysis of an ethical phishing campaign, however the costs are prohibitive, and this avenue won't be pursued.</p> <p>No further update available.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 31 December 2023</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/07 – IT Network Arrangements / Cyber Security						
R3 Explore how guidance for staff on how to manage their digital footprints safely and reduce the risk of becoming a target for attackers, both in a professional and personal capacity, and particularly through use of social media platforms can be made more widely available to staff and Board members. The Learning Digital Skills team delivering training as part of the agenda for Staff Development days should be considered.	3	The existing mandatory training course will be adapted to specifically highlight the risks associated with social media platforms, and consideration will be given to running targeted training on staff development days.	Head of IT/LDSA	31 August 2022	August 2022 Course content for the existing mandatory course has been written and passed to the course development team for training to be delivered. Partially Implemented Revised Date of Completion: 31 December 2022	No further update available. Partially Implemented Revised Date of Completion: 31 December 2023

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/07 – IT Network Arrangements / Cyber Security						
R6 A risk-based approach should be adopted to enabling critical logs to improve endpoint security. Examples of critical logs include: <ul style="list-style-type: none"> Local user and group enumeration. Logon attempts with local accounts. Logon with explicit credentials. Plug-and-play device connections (e.g., USBs). Process creation. File creation. PowerShell providers loaded. Script block logging. 	3	The College is currently on-boarding with Jisc to introduce a Security Information Events Management (SIEM) system, starting with logging at server level. It's planned to extend logging to key workstations once all parties are comfortable with how they system functions. This recommendation reflects where we are with our implementation.	Head of IT	31 August 2022	August 2022 On-boarding with Jisc to introduce a SIEM is progressing as planned. All preparatory work has been undertaken by the College however this service is proving popular, and the College has a provisional date in October 2022 with Jisc, with completion estimated for the end of the year. Partially Implemented Revised Date of Completion: 31 December 2022	The completion of this recommendation is contingent on a service provided by JISC. They paused the service towards the end of 22 owing to demand levels and only reopened it for companies to book in May 23. The level of demand means the College is unable to anticipate a completion date and management noted that this has been reported to the Audit Committee. Partially Implemented Revised Date of Completion: TBC (outwith College control)

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/07 – IT Network Arrangements / Cyber Security						
R7 Use manual testing methods (for example penetration testing or red team simulated cyber-attack exercises) in addition to automated tools, such as network IDS / IPS or SIEM, to test and obtain assurance that vulnerabilities are identified and managed.	3	As per previous response, the College is currently on-boarding with Jisc to introduce a managed SIEM. Penetration testing will be re-introduced.	Head of IT	31 July 2022	<p>August 2022 As per R6, On-boarding with Jisc to introduce a SIEM is progressing as planned.</p> <p>All preparatory work has been undertaken by the College however this service is proving popular, and the College has a provisional date in October 2022 with Jisc with completion estimated for the end of the year.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 31 December 2022</p>	<p>The completion of this recommendation is also contingent on a service from JISC so the College is in a similar state to the recommendation above and this has also been reported on to the Audit Committee.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: TBC (outwith College control)</p>
R8 It is recommended that an audit of cloud and third-party systems in use across the College estate, which are not directly linked to College Active Directory or Office365 accounts, is undertaken to identify instances of staff using College logins and email accounts and put in place procedural guidance for line managers to revoke user access to such accounts, and for staff on good password management.	3	Agreed. IT are aware of a number of third-party and cloud-based systems which are managed locally within Departments, where IT don't control user accounts, and therefore can't delete accounts of staff leavers etc. An audit of all systems would be beneficial. Procedural guidance for system owners will be prepared, and guidance for college staff on using college credentials for external systems will be reiterated.	Project Support Officer (As part of Information Management Project)	31 August 2022	<p>August 2022 Audit is being undertaken as part of the College's Information Management Project, with two departments outstanding.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 31 October 2022</p>	<p>Cloud based audit has been completed (chart provided).</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2021/07 – IT Network Arrangements / Cyber Security						
R9 The Incident Response Plan should be finalised and communicated to all relevant staff and stakeholders to ensure that everyone's roles and responsibilities are defined and understood. This should then be supported through appropriate training. The response plan should then be practised to ensure staff know how to respond during an incident, and to also highlight any problem areas in the planned response. Practises should also include restoring files from backups (see R5).	2	Agreed. The Incident Response Plan is currently in draft format, with advice on content gratefully received through this audit. Individual system RTOs are being tested on out air gapped test network. The plan will be finalised, shared appropriately and tested.	Head of IT	28 January 2022 for plan, 31 July 2022 for testing	<p>August 2022 Incident Response Plan reviewed at the Information Governance Group (IGG), with internal testing undertaken by the IT Team. Agreed at IGG that fuller testing should be combined with an exercise on College Business Continuity, with planning being done in August.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 31 December 2022 (for fuller testing combined with Business Continuity)</p>	<p>An updated plan is in place and has been used in response to manage two real life incidents since implementation.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2022/02 – Procurement and Creditors / Purchasing						
R1 The Scheme of Delegation, Procurement Policy and procurement procedures should be updated to make specific reference to the “authorisation process by department” record to ensure transparency over procurement and spending controls.	3	Although all information is in place, we accept that clarity could be improved and we will reference both the internal scheme of delegation and the “authorisation process by department” in the Financial Regulations and Procurement procedures and we will make these available on the Finance Sharepoint page.	Director of Finance	30 January 2022	<p>August 2022 The updated Financial Regulations will be presented to Finance Committee for approval September 2022. Delayed due to severance programme taking time away from day-to-day work.</p> <p>Partially Implemented</p> <p>Revised Date of Completion: 30 September 2022</p>	<p>At the Finance Committee meeting on 13 September 2022 the Director of Finance presented the updated Financial Regulations for member’s consideration and approval. The main changes to the regulations included amendments to the approval limits for senior level staff. Members agreed that senior level staff should be able to have the relevant authorities to support their role.</p> <p>Members approved the Financial Regulations subject to a wording change, which was made, and the final version issued in September 2022.</p> <p>Fully Implemented</p>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at August 2023
Internal Audit Report 2022/05 – Data Protection						
R1 An annual Data Protection Compliance report should be developed and formally reported to the Audit Committee. The report should include relevant data protection progress updates, as well as summarising key compliance metrics relating to data breaches, subject access requests and staff training. These metrics should also be included within the suite of performance data reported to senior management.	3	It's agreed that an annual Data Protection Compliance report will be developed to be reported to the Audit Committee and LMT.	Donald MacLean, Data Protection Officer (DPO)	30 September 2022	<p>August 2022 The recommendation was discussed at the Audit Committee who confirmed this report would be welcomed.</p> <p>Report being developed and will be presented to the next Audit Committee in September 2022.</p> <p>Not Past Agreed Completion Date</p>	<p>A Data Protection Compliance report was presented at the Audit Committee meeting on 15 November 2022. This will be an annual report and, following other audits, complaints and freedom of information requests will be combined into this report to give an overall appreciation to the Committee of requests received each academic year and assurance that responses are provided in line with relevant timescales.</p> <p>Fully Implemented</p>

Appendix II - Updated Action Plan

Internal Audit Report 2023/04 – Freedom of Information

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at August 2023
R1 The College should formally document the responsibilities of individuals in relation to FOISA requests. A procedural document should also be created, detailing the College's approach for dealing with FOISA requests, including receipt of request, collection of required information and response to requesting individual.	3	A process document will be created outlining the roles and responsibilities of specific posts within the College and detailing the process for managing a request from receipt to response/review.	Corporate Governance and Planning Officer	31 August 2023	A process note has been prepared, setting out responsibilities and the College's approach for dealing with FOISA requests. Fully Implemented
R2 Management should review all staff records to ensure they have completed all mandatory training requirements. A process for reporting the completion rates of FOI refresher training should be developed to inform management of any gaps and support required to ensure this is completed. A process for reporting refresher training compliance rates from across the College should be developed with reports provided to the Board as part of wider FOI reporting.	3	The College is currently implementing a new HR system which will be key in ensuring the accurate and timely recording of all mandatory training.	HR / Business Transformation Team	31 December 2023	A new HR / payroll system is due to go live in October 2023. Mandatory training will be specific to roles. Reporting of training completed or outstanding will be built into the new procedures. Content of all mandatory training is also being reviewed. Not Past Agreed Completion Date

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at August 2023
R3 An annual Governance report encompassing Freedom of Information Compliance should be developed and formally reported to the Audit Committee. The report should include relevant FOI progress updates, as well as summaries of key compliance metrics relating to fulfilment of FOI requests and staff training. These metrics should also be included within the suite of performance data reported to senior management.	3	This report format will be developed and delivered to the Audit Committee	Corporate Governance and Planning Officer	30 September 2023	<p>As previously noted, the Data Protection Compliance report was presented at the Audit Committee meeting on 15 November 2022. This will be an annual report, and complaints and freedom of information requests will be combined into this report to give an overall appreciation to the Committee of requests received each academic year and assurance that responses are provided in line with relevant timescales.</p> <p>The timescale will slip slightly to bring it in line with existing reports which go to the November meeting.</p> <p><i>Not Past Agreed Completion Date</i></p>

Appendix III - Updated Action Plan

Internal Audit Report 2023/08 – Budgetary Control

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at August 2023
R1 The College should develop realistic medium-term financial plans and forecasts to supplement the annual FFR and help to identify and mitigate emerging risks to its medium to long term financial sustainability.	3	The ability to develop sensible medium term plans depends on receiving 3-year funding allocations. SFC has acknowledged that Budget plus one further year is sufficient, and this is expected to be the FFR requirement in June. We will discuss with the Finance Committee members the level of forward planning they would like to see and we will look to develop these plans when we have additional clarity around key assumptions.	Director of Finance	30 November 2023	This is to be discussed at the Finance, Resource and Infrastructure Committee in September 2023. <i>Not Past Agreed Completion Date</i>

Follow Up Reviews 2021/22

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at August 2023
R2 As part of the preparation of the 2023/24 budget we would advocate the development of further scenario planning and sensitivity analysis to enhance the information provided to the LMT, Finance Committee and Board in the budget setting paper. This would also apply during the reforecasting.	3	A table of scenarios will be included within the 2023/24 budget paper, focussing on the material areas of staff costs, property costs and all sources of Scottish Government funding.	Director of Finance	30 June 2023	<p>Scenario planning was included in the Board FFR report presented on 22 June 2023.</p> <p>The report included information on the impact of percentage reductions in Grant in Aid, Credits targets and SDS contract, and percentage increases in pay award and pension contribution rate.</p> <p>Fully Implemented</p>
R3 The College should develop a formal training programme for budget holders, and managers, which they are required to complete before they undertake their budget monitoring role. Detailed written procedures should also be developed.	3	Once the dEPM system is operational, all existing, and thereafter new budget holders and managers, will be given structured training by the Finance team.	Finance Manager	30 September 2023	<p>Training is scheduled to be completed in September 2023.</p> <p>Not Past Agreed Completion Date</p>

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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. This report provides assurance to the Committee that the College is appropriately managing all internal and external audit recommendations.

4. Summary of Changes

There were six new recommendations arising from the May 23 meeting to add to the tracker. The attached annex contains an update on progress against recommendations.

As discussed at the May meeting, recommendations 1 and 2 are on hold until such time as the external provider JISC can offer the training. These recommendations are included in the table below as "Live Recommendation passed implementation date".

There is one other recommendation that will pass its recommendation date before implementation. This relates to recommendation 5 which will be brought to the November meeting instead of the September meeting as intended.

The table below represents a summary of the current position of the recommendations as at 1 September 2023.

	No Priority	Priority 1	Priority 2	Priority 3	Total
Live within date	0	0	0	3	3
Live recommendation passed implementation date	0	0	0	3	3
Completed since last report to Committee	0	0	0	2	2

5. Resource Implications (Financial, People, Estates and Communications)

This is a summary report so there are no specific resource implications

6. Equalities

This is a summary report so there are no equalities implications

7. Communities and Partners

None

8. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

If the paper is an approval, please reflect on whether the approval will have any direct or indirect impact for any other areas of operational activity internally or externally within the College – No

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)	X	X
Very Low (1)		

Total Risk Score – 4

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance	X	Strategy		People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Audit recommendations continue to be actively managed by the College and are reported as a standing agenda item to the Audit Committee

Is the score above the Board Risk Appetite level? No

Risk Owner – Alison Stewart

Action Owner – Stephen Jarvie

Paper Author – Stephen Jarvie

SMT Owner – Alison Stewart

Management Response	Priority	Evaluation	Scheduled Completion Date	Revised Completion Date	Evidence	Completed
The College is currently on-boarding with Jisc to introduce a Security Information Events Management (SIEM) system, starting with logging at server level. It's planned to extend logging to key workstations once all parties are comfortable with how they system functions. This recommendation reflects where we are with our implementation.	3	<p>August 23 - No change at this time</p> <p>May 23 - JISC have had to radically change it's SIEM offering, which put a stop to onboarding. They recommended onboarding early May with the new service but there is no indication at this time when the College will be able to do so. Other JISC recommended tools (pingcastle) have been used and action in response to recommendations made.</p> <p>Nov 22 - We are awaiting a date from Jisc, with the provisional date of October having passed.</p> <p>Aug 22 - All preparatory work has been undertaken by the College, however this service is proving popular, and the college has a provisional date in Oct with Jisc.</p>	31/08/2022	TBC - Awaiting clarification from external provider - agreed with Audit Committee May 2018		
As per previous response, the College is currently on-boarding with Jisc to introduce a managed SIEM. Penetration testing will be re-introduced.	3	<p>August 23 - No change at this time</p> <p>May 23 - As above</p> <p>November 22 - As above</p> <p>August 22 - As above</p> <p>May 22 - As above</p>	31/07/2022	TBC - Awaiting clarification from external provider - agreed with Audit Committee May 2018		
A process document will be created outlining the roles and responsibilities of specific posts within the College and detailing the process for managing a request from receipt to response/review.	3	August 23 - Process document completed and circulated to relevant staff	31/08/2023		Process document	Yes
The College is currently implementing a new HR system which will be key in ensuring the accurate and timely recording of all mandatory training.	3	<p>August 23 - New HR payroll system due to go live in October 2023. Mandatory training will be specific to roles. Reporting of training completed o/s will be built into the new procedures. Content of all mandatory training also being reviewed.</p>	31/12/2023			
This report format will be developed and delivered to the Audit Committee	3	<p>August 23 - Format developed and included on agenda for November committee meeting. Will be marked as complete once presented to Committee</p>	30/09/2023	30/11/2023		

The ability to develop sensible medium term plans depends on receiving 3-year funding allocations. SFC has acknowledged that Budget plus one further year is sufficient, and this is expected to be the FFR requirement in June. We will discuss with the Finance Committee members the level of forward planning they would like to see and we will look to develop these plans when we have additional clarity around key assumptions.	3	August 23 - To be discussed at Finance, Recourse and Infrastructure committee in Sept 23.	30/11/2023			
A table of scenarios will be included within the 2023/24 budget paper, focussing on the material areas of staff costs, property costs and all sources of Scottish Government funding.	3	August 23 - Completed - included in Budget paper presented to Board of Management in June 2023.	30/06/2023		Budget paper	Yes
Once the dEPM system is operational, all existing, and thereafter new budget holders and managers, will be given structured training by the Finance team.	3	August 23 - Training scheduled to be completed in September 23.	30/09/2023			

1. Purpose

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

2. Recommendation

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

3. Background

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

In line with the College Risk Management Policy, specific separate risk registers can be created for significant projects or to provide information on specific large-scale risks.

4. Changes to the Strategic Risk Register

Following the Audit Committee meeting of 8 May 2023, there have been two minor changes in scoring.

Risk ID 6 reduced slightly after approval was gained for the ECITB accommodation tender. Wider student accommodation discussions are underway.

Risk 12 reduced owing to the successful completion of the consultation without having to utilise compulsory redundancies. Members may wish to remove this from the register.

5. Resource Implications (Financial, People, Estates and Communications)

The register itself does not require significant resource to manage however mitigating actions may require additional resource on a case by case basis.

6. Equalities

Assessment in Place? –No

The Risk Registers do not require equalities impact assessment. Individual risks may result in Equalities assessments being completed for new/revised College policies and procedures.

7. Communities and Partners

Not applicable

8. Risk and Impact

Please complete the risk table below. Risk is scored against Likelihood x Impact, with each category scored from Very Low through to Very High. Risks should be robustly scored and, if the combined score (Likelihood x Impact) is higher than the Board Risk appetite for the risk category identified, additional justification must be provided on why this risk is necessary.

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)	X	X
Very Low (1)		

Total Risk Score – 4

The College has a Strategic Risk appetite for categories of risk as defined by the Board of Management. Decisions being taken at LMT/SMT/Board level must have cognisance of this. Please indicate the single most relevant risk category in the table below.

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance		Strategy	X	People	
Legal		Financial		Project/Programme	
Property		Reputational			
		Technology			

Risk continues to be comprehensively managed and reviewed, including comparing risk scores against the Board risk appetite levels, on an ongoing basis.

Is the score above the Board Risk Appetite level? No

Risk Owner – Kenny MacInnes

Action Owner – Kenny MacInnes

Paper Author – Stephen Jarvie

SMT Owner – Kenny MacInnes

Forth Valley College Strategic Risk Register						Owners				Initial Risk Score			Score After Mitigation				Board Risk Appetite		
No	There is a real or perceived risk that...	Causes	Potential Consequences	Mitigating Actions	Actions/Progress to Date	College Committee	Board Committee	SMT Risk Owner	Action Owner	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score	Change to score since last meeting	Risk Category	Board risk appetite compared to mitigated score	Date Added and Date Score Updated
1	We are unable to maximise the long term return on investment on the College estate	- Insufficient capital maintenance funding from SFC - Changes in working practices impact on demand - lack of stakeholder engagement in the new campus facilities	- We are unable to maintain our estate to an acceptable standard - Impact on Student Experience - Creation of backlog maintenance - Loss of commercial income	- Effective monitoring of lifecycle maintenance programme - Continue to secure best value for TFM contract - Development of commercialisation strategy - Review of campus utilisation - Maximising the legacy status of the Falkirk campus with project lead-in the Falkirk growth deal and for future inward investment	August 23 - AECOM contracted to commence work on ensuring best value when renewing our FM contract, including a full options appraisal of the current TFM contract. May 23 - A survey of all of our campuses has now been undertaken to identify current backlog maintenance, and enable more effective maintenance planning and budget forecasting. Our current position will be shared with SFC as there is a current assumption that FVC has no backlog maintenance as we have 'newer' campuses. Oct 22 - Initial funding to survey building energy usage has been secured, which links to Net Zero, however appropriate building maintenance funding from SFC remains an issue. Aug 22 - Seeking alternative funding streams linked to Net Zero. College have heads of terms for a transition skills project through the Falkirk growth deal and the building is an intrinsic attractant for the project, however appropriate funding from SFC for ongoing maintenance remains an issue. May 22 - Insufficient funds in capital grant. Currently prioritising whilst diversifying funding streams . Nov 21 - Highest priority lifecycle maintenance needs are being met through our 2021/22 Capital allocation. Aug 21 - Highest priority lifecycle maintenance needs are being met through our 2021/22 Capital allocation. Agreed appointment of Commercialisation and Skills Director with role to maximise Estates activity. Apr 21 - Available capital allocation has been prioritised to cover the highest priority lifecycle maintenance in AY 21/22. Lifecycle maintenance for the next 5 years, particularly for Alloa and Stirling, is being reviewed by Head of Estates. There are quarterly review meetings of our TFM contract to ensure best value.	LMT	F	P	VPIC	H	VH	20	H	VH	20		Financial	20	Apr-21
2	We are unable to maintain financial sustainability	- Political/regulatory changes - Changes in funding streams - Insufficient funding from Scot Gov/SFC to support core College activities - SFC new funding model potentially - Failure to meet commercial or student enrolment targets	- Inability to deliver high quality learning - Inability to react to changing economic and local environment - Inability to maintain College infrastructure - Impact on College performance indicators - Reputational Damage	- Principal and Chair represented on sector groups to lobby SFC/Scottish Government - Director of Business Development has strategic relationships with key stakeholders - Regular reporting on financial position to Leadership Team, Finance Committee and the Board	August 23 - Consultation process was completed in June 2023 and 26.75fte removed from the establishment. A balanced budget for 2023/24 was presented to the BoM in June 2023 which incorporated these savings. However, with an assumption of flat cash and unaffordable pay awards further savings will be required for 24/25 and 25/26. Chair of Board of Management has written to SFC, CEO May 23 - The indicative funding settlement of flat cash is challenging and the College has launched a consultation to remove 26.75fte from the establishment. Work continues to identify operational savings together with growing our commercial activities. The sector continues to lobby for 3 year funding settlements in order to effectively plan beyond one year. November 22 - Current financial projections show significant ongoing deficits on the basis of flat cash funding and unfunded pay awards. Chair of BoM has written to SFC on behalf of the Board seeking a meeting to discuss. August 22 - Board have approved the budget for 22/23 showing a small surplus and have agreed the transfer of last years surplus into the ALF. However since then it has been identified inflation is running at higher levels than anticipated, particularly in relation to gas and electricity, SFC have been asked to look at in year cuts to funding, budgeted pay award will be unacceptable to Unions and future allocations will be flat cash at best going forward for the next 3 years. Increased commercial activity will offset this to a limited extent. May 22 - Indicative allocations announced in March 22. Consultation for FVC transformation and restructure approved by the Board and launched 10 May to reduce headcount by 41fte. Once complete we will be financially sustainable for 2022/23. Awaiting final allocation for 2022/23 and outcome of 3 year spending review. Nov 21 - No further update from SFC. Awaiting Scottish Government budget announcements in Dec 21. SMT working on a number of	LMT	F	P	VPFACA	VH	VH	25	H	VH	20		Financial	20	Apr-21
3	National bargaining adversely impacts College staffing relationships and finances	- National bargaining process removes ability to implement local agreements - Issues at national level can impact on local union relations	- Impact on staff morale due to delay in implementation of pay awards/job evaluation - Action Short of Strike/Strike Action impacts on student experience - Reputational Damage	- Ongoing engagement with local union representatives and Employers Association	August 23 - No further progress has been made in terms of settling the 2022/23 pay award. ASOS being undertaken by EIS since June 2023. May 23 - The College Management continues to engage with our Union partners at a local level and is building strong communication and engagement links. NJNC negotiations are taking place for 22/23 pay deals. Ballot for Industrial action has resulted in Action Short of Strike Action commencing from 2nd May and will run until September. The College will monitor the impact of ASOS but no current counter action is being taken. EIS-FELA also has a mandate for full strike action. Full strike action has not yet been implemented. Support staff job evaluation is still ongoing. The College has launched a consultation with staff on the 3rd of May. Consultation is based on achieving a balanced budget for 23/24 against a flat cash settlement and a 10% reduction in credits. Management will continue to engage with both Unions through the consultation process. Oct 22 - The College Management continues to engage with our Union partners at a local level and is building strong communication and engagement links. Restructure of departments is continuing to be imbedded and staff are continuing to be supported where there have been changes in structure. Positive start to the academic year. Nationally the NJNC negotiations are taking place for 22/23 pay deals and support staff job evaluation is still ongoing. Aug 22 - Transformation consultation now completed with no compulsory redundancies. Restructure across both teaching and Corporate Services staff with no negative feedback received on the process from EIS-FELA or Unison. 21/22 national pay dispute resolved. However EIS-FELA are seeking a £5k increase at each scale point for 22/23 while the offer in line with public sector pay is £500. Given inflation pressures and pay awards in other areas of the public sector this could lead to further disputes. New monthly LNCC and JCC meeting schedules arranged for academic session 22/23. May 22 - IA dispute resolved. IA posts made lecturer roles against new lecturer role profile as of 18/6/21. Monthly LNCC and JCC meeting scheduled for academic session 21/22. Unions requests to hold more JCC meetings granted. National pay dispute ongoing. Not under consultation with SFC. FVC Transformation consultation launched 10/5/23. Management consulting with both Unions	LMT	HR	P	VPFACA	VH	H	20	H	H	16		People	25	Apr-21
4	We fail to deliver a high quality learning experience and meet targets of outcome agreement	- Failure to deliver upon digital learning strategy - Curriculum fails to meet need of students/employers or other stakeholders - Inability to access campus resources owing to Pandemic - Failure to provide required support levels for individual student needs	- Impact on student experience with blended learning - Impact on student retention and attainment - Impact on College meeting credit and PI targets - Impact on student recruitment - Reputational damage with key stakeholders such as SFC - Failure to meet sustainability ambitions	- Implementation of the Digital Skills Academy - Success of Project NxGen - Student Engagement and Feedback - Effective staff structures to support the student experience - Milestone dates for meeting with Springback project leads and working groups to test progress	August 23 - LDSA targets mostly on track although reduction in mentors for 23/24 could have an impact on achievement of targets. Staff uptake of Digital Skills tools remains challenging. CCI process remains effective in curriculum review and planning and confidence across departments that course portfolio meets the needs of regional workforce and stakeholders. Student support needs continues to increase each year and resourcing of these is challenging. This could have an impact upon PI's. Early joint working between ISS and academic departments is crucial for resource maximisation. May 23 - Continuous Curriculum Improvement process continues to sit at the centre of curriculum review informing decisions on curriculum change and improvement. The Course review tool and PI tracker was used in identifying courses to be reviewed in the current consultation. This ensures the College's portfolio of programmes are efficient and relative to our students, regional employers and partners, whilst meeting our 10% reduction in credit deliver for 23/24. Oct 22 - Excellent feedback from Education Scotland in our Annual Engagement visit in October highlighting the College is delivering high quality learning experience. The College's analytics tools came in for high praise as well as the implementation of the new Learning improvement Facilitator role. Aug 22- Hybrid learning now launched as well as Digital self-assessment tool. LDSA team delivering hybrid learning support training. Student portal launched for on-boarding and student information app CampusM app launched. LDSA funding now in place and team fully staffed. LDSA Ambitions on target. Teaching pods launched to support hybrid learning. In September we are launching a pulse survey to support our cultural strategy. May 22 - LDSA has received funding for another 2 years from the College's ALF. LISEC established and monitoring the Student Journey Project. Student President sits on LISEC as Student Voice. Digital Skills self-evaluation tool now launched. ISS receiving excellent feedback from Departments. LDSA project to launch Hybrid Learning on target. Moodle upgrade completed and teaching materials transferred. Student portal App agreed as Campus M. MIS team working with Campus to create platform and launch for Aug 22. Nov 21 - For 2020/21 Forth Valley College has again performed well overall against our OA target figures across FE and HE categories, whilst continuing to operate in a restricted blended learning environment. The College continues to actively manage learning on and off campus to deliver the best learning experience possible while continuing to follow all necessary Scottish Government Covid guidance. September 2021 - LDSA now launched with all staff in place. LDSA Ambitions document released and quarterly reports on progress to targets released to LMT. Project next GEN FVC launched. Continuous Curriculum Improvement process launched and running across all departments to help improve course performance and student outcomes. Learning Improvement and Student Experience Committee (LISEC) established to monitor and improve the student experience. FVC Transformation consultation launched 10/5/23. Management consulting with both Unions	LIPSEC	LSE	P	VPLSE	H	VH	20	M	VH	15		Strategy	20	Apr-21

Forth Valley College Strategic Risk Register																			
5	Fuel Change investigation identifies governance issues related to the project resulting in SFC involvement and reputational damage to the College.	Internal Auditors findings identify poor College adherence to governance and financial procedures.	Damage to College reputation. Impact in relationship with SFC and external partners.	Full internal investigation launched. Internal Auditors engaged to carry out independent audit on Fuel Change project. Quick resolution of issues raised. All mitigations quickly acted on.	August 23 - Internal Audit investigation completed and Board fully informed of outcome. Relationship with Paradigm Futures now terminated with immediate effect. All College activity related to Fuel Change now ceased with immediate effect. Internal College investigation completed. SFC continue to be updated and lessons learnt report being submitted to Board in Sept 23. All relevant parties informed. May 23 - Internal audit investigation initiated. Verbal feedback to be given to Audit Committee on 18/5/23.	SMT	A	P	P	M	H	12	M	M	9	↔	Reputational	20	May-23
6	The college will not be able to secure student accommodation for the upcoming academic year. This could result in the loss of ECITB and other tendered programs.	The college has no student accommodation of its own. There is only one hotel that tenders each year for the college's student accommodation. The hotel may not be willing to tender again, or may not be able to	The college may not be able to offer student accommodation to all students requiring it The ECITB program could be affected by not having accommodation The college's reputation may be	Early and widening of the tender ahead of the upcoming academic year. The college should look at the possibility of building or leasing student accommodation. The college should develop a	August 23 - initial discussion Cetris as to what commercial terms look like for student accommodation	LMT	F	VPFCA	DASC	M	H	12	L	H	8	↓	Financial	20	May-23
7	A major incident prevents the College from operating	- Loss of access to campuses - Loss of access to IT from network issues or cyber attack	- Inability to deliver learning and teaching and the impact on student experience - Additional costs (including ransomware demands) - Staff morale from uncertainty over College reopening - Data protection and other legal issues - Reputational damage	- Business Continuity Plan which is regularly tested - Specific IT cyber security plan and IT business continuity plan - Regular testing of Health and Safety systems inc fire drills	August 23 - Further preparatory work undertaken with Jisc to implement a managed Security Information & Event Management system. May 23 - IT Incident Response Plan and flowchart have been updated and reviewed by the Information Governance Group. Oct 22 - IT Security playbook has been developed, and has been tested within the IT Team. Further testing will link to the College's Business Continuity Plan. Aug 22 - Business Continuity audit on Covid 19 highlighted excellent practice. Further testing will be undertaken in 22/23. May 22- The Covid 19 experience has shown our Business Continuity process can work. Further trialling to be undertaken in 22/23. Nov 21 - An IT Security and Network audit has been undertaken by our internal auditors, with a rating of satisfactory. A number of minor recommendations were made, and are being addressed by the IT Team. Aug 21 - Updated IT Security Policy has been approved. We are currently on-boarding with Jisc to introduce a managed Security Information and Event Management (SIEM) system which will monitor logs of servers and key desktop PCs. Apr 21 - Additional IT security measures have been introduced to reflect increased remote working. IT Security policy is being updated to reflect these changes. IT Security Incident Response procedure is being updated to reflect current best practice.	LMT	B	P	VPIC	H	H	16	L	H	8	↔	Governance	15	Apr-21
8	We are unable to deliver on the ambitions of the People Strategy	- Changes to staffing establishment impacting on succession planning - Impact of Covid on staff time - Increase in demand for wellbeing support - Inability to recruit/retain staff - Long term affordability of staffing	- People strategy not achieved - Increased staff absence/decreased staff morale - Staffing establishment not adequate to meet operational requirement	- Additional support mechanisms - employee counselling system, mental health ambassadors, carers support forum, signposting to training and wellbeing support days in place. A dedicated space has also been created on SharePoint - Initiatives such as time for me, weekly recharge - Increase in flexible working and staff autonomy - Futures programme to deliver effective and efficient structures	August 2023 - Consultation completed and the required savings delivered. However due to the annual budgeting process consultations are becoming an annual process which is impacting on staff morale. Mental Health and wellbeing continues to be a key focus. Also a workload impact assessment for lecturers, CMs and departmental administrators was undertaken and outputs currently being reviewed with a view to reduce workloads. May 23 - People Strategy approved in November 22. November 22 - A new People Strategy will be taken to the HR Committee in November 22 for approval. Funding in the current climate will be a challenge, however funding has been secured from Forth valley College Foundation to support workforce resilience and wellbeing. August 22 - Consultation completed, the objectives were achieved and the College now has a stable financial position. we are now in the process of revisiting the People Strategy at the same time we have launched a wellbeing personal assessment which will give a high level position for the College and a separate confidential statement for each member of staff completing the document. In September we are launching a Pulse survey to support our cultural strategy. May 22 - Consultation document launched in May 22 will have impact on staff morale, particularly on the academic staff. Nov 21 - A detailed report has been produced for the HR committee showing our progress in meeting the people strategy. Extensive work has been done in health and wellbeing and in staff development. An audit of our recruitment and succession planning approach supported our position as being on track. Morale continues to be a key point of focus with wellbeing, training, structure, and management forming key elements of the support in place August 21 - Revised LMT structure implemented from 1 August 21 to improve succession planning for SMT. Hybrid working pilot to be implemented following October break. May 21 - weekly recharge and time for you initiatives extended to July 21. Springback project launched and will look at increased flexible working.	LMT	HR	VPFACA	HHR	H	H	16	L	H	8	↔	People	25	Apr-21
9	Failure to grow and influence strategic partnerships impacts on our reputation as a partner of choice	- Insufficient resource - Competition from other providers - Inability to adapt to changes in the political/economic environment	- Loss of commercial income - Reduction in Modern Apprentices/Foundation Apprentices - Lack of influence at a regional level - Curriculum becomes outdated	- Director of Business Development works closely with Scottish Government/SFC/SDS and other key stakeholders - FVC key partner in City Deals/Investment Zone activity across the region - Project NxGen	August 23 - SMT/LMT areas of responsibility now reviewed. New structure with key areas of responsibility identified for each SMT in place for start of new academic session. Strategic objectives now set and new stretch targets set for ASC. MA up by 10% and commercial increased. BP VQ work secured. Compex satellite opportunity being taken forward with SERC NI. New Principal making stakeholder/partner engagements. Minister for HE,FE and Veterans visiting 21st Aug 23. Growth Deal Skills Transition Centre being worked through with key partners. Curriculum review identifying growth areas in STEM and Health and Social care. May 23 - New Principal is reviewing SMT/LMT areas of responsibility. KM will review strategic objectives with Director of ASC. This will be completed for start of academic session 23/24. Oct 22 - This continues to be managed by SMT and the DCS. Aug 22 - Role for SMT and the Director of Commercialisation and Skills (DCS) and a strategic objective in the new strategic plan 22-26 to support being at the heart of economic recovery. This can be evidenced with a number of projects. May 22 - Positive start to 2022 in a number of strategic projects developing. Consultation and new structure for Commercialisation and Skills (formerly Business Development). New systems in place to improve efficiency and performance. Nov 21 - Director of Commercialisation & Skills appointed and will start in January 2022. BP Senegal project is in place and started. Fuel Change has received commitment from Scottish Government to progress from pilot to implementation phase. Falkirk investment zone is progressing. Scottish International Environmental Centre will be locating into our Alloa campus. August 21 - Director of Business Development & Strategic Relationships role has been split into 2 roles; Director of Commercialisation & Skills which will focus on increasing commercial activity and Director of Strategic Partnerships & Regional Economy which will focus on strategic funding opportunities. April 2021 - 4C* collaboration in place and delivered on nTTF** and YPG***, relationship will continue into 21/22. Progressing work in FIZ**** and S&C***** regional deal - skills work to be based in FVC as well as possible HQ for SIEC***** at Alloa campus. Fuel Change 1st round of challenges well received and road to COP26 planned. MA numbers down due to Covid-19 and delays on delivery for construction. UKRI bid and BP Senegal contract expected May 21. £353000 investment secured from SE to allow EnableSTEM digitisation to be accelerated.	LMT	B	P	P	M	H	12	L	H	8	↔	Strategy	20	Apr-21

Forth Valley College Strategic Risk Register																			
10	SQA Maladministration and malpractice could impact on College's ability to offer courses	- Failure to have robust processes and staff understanding in place to ensure compliance with awarding body criteria	- Reputational damage - Investigation from SQA resulting in loss of awarding body status or other special measures	- Internal audit review of quality processes - Learning and Quality department in place with quality policy and procedures - Procedure for internal verification in place - Ongoing training	August 23 - SMT aware that ASOS could increase risk of malpractice and actions in place to manage and mitigate this risk May 23 - Training now rolled out across College and part of College mandatory training programme. Audit now complete and implementation of findings complete. On-going monitoring of incidences of Malpractice/Maladmin. Oct 22 - Audit details still to be finalised. All other actions now closed off. Aug 22 - All SQA and internal review actions completed and response sent to SQA. All internal actions from Malpractice review, including training for staff, now closed out. Internal audit not yet completed. Completion date to be finalised with Auditor. May 22 - Audit scheduled for week commencing 6 June 22	LMT	LSE	P	VPLSE	M	H	12	L	H	8		Reputational	20	May-22
11	New Principal is inexperienced and handover process does not run smoothly creating reputational risk to the College.	New to the role and inexperienced in role requirements.	Damage to reputation. Impact in relationships internal and external.	Extensive handover with outgoing Principal. New Principal is internal candidate so knows College processes and procedures well.	August 23 - Weekly meetings with Chair continuing. Visiting other Principals to build own network of support. May 23 - Weekly meeting with Interim Chair established. Handover process being followed. SMT and LMT processes and meeting schedules continuing to ensure continuity in College business.	SMT	B	P	P	M	H	12	L	H	8		Governance	15	May-23
12	Consultation does not deliver required savings or creates reputational risk to the College.	Further reductions to College funding in final allocations in May 23. Processes and procedures not adhered to through process.	Damage to reputation. Impact in relationships internal and external: Union relations, stakeholder relations.	LMT oversight of process, timelines and decisions through consultation processes. Quick resolution of issues raised. All mitigations quickly acted on.	August 23 - Consultation complete and all savings realised. No compulsory redundancies required. May 23 - Weekly updates to LMT from DoCs and Head of HR. Weekly review of adherence to timelines. Quick resolution of issues raised. All mitigations quickly acted on.	LMT	F	P	VPFACA	L	H	8	VL	M	3		Financial	20	May-23

1. Purpose

To present to members the results of the National Fraud Initiative exercise for the period to 30 September 2023.

2. Recommendation

Members note the results of the National Fraud Initiative exercise carried out within the College for the 3 year period ended 30 September 2023.

Members recognise that there were no reportable errors identified through the NFI exercise for this period.

3. Background

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

Under the provisions of Part 2A of the Public Finance and Accountability (Scotland) Act 2000, Audit Scotland requested FVC to submit creditors and payroll data for the period 1 October 2020 to 30 September 2023. The legislation enables Audit Scotland to require any body which comes under the remit of the Auditor General for Scotland to submit data for matching. This is an exercise required every 2 years.

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

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

4. Key Considerations

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

Payroll Matches

Payroll to payroll

High risk

2

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

The reasons for our 2 payroll to payroll matches were one employee starting employment with FVC after working for Falkirk Council, and another employee who has two part-time roles.

No concerns were raised from either of the payroll matches.

Creditors Matches

Duplicate creditors by creditor name	5
Duplicate creditors by address detail	3
Duplicate creditors by bank account number	2
Duplicate records by amount and creditor reference	118
Duplicate records by name, invoice number and amount but different creditor reference	2
Duplicate records by invoice number and amount but different creditor reference and name	2
Procurement - payroll to Companies House (Director)	3
	135

Duplicate creditors by creditor name - to identify instances where the same supplier has been set up with more than one reference number on the system thus increasing the potential for creditors to obscure fraudulent activity. All 5 of our matches were investigated and were due to companies with similar but not identical names being matched by NFI in error, where the supplier had a new account set-up and the old one had been closed during the period, and one where 2 supplier codes are needed for our BACS processor SmarterPay, one for DDs and one for other payment methods. No action was required following investigations as all records were found to be in order.

Duplicate creditors by address detail – to identify multiple creditors operating at the same address. All 3 of our matches were investigated and were due to supplier name changes or companies in the same office building. Actions required to close creditor accounts had already been identified and dealt with prior to this exercise.

Duplicate creditors by bank account number – may indicate where a supplier has changed name but the standing data has not been updated. FVC had 2 matches for this category, both of which had been updated prior to investigation.

The largest category of Creditors matches (118 records) was for [Duplicate records by amount and creditor reference](#). This is where identical amounts have been paid to a supplier under different invoice numbers. Within this category the numbers of transactions within value bandings was as follows:

Duplicate Records by Values

Greater than £10,000	19
£5,000 to £10,000	14
£2,000 to £5,000	37
£1,000 to £2,000	48
	118

Many of the matches for FVC were as a result of contracts with identical regular payments eg Atalian Servest, Falkirk Council pension payments, quarterly equipment rentals, and various annual subscriptions. All 118 records were investigated and no further action was required.

[Duplicate records by name, invoice number and amount but different creditor reference](#). This match is to identify possible duplicate payments for the same goods/services but to different creditor references. The 2 matches for FVC were both invoices that were allocated to the incorrect supplier code and subsequently reallocated prior to payment. One of the matches was 2 different departments of Falkirk Council and for the other match the second supplier reference was blocked. No payments were made in error.

[Duplicate records by invoice number and amount but different creditor reference and name](#). This match is to identify possible duplicate payments for the same goods/services but to different creditors. One match for FVC was a credit note that was initially entered on to the wrong supplier code subsequently amended, and the other was due to the Falkirk Community Trust closing its bank account so payment was made to Falkirk Council. No money was incorrectly paid.

[Procurement - payroll to Companies House \(Director\)](#). This is to identify potentially undeclared interests that have given a pecuniary advantage. The 3 matches were investigated and no issues found.

5. Resource Implications (Financial, People, Estates and Communications)

Other than staff time, there are no direct financial implications of this paper. No instances of financial fraud were discovered, and no errors were identified during the investigation process.

6. Equalities

An equalities assessment is not applicable given the nature of this report.

7. Communities and Partners

As this is a finance report it does not involve stakeholder groups.

8. Risk and Impact

	Likelihood	Impact
Very High (5)		
High (4)		
Medium (3)		
Low (2)	x	x
Very Low (1)		

Total Risk Score – 4

BoM Risk Categories & Risk Appetite (Select one area only)					
Cautious <15		Open 15> <20		Eager >20	
Governance		Strategy		People	
Legal		Financial	x	Project/Programme	
Property		Reputational			
		Technology			

Is the score above the Board Risk Appetite level? No

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

Risk Owner – Alison Stewart

Paper Author – Senga McKerr

Action Owner – Senga McKerr

SMT Owner – Alison Stewart