



Zoom – 4.30pm

AGENDA

1. Declarations of interest
2. Apologies

FOR APPROVAL

3. Minutes of meeting of 21 November 2023

(Elements of Paper 3 are withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)
4. Matters Arising

4.1 A/23/027 Cyber Security Landscape
5. Fraud Prevention Policy Alison Stewart
6. External Audit Plan Mazars

(Paper 6 is withheld from publication on the Forth Valley College website under Section 33 Commercial Interests and the Economy of the Freedom of Information (Scotland) Act 2002.)
7. Policy Updates/Approvals

7.1 Copyright Policy Rob McDermott

FOR DISCUSSION

8. Presentation of Internal Audit Reports Wylie Bissett

8.1 Strategic Planning
8.2 Overall Financial Controls
8.3 Estates Management - Maintenance
9. Quarterly Update on Cyber Security Landscape Graeme Robertson
10. SQA Systems Verification and Action Plan Rob McDermott
11. Review of Fuel Change Lessons Learned Action Plan Alison Stewart

(Paper 11 is withheld from publication on the Forth Valley College website under Section 36 Confidentiality of the Freedom of Information (Scotland) Act 2002.)



Agenda

16 May 2024
AUDIT COMMITTEE

- | | | |
|-----|--|----------------|
| 12. | Progress Report on Audit Recommendations | Stephen Jarvie |
| 13. | Risk Management | Alison Stewart |
| 14. | Review of Risk | |
| 15. | Any other competent business | |

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3. Minutes of Meeting of 21 November 2023 For Approval

16 May 2024
AUDIT COMMITTEE

Steeple Suite 5pm

Present: Lorna Dougall (Chair)
Hazel Burt
Rhona Geisler
Kat Graham
Alistair McKean

In Attendance: Kenny MacInnes, Principal
Alison Stewart, Vice Principal Finance and Corporate Affairs (VPFACA)
Michael Speight, Mazars (via Teams)
Ben Fowler, Mazars (via Teams)
Graham Gillespie, Wylie and Bisset
Stephen Jarvie, Corporate Governance and Planning Officer (CGPO)
Graeme Robertson, Head of Information Technology (HIT) for item A/23/027 only

A/23/017 Annual Report and Financial Statements 2022/23 (Joint item with Finance, Resource & Infrastructure Committee)

The DOF presented the annual report and financial statements for 2022/23 to members for endorsement for approval by the Board.

She highlighted that there were a couple of outstanding matters to be resolved and what these were.

She noted that, owing to the way the accounts are required to be presented, they can be a very technical document and confirmed to members that the overall position for the year was an adjusted operating deficit of £44k after voluntary severance payments of £443k.

She discussed the request from the external auditors for an adjusted opening land and buildings valuation and the impact of this.

She also highlighted the note in the accounts regarding the Fuel Change suspected fraud and confirmed additional details were to be added within the Governance Report.

Members welcomed that the College was able to maintain operational sustainability but noted the increase in staff turnover rates.

Members queried the statement that SFC had 'signed off on the adjusted operating deficit' given the accounts had not been presented to and therefore were not yet approved by the Board of Management. The DOF informed members that SFC had seen and agreed the calculations used to reach the presentation of the adjusted operating position.



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Members welcomed the positive cash generation position the College was in but queried if there was comfort with such small margins in the accounts. The VPFACA noted that the College cannot retain surpluses and aim for breaking even.

a) Members endorsed the accounts for submission to the Board of Management subject to the resolution of the outstanding matters with the external auditors.

A/23/018 Draft External Audit Annual Report to the Board of Management (Joint item with Finance, Resource & Infrastructure Committee)

Michael Speight, Partner, Mazars, the College's external auditor presented the draft external auditor report to members.

[REDACTED]

Following extensive discussion, it was agreed that Mazars would meet further with the VPFACA and DOF to discuss further.

a) Members noted the content of the report

A/23/019 Declarations of Interest

None

A/23/020 Apologies

None

A/23/021 Minutes of meeting of 7 September 2023

The minutes of the meeting of 7 September 2023 were approved.

A/23/022 Matters Arising

There were no matters arising however the Chair queried how actions intended to be reported at in future meetings were captured and followed up on. It was agreed that the CGPO would create an action tracker for the Committee to ensure matters were not missed.



3. Minutes of Meeting of 21 November 2023 For Approval

16 May 2024
AUDIT COMMITTEE

A/23/023 Chairs Report to the Board

The Chair presented the annual report of the Chair to the Board on the activities of the Committee and requested comment from members.

Members noted that the cover paper for the report was unnecessary for a report of this kind and the Principal agreed that a new format for presenting this type of report would be developed.

Members also noted an error in relation to the authorship of the paper and it was agreed to revise this.

a) Members approved the report subject to the amendments being made

A/23/024 Response to Mazars Letter to those charged with Governance

The Chair presented members with the draft response to the annual letter from the External Auditor to the Committee.

Members noted a couple of minor changes to the wording of the letter.

Members also noted the reference to a potential employment tribunal and asked if there was any update. The VPFACA provided members an update of the current position and noted a key upcoming date.

a) Members approved the letter

/23/025 College Data Policy

The VPIC presented an updated data policy for the College to members. He highlighted the key changes to the document to reflect the implementation of UK specific legislation and highlighted that training for staff would be updated once the policy was agreed.

Members queried if the College had retention periods for data and it was confirmed these are set at departmental level.

Member queried the response timescale for a breach that the College works to. The CGPO provided members with an overview of the process for assessment, and if necessary, reporting of breaches to both data subjects and the ombudsman.

a) Members approved the College Data Policy



3. Minutes of Meeting of 21 November 2023 For Approval

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AUDIT COMMITTEE

A/23/026 **Presentation of Internal Audit Reports**

Graham Gillespie presented three internal audit reports for members' consideration.

Credits Audit 2022/23

He highlighted that this related to the main funding for the College and confirmed that the College is in line with SFC guidance and that no recommendations had been made.

a) Members noted the content of the report

Student Support Funds 2022-23

He informed members that this had been a clean audit with no areas to highlight to members.

a) Members noted the content of the report

Educational Maintenance Allowance 2022-2023

He informed members that this had also been a clean audit with no areas to highlight to members.

a) Members noted the content of the report

A/23/027 **Cyber Security Landscape**

The HIT presented members with a report outlining the current cyber landscape for Colleges and Universities.

He confirmed that the College like the sector continues to be a target and noted a change in that the external threat had shifted from not only encryption of data for ransom but that data is also removed and sold on.

He noted an increase in targeting of Office365 accounts, mainly through phishing but that also fake Office365 authentication requests were becoming more prevalent.

He outlined the work done by the College to mitigate threats noting that it remained a balance between protection and disrupting services. He noted changes to software systems, increased security working with third parties and disaster recovery practice for the IT team.

Members welcomed the overview of the ongoing work.

Members discussed the risk associated with people rather than systems and discussed good password management and recommended considering ethical phishing.



3. Minutes of Meeting of 21 November 2023 For Approval

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AUDIT COMMITTEE

The HIT informed members that these issues would be looked at further.

- a) Members noted the content of the report

A/23/028 Progress Report on Audit Recommendations

The CGPO provided members with an update on the status of audit recommendations within the College. He highlighted that the number of recommendations were low and that no new issues identified with any of these.

- a) Members noted the content of the report

A/23/029 Risk Management

The VPFACA presented the strategic risk register to members.

She noted that there were three changes since the last meeting of the Committee and outlined what these were.

She also highlighted to members that, following discussion with the Chair, it was the intention to refresh the format of the risk register to make it more user friendly.

- a) Members noted the content of the report and the intention to review the register

A/23/030

[REDACTED]

A/23/031 Compliance Report

The CGPO presented a report outlining the College's performance in relation to complaints, data protection and freedom of information requests in 2022/23.

He discussed the handling of these requests and noted that there were no clear trends identified in area except an ongoing issue with email related potential data breaches. He outlined the reasons for these and confirmed that the College was piloting a new control measure which, if successful, would be implemented across the College to mitigate this risk to a degree.



3. Minutes of Meeting of 21 November 2023 For Approval

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Members queried in relation to complaints, whether there were still serial complainers contacting the College. The CGPO confirmed that there were some in the period covered and outlined how the College was handling these.

a) Members noted the content of the report

A/23/032 Review of Risk

Members noted that the potential for qualified accounts was a risk

A/23/033 Any Other Competent Business

None

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5. Fraud Prevention Policy For Approval

16 May 2024
AUDIT COMMITTEE

1. Purpose

To seek approval from members for a new Fraud Prevention Policy.

2. Recommendation

That members consider and approve the new Fraud Prevention Policy.

3. Background

During the Fuel Change investigation it was identified that the current Anti-Fraud and Corruption Policy had not been reviewed for some time. While it was fit for purpose it lacked detail in certain areas and it was agreed as part of the lessons learned action plan that the policy be reviewed.

4. Key Considerations

Rather than track changes to the original document and new policy has been developed. In developing this policy the Fraud section of the Scottish Public Finance Manual was reviewed and this forms the basis of the new policy.

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

There are no financial /estates implications. Once the policy is approved it will be communicated to all staff and Board Members and will be published on the College website.

More detailed awareness sessions will be held for LMT and the Finance team.

6. Equalities N/a

7. Communities and Partners - N/a

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



5. Fraud Prevention Policy For Approval

16 May 2024
AUDIT COMMITTEE

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

There is a risk that staff are unaware of their responsibilities in terms of reporting suspected fraud and that fraudulent activity goes undetected / unpunished. Having a policy in place and raising awareness of the policy will mitigate against this risk.

Is the score above the Board Risk Appetite level? No

Risk Owner – Kenny MacInnes

Action Owner – Alison Stewart

Paper Author – Alison Stewart

SMT Owner – Alison Stewart



Fraud Prevention Policy

Status:	
Date of version:	May 2024
Responsibility for policy:	Vice Principal Finance & Corporate Affairs
Responsibility for implementation:	Director of Finance
Responsibility for review:	Vice Principal Finance & Corporate Affairs
Date for review:	May 2027

1. Introduction

This Policy has been developed to minimise the risk of fraud within Forth Valley College.

Forth Valley College has a duty to ensure that it safeguards assets and the public money that it is responsible for.

The College expects the highest standards of conduct and integrity from all persons that have dealings with it, including staff, Board Members, contractors, volunteers, students and the general public.

The College is committed to the elimination of fraud, and to ensuring that all activities are conducted ethically, honestly and to the highest standards of openness and accountability so as to protect public safety and public money.

All suspicions or concerns of fraudulent or corrupt practice will be investigated. There will be no distinction made in an investigation and/or action between cases that generate financial benefits and those that do not.

2. Purpose

This policy is designed to protect the funds and assets of the College through the deterrence, detection and investigation of fraudulent and corrupt activity.

3. Definitions

Fraud – dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual.

Corruption - lack of integrity or honesty (especially susceptibility to bribery); use of a position of trust for dishonest gain.

For the purposes of clarity in this document, any reference to fraud may be read to also include corruption.

4. Related Polices

- Whistleblowing Policy
- Gifts and Hospitality Policy
- Complaints Policy
- Staff Disciplinary and Dismissal Policy and Procedure

5. Scope

This policy outlines the approach for the prevention, detection, reporting and handling of fraud. Forth Valley College has 5 objectives in our approach to countering fraud:

- **Awareness:** We will prevent fraud by raising awareness of fraud and its safeguards within the College.
- **Prevention:** We will prevent fraud through improving our systems and controls to support our services.
- **Teamwork:** We will prevent fraud by removing silos and working together across the public sector to share information and develop combined approaches to countering fraud.
- **Investigation:** We will handle fraud by being proactive in analysing data to identify areas at risk of fraud, by being effective and professional in our investigations of specific cases and by maintaining a robust whistle blowing procedure.
- **Enforcement:** We will handle fraud by being tough on fraudsters;
 - in relation to employees we will initiate an investigation where there is a suspected breach of this policy, which may lead to disciplinary action and which may result in a finding of gross misconduct, immediate dismissal and reporting to Police Scotland
 - in relation to external parties we will report our concerns to Police Scotland.

This policy applies to:

- All members of staff and members of the College Board of Management;
- All geographical locations and all College functions/services; and
- All third parties, including subsidiaries, agency workers, consultants, suppliers, contractors and overseas agents.

6. Culture

Forth Valley College has a zero tolerance approach to fraud: there is no acceptable level of fraud. There is a role for all members of staff in establishing an effective counter fraud culture by engaging and being alert to the risk of external and internal fraud; identifying suspicious activities and control weaknesses; and reporting any suspicions quickly and appropriately.

Our approach to counter fraud aims to ensure that this zero tolerance culture is maintained and that fraud is effectively managed at all levels of service delivery as follows:

- Committing to clear ethical standards through a formal counter fraud policy.
- Communicating our attitude to fraud by raising awareness of our counter fraud policy to all staff.
- Supporting staff in their responsibilities in preventing and detecting fraud through guidance and training.
- Providing managers with support in designing, operating and reviewing internal controls.
- Maintaining comprehensive procedures for preventing and detecting fraud that must be carefully followed and monitored.
- Protecting members of staff through a confidential process for reporting suspicions of fraud.

- Responding to fraud effectively through a comprehensive Fraud Response Plan.
- Using data and technology from the college systems to combat fraud.
- Sharing knowledge of vulnerabilities and lessons learned through strong communication channels.

7. Leadership

Key determinants of the standards of behaviour in organisations are the standards observed by senior managers, and how these senior managers promote and enforce the organisation's internal policies.

The College's Board of Management and senior managers must therefore ensure that their behaviour is always of the highest standard. The Board will, therefore, produce and disseminate clear policies on:

- Code of conduct;
- Registration and declaration of interests;
- Accepting hospitality and gifts;
- Prosecution of perpetrators of fraud.

Police Scotland advises that prosecution is a particularly effective deterrent because of the risk of a custodial sentence and a criminal record. However, the threat of prosecution only deters if the threat is real. Therefore, each and every fraud case arising should normally be referred to Police Scotland, irrespective of the status of the individual. The decision to involve the police shall be taken by a member of the College's Senior Management Team, Chairperson of the Audit Committee or the Board of Management.

8. Prevention

8.1 System of Control

Appropriate preventive and detective controls should be put in place to counter the risk of fraud. Procedures set up to prevent and detect fraud must be proportional to the risk involved and be carefully followed and monitored.

- **Preventive controls** are designed to limit the possibility of a fraud occurring e.g. separation of duties.
- **Detective controls** are designed to spot errors, omissions and fraud after the event e.g. supervisory checks and reconciliations. Support for managers in establishing appropriate controls is provided by the appropriate finance staff and internal audit.

Managers with responsibility for awarding contracts, making payments, and other financial transactions must ensure they have clear control procedures. It is important that:

There is adequate separation of duties and proper authorisation processes for payments;

- Staff dealing with these procedures are familiar with them;
- Accounting and other records, such as cash balances, bank balances, physical stock counts, are reconciled with the actual position;

- Staff who are bankrupt or insolvent are not employed on duties which might permit the misappropriation of funds.

8.2 Separation of Duties

The risk of fraud can be reduced by ensuring proper separation of duties so that, for example, more than one person has to be involved in ordering, receiving and authorising payments for goods or services.

The separation of key functions forms an integral part of systems control and is essential to minimise the potential scope for irregularity by staff acting on their own. The need for proper separation of duties applies as much to income generation processes as it does to procurement procedures.

Without adequate separation of duties, the effectiveness of other control measures is undermined. Where resources are limited and separation of duties is not possible, alternative management controls – such as supervisory checking must be employed.

9 Responsibilities

9.2 Lines of Responsibility

The Senior Management Team and the Leadership Management Team have functional responsibility for ensuring that fraud and corruption are prevented, and any suspected or known occurrence is immediately reported to the Vice Principal of Finance & Corporate Affairs. The Vice Principal of Finance & Corporate Affairs has overall responsibility for the College's Anti-Fraud & Corruption Policy.

The Director of Finance is responsible for the consistent application of the policy.

9.3 Responsibilities of Board Members

As nominated representatives, all members of the College Board have a duty to protect the College and public money from any acts of fraud and/or corruption. This is achieved through existing practice, compliance with the Code of Conduct for Members, the College's Constitution including Financial Regulations and Policies and relevant legislation. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. The Board Secretary advises members of new legislative or procedural requirements.

9.4 Responsibilities of the Senior Management Team

The Senior Management Team are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their staff members are aware of the College's policies and procedures, the College's Financial Regulations and Standing Orders and that the requirements of each are being met.

The Senior Management Team are expected to create an environment in which their staff are able to approach them with any concerns they may have about suspected irregularities. Special

arrangements may be applied from time to time, for example, where employees are responsible for cash handling, which should be supported by relevant training, and internal control checks.

The College recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as much as possible, the honesty and integrity of all potential employees. As in other public bodies checks are undertaken for employees working with, or who may have, contact with children or vulnerable adults.

9.5 Responsibilities of the Vice Principal Finance & Corporate Affairs

All suspected instances of fraud or corruption should be reported to the Vice Principal of Finance & Corporate Affairs.

The responsibilities of the Vice Principal of Finance & Corporate Affairs include:

- Making arrangements for the proper administration of the College's financial affairs and shall have the responsibility for the administration of those affairs.
- 'Proper administration' of those affairs encompasses all aspects of College financial management including:
 - Compliance with the statutory requirements for accounting and internal audit;
 - Managing the financial affairs of the College;
 - The proper exercise of a wide range of delegated powers, both formal and informal, as shown in the College's Financial Regulations and specific policies.

Should the suspicions relate to the Vice Principal Finance & Corporate Affairs this should be raised directly with the Principal or in case with of the Principal, with the Chair of the Board of Management.

9.6 Responsibilities of Employees

Each employee is governed in their work by the College's Financial Regulations, and other College policies. Included in the College policies are guidelines on gifts and hospitality, and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the College. In addition, employees are responsible for ensuring that they follow any instructions given to them, particularly in relation to the safekeeping of the assets of the College. Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

9.7 Role of Internal Audit

Internal audit plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption, in accordance with agreed procedures/requirements. Internal auditors are empowered to:

- Have access at all reasonable times to any College premises or land.
- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary.
- Have access to records belonging to third parties, such as contractors, if required.

- Require and receive such explanations as are regarded necessary concerning any matter under investigation.
- Require any employee of the College to account for cash, stores or any other College property under their control or possession.

Internal auditors liaise with senior management to recommend changes in procedures to reduce risks and prevent losses to the College. They also have direct access to the Chairs of both the Audit Committee and Board.

9.8 Role of Audit Scotland and External Audit

Independent external audit is an essential safeguard of the stewardship of public money. This is currently overseen by Audit Scotland through specific powers in appointing the College's external auditors. The external auditor's reviews are designed to test (amongst other things) the adequacy of the College's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their attention.

9.9 Role of Students and Public

This policy, although primarily aimed at those within, or associated with, the College, enables concerns raised by college students and the wider public to be investigated, as appropriate, by a relevant College staff member.

9.10 Conflicts of Interest

Board members and employees must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with outsourcing of services, procurement tendering, planning and daily transactions etc. Effective role separation and internal controls will ensure that decisions taken are impartial and avoid questions about improper disclosure of confidential information.

10 Identification and Reporting

External and internal fraud is not always easy to identify. Often suspicion may be raised but it is not acted on and reported. Fraud is often committed where there is:

- **Opportunity** to commit fraud. This is where internal controls are weak and access to assets and information allows fraud to occur.
- **Rationalisation** that justifies fraudulent behaviour, which can be for a variety of reasons. Forth Valley College has a zero tolerance approach to fraud.
- **Motivation** or a need for committing fraud. This can be for financial reasons or other motivating factors.

Managers and staff must always be alert to the risk of fraud, theft and corruption. Danger signs of external fraud include:

- Photocopies of documents when originals would be expected;

- Discrepancies in information e.g. signatures and dates;
- Unexpected queries from stakeholders or suppliers e.g. bank account detail changes;
- Requests for non-standard types of payment;
- Unexpected trends or results e.g. from reconciliations.

Danger signs of internal fraud include:

- Evidence of excessive spending by staff in cash/contract work;
- Inappropriate relationships with suppliers;
- Reluctance of staff to take annual leave;
- Undue possessiveness of, or anomalies between, work records;
- Pressure from colleagues to avoid normal control procedures;
- Abnormal Travel and Subsistence claims, overtime or Flexible Working Hours patterns.

The danger signs highlighted in this policy are not exhaustive and any indication of fraudulent activity should be reported. Managers and staff must always be alert to the risk of fraud, theft, bribery and corruption.

Staff should report any suspicions either to their line managers or the Vice Principal Finance & Corporate Affairs or in their absence another member of the Senior Management Team.

11 Initial Action

11.2 Audit Committee

Once a concern has been raised to the Vice Principal of Finance & Corporate Affairs he/she must then liaise with the appropriate line manager.

When suspected fraud is identified by the College's internal auditors during the course of their regular work programme, the Audit Manager will bring this to the attention of the Vice Principal of Finance & Corporate Affairs.

When an allegation of fraud arises, the Vice Principal of Finance & Corporate Affairs will consult with the Principal and the Chair of the Audit Committee to determine the course of action to be taken.

The Chair of the Audit Committee will inform the Chair of the Board of Management of all instances of fraud, and detail the investigative action to be taken in line with the **Fraud Response Plan (Appendix 1)**.

11.3 Investigation

Following notification of suspected fraud, and after consultation with the Chair of the Audit Committee, the Vice Principal of Finance & Corporate Affairs or the Principal will commence a full investigation into the allegations.

In the interests of a full investigation, the Vice Principal of Finance & Corporate Affairs or Principal will assign the relevant SMT member to oversee the immediate and safe collection of all relevant data, documents and computer records. This information will form the basis of the investigation.

If a suspected culprit is aware that an investigation is in progress, they may try to frustrate disciplinary or legal action by destroying or removing evidence. The Fraud Response Plan shall cater for the immediate suspension, with pay, of personnel under suspicion. Suspects should be given as little notice as possible so that they have no opportunity to destroy or remove property.

As a general rule, either the College's internal or external auditors will be asked to assist in the investigation and submit a report on their findings to the Audit Committee. In the event of a lengthy investigation process, interim reports will be submitted to the Audit Committee.

When, in the opinion of the Chair of the Audit Committee and the Vice Principal of Finance & Corporate Affairs or Principal, there is sufficient evidence to suggest that a crime may have been committed, Police Scotland shall be notified immediately. The College will seek Police Scotland advice on how best to proceed with the investigation in a manner that will not impair any future Police enquiry.

The Vice Principal of Finance & Corporate Affairs or Principal will be responsible for referring suspected fraud to Police Scotland and will nominate a main point of contact between the College and the Police Scotland.

Appendix 1 - FRAUD RESPONSE PLAN

1. Purpose

The purpose of this plan is to define authority levels, responsibilities for action, and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the College to:

- Prevent further loss;
- Establish and secure evidence necessary for criminal and disciplinary action;
- Notify the Scottish Funding Council, if the circumstances are covered by the mandatory requirements of the Audit Code of Practice;
- Recover losses;
- Punish the culprits;
- Deal with requests for references for employees disciplined or prosecuted for fraud;
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud;
- Keep all personnel with a need to know suitably informed about the incident and the institution's response;
- Inform the police and establish lines of communication;
- Assign responsibility for investigating the incident;
- Establish circumstances in which external specialists should be involved; and
- Notifying the Office of the Scottish Charity Regulator (OSCR)

2. Initiating Action

All actual or suspected incidents should be reported without delay to the Vice Principal of Finance & Corporate Affairs or in his/her absence another member of the Senior Management Team (SMT). If the allegations are against a member of the SMT, then the Chair of the Board or the Chair of the Audit Committee should be contacted.

The Vice Principal Finance & Corporate Affairs (or other appropriate person) shall, normally within 24 hours, meet with the Principal to decide on the initial response, and on the action to be taken. This will normally be an investigation, led by the internal auditor. Where necessary legal advice will also be sought.

The decision to initiate a special investigation shall constitute authority to the internal auditor to use time provided within the internal audit plan for special investigations, or contingency time, or to switch internal audit resources from planned audits.

The College's external auditors should be informed of the suspected fraud and kept apprised of the work of the above.

3. Prevention of Further Loss

Where the initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the Vice Principal Finance & Corporate Affairs will consider how to prevent further loss. This may require the suspension, with pay, of the suspects. It may be necessary to plan the timing of suspension to prevent the destruction or removal of evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect(s) should be approached unannounced. They should be supervised at all times before leaving the College's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the College. Any keys to premises, offices and furniture should be returned to the College.

The Head of IT and Head of Estates should be asked to advise on the best means of denying access to the College and its ICT systems, while suspects remain suspended (for example by changing locks and informing facilities staff not to admit the individuals to any part of the premises).

The internal auditor shall consider whether it is necessary to investigate systems other than those which have given rise to suspicion, through which the suspect may have had opportunities to misappropriate College assets.

4. Establishing the Facts and Securing Evidence

A major objective in any fraud investigation will be to establish the facts and facilitate appropriate disciplinary action as well as to act as a deterrent to other potential perpetrators. The College will instigate the disciplinary investigation procedures on any member of staff who is alleged to have committed fraud. The College will normally pursue the prosecution of any such individual.

The Vice Principal Finance & Corporate Services in conjunction with the internal auditor will:

- Ensure that evidence requirements will be met during any fraud investigation;
- Establish and maintain contact with Police Scotland; and
- Ensure that members of staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

5. Notifying the Scottish Funding Council (SFC)

The circumstances in which the College must inform the SFC, about actual or suspected frauds are detailed in the Audit Code of Practice.

6. Recovery of Losses

Recovering losses is a major objective of any fraud investigation. The internal auditor shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the Courts, pending conclusion of the investigation. Legal advice should also be obtained about the prospects for recovering losses through the Civil Court, where the perpetrator refuses to make repayments. The College would normally expect to recover costs in addition to losses.

7. Responsibility for Investigation

The internal auditor shall normally lead all fraud investigations. Management shall not normally undertake fraud investigations, although management should co-operate with requests for assistance from internal audit.

Some special investigations may require the use of technical expertise, which the internal auditor does not possess. In these circumstances, the Vice Principal Finance & Corporate Affairs may approve the appointment of external specialists to lead or contribute to the special investigation.

8. Reporting to the Board of Management

Any variation from the approved Fraud Response Plan, together with reasons for the variation, shall be reported promptly to the Chairs of both the Board and the Audit Committee.

On completion of a fraud investigation, a written report shall be submitted to the Audit Committee.

If fraud has been established, then the report shall contain:

- A description of the incident, the people involved, and the means of perpetrating the fraud;
- The measures taken to prevent a recurrence;
- Quantification of losses;
- Progress with recovery action;
- Progress with disciplinary action, if already initiated;
- Progress with criminal action, if already initiated;
- Actions taken to prevent and detect similar incidents.

The internal auditor will normally prepare this report

9. References for Employees Disciplined or Prosecuted for Fraud

The College's Policy on the Provision of Employee References shall include a requirement that any request for a reference for a member of staff who has been disciplined or prosecuted for fraud shall be referred to the Vice Principal Finance & Corporate Affairs.



MAKING
LEARNING
WORK

Copyright Policy

Status	Draft
Date of Version	April 2024
Responsibility for Contents	Vice Principal Learning and Student Experience
Responsibility for Review	Vice Principal Learning and Student Experience
Impact Assessment Review Date	April 2024
Review Date	August 2027
Primary Contact	Head of Learning and Quality

1 General Policy Statement

- 1.1 Forth Valley College (the College) respects the copyright of those who create and distribute material for teaching, learning, marketing and advertising purposes. Such materials comprise original literary, dramatic, music, and artistic works; sound recordings, broadcasts, film, computer software and databases. Publishers also have copyright in the typographical arrangement of their published editions.
- 1.2 This Policy, and related guidance documents, applies to all College staff, both full-time and part-time, all students currently enrolled at the College and all contractors such as Associate Assessors and Trainers, photographers and designers.
- 1.3 This Policy applies to all third-party materials as listed in 1.1 irrespective of whether they are in print or digital format and irrespective of which method of delivery is used for their reference or distribution. Such methods include the Internet, the College Intranet, The College Virtual Learning Environment (VLE) and other devices such as personal computers, laptops, tablets and mobile (smart) phones.
- 1.4 Staff, students and contractors of the College will not create, distribute, store or make available to the public any unauthorized or unlicensed copies of copyright material by means of the College's systems, equipment or storage media. Such systems include the internet, the College's VLE and the College's internal computer system.
- 1.5 Staff, students and contractors of the College will not assist with or participate in any known infringement of third-party copyright materials by means of a peer-to-peer network using the College's systems, hardware or storage media.
- 1.6 Infringement of unauthorised and/or unlicensed third-party material includes upload, storage or making available to the public of those materials by using the College's systems, equipment or storage media. To avoid any doubt, this clause also includes licensed computer software.

2 Respect for Copyright

The College, in setting out this Policy, states that:

- 2.1 The College is fully committed to the principle of copyright protection for content produced by creators, rights holders and their representatives.
- 2.2 The College will take all appropriate measures to ensure that staff, students and contractors comply with all appropriate and relevant copyright legislation and copyright licences held by the College
- 2.3 The College recognises that legal and moral rights attach to materials created and licensed by third parties.
- 2.4 The College recognises that creators and licensors are entitled to reasonable protection of their rights.
- 2.5 The College recognises that creators and licensors may be entitled to reasonable payment for the use of their rights by College staff, students and contractors in the creation of materials for teaching, learning, marketing and advertising purposes.

- 2.6 The College will keep College staff, students and contractors informed of all aspects of relevant copyright laws and of all licensing agreements to which the College subscribes.
- 2.7 The College recognises that any infringement of third-party copyright content by staff, students or contractors may expose The College, as a corporate body, and the individual, to legal action, claims for damages and loss of reputation.
- 2.8 The College recognises The Copyright Designs and Patents Act of 1988 (as amended) (the 1988 Act) as the principal legislation applying to copyright in the United Kingdom. It is noted that copyright legislation is not a devolved responsibility.
- 2.9 The College recognises the terms and conditions of the licensing agencies with which it contracts. These agencies are mandated by creators to licence their rights for copying, scanning and any other appropriate use of the content that is covered by the licences.

(See Appendix 1 of this document for the list of licensing agencies)

3 Responsibilities

3.1 College Management

- 3.1.1 College managers will maintain their own knowledge of copyright legislation and licensing as they relate to their areas of responsibility, and will provide, or arrange for appropriate training and CPD for staff in relation to copyright law, copyright licensing and best practice when using third party content.
- 3.1.2 College managers are responsible for raising and maintain awareness of relevant copyright information with their staff.
- 3.1.3 College managers will ensure that students are made aware of the College's Copyright Policy as part of the student induction process.
- 3.1.4 College managers will ensure that new members of staff are made aware of the College's Copyright Policy as part of the staff induction process.
- 3.1.5 College managers will ensure that all relevant contractors, consultants and advisors are made aware of the College's Copyright Policy as part of the procurement and appointment process before any work is created in partnership with these third parties. Please also refer to sections 4.3 and 4.4 of this Policy.
- 3.1.6 College managers will ensure that the College Copyright Policy and all associated guidance notes are kept current and notified to staff, students and contractors by appropriate communications such as postings on the College intranet and by appropriate messaging systems.
- 3.1.7 The Head of Learning and Quality will have responsibility for the maintenance of the College Copyright Policy.
- 3.1.8 College managers will ensure that all necessary support will be given to enable staff to comply with the copyright rules and regulations that affect their areas of responsibility.

3.2 Members of staff and contractors

- 3.2.1 Individual members of staff and contractors will take responsibility, in association with College managers, to keep current their own copyright and licensing knowledge, as these affect their work.
- 3.2.2 Individual members of staff and contractors will take responsibility for complying with relevant copyright legislation and licences.
- 3.2.3 It is the responsibility of all staff and contractors to ensure that any third-party material they wish to copy, scan, upload or distribute either internally or externally, has been cleared by licence, permission from the rights holder, or is subject to an exception as indicated by the 1988 Act.
- 3.2.4 Staff and contractors will take responsibility for their own copyright actions. They are not permitted to delegate this responsibility to a colleague without either the colleague's written consent or understanding.

3.3 Students

- 3.3.1 Students, in association with their lecturers, will take responsibility for their use in their work of materials that are subject to copyright.
- 3.3.2 Students will work within the scope of the guidance attached to this policy and will also work within the legislative and licence regulations that affect the College.

4 Ownership of Copyright

4.1 Staff

- 4.1.1 Unless there is a written agreement to the contrary, and which is preferably agreed prior to commencement of the creation of an original work, all copyright in materials created by a member of staff in the course of their work, will belong to the College.
- 4.1.2 Unless there is a written agreement to the contrary, members of staff may not assign or licence the copyright of any work they, or their colleagues have created in the course of their employment at The College, to a third party without the express consent of the College's permission must be requested by sending a request to centre.coordinator@forthvalley.ac.uk.

4.2 Students

- 4.2.1 Unless there is a written agreement to the contrary, the copyright of all original works created by students in the course of their studies, while attending the College, will belong to the student.
- 4.2.2 If the College wishes to use original works created by students during the course of their studies – photographs, designs, film, broadcasts, choreographed pieces, sound recordings etc for the purposes of promotion, exemplar, advertising etc, then the College must seek the student's permission and enter into an agreement with the student for the use of the works.
- 4.2.3 If the College employs a student on a work contract, then the terms and conditions of an employment contract with the College will apply to the learner in regard to the College copyright policy.

4.3 Contractors

4.3.1 The College will ensure that all agreements entered into with contractors who are not employees or students of the College, contain relevant and appropriate terms and conditions relating to the ownership and exploitation of any copyright created by original works that are produced in the course of the contract.

4.4 Joint Authorship

4.4.1 The College will ensure that all agreements entered into with other third parties such as educational establishments, private companies, local authorities and voluntary organisations, for the creation of content such as teaching and learning materials or promotional items contain relevant and appropriate terms and conditions relating to the ownership and exploitation of any copyright created by original works which are produced in the course of the agreement.

5 Compliance

- 5.1** Any activities or materials that do not comply with the terms of this policy are subject to immediate removal, termination and/or forfeiture.
- 5.2** Staff or students who purposely do not comply with this policy may be subject to disciplinary action relevant to the circumstances of the infringement. Such disciplinary action may include suspension or dismissal.
- 5.3** Contractors who are found to have purposely failed to comply with this policy may be subject to immediate suspension of the contract pending an enquiry into the non-compliance.

Appendix 1 – List of Copyright Licences

Copyright Licensing Agency (CLA)

Educational Recording Agency (ERA)

NLA Media Access

PRS for Music

Phonographic Performance Licence (PPL)

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Forth Valley College

Internal Audit 2023-24

Strategic Planning
February 2024

Overall Conclusion

Weak

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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Forth Valley College's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

We undertook a review of the strategic planning arrangements in place with consideration of compliance with regulatory guidance. We also looked to ensure that the Board of Management were fully involved in the development of the Strategic Plan. We also reviewed the methods in place to monitor the progress of the Strategic Plan and the reporting arrangements in place to ensure that the Board of Management received regular updates.

This review formed part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review were to ensure:

- The College has robust planning processes in place to develop the Strategic Plan.
- The College regularly reviews and monitors the Strategic Plan.
- The Board of Management were fully involved in the development of the Strategic Plan and receive regular updates on the progress of the Plan.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation in scope.

Background

Organisations set out their aim and long-term direction through the publication of a Strategic Plan. Within a Strategic Plan will be strategic objectives which state what their intentions are for the duration of the plan.

Strategic Plan 2022-2025

The College's Strategic Plan covers the period 2022-2025 and contains the following four strategic objectives:

- Leading on the economic recovery.
- Delivering a successful student journey.
- Driving a sustainable future.
- Creating a thriving College community.

Under each of the objectives, the College has listed ways it will act to deliver on the overall objectives. The Strategic Plan states the College's four values which influence the creation of the chosen objectives, these being:

- Respectful – fully inclusive.
- Innovative – aspirational, empowering and encouraging.
- Trusted – genuine and transparent.
- Excellent – strive to be the best in everything they do.

Operational Plans

To support the delivery of the four strategic objectives, the College has created operational plans which measure the success of each of the objectives underpinning actions. The operational plans following the following format:

- Strategic objective.
- Operational objective.
- Timeline.

1 EXECUTIVE SUMMARY

- Performance indicator.
- SMT lead.
- Quarterly updates.

Our review found that the College did not refresh the annual plan for 2023/24 and instead rolled forward the 2022/23 plan. This was due to the College identifying that some of their operational objectives were difficult to measure and that it was better to roll forward the most recent objectives before eventually reviewing and updating the objectives.

Planning process

The current Strategic Plan was subject to consultation with various stakeholders to gauge opinions and ideas prior to its release. The planning process for the current plan was:

- Board of Management strategic sessions.
- Board of Management sessions with the College's Management.
- Feedback gathered from internal and external stakeholders.
- The initial draft was created by the Principal and Chief Executive and the Corporate Governance and Planning Officer.
- We interviewed staff and found the College did not retain a significant amount of documentation relating to the planning process.

Involvement of the Board of Management

The Board of Management were involved in the planning of the current Strategic Plan prior to its launch in 2022, however we cannot fully confirm their involvement as the planning process was not fully documented. The Board of Management attended sessions, were consulted on the development of the plan at their Board of Management meetings as well as being provided with a presentation on the new plan in November 2021 prior to attending a workshop. The presentation covered the following areas:

1 EXECUTIVE SUMMARY

- The previous Strategic Plan (2017-2022).
- Commentary at a high level stating what is wanted from a new strategy.
- Sustainable development goals.
- The College's purpose and values.
- The four Strategic Objectives.
- The underpinning actions to each strategic objective.

Work Undertaken

Our work undertaken for this review included the following:

Objective 1: The College has robust planning processes in place to develop the Strategic Plan.

- We reviewed the College's Strategic Plan to confirm there is an up-to-date plan in place that is accessible to all its stakeholders via its website.
- We reviewed the strategic objectives within the Strategic Plan and confirmed the underpinning actions were not created using the SMART format. **Please refer to Section 3 – Detailed Recommendations for information.**
- We discussed with staff and confirmed that the planning process for the current strategy was not fully documented. **Please refer to Section 3 – Detailed Recommendations for information.**

Objective 2: The College regularly reviews and monitors the Strategic Plan.

- We reviewed the Strategic Plan and the Operational Plan and confirmed that the Operational Plan had not been subject to an annual refresh, and it was identified that it contained a number of objectives that were unmeasurable. **Please refer to Section 3 – Detailed Recommendations for information.**
- We discussed with staff and confirmed that the College does not know its current progress against its strategic objectives. **Please refer to Section 3 – Detailed Recommendations for information.**

Objective 3: The Board of Management were fully involved in the development of the Strategic Plan and receive regular updates on the progress of the Plan.

- We reviewed documentation relating to the planning process and discussed with staff, to confirm that the Board of Management were involved in the development of the Strategy. As the planning process was not fully documented we could not confirm their full involvement.
- We reviewed a sample of minutes from four Board of Management meetings: 8th December 2022, 23rd February 2023, 28th April 2023 and 22nd June 2023 and confirmed that the Board of Management are not provided with consistent updates. **Please refer to Section 3 – Detailed Recommendations for information.**

Conclusion

Overall conclusion

Overall Conclusion: Weak

Following our review, we can provide a weak level of assurance surrounding the strategic planning arrangements in place. We have identified 1 high grade recommendation and 1 medium grade recommendation for improvement.

The current progress of the Strategic Plan is not formally documented and as such it is difficult to assess progress against the plan. The planning of the Strategic Plan was not fully documented and therefore it was not known if all key stakeholders were fully consulted in its development.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Strategic Planning	1	1	0	2

The following is a summary of the recommendations we have graded as high

- Progress against the Strategic Plan

1 EXECUTIVE SUMMARY

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

- | | |
|----|--|
| 1. | The College's Strategic Plan is accessible to all its stakeholders as its located under the policy section of its website. |
|----|--|

2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Strategic Planning

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar colleges	0	0	2	2
Number of recommendations at Forth Valley College	1	1	0	2

From the table above it can be seen that the College has a similar number of recommendations compared to those colleges it has been benchmarked against.

3 DETAILED RECOMMENDATIONS

Progress against the Strategic Plan			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>An organisation should report on its progress against the strategic objectives set out within its Strategic Plan. This should be done by assessing the progress of the objectives underpinning the Strategic Plan.</p> <p>Our review found that the College is unable to assess whether it is meeting its strategic objectives, and Strategic Plan, as several of the College`s objectives are not measurable to enable consistent reporting on progress.</p> <p>There is a risk that without assessing its progress, the College may be severely underperforming against its objectives without understanding its position, which could lead to it not delivering on its long-term objectives.</p>	High	<p>We recommend the College uses SMART objectives to enable monitoring, and that the progress against these objectives is regularly reported to the Board of Management. This will require that each measure is:</p> <p>S – Specific M- Measurable A – Achievable R – Realistic T – Timely.</p>

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>The College acknowledges that the current Strategic and Operational plans not having measurable objectives is a weakness. While there is significant reporting at Board and Committee levels on progress against key metrics, we acknowledge that this information is not easily attributable to the Strategic Plan objectives.</p> <p>The Principal and Senior Management Team are currently planning a new Strategic Plan and corresponding Operational objectives, involving significant internal and external shareholder consultation, and commit to developing plan objectives that are, wherever possible, quantitative. A Strategic Plan dashboard showing progress of Board approved metrics will be presented as a standing item at all Board meetings from academic year 24/25.</p>	<p><i>Responsible Officer: Principal</i></p> <p><i>Implementation Date: August 2024</i></p>

3 DETAILED RECOMMENDATIONS

Strategic Planning process.			
Ref.	Finding and Risk	Grade	Recommendation
2.	<p>There should be an agreed planning process for the creation of a new Strategic Plan to ensure that it has been developed through consultations with the organisations Board, Senior Management, its staff members, and other key stakeholders.</p> <p>The Strategic Plan 2022-2025 followed a planning process that involved consulting with the Board of Management and other key stakeholders. Our review found the planning process was not documented and that no exercise took place to identify all key stakeholders and the required consultation with said stakeholders.</p> <p>There is a risk that without retaining documentation relating to the planning process, lessons learned cannot be documented, resulting in future Strategic Plans potentially not being as valuable to the College.</p>	Medium	<p>We recommend that the College documents the strategic planning process including: key steps, stakeholder engagement and other key areas. Documentation gathered in the planning process should be retained.</p>

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>The College will ensure the planning process, stakeholder consultation and Board of Management involvement is codified in a comprehensive procedure and that appropriate records are maintained.</p>	<p><i>Responsible Officer: Principal</i></p> <p><i>Implementation Date: April 2024</i></p>

4 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	15 January 2024
Closing meeting	19 January 2024
Draft report issued	2 February 2024
Receipt of management responses	13 February 2024
Final report issued	14 February 2024
Audit Committee	16 May 2024
Number of audit days	4

5 KEY PERSONNEL

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Director	Stephen Pringle	Director of Internal Audit	stephen.pringle@wyliebisset.com
Senior	Colin McNeill	Internal Audit Senior	colin.mcneill@wyliebisset.com

Forth Valley College			
Key Contact	Stephen Jarvie	Corporate Governance and Planning Officer	Stephen.Jarvie@forthvalley.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

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A GRADING STRUCTURE

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

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

A GRADING STRUCTURE

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

Grading	Classification
High	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	Significant issue or weakness which should be addressed by the College as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

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 of Management 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 of Management received regular updates.

This review forms part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review are to ensure:

- The College has robust planning processes in place to develop the Strategic Plan.
- The College regularly reviews and monitors the Strategic Plan.
- The Board of Management were fully involved in the development of the Strategic Plan and receive regular updates on the progress of the Plan.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation in scope.

Audit approach

Our approach to the review will be:

- A detailed review of the Strategic Plan.
- Discussions with key personnel to identify the processes involved in developing the Strategic Plan.
- A review of the processes involved in developing the Strategic Plan.
- A review of the monitoring arrangements in place for the Strategic Plan.
- An assessment of the objectives to ensure that these are appropriate and are embedded within the College.
- A review of how the College monitors progress against the Strategic Plan.
- Ensuring that the Plan is linked to the Budget of the College.
- An assessment of how the College measures achievement of its Strategies.
- An overall review of procedures and sample testing where appropriate.
- An assessment of how the College measures quality.

Potential key risks

The potential key risks associated with the area under review are:

- Planning processes are not robust.
- There is no monitoring of the Strategic Plan by the College.
- The Board of Management were not fully involved in the development of the Strategic Plan and do not receive regular updates on the progress of the Plan.

Forth Valley College

Internal Audit 2023-24

Overall Financial Controls
February 2024

Overall Conclusion

Strong

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Overview

Purpose of review

This review considered 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 review included a review of processes relating to purchasing, income, cash and banking, payroll and fixed assets.

This review formed part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review were to ensure:

- 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.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation of scope.

Background

Financial Regulations

The College has a robust set of Financial Regulations in place which outline the financial arrangements in place at the College and provide guidance to staff. The Financial Regulations were last fully reviewed and updated September 2022, with minor updates made in March and November of 2023.

Finance and Compliance Team

The Team of consists of the following members:

- Vice Principal Finance and Corporate Affairs
- Director of Finance
- Finance Manager
- Supply Chain Manager
- Systems and Management Accountant
- Pricing Manager
- Payroll and Pension Coordinator
- Senior Finance Assistant
- Finance Assistant
- Senior Student Funding Officer
- Pricing and Budget Officer

1 EXECUTIVE SUMMARY

College Finance Systems

The College uses the financial software InforSun with InforQ&A reporting software provided by a third-party. Feeding into InforSun is FIDO P2P, a purchase to payment system and d'EPM, budgeting software. Additionally, the team also use the Arlo commercial booking system and InforQ&A systems for commercial and reporting purposes.

Bank Reconciliations

The College's Finance Team undertake monthly bank reconciliations. The process is overseen by the College Finance Manager. Daily reconciliations are completed by the Finance Assistant so the College does not have any unreconciled items. The Finance Assistant prepares the month end reports, it is then reviewed and checked by the Finance Manager. During our review we sampled reconciliations from the months August – October. We have a raised a low recommendation. **Please see section 3: Detailed Recommendations.**

Purchases

Purchases made inside their department are the responsibility of the budget holders. Before an order may be completed, the College asks that a purchase order be raised. After that, every step of the process is recorded in the finance system to guarantee that all required invoices have been received before any payments are issued.

Fixed Assets

The Vice Principal of Finance and Corporate Affairs is responsible for maintaining Forth Valley College's register of land, buildings, fixed plant and machinery. Heads of Department are responsible for maintaining a record of assets within their area.

There is a delegated authority of approval. Purchase of an asset must have first gone through the purchase order process with the invoice being received prior to an item being capitalised. Approval by the correct individual must be given before the purchase can be purchased. Each Asset is given a unique reference number and is recorded within the IT Department within the College.

1 EXECUTIVE SUMMARY

Income

The College receives income from the Scottish Government via the Scottish Funding Council. On a monthly basis the Finance Manager will calculate the drawdown and prepare a detailed cash flow for the month and provide that to the Scottish Funding Council.

Credit Card

The College's Vice Principal of Finance and Corporate Affairs has the authority to assign credit cards. The cards' holders are required to use them solely for the purposes for which they were provided and to stay within their allotted spending limit.

If the finance team feels it is necessary, they have the authority to temporarily raise each person's spend limit. Our sample testing brought this to light. In order to show the finance staff how each transaction was broken down, credit card holders must fill out a transaction log and give them the receipts for their purchases. If a cardholder is not the budget holder, they must ask permission before making a purchase.

Within the College there are 10 credit card holders. The College has a £30,000 limit and the total limit utilised is £27,950.

Payroll

We analysed 3 months' worth of Payroll to ensure that it was appropriately approved and to ensure that the bank statements matched the approved BACS.

Petty Cash

There is a delegated level of approval depending on the price of the purchase. Head of departments are responsible for approving their own department if the purchase is below £100. They need to provide the Finance Team with a signed petty cash request or email approval if the form is not signed. Afterwards receipts must be passed to Finance to support the request.

1 EXECUTIVE SUMMARY

Management Reports

The Finance Team does provide the Leadership Management Team (LMT) with Finance reports monthly. All management account packs follow the same structure and contains a detailed income and expenditure report, balance sheet, and narrative discussions of variances and risk.

The new monthly Finance Update format contains a summary I&E, reconciliation to most recent forecast, details on staff costs and property maintenance costs, bank balance and reserves note, capital budget, student funding update, and procurement update.

1 EXECUTIVE SUMMARY

Work Undertaken

Objective 1: Efficient and effective procedures and controls are in place for key finance processes.

- We reviewed the College's Financial Regulations and Financial Procedures.
- We discussed with the College the systems used by the College for processing key finance activities and reviewed the use in practice through our samples testing.
- We completed walkthrough testing of the following areas to confirm that activities were being processed in line with the College's procedures:
 - Bank reconciliations;
 - Purchases;
 - Fixed Assets;
 - Payroll;
 - Petty Cash;
 - Other Income; and
 - Credit Cards.

We completed transaction testing surrounding the following areas:

- **Bank Reconciliations:** We reviewed the August 2023 to October 2023 reconciliations to ensure that balances matched bank statements and the College's finance system, that unreconciled items were appropriately accounted for and that reconciliations were approved in line with the College's procedures.
- **Purchases:** We reviewed a sample of 20 purchases from the period August 2023 - December 2023 to ensure that transactions were properly approved prior to being raised, are recorded correctly within the finance system and BACS was appropriately authorised.
- **Fixed Assets:** We reviewed a sample of 10 fixed asset additions for the financial year 2023/24 to ensure that assets were appropriately approved prior to purchase and that the purchase and payment of the Asset was processed in line with college procedures.

1 EXECUTIVE SUMMARY

- **Credit Cards:** We reviewed a sample of 10 credit card transactions from the period January 2023- December 2023 to confirm that Statements were appropriately checked, purchases were completed in line with the College's procedures and that purchases could be traced to the corresponding receipts.
- **Payroll:** We reviewed August – October 2023 Payroll to ensure that it was appropriate approved.
- **Petty Cash:** We reviewed a sample of 5 Petty cash transactions from January 2023 -December 2023 to confirm that the correct level of approval was given and could be traced back to the corresponding receipts.

Objective 2: Adequate segregation of duties are in place.

- We discussed the Finance Team roles and responsibilities with the College's Finance Manager.
- We reviewed the Finance & Compliance Team Structure to confirm that the finance within the College is managed by staff with relevant job roles.
- We reviewed a sample of the Finance & Compliance Team's Job Descriptions to ensure duties and responsibilities are clearly defined.
- We reviewed user access to the College's Finance System.
- We confirmed segregation of duties in practice during our walkthrough and transaction testing.

Objective 3: There is adequate management oversight of finance processes.

- We reviewed the January, September, and November 2023 management accounts from the College. All 3 reports were structured the same as well as containing the following content: a summary income and expenditure report, detailed income and expenditure report, balance sheet, and cash balance.

1 EXECUTIVE SUMMARY

Conclusion

Overall conclusion

Overall Conclusion: Strong

Following our review, we can provide the College with a strong level of assurance surrounding the controls in place to manage the College's key financial functions. We have raised several good practice points and 1 low grade recommendation for improvement.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Overall Financial Controls	0	0	1	1

As can be seen from the above table there were no recommendations made which we have given a grading of high.

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

1.	The Finance Team does provide the LMT with Finance reports monthly and all the reports are of the same structure and contain the same information.
2.	The College have a Finance & Compliance Team Structure in place. We completed a review of a sample of job descriptions and can confirm that duties and responsibilities are clearly outlined. We can also confirm that the Financial Regulations cover the roles and responsibilities for the financial affairs of the College.
3.	The College has a robust set of Financial Regulations which provides guidance on the overarching principles of the financial processes in place within the College as well as outlining the responsibilities of staff.
4.	During our screenshare testing we were able to confirm that the College's Finance Systems allows them to effectively process financial data.
5.	We completed walkthrough testing of the College's key financial functions and we were able to confirm that processes were effective and being followed in practice regarding bank reconciliations, purchases, fixed assets, income, payroll and credit cards.
6.	We completed a sample test of 20 purchases and can confirm that all samples were correctly authorised and matched the BACS.
7.	We sampled the payroll for August – September can confirm that were appropriately approved and matched the bank statements.

2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Overall Financial Controls

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	0	1	1
Number of recommendations at Forth Valley College	0	0	1	1

From the table above it can be seen that the College has a similar number of recommendations compared to those Colleges it has been benchmarked against.

3 DETAILED RECOMMENDATIONS

Bank Reconciliation			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>Organisations should conduct bank reconciliations should be conducted on a regular basis. Evidence of the members of staff who prepared and approved should be documented.</p> <p>Our review found that whilst the evidence of the preparer is retained, evidence showing the member of staff who approved the reconciliation is not documented.</p> <p>There is a risk that without documenting the members of staff who prepared and approved reconciliations there is no clear audit trail and evidence that this has been undertaken.</p>	Low	We recommend that evidence of who approved the bank reconciliations is documented and stored.

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>Prior to the pandemic lockdown we printed, signed and filed paper copies of all of the monthly balance sheet reconciliations. As we moved to a paperless office we accept that it is not formally documented that the bank reconciliations have been reviewed and approved by the Finance Manager. The Finance Manager will now reply to the Finance Assistant via email confirming approval and this email will be retained with the reconciliation documents.</p>	<p><i>Responsible Officer:</i> Director of Finance</p> <p><i>Implementation Date:</i> With immediate effect</p>

4 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	15 January 2024
Closing meeting	19 January 2024
Draft report issued	1 February 2024
Receipt of management responses	28 February 2024
Final report issued	29 February 2024
Audit Committee	19 March 2024
Number of audit days	5

5 KEY PERSONNEL

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Director	Stephen Pringle	Director of Internal Audit	stephen.pringle@wyliebisset.com
Senior Auditor	Colin McNeill	Internal Audit Senior	colin.mcneill@wyliebisset.com
Auditor	Susan Shaw	Internal Auditor	susan.shaw@wyliebisset.com

Forth Valley College			
Key Contact	Moira France	Finance Manager	Moira.france@forthvalley.ac.uk
Key Contact	Senga McKerr	Director of Finance	Senga.mckerr@forthvalley.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

A GRADING STRUCTURE

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

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

A GRADING STRUCTURE

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

Grading	Classification
High	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	Significant issue or weakness which should be addressed by the College as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

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.

This review forms part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review are to ensure:

- 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.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- Review the Financial Regulations in place within the College to confirm that these are complete, appropriately reviewed, and comply with

- regulatory requirements.
- Review the financial procedures to ensure that they are appropriate and in line with good practice.
- Conduct walk-through testing of key financial areas, these being: cash and bank; purchasing and payments; income; fixed assets; financial reporting.
- Sample testing key controls in place for the financial areas above to verify the effectiveness of each control.
- Review the level of integration of key systems to assess for level of efficiency.
- Review the segregation of duties in place and confirm that these cover all finance processes.
- Review the level of financial reporting in place and consider whether the reporting arrangements are robust.
- Review the month end process to confirm that there is a clear process in place which is being adhered to.
- Sample test month end reconciliations to ensure completeness and that these are appropriately reviewed.

Potential key risks

The potential key risks associated with the area under review are:

- Ineffective or inefficient procedures and controls may be in place for key finance processes.
- Inadequate segregation of duties may compromise the control environment in relation to key finance processes.
- Inadequate management oversight of financial processes compromises control effectiveness.

Forth Valley College

Internal Audit 2023-24

Estates Management - Maintenance
April 2024

Overall Conclusion

Strong

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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Forth Valley College's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Overview

Purpose of review

We reviewed the College's operational management of its existing estate and facilities functions. The audit incorporated 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.

This review formed part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review were to ensure:

- 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.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

1 EXECUTIVE SUMMARY

Limitation of scope

There was no limitation in scope.

Background

Estates Development Department

The College has an Estates and Development Department which is overseen by the Head of Estates, Facilities Management and Health and Safety.

The Head of Estates, Facilities Management and Health and Safety line manages two Facilities Managers. The Facilities Manager: Soft Services and Sustainability manages the cleaning, front of house, ground, waste, travel, and sustainability areas of the College estates, whilst the Facilities Manager: Hard Services is responsible for the facilities management function with an emphasis on the current Total Facilities Management Contract.

The Estates Development Department is under the remit of the Vice Principal: Infrastructure and Communication.

Total Facilities Management Contractor

The College employs the services of a Total Facilities Management (TFM) Contractor who provides and manages a total package of Facilities Management Services at the College properties.

Atalian Servest, a major player in Facility Management was awarded a 5-year contract in 2017 and was extended a contract for another 2 years, ending on 30 June 2024.

The contract covers the following:

- FM Management and Helpdesk Service (for in-scope services);
- Hard FM Services comprising of: Planned Preventative Maintenance (PPM) and Reactive Maintenance;
- Soft FM Services comprising of: Cleaning Service (including washroom services and window cleaning);
- Grounds Maintenance Service (including internal planting);
- Waste Management Service; and
- Pest Control Service.

1 EXECUTIVE SUMMARY

Planned Preventive Maintenance (PPM)

There is a 52-week plan for the schedule of PPM tasks in the College. The planner is prepared annually by the TFM contractor and is approved by the Head of Estates, Facilities Management and Health and Safety before the year begins. All PPM tasks, as well as statutory obligation completion and documentation, are monitored and accessed via an online CAFM system provided by the TFM contractor which the Estates Development Team has access to.

There is also constant liaising within the year between the TFM providers to facilitate the completion of every task in the planner. The weekly team call between the two parties has become a constructive forum providing live updates on ongoing works and encouraging free dialogue on wider issues across the Estate.

Reactive Maintenance

The College Reactive job requests are received through the Fix It section of the Intranet. This allows all staff to log and request maintenance issues, cleaning requests, room set-ups, mail delivery requests, etc. through sending an Estates and Facilities Request Form. In the first instance, these requests go to Estates Facilities Assistants for review and completion, where possible, and if not resolved, they are escalated to the TFM Contractor.

On a monthly basis, through the TFM Contractor report, the number of reactive repairs completed for the period and whether or not the jobs have passed the evaluation of the Estates Development Team are discussed. The TFM Contractor is allowed 4 failures each month before any deduction is made. If exceeded, failures in terms of response and rectification times in accordance with agreed timescales will be deducted from the monthly fees paid to the contractor as evidenced by the invoices reviewed. **Refer to Section 3: Detailed Recommendations for further information.**

Monitoring

There is a monthly meeting held between the Head of Estates, Facilities Management and Health and Safety together with the Facilities Manager and the TFM Contractor. During these sessions, the TFM Contractor reports on energy management, status of jobs/issues raised, accidents, preventive and reactive maintenance, SLAs and KPIS, and the monthly charges to be paid to the TFM contractor.

1 EXECUTIVE SUMMARY

Additionally, the TFM contractor produces an annual report that compiles all of the monthly data reports into yearly numbers and includes information on the year's total spend, issues faced, accomplishments, and focus areas for the following year.

Budget

The Head of Estates, Facilities Management and Health and Safety manages the operational budget of the department whilst the capital budget is maintained by the Finance Team.

The operational budget is monitored through regular meetings with the Finance Team and through real time generation of the cost centre report in the finance system which the Head of Estates, Facilities Management and Health and Safety has access to. The capital budget is monitored through the Leadership Management Team (LMT). Any changes within the year for the projects identified in the capital budget is approved by the LMT and is communicated to the Board of Management via the quarterly forecast.

Reporting

Estates updates are included in the standing agenda of the Finance, Resources and Infrastructure Committee quarterly meetings and are presented by the Head of Estates, Facilities Management and Health & Safety.

The Head of Estates, Facilities Management and Health and Safety is also a member of the LMT, which presents reports to the forum when required. **Refer to Section 3: Detailed Recommendations for further information.**

Work Undertaken

Our work undertaken for this review included the following:

Objective 1: 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.

- We obtained and reviewed the College Estates Development Department Structure and the job role profiles of the staff.
- We held discussions with the Head of Estates, Facilities Management and Health and Safety to determine the service and monitoring arrangements of Total Facilities Management employed by the College.
- We obtained and reviewed the monthly and annual reports provided by the TFM Contractor to the College Estates Team.
- We obtained and reviewed the reports provided to the Finance, Resources and Infrastructure Committee and Leadership Management Team.

Objective 2: The College has an annual service and inspection schedule in place so that it is meeting its statutory obligations in relation to Estates Management.

- We held discussions with the Head of Estates, Facilities Management and Health and Safety to identify the arrangements in place to ensure that statutory obligations are met.
- We obtained and reviewed the College's 52-week schedule of Planned Preventive Maintenance.
- We obtained and reviewed the screenshots of the CAFM system to ensure each PPM task is monitored.
- We reviewed the monthly reports provided by the TFM Contractor to the College Estates Team in terms of compliance with statutory obligations.
- We enquired if there are reports provided to the Finance, Resources and Infrastructure Committee and LMT provide assurance that the statutory obligations are met by the College.

1 EXECUTIVE SUMMARY

Objective 3: There are robust procedures in place for ongoing maintenance and repairs within the College, including risk assessments, inspections and surveys.

- We reviewed the risk assessment procedure of the College to ensure its robustness.
- We reviewed the process of receiving reactive repair requests as well as the escalation process to the TFM Contractor.

Objective 4: There are sufficient controls in place to manage the Estates Budget, and contractor charges therein reflect completion of agreed works.

- We reviewed the capital and operational budget of the College.
- We held discussions with the Director of Finance and Head of Estates, Facilities Management and Health and Safety to identify the controls in place to monitor the budget and the approval mechanism of contractor charges.
- We reviewed the purchase orders, invoices, and payment approvals in November 2023 to February 2024 to ensure that transactions were supported by appropriate documentation, approved within the delegated financial authority and are accurately charged based on completed agreed works.

1 EXECUTIVE SUMMARY

Conclusion

Overall conclusion

Overall Conclusion: Strong

Following our review, we can provide a strong level of assurance for the College's operational management of its existing estate and facilities. We have raised several good practice points and 2 low grade recommendations for improvement. **Please see Section 3: Detailed Recommendations.**

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Estates Management - Maintenance	0	0	2	2

As can be seen from the above table there were no recommendations made which we have given a grading of high.

1 EXECUTIVE SUMMARY

Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

1.	The College's Management Accounts effectively outline any variances against the budget for both the year to date and annual forecast. A detailed analysis of each campus performance as well as non-campus specific performance is also included in the report. The budget is currently managed by the Head of Estates, Facilities Management and Health and Safety with regular meetings held with the Finance Team to consider any areas of concern or significant variances identified.
2.	Payments to the TFM contractor are supported by invoices and adequately evaluated by the Estates Development Department to arrive at the agreed amount for payment. Payment authorisation is made in the finance system and within the delegated financial authority limits.
3.	The Estates Team maintains constant communication with the TFM provider to facilitate the completion of each PPM task. There is a weekly call between the College FM Hard Services Manager and the FM Account Manager where the week's work is discussed in advance. All completed tasks in the planner are stored and can be accessed by the Estates Team via the online CAFM system provided by the TFM Contractor.
4.	The College has a procedure for undertaking risk assessments. The procedure was approved in April 2022 and is due for review in April 2025. The procedure contains robust guidelines on risk assessments and the focus is on reducing hazards in the workplace as far as reasonably practicable.
5.	The College has an annual service and inspection schedule in place so that it is meeting its statutory obligations. This is a comprehensive planner that the Estates Team and the TFM Contractor use to manage processes effectively. A report of the completed statutory inspections is also included in the monthly meetings between the Estates Team and the TFM Contractor.
6.	The College has a dedicated and experienced team who work across the College and its campuses to provide estates management functions.

1 EXECUTIVE SUMMARY

The following is a list of areas where the College is operating effectively and following good practice.

- | | |
|----|---|
| 7. | From our review, there is sufficient monitoring of the contractor's performance through the monthly and annual review of the services rendered by Total Facilities Management. There is also relevant information presented to summarise the activities undertaken and achievements for the year and focus areas to be considered for the following year. |
| 8. | The College employs the service of a TFM Contractor to provide a comprehensive maintenance service across the College Estates. |

2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Estates Management - Maintenance

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	5	0	5
Number of recommendations at Forth Valley College	0	0	2	2

From the table above it can be seen that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

3 DETAILED RECOMMENDATIONS

Reactive Repairs			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>A formal sign off procedure for all reactive repairs completed by external contractors will ensure that all works are completed as required and in satisfactory condition.</p> <p>During our review, we learned that the majority of the reactive repair requests received by the Estates Development Department are escalated to the TFM contractor of the College. From our discussion with one of the Facilities Manager it was revealed that there is no established requirement to sign-off on all reactive works completed by the TFM contractor. Hence, not all works done and charged are formally inspected to validate satisfactory completion.</p> <p>There is a risk that some repairs may not be completed to a high standard, which could lead to future safety concerns.</p>	Low	<p>We recommend the Head of Estates, Facilities Management and Health and Safety draft a formal sign-off procedure for all reactive works completed. This should be included as one of the requirements for payment of reactive works charged to the College.</p>

3 DETAILED RECOMMENDATIONS

Management response	Responsibility and implementation date
<p>FVC will in partnership with our TFM provider formalise an approach to signing-off reactive works through the first three months of implementing the new TFM contract due to begin on 1st July 2024.</p>	<p><i>Responsible Officer:</i> Head of Estates, Facilities Management and Health & Safety</p> <p><i>Implementation Date:</i> 1 October 2024</p>

3 DETAILED RECOMMENDATIONS

Reporting			
Ref.	Finding and Risk	Grade	Recommendation
2.	<p>A comprehensive review of the activities of the Estates Department via reporting to the Leadership Management Team (LMT) will ensure that Senior Management are kept up to date on an ongoing basis and have the full opportunity to provide feedback and raise challenges where required.</p> <p>During our review of the reporting process and committee minutes, it was noted that the regular reporting to LMT does not cover Estates maintenance activities such as completion of PPM activities, compliance with statutory obligations, assessment of TFM contractor performance and a summary of contractor charges.</p> <p>There is a risk that there is lack of oversight on Estates maintenance activities and compliance matters on a regular basis.</p>	Low	<p>We recommend that Estates reporting to the LMT includes matters such as, but not limited to, the following:</p> <ul style="list-style-type: none"> ➤ Compliance with statutory obligations; ➤ Update on the completion of PPM Activities; ➤ Reactive Repairs requests received, escalated, and resolved; ➤ TFM Contractor performance; and ➤ Contractor charges.
Management response			Responsibility and implementation date

3 DETAILED RECOMMENDATIONS

Will work with New TFM supplier through the first three months of contract mobilisation (which is the period provided for in the contract to establish KPI's and reporting) to establish monthly and annual reporting parameters; these will feed into recommended LMT reporting either through a dedicated dashboard or as an addition to existing reporting

Responsible Officer:

Head of Estates, Facilities Management and Health & Safety

Implementation Date:

1 October 2024

4 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	8 April 2024
Closing meeting	17 April 2024
Draft report issued	23 April 2024
Receipt of management responses	8 May 2024
Final report issued	8 May 2024
Audit Committee	16 May 2024
Number of audit days	5

5 KEY PERSONNEL

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Director	Stephen Pringle	Director of Internal Audit	stephen.pringle@wyliebisset.com
Senior	Zendl Abaigar	Internal Audit Senior	zendl.abaigar@wyliebisset.com

Forth Valley College			
Key Contact	Martin Loy	Head of Estates, Facilities Management and Health and Safety	martin.loy@forthvalley.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

A GRADING STRUCTURE

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

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

A GRADING STRUCTURE

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

Grading	Classification
High	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	Significant issue or weakness which should be addressed by the College as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

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.

This review forms part of our 2023/24 Internal Audit Annual Plan.

Scope of review

Our objectives for this review are to ensure:

- 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.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation in scope.

Audit approach

Our approach to the review will be:

- Discussion with key personnel to ascertain the current arrangements in place for the management of the College's Estates.
- Assessment of the arrangements to consider whether these are fit for purpose and ensure effective management of the Colleges Estate's.
- Discussion with relevant management, staff, and budget holders to establish the operational control arrangements and their involvement in this process.
- A review of the maintenance controls for re-active and preventative maintenance.
- An assessment of how contractors are organised and monitored.
- Review of documentation to confirm that policies and procedures are in place and that current arrangements comply with good practice.
- Appraisal of the adequacy of information and reporting provided to senior management for decision making.
- An overall review of the internal control environment to ensure all relevant controls are evident and being complied with.

Potential key risks

The potential key risks associated with the area under review are:

- Current arrangements for monitoring of contractors, servicing arrangements and record keeping are inadequate and do not allow effective management of the College's Estates.
- There is no annual service and inspection in place and the College is not meeting its statutory obligations in relation to Estates Management.
- Ongoing maintenance and repair are not planned (i.e. re-active rather than pro-active) leading to potential health and safety risks and/or the College's Estates not being fit for purpose.
- Lack of budgetary control may result in unnecessary expenditure for the Estates Budget, with contractors not completing agreed programmes of work before charges are made to the College.



9. Quarterly Update on Cyber Security Landscape For Discussion

16 May 2024
AUDIT COMMITTEE

1. Purpose

To update Forth Valley College Audit Committee on the Landscape, Events, Actions and plans surrounding cyber security within the college.

2. Recommendation

The Committee consider and discuss the content of this report.

3. Landscape

The cyber-security landscape the college finds itself in is one in which the college is experiencing continual targeted attacks on our computer infrastructure from throughout the world. This is consistent with other colleges and universities in the UK. Firewall and VPN is a continued area of interest is what the college has experienced. The risk levels remain very high.

Phishing and Malware, targeting staff and students continue, and this needs to be our focus to prevent and mitigate against this.

Recent US Government reports on Microsoft Security Practices were very critical of Microsoft, calling for reform after Chinese threat actors, hacked Email services within US Government. Institutions are advised to review and implement enhanced security logging.

Despite guidance to move to not buying and deploying Chinese technology solutions, this is not happening, with an increased proliferation of devices in U.K. and U.S. Infrastructure, 10,000 to 20,000 and 185,000 to 300,000 in the past year, respectively.

4. Actions

4.1 **Protection of Computers from ransomware/malware** – The College continues to use Sophos intercept-X and this was renewed in February for another 3 years. We have also updated our VEEAM backup software, which has additional malware detection capability, which we are using and reviewing.

4.2 **Operating System Upgrades/Application Support** – We have updated some of the hypervisors to the latest supported versions (Stirling and Falkirk) with plans to upgrade Alloa. Skype for Business to Teams remains to be carried out.

4.3 **Members of the Team attend all JISC Security Forums** – We continue to engage with JISC, with the most recent information and consequential work surrounding email and security, with changes being made to keep up with the changes made by the major email services to improve security.

4.4 **Disaster Recovery – All Systems Recovery** - We have carried out a further recovery of Directory services, improving the methodology and documentation for this using the VEEAM backup product. This is on to a private network/infrastructure. This was successful.



9. Quarterly Update on Cyber Security Landscape For Discussion

16 May 2024
AUDIT COMMITTEE

- 4.5 **Phishing Campaign** – We have carried out a phishing campaign, initially out to all members of staff. The intention is to operationalize this, with regular, monthly campaigns, increasing the complexity and difficulty of detection.
- 4.6 **Managed SIEM** – Security Information and Event Management continues to be implemented, following the change in the offering from JISC. This allows the collection of security events, to a central based server, where patterns and alarms are acted upon by a specialized 24x7 team within Jisc. We have submitted a comprehensive asset document of hosts and users to allow implementation of the service.
- 4.7 **Network Security** – additional access controls (ACLs) are being added by our network support partner Virgin Media Business, to prevent horizontal movement across the network, should the network be breached. We continue to work with Virgin Media Business, our support company to improve this.
- 4.8 We continue to do work towards further Cyber Accreditation Awards (Cyber Essentials) through Jisc. This will not be completed until, skype for business and on premises SharePoint is removed from the infrastructure, as these are unsupported platforms as they are end of life.
- 4.9 Campaign to encourage students to use two factor authentication
- 4.10 Plans to update our tiered access model are being developed and will be implemented in the next week.

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

Mitigating the risk by maintaining a current IT infrastructure does come with a cost in terms of finance and staff time. More can always be done in terms of communication of the cyber risk, and implementation of an ethical phishing campaign will help the College gauge where awareness needs to be targeted.

6. Equalities

Assessment in Place? – No

There are no specific issues in relation to equalities within this paper.

7. Communities and Partners

Not applicable.



9. Quarterly Update on Cyber Security Landscape For Discussion

16 May 2024
AUDIT COMMITTEE

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)	X	X
Medium (3)		
Low (2)		
Very Low (1)		

Total Risk Score – 16

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	People	
Legal	Financial	X Project/Programme	
Property	Reputational		
	Technology		

The cyber risks to the college remain at a high level despite actions taken to mitigate.

Is the score above the Board Risk Appetite level? No

Risk Owner – LMT

Action Owner – Graeme Robertson

Paper Author – Graeme Robertson

SMT Owner – David Allison



10. SQA Systems Verification and Action Plan For Discussion

16 May 2024
AUDIT COMMITTEE

1. Purpose

This paper seeks to inform the Committee about the outcome of the SQA Systems verification and the resulting actions.

2. Recommendation

That members note the contents of the SQA Systems Verification Report, and consider the areas for action.

3. Background

SQA is the college's main awarding body partner, with over 10,000 entries for qualifications being made every year, and over 60 subject verification visits taking place.

'Systems verification is the SQA process ensuring centres are managing their systems and resources to meet their quality assurance criteria.

Systems verification focuses on ensuring:

- Quality assurance is managed effectively
- Resources are managed effectively
- Candidates are supported effectively
- Assessment and internal verification is managed effectively
- Candidate data is managed effectively

Systems verification is undertaken by systems verifiers who are experienced experts appointed by SQA'.

This activity is planned collaboratively between the College, SQA Systems Verifiers and the Quality Assurance team at SQA. This approach over the years has taken many forms with the most recent approach involving the college carrying out its own self-evaluation which is then shared with the main auditor with a follow up meeting to discuss the outcome.

The self-evaluation report was completed by the Head of Learning and Quality in collaboration with a number of staff across the Corporate Services and Academic areas.

In this the key areas of:

- Management of a Centre
- Resources
- Candidate Support
- Internal Assessment and Verification
- External Assessment
- Data Management

were considered and supporting evidence gathered.



10. SQA Systems Verification and Action Plan For Discussion

16 May 2024
AUDIT COMMITTEE

This was shared with the SQA Systems verifier prior to the meeting.

The College had its scheduled Systems Verification visit, led by Kelly Gray on the 23rd of November 2023. The visit involved meetings with a range of managers from Curriculum and Corporate services areas, and Support staff, and Students. All the meetings were carried out face to face.

The report was shared with the college on the 27th Nov 2023.

4. Key Considerations

From the college based self-evaluation, using a RAG system, the following was proposed.

Area	Rating	Confidence
Management of a Centre	Green	High
Resources	Green	High
Candidate Support	Green	High
Internal Assessment and Verification	Green	High
External Assessment	Yellow	Reasonable
Data Management	Yellow	Reasonable

Table 1: Outcome SQA Systems Verification College Self-Evaluation

The Reasonable confidence for both External assessment and Data management came about as a result of the consideration that, whilst there were robust systems to ensure that 'information is shared effectively with SQA there needs to be a revisit of procedures to ensure that processes are carried out in a timeous way in line with SQA guidance to reduce the possibility of maladministration around open entries and resulting timescales' and that 'there is a clear understanding of process and procedures across the whole college and to ensure that the centre is compliant with SQA guidance'.



10. SQA Systems Verification and Action Plan For Discussion

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From the SQA System verification visit, the following was recorded.

Area	Rating	Confidence
Management of a Centre	High	High
Resources	High	High
Candidate Support	High	High
Internal Assessment and Verification	High	High
External Assessment	High	High
Data Management	Reasonable	Reasonable

Table 2: Outcome SQA Systems Verification

The external auditor suggested that the College's approach and systems around External assessment supported 'the maintenance of SQA standards within this centre', with the opinion that the college had been harsh on its evaluation of its own processes.

The auditor agreed with the proposed Reasonable confidence around Data management suggesting that 'Data on candidate entries submitted by centres to SQA must accurately reflect the current status of the candidate and the qualification'.

The following was Action was proposed, in that the college 'Undertake an end to end review of the procedures for enrolment, entries, results and certification to ensure clear guidance is available to relevant staff at each stage.' which was in line with our own self-evaluation recommendation.

This Action has now been completed.

Feedback from SQA and from other Quality managers across the sector has suggested that the issues around Data Management within Forth Valley College have been experienced across the sector. The focus on, and better reporting by SQA on Data has highlighted this as an issue with a commitment from SQA to improve their own reporting mechanisms.

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

Any issues have been rectified with no costs to the college in terms of income and expenditure.



10. SQA Systems Verification and Action Plan For Discussion

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6. Equalities

Assessment in Place? – No

If No, please explain why – This is a paper to inform members of an established process.

Please summarise any positive/negative impacts (noting mitigating actions) – N/A

7. Communities and Partners

The information presented provides opportunity to maintain and improve college systems ensuring compliance with our main awarding body partner.

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	X
		Technology	

There is a low risk to the reputation of the college as a result of this activity. Continued diligence around the adoption of existing systems will reduce this risk further.

Is the score above the Board Risk Appetite level? No



10. SQA Systems Verification and Action Plan For Discussion

16 May 2024
AUDIT COMMITTEE

Risk Owner – Sarah Higgins-Rollo

Action Owner – Sarah Higgins-Rollo

Paper Author – Rob McDermott

SMT Owner – Sarah Higgins-Rollo

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12. Progress Report on Audit Recommendations For Discussion

16 May 2023
AUDIT COMMITTEE

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 no recommendations for the reports presented in the November 2023 meeting to add to the tracker. The attached annex contains an update on progress against recommendations.

As previously discussed, recommendations 1 and 2 continue to remain 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".

3 recommendations have reached a stage where the college considers them to be completed.

We are seeking to change the completion date for recommendation 6. This recommendation was delayed owing to the late SFC funding announcement. Information on medium term forecasts will be presented to the Finance, Resource and Infrastructure Committee later this year.

The table below represents a summary of the current position of the recommendations as at 26 April 2024.

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

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

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



12. Progress Report on Audit Recommendations For Discussion

16 May 2023
AUDIT COMMITTEE

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
Paper Author – Stephen Jarvie

Action Owner – Stephen Jarvie
SMT Owner – Alison Stewart

ID	Audit Name	Date of Audit	SMT Owner	Action Owner	Recommendation	Management Response	Priority	Evaluation	Scheduled Completion Date	Revised Completion Date	Evidence	Completed	
1	IT Network Arrangements/Cyber Security	Nov-21	David Alison	Graeme Robertson	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. 	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>April 24 - No change</p> <p>November 23 - The College has continued to engage with preparations for entering a SIEM, and updated logs have been provided to Jisc, however there is no confirmed date for onboarding.</p> <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> <p>May 22 - On-boarding with Jisc to introduce a SIEM is progressing</p>	31/08/2022	TBC - Awaiting clarification from external provider - agreed with Audit Committee May 2018			
2	IT Network Arrangements/Cyber Security	Nov-21	David Alison	Graeme Robertson	Use manual testing methods (for example penetration testing or red team simulated cyberattack exercises) in addition to automated tools, such as network IDS / IPS or SIEM, to test and obtain assurance that vulnerabilities are identified and managed.	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>April 24 - No change</p> <p>November 23 - As above.</p> <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			
3	IT Network Arrangements/Cyber Security	Nov-21	David Alison	Graeme Robertson	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.	The IT Team will explore testing the effectiveness of training provided through the use of ethical phishing campaigns.	3	<p>April 24 - The IT Dept has undertaken it's first phishing campaign. 7 members of staff (approximately 1%) followed a link and input their login credentials. All have been informed and provided with additional guidance. The IT Team will continue with further campaigns. Campaigns will be monthly with a dedicated two members of staff within the team having this responsibility.</p> <p>November 23 - The IT Dept is currently developing a phishing campaign with our Computing curriculum team, primarily due to high costs quoted from external suppliers, which were offering very poor value for money.</p> <p>August 2022</p> <p>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. 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>	30/11/2022	31/12/2023	Phishing stats	Yes	
4	IT Network Arrangements/Cyber Security	Nov-21	David Alison	Graeme Robertson	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.	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.		<p>April 24 - The IT Dept has undertaken it's first phishing campaign. 7 members of staff (approximately 1%) followed a link and input their login credentials. All have been informed and provided with additional guidance. The IT Team will continue with further campaign. There are remediation training linked to each of the phishing campaigns, for staff who require. More generalized material is in standard course material.</p> <p>November 23 - Revised course will be launched in December.</p> <p>August 2022</p> <p>Course content for the existing mandatory course has been written and passed to the course development team for training to be delivered</p>	31/08/2022	31/12/2023	stats and materials	Yes	
5	Freedom of Information	Apr-23	Alison Stewart	Stephen Jarvie	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	This report format will be developed and delivered to the Audit Committee	3	<p>November 23 - presented to November 21 meeting of the Audit Committee</p> <p>November 23 - On agenda for November 21 meeting</p> <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	Agreed at September 2023 Committee meeting	Audit committee report	Yes

6	Budgetary Control	May-23	Alison Stewart	Senga McKerr	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.	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	<p>April 24 - with the late announcement of the indicative funding levels this year, it has not yet been possible to develop these plans and discuss them with the Board Committee. The college will take information to the Finance, Resource and Infrastructure Committee later this year</p> <p>November 23 - discussion with FRAIC outstanding.</p> <p>August 23 - To be discussed at Finance, Resource and Infrastructure committee in Sept 23.</p>	30/11/2023	Nov-24		
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13. Risk Management For Discussion

16 May 2024
AUDIT COMMITTEE

1. Purpose

To present the current strategic risk register to members.

2. Recommendation

That members consider the strategic risk register and comment on the proposed changes to the reporting of the risk register going forward.

3. Background

The strategic risk register is presented at each meeting of the Audit Committee and annually to the Board so that members may review and comment on those risks deemed to be strategically important to the College.

A review of how risks are reported to the committee and Board has been undertaken.

The table below is a summary of the risk register. The intention is that going forward the current risk register will be replaced by individual risk documents which will be stored in the Audit Committee area of Admincontrol. Members wishing to gather more information on any particular risk will be review this material at any time. The audit committee report will then focus on new risks or where changes have occurred.

4. Notable Changes to Strategic Risks

Risk No	Date identified	Risk Title	Initial Risk Score	Last Residual Score	Current Residual Score	Movement in period	Risk Appetite Category	Risk Appetite Score	Risk Treatment
1	Apr-21	Financial Sustainability	25	20	25	↑	Financial	20	Treat
2	Apr-21	Estates Maintenance - affordability	25	25	25	<->	Property	15	Tolerate
3	Apr-21	National Bargaining / Strike Action	20	16	16	<->	People	25	Treat
4	Apr-21	High quality learning experience	20	15	15	<->	Strategy	20	Treat
5	May-23	Student Accommodation	12	8	8	<->	Financial	20	Treat
6	Apr-21	People Strategy delivery	16	8	8	<->	People	25	Treat
7	Apr-21	Major incident, eg pandemic	16	8	8	<->	Strategy	20	Treat
8	Apr-21	Growing/influencing strategic partners	12	8	12	↑	Reputational	20	Treat
9	May-22	Malpractice	12	8	8	<->	Reputational	20	Treat
10	Sep-23	Board Secretary arrangements	6	3	3	<->	Governance	15	Tolerate
11	May-23	Fuel Change	12	9	9	<->	Reputational	25	Treat
12	May-24	OSCR	20	N/A	15	New	Governance	15	Tolerate

Risk 1 Financial Sustainability: The current residual score has been increased given the draft budget position for 2024/25 having an adjusted operating deficit of £1.3m after the savings from the current consultation.

Risk 8 Strategic Partnerships: The current residual score has been increased due to only receiving 50% of the number of MA places bid in the recent SDS tender process.

Risk 12 OSCR: A new risk has been added at the direction of the Board of Management to reflect the potential outcomes of not being able to submit the 2023/24 Financial Statements to OSCR on time owing to ongoing discussions with the External Auditors.



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.



13. Risk Management For Discussion

16 May 2024
AUDIT COMMITTEE

Is the score above the Board Risk Appetite level? No

Risk Owner – Kenny MacInnes

Action Owner – Kenny MacInnes

Paper Author – Alison Stewart

SMT Owner – Kenny MacInnes

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No	There is a real or perceived risk that...	Causes	Potential Consequences	Risk Management and Mitigation		Owners				Initial Risk Score			Score After Mitigation			Board Risk Appetite			
				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 maintain financial sustainability	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Inability to deliver high quality learning - Inability to react to changing economic and local environment - Inability to maintain College infrastructure - Impact on College performance indicators - Reputational Damage 	<ul style="list-style-type: none"> - Principal and Chair represented on sector groups to lobby SFC/Scottish Government - VPBI has strategic relationships with key stakeholders - Regular reporting on financial position to Leadership Team, Finance Committee and the Board 	<p>May 24 - A number of significant changes in funding is impacting on the College's short term financial sustainability. A consultation to remove £1.25m of costs was launched on 1 May 2024, however there remains a significant deficit for 2024-25. Discussions are ongoing with SFC and the Senior Management team are considering a number of options.</p> <p>November 23 - Q1 forecast completed and overall in line with budget. Still awaiting announcement for allocation of FWDF. SMT have started scenario planning for 24/25 with an expectation that "flat cash" is best case scenario.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Nov 21 - No further update from SFC. Awaiting Scottish Government budget announcements in Dec 21. SMT working on a number of scenarios for savings/efficiencies.</p> <p>August 21 - All instructor assessors have been converted to lecturers. Applications/Enrolments for FA and HEI courses for 21/22 are down. Both of which will put pressure on the 21/22 Budget. SFC Financial Forecast Return (FFR) request issued in August 21 states that forecasts for 21/22 should be prepared on the basis of FA are funded from core credits which is in effect a cut in funding of over £1m. LMT away day scheduled for end of September to formulate action plan to address potential changes in funding.</p> <p>May 2021 - Funding allocation for 21/22 is positive and was presented to the Board in April 21. Work on medium term planning is underway and will be presented to FC & Board in June 21.</p>	LMT	F	P	VPFACA	VH	VH	25	VH	VH	25	↑	Financial	20	Apr-21
2	We are unable to maximise the long term return on investment on the College estate	<ul style="list-style-type: none"> - Insufficient capital maintenance funding from SFC - Changes in working practices impact on demand - lack of stakeholder engagement in the new campus facilities 	<ul style="list-style-type: none"> - We are unable to maintain our estate to an acceptable standard - Impact on Student Experience - Creation of backlog maintenance - Loss of commercial income 	<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 	<p>May 24 - Our Facilities Maintenance contract has been re-tendered. Preparatory work has begun to prepare us to feed effectively into SFC's College Infrastructure Strategy.</p> <p>November 23 - A backlog maintenance survey for all campuses has been complete, and shared with SFC. The Estates team is prioritising the results of this survey to establish key risks.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>May 22 - Insufficient funds in capital grant. Currently prioritising whilst diversifying funding streams.</p> <p>Nov 21 - Highest priority lifecycle maintenance needs are being met through our 2021/22 Capital allocation.</p> <p>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.</p> <p>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</p>	LMT	F	P	VPIC	H	VH	20	VH	VH	25	↔	Property	15	Apr-21
3	National bargaining adversely impacts College staffing relationships and finances	<ul style="list-style-type: none"> - National bargaining process removes ability to implement local agreements - Issues at national level can impact on local union relations 	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Ongoing engagement with local union representatives and Employers Association 	<p>May 24 - No further progress to date. Both Unions have a mandate for strike actions, with EIS also having a mandate for action short of strike. EIS are currently undertaking strike action across the sector. Both unions are undertaking strike action during May.</p> <p>November 23 - No further progress has been made, although management side have now offered a 3 year deal. Scottish Government maintaining there is no additional funding available. EIS are likely to go out to ballot again in December for action short of strike/strike action to start in January 2024.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 Union. 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</p>	LMT	F	P	VPFACA	VH	H	20	H	H	16	↔	People	25	Apr-21

Forth Valley College Strategic Risk Register

4	We fail to deliver a high quality learning experience and meet targets of outcome agreement	<ul style="list-style-type: none"> - Failure to deliver upon digital learning strategy - Curriculum fails to meet need of students/employers or other stakeholders - Failure to provide required support levels for individual student needs 	<ul style="list-style-type: none"> - 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 	<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 	<p>May 24 - PI's for 22/23 reflect that outcome agreement targets have been met, awaiting sector position. New Student Learning Experience is expected to be launched in Summer 24. Industrial action continuing to impact upon small numbers of classes although mitigation is in place. Withholding of results registers due to ASOS is expected to cause disruption and an action plan has been devised to reduce the impact on students where possible.</p> <p>November 23 - LDSA transition plan now in implementation phase to sustain benefits of LDSA after June 24. CCI Process has been reviewed and now evidences curriculum alignment with regional skills requirements. CCI Process now evidences equality impact of curriculum changes, includes approval process for changes to curriculum and evidences contribution of Listening to Learners. Development of new Student Learning Experience Strategy has commenced and aim is for draft in March 24.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	LIPSEC	LSE	P	VPLSE	H	VH	20	M	VH	15	Strategy	20	Apr-21
5	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.	<p>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 offer the same level of accommodation in the future.</p>	<p>The college may not be able to offer student accommodation to all students requiring it</p> <p>The ECITB program could be affected by not having accommodation</p> <p>The college's reputation may be damaged if it is unable to provide student accommodation</p>	<p>Early and widening of the tender ahead of the upcoming academic year.</p> <p>The college should look at the possibility of building or leasing student accommodation.</p> <p>The college should develop a contingency plan in case the hotel is unable to offer accommodation.</p>	<p>May 24 - we have had 4 engagements with various development companies and are working up a specification document to further these discussions</p> <p>November 2023 - No further update</p> <p>August 23 - initial discussion Cetris as to what commercial terms look like for student accommodation</p>	LMT	F	VPBI	DASC	M	H	12	L	H	8	Financial	20	May-23
6	We are unable to deliver on the ambitions of the People Strategy	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - People strategy not achieved - Increased staff absence/decreased staff morale - Staffing establishment not adequate to meet operational requirement 	<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 	<p>May 24 - A significant amount of work has been done on wellbeing and the Board approved a further application to the ALF to support with this for 2024-25. A consultation was launched on 1 May 2024 to deliver £1.25m of savings. A deficit budget will restrict ability to deliver all aspirations of the strategy. Outstanding pay awards are affecting the ability to recruit staff in some areas.</p> <p>November 2023 - no further update.</p> <p>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.</p> <p>May 23 - People Strategy approved in November 22.</p> <p>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</p>	LMT	F	VPFACA	HHR	H	H	16	L	H	8	People	25	Apr-21
7	A major incident prevents the College from operating	<ul style="list-style-type: none"> - Loss of access to campuses - Loss of access to IT from network issues or cyber attack 	<ul style="list-style-type: none"> - 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 	<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 	<p>May 24 - Further preparatory work has commenced with JISC to implement a Security information and event management system. Full re-builds of College systems are now being regularly undertaken. An ethical phishing campaign has been run for College staff.</p> <p>November 23 - Controls implemented to stop horizontal travel between servers should access be gained to any of our servers.</p> <p>August 23 - Further preparatory work undertaken with Jisc to implement a managed Security Information & Event Management system.</p> <p>May 23 - IT Incident Response Plan and flowchart have been updated and reviewed by the Information Governance Group.</p> <p>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.</p> <p>Aug 22 - Business Continuity audit on Covid 19 highlighted excellent practice. Further testing will be undertaken in 22/23.</p> <p>May 22 - The Covid 19 experience has shown our Business Continuity process can work. Further trialling to be undertaken in 22/23.</p> <p>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.</p> <p>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.</p> <p>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.</p>	LMT	B	P	VPIC	H	H	16	L	H	8	Governance	15	Apr-21

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8	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	- VPBI 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	<p>May 24 - Our SDS tender did not go well and we received only 50% of what we require. We are working with SDS to look to see how we rectify. We continue to strengthen the relationship with ECITB. STC is progressing to FBC with a target date of 31st May. BP remote project progressing well. Global Partnership manager recruitment underway</p> <p>November 23 - SMT format working well with clear areas of responsibility and operational objectives identified. Compex satellite project now established with launch imminent. Falkirk Growth Deal STC OBC now submitted. Awaiting feedback to start on FBC. FVC has highest sector PIs for FT FE and 2nd highest for FT HE in 21/22. College has received a very positive Education Scotland AEV report: Satisfactory with Progress is the highest result achievable. College has just won the ECI Approved Training Provider of the year for 2023. BP VQ international work contract now signed off. Falkirk Growth Deal has an additional £10 mill. FVC working in partnership with Forth Ports for application submission. Principal continues to make strategic connections.</p> <p>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.</p> <p>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.</p> <p>Oct 22 - This continues to be managed by SMT and the DCS.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>August 21 - Director of Business Development & Strategic Relationships role has been split into 2 roles; Director of Commercialisation and Skills and Director of Business Development & Strategic Relationships.</p>	LMT	B	P	P	M	H	12	M	H	12		Strategy	20	Apr-21
9	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 - Leaning and Quality department in place with quality policy and procedures - Procedure for internal verification in place - Ongoing training	<p>May 24 - During AY 23/24 there have been 6 malpractice/maladmin reports. These have been reported as required and investigated internally. The relevant qualifications authorities have been satisfied with the internal investigations and recommendations made. Mandatory training is in place for all relevant staff and no trends or themes have been highlighted in the malpractices identified. Ongoing ASOS may also increase the risk of malpractices occurring although mitigation has been put in place.</p> <p>November 23 - current ASOS period has now ended and almost all results have been successfully submitted. There have been 2 instances of potential malpractice identified due to malpractice and these have been reported to SQA. Plans are underway to scope how we can mitigate future ASOS mandates. Ballot for ASOS has been raised and could run from Feb-July 24.</p> <p>August 23 - SMT aware that ASOS could increase risk of malpractice and actions in place to manage and mitigate this risk</p> <p>May 23 - Training now rolled out across College and part of College mandatory training programme. Audit now complete and</p>	LMT	LSE	P	VP/SE	M	H	12	L	H	8		Reputational	20	May-22
10	Board Secretary arrangements are not in line with the code of good governance	Conscious decision by the BoM for the VP/CA to have dual role.	Governance issues not being highlighted to the BoM	Depute Board Secretary can report issues to Chair. Also Board Secretary, Depute Board Secretary and members of SMT, excluding the Principal to meet with SIM on an annual basis.	<p>May 24 - Meeting with SIM occurred as planned</p> <p>November 2023 - Meeting with the SIM arranged for after the December 2023 Board Meeting</p>	N/a	B	VP/CA/ Board Secretary	VP/CA	L	M	6	VL	M	3		Governance	15	Sep-23
11	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.	<p>May 24 - Police Scotland no longer investigating. Employment tribunal is scheduled for 10-18 June 24. SFC and OSCR are being kept up to date.</p> <p>November 23 - All ties with Fuel Change now completely severed. Director with Fuel Change responsibility dismissed from FVC. Lessons Learned report submitted to BoM and SFC. Police and OSCR informed June 23. ROSI return completed to SFC.</p> <p>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.</p> <p>May 23 - Internal audit investigation initiated. Verbal feedback to be given to Audit Committee on 18/5/23.</p>	SMT	A	P	P	M	H	12	M	M	9		Reputational	20	May-23
12	OSCR may take action against the College or Board	Owing to an ongoing issue with the College External Auditors, the College has not been in a position to submit the 2023/24 annual accounts in line with OSCR requirements	- OSCR may appoint an external firm to progress the accounts at the Colleges expense - OSCR may view the Board of Management as not having fulfilled their duties as Charity Trustees - Reputational damage both for the College and Board Members	- the College have kept OSCR apprised of the issues - the College continues to work with the external auditors to reach resolution - the College has raised concerns with the current situation directly with Audit Scotland	<p>May 24 - Submission deadline for accounts has been missed. College continuing to pursue resolution with External Auditors. College also looking into possibility of complaint to Audit Scotland at the direction of the Board</p>	SMT	B	P	VP/CA	VH	H	20	VH	M	15	New risk added	Governance	15	May-24

Uncontrolled