Audit & Risk Committee: Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Status / Timescale
24 May 23	AM710	**Committee Effectiveness Review** To arrange for Committee / Board members to visit campuses to meet students and staff as part of overall Board development sessions.	L Connolly	To be arranged in the future.	**Complete** Campus tours arranged for Board Members directly before Board meetings, across all campuses.
24 May 23	AM710	**Committee Effectiveness Review** Invite to be extended to wider Finance Management Team for short introduction.	A McDonald	Procurement Team to present at future meeting.	**uggestion to review areas of scrutiny Audit Committee wish to dip into based on College risk environment**
24 May 23	AM710	**Committee Effectiveness Review** Chair to arrange 1-2-1 review meetings with Audit Committee members.	R Leitch	New Chair in place from January 2024. Meetings to be arranged with Members	**Pending** By end of academic year 2023/2024
24 May 23	AM710	**Committee Effectiveness Review** For the future agenda to include risk, actions and appetite considerations following wider Board session.	A McDonald / S McDonald	Board Session on Risk management and appetite to be arranged	**Pending** Future meeting before June 24 Board meeting
6 Sept 23	AM732	**IT Controls** Updates required on a) the outcome of the disaster recovery plan testing; b) progress on appointing the Information Security Officer and	B Stobbs B Stobbs / A McDonald	Disaster Recovery Plan testing to be scheduled (BCP) IT reshaping currently running will consider this.	BCP action built into the ARC schedule for Autumn IT Reshaping timeline – part of the Be the Change Project reporting – update brought to future meeting

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Status / Timescale
		the related restructuring of the IT Security resources within the College			
31 Jan 24	AR747	**Risk** Update on capital funding bids to be given to next meeting.	AM		**Audit & Risk Committee 27 March 2024**
31 Jan 24	AR749	**External Auditors** Early engagement meeting to take place to clarify expectations and timeline.	AM		**Date to be added**
31 Jan 24	AR750	**Internal Audit Plan 23/24** Meeting to take place to agree dates for final audits to take place for 23/24	AM/SM		**Completed.** Dates arranged for Phase 4 & 5 of 23/24 Internal Audits
31 Jan 24	AR750	**Internal Audit Plan 23/24** Due to the delay in the Corporate Strategy. Alternative area for audit in 23/24 plan to be agreed.	AM/SM/SP	Corporate Strategy Audit delayed to 24/25. Audit of Communications & Marketing Strategy now taking place in June 24	**Completed**
31 Jan 24	AR752	**GDPR Internal Audit** a) Further information to be sought on use of AI tools and GDPR. b) Policies and processes to be reviewed to ensure use of AI is covered.	SP AM	a) . b) .	**a)** . **b)** .

Title of Paper	Procurement (PCIP) Audit Outcome
Presented by:	Samantha Whitehead, Procurement Manager
Recommendation:	**To Note**
Status	**Public**

Purpose / Executive Summary:

The purpose of this report is to present to the Committee the outcome of the Procurement and Commercial Improvement Programme (PCIP) audit which took place in March 2024.

The College procurement team report a strong GOLD rated performance with evidenced strength in process.

The Committee is requested to note the content of the report and the improved performance by the procurement team.

Implications:	
Financial	No direct financial impact but improvement in process leading to financial savings identified in report.
Student Experience	No direct impact.
People	No direct impact.
Legal	Risk of failing to follow appropriate process as set out in Scottish Procurement Regulations low through ability to adhere to required legislation and this being endorsed through audit.
Reputational	No direct impact.
Community/ Partnership impact	No direct impact.
Environment	No direct impact.
Equalities	No direct impact.

1. Introduction

1.1 In 2014 the Procurement and Commercial Improvement Programme (PCIP) replaced the previous Procurement Capability Assessment (PCA). PCIP focuses on the policies and procedures driving procurement performance and the results these deliver to the organisation. It assesses the College and other organisations by measuring and reporting on their levels of procurement delivery through the provision of evidence, based around a series of set questions and other evaluation methods.

1.2 Some key points to note about PCIP audit are:
- The audit is undertaken be the appropriate Centre of Expertise, for the College this is Advanced Procurement for Universities and Colleges (APUC);
- APUC are required to assess the College every two years; however, due to the COVID-19 pandemic PCIP assessments were postponed.
- The College was last assessed in October 2019 and was subject to the Lite assessment methodology. The College has been assessed on the same basis in 2024;
- The PCIP contains an updated question set and scoring and performance bandings from those previously adopted by the PCA; and
- The assessment methodology requires information to be submitted and assessed in advance of the assessment day.

1.3 The College Procurement Strategy includes as one of its objectives, undertaking the PCIP assessment and adopting improvements arising from the review. The College views the PCIP outcomes as a means of identifying areas of development that can then be progressed as part of our continuous procurement improvement journey.

1.4 Having provided APUC with the required documentation prior to their visit the College undertook the PCIP assessment on 5th March 2024.

2. PCIP Lite Assessment

2.1 The assessment was carried out by one member of APUC staff over the course of one day and involved the College Procurement Manager and discussions with the Head of Finance and Student Funding.

2.2 The PCIP process assesses organisations by measuring and reporting on their levels of procurement delivery through the provision of evidence, based around a series of set questions and other evaluation methods which cover four areas:
- Leadership and Governance
- Development and Tender
- Contracts
- Key Purchasing Processes

2.3 The set of questions and the areas covered did not change from the previous exercise undertaken by the College in 2019. However, the 2024 document contains a new Climate Change question which will be looked at separately and in addition to the PCIP assessment.

2.4 In 2016 the college was assessed at 45% which is performance band Purple. The 2019 assessment resulted in an overall score of 76% which is performance band Gold.

2.5 A copy of the 2024 PCIP assessment score is attached at Appendix A. The assessment resulted in an overall score of 88% which is performance band Gold as per the APUC table overleaf:

Performance Band	% Score
Purple	41<>50%
Bronze	51<>60%
Silver	61<>75%
Gold	>75%

2.6 The full PCIP report is attached at Appendix A, a summary of the scores have been provided for this Committee below:

Scores

Assessment Area	# of Questions	Maximum Score	Assessment Day Score	
			Score	% Score
Leadership & Governance	6	18	16	89%
Development & Tender	4	12	10.5	88%
Contract	3	9	7.5	83%
KEY PURCHASING PROCESSES	1	3	3	100%
Grand Total	14	42	37	88%

2.7 The PCIP 2024 score serves to reiterate the positive procurement journey which the College has been on and supports the continuous improvement, work undertaken, and actions embedded within the College Procurement Strategy and Operational Plans.

2.8 The 2024 review identified several areas of improvement from 2019, and these are highlighted in the report attached at Appendix A. The areas where the College has made progress, leading to an increased outcome score, include:
- Developing procurement individuals and future talent;
- Continually improving procurement activity, and ensuring procurement are embedded within the organisation and culture;
- Improvements in relation to Environmental, Social and Economic sustainability in its procurement practices and processes.
- Increasing contract coverage, ensuring contract compliance, and reducing maverick spend.

2.9 The 2024 review identified several areas for continued improvement, and these are detailed in the report attached at Appendix A. The more significant areas where the College understands that progress can be made, leading to an increased outcome score, include:
- Improvement in the organisations processes and procedures in relation to managing risk and countering fraud;
- The management of procurement workload / planning and aligning this with the College's operational requirements; and
- Improved engagement in supplier contract management by contract owners.

3. Conclusion

3.1 The College will develop an action plan based upon the outcome of the 2024 review which will be incorporated into the refresh of the Procurement Strategy which is due to take place later in 2024/25.

The Audit Committee is requested to note the outcome of the 2024 PCIP Review.

PCIP Assessment Summary

Institution	Date of Assessment	APUC Assessors	In Attendance
			Name
West College Scotland	05/03/2024	Stephen Connor	Sam Whitehead
			Yvonne Dalgarno

		Performance Band
PCIP Assessment Type:	Lite	
Overall Score (%)	88%	Gold

Performance Band:

Performance Band	% Score
Non-Conformance	<25%
Blue	26<>40%
Purple	41<>50%
Bronze	51<>60%
Silver	61<>75%
Gold	>75%

Summary Statement

The college has improved its PCIP performance in the time since the last assessment. This is evident across a number of areas including Continuous Improvement, Spend Analysis, Tendering and Contract Management. The college has moved further into the Gold banding which represents an excellent level of performance. Further detail is contained within this report.
The college has built upon previous good performance and has benefited from being part of the wider Glasgow Regional Procurement team. This has allowed for sharing best practice as well as training and development.

Embedding Circular Economy and addressing Climate Change (assessed separately)	Commentary
Improving	There is clear commitment from the college with regards to addressing the climate emergency. The college is strong on incorporating climate considerations into strategy and processes for example through engagement with FNT2030.
There are examples of sustainability outcomes with regards to waste, food and deliveries. There have also been projects involving district heating and solar panels which should have a significant impact.
There are opportunities for case studies to be developed to demonstrate benefits.

West College Scotland

The table below show the score acheived on the Assessment Day along with a projected score that would be feasible to achieve at the next asssessment.

The Report tab provides a summary of the assessment with further commentary on the areas that could be improved to reach the projected scores.

Scores

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KEY PURCHASING PROCESSES	1	3	3	100%
Grand Total	14	42	37	88%

Question	Comments / Further Info	PCIP Score	Attained Level		PCIP Score 2019
1.1 What is the procurement representation and influence over major and routine procurement activity across the organisation and what does it deliver?	This level has been maintained. The same procurement structure is in place although there has been an increase in procurement influence. There is good stakeholder engagement with regular reporting on procurement activity including an annual presentation. SW has also fed into the National Procurement Strategy on behalf of the college sector.	2.5	**Level 2 Overview:** **The value of procurement control has been recognised by the organisation. Policies and procedures have been embedded and there is strong procurement influence.** The member of staff with responsibility for procurement manages procurement activity and processes within the organisation. This responsibility is clearly defined and evidenced. There is evidence that the whole organisation has embedded corporate sourcing procedures established by the member of staff with responsibility for procurement. Procurement can evidence that it has been involved in or influenced the sourcing research and specification development of high value procurement activities.	**Level 3 Overview:** **The strategic value of procurement has been recognised by the organisation. Organisation is monitoring compliance with policies and procedures. Procurement influence most of the spend.** The member of staff with responsibility for procurement can evidence awareness of wider sector strategic initiatives/forums. The member of staff with responsibility for procurement is considered part of a senior 'peer group' with other business functions. Procurement takes a highly flexible approach to sourcing and spend time understanding the procuring department's objectives. Procurement is involved in the "in house vs. outsourced" decision before the sourcing process is initiated.	2.5
1.2 In what way is the Procurement Strategy linked to the organisation's corporate strategy and is it delivering the strategic objectives relevant to the sector. e.g. Local Economic Agenda, and/or National Outcomes etc.?	This level has been maintained. Strategic procurement objectives are included in a wider corporate management tool (Pentana). This incorporates reporting against milestones. The procurement strategy is aligned to the overall corporate strategy.	3	**Level 3 Overview:** **Procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals.** Evidence that the majority of procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals. Evidence that the management of the objectives is overseen at the appropriate organisational SMT level, with performance reporting against those objectives submitted to the organisation's Board (or equivalent).		3
1.3 What resources and skills level requirements been identified to deliver the procurement strategy, associated strategic objectives and business needs?	This level has been maintained. Since the last PCIP the college has moved to APUC IPS provision. Resource and development is in line with APUC policies and procedures.	2.5	**Level 2 Overview:** **The organisation has adequate resource is in place to deliver the procurement strategic objectives for current and future requirements.** The organisation has defined the roles, skills and knowledge (using the Competency Framework or similar) for delivering its procurement strategic objectives. Adequate resource is in place, or there is access to resource, to deliver the procurement strategic objectives in both the current and following years. Where exit interviews are undertaken the outputs are explored for potential trends.	**Level 3 Overview:** **The organisation has a succession plan in place, being delivered and reviewed to meet the organisational procurement objectives for the next 3 years.** Capacity or service planning is in place to proactively manage current and future workload, taking into account >2 year plans and procurement strategic objectives (as appropriate). This may include shared services/collaboration, where relevant. There is evidence that plans (as appropriate) include the skills and capacity requirements. Plans are put in place to address any trends identified from exit interviews.	2.5
1.4 What does the organisation do to develop procurement individuals and future talent?	With APUC IPS provision the procurement team at the college are part of APUC professional development. Development is tailored to individual requirements. The team at WCS has undertaken Leadership Development Training as well as CIPS (where relevant). There have been examples of job shadowing and engagement with the Graduate Trainee programme. Development work has resulted in two promotions.	3	**Level 3 Overview:** **Planning and delivery of future talent by organisation. Formal routes for professional development exist.** Succession planning is in place to meet the organisational strategic objectives for the next 3 years. Internal and external training is aligned with the business strategy, individual skills assessments and training plans. Evidence that an integral part of the training and development of staff includes the use of tools such as mentoring, coaching, job shadowing, tailored training programmes, continuing professional development, in-house promotion and secondments. Evidence of benefits realised as a result of investment in training. Evidence that the organisation has considered future skills/talent requirements such as; modern apprenticeship, work placements, graduate trainee scheme (where such a scheme exists).		2
1.5 What does the organisation do to ensure that it continually improves its procurement activity, promotes commercial competence, and ensures that these are embedded within its organisation and culture.	There has been development in this area. Spend is analysed and reported on at a sector(department) level. This has led to targeting risks and opportunities as well as demonstrating improvements year on year. A procurement mailbox is used and stakeholder survey has been issued. Feedback has led to improvement activity. Impact has been measured, for example through improved compliance and reduced supplier numbers on the finance system.	2.5	**Level 2 Overview:** **Action plan is in place with some measureable benefits being delivered.** Good understanding of sector performance and drivers. Understanding of key issues facing wider public sector. Understanding of key strategies of sector and organisation. Where there is a business improvement plan all staff are able to contribute to procurement continuous improvement activities. Evidence of a continuous review of an organisation's service provisions where make/buy /outsource/stop of service is considered. The member of staff with responsibility for procurement are involved in such reviews and consider social responsibility, environmental and economic sustainability. New collaboration opportunities are considered. The organisation has identified key performance indicators/measures and tracks Procurement activity against these, with evidence of performance improvement being documented. Post project reviews are conducted and lessons learned documented and circulated for all high value, high risk procurement exercises.	**Level 3 Overview** **The organisation has achieved benefits and changes as a result of its implemented procurement action plan.** Organisation can evidence activities that have resulted in outcomes benefiting stakeholders, for example evidence of cost efficiencies. Innovation ideas and actions driving improvements have been prioritised, resources allocated, with improvements realised and reported on. Benchmarking has presented performance improvement opportunities, these have been documented, an action plan put in place with improvements delivered and evidenced. The member of staff with responsibility for procurement regularly recommends opportunities for business improvement (not associated with the supply chain).	2
1.6 How are the organisations processes and procedures adequate and effective in relation to managing risk and countering fraud.	This level has been maintained. Spend is reviewed to identify risks. Counter Fraud and Cyber Security training has been undertaken. A risk register is in place. An audit on procurement was conducted in October with one low-level recommendation.	2.5	**Level 2 Overview:** **Efforts made to proactively identify and manage risk.** The member of staff with responsibility for procurement drives compliance with the scheme of delegation. Compliance with the scheme is subject to regular audit and can be evidenced. All risks and issues have clear mitigating actions, appropriate owners and a review date. A mechanism exists to ensure that risks and issues are collated centrally and highlighted to senior management. Evidence of regularly checking strategic and key supplier risks e.g. financial health, reputational risks with appropriate risks identified and flagged to the appropriate risk register. All members of staff with delegated purchasing authority (DPA) have undertaken Fraud Prevention Training. The organisation has a hospitality and gifts register (where gifts/hospitality are allowed).	**Level 3 Overview:** **Risks are fully considered and managed.** The separation of duties and authority levels are embedded into computer systems. Reports are available to demonstrate the separation between requisition and approval. Regular audits of Procurement have highlighted no significant (red or highest level) risks in the past 3 years. Risk Assessment of major procurement activity includes a process and mitigation plan to address: • Fraud; • Serious Organised Crime; • Supply Base • Supplier Vulnerabilities; • Supply Chain; and • Damage to organisations reputation e.g. by unethical behaviours/sourcing. The organisation promotes and operates a whistleblowing/fraud central point of enquiry/focal point. CFS (including anti-fraud, corruption & bribery) and Procurement principles are included in the organisations induction process and is part of all relevant staff's annual training plan. Where relevant the organisation vets potential suppliers to ensure that there are no links to organised crime.	2.5
2.1 How does the organisation understand its spend in order to drive best value?	There has been development in this area. Category analysis is undertaken as well as sector(departmental) analysis. Opportunities and risks have been identified. There is extensive use of Frameworks and examples of C1 collaboration, for example with H-VAC	3	**Level 3 Overview:** **An organisation category/opportunity map has been identified.** Evidence that the organisation is working towards some of the opportunities identified. The organisation has identified opportunities to collaborate with other public bodies and is actively working towards these. There are evidenced instances where expertise is applied to provide guidance and context to the development of strategies. Additional sources of intelligence are used.		2.5

Question	Assessment Notes	Score	Level Overview (2)	Level Overview (3)		Score
2.2 In what ways are specifications for procurement exercises (mini-competitions and Cat C procurement exercises) being developed to maximise value for the organisation and its customers?	There has been development in this area. Specifications are reviewed and improved on a iterative basis. Catering specifications have been developed over time to provide added value.	2.5	**Level 2 Overview:** **Specifications incorporate requirements of wider organisation and beyond.** Evidence of procurement's support to develop specification with stakeholder input, covering the majority of spend and high risk business areas. Evidence that specifications are being reviewed and refreshed where appropriate, when re-letting contracts and developed in line with market innovations and changes (based on market analysis gathered).	**Level 3 Overview:** **Specifications are future proofed to fully meet business needs.** Confidence that specifications are being developed to maximise value for the organisation and its customers and covers most of its spend. Evidence that specifications for recurring requirements are being reviewed continually and updated in line with market innovations/new developments and legal obligations. Evidence that specifications are reviewed periodically throughout the life of the contract to ensure the specification is still relevant to the business needs and to clarify with a view to termination of contract if required.		2
2.3 What is the organisations approach to evaluation to maximise efficiency and effectiveness?	This level has been maintained. Whole-life costs have been considered in some contracts, particularly with regards to construction. Lessons learned have been incorporated.	2.5	**Level 2 Overview:** **Organisation understands lifecycle costs and can demonstrate how this secures best value.** Sustainable procurement criteria appropriate to the commodity/project strategy are considered and reflected in the tender evaluation. Organisation can demonstrate objective methodology utilised to apply split in weightings between quality and cost.	**Level 3 Overview:** **Organisation can demonstrate that forecast benefits are achieved.** Whole-life costs and total acquisition costs are incorporated for all appropriate regulated tenders and evaluation criteria also reflect lessons learnt from previous exercises within the organisation. Lessons learned from the Contract & Supplier Management process feed into the selection and/or award criteria development, where relevant.		2.5
2.4 What does the organisation deliver in relation to Environmental, Social and Economic sustainability in its procurement practices and processes?	There has been development in this aera. There is engagement with the college's sustainability officer as well as the APUC Responsible Procurement team. SW is engaged with the SPLG and FNT2030 plans have been completed. There is also increased use of APUC frameworks. IT disposal is carried out by a supported business.	2.5	**Level 2 Overview:** **The organisation has secured some community, local economic and environmental benefits.** The organisation can demonstrate that procurement exercises have successful social, economic and environmental outcomes that are aligned to sustainable procurement aims in the Procurement Strategy. There is at least one contract placed or support provided to a supported business where the organisation has a requirement which can be met through this channel. There are clear objectives from the Flexible Framework action plan to build environmental, social and economic sustainability as an outcome of the procurement process. Organisations can evidence progress against the action plan.	**Level 3 Overview:** **Sustainable procurement is embedded in the procurement process across all areas of influenceable spend.** Evidence shows that sustainable procurement strategy and policies are embedded at appropriate stages of the procurement process across all areas of influenceable spend, covering supplies, services and works. The member of staff with responsibility for procurement can demonstrate the success of the above. The organisation has awarded two or more contracts to supported businesses over the last 12 months (where the organisation has requirements which can be met through this channel) and routinely considers whether a requirement can be met by a supported business as part of the Procurement Strategy.		2
3.1 What does the organisation do to manage contracts and suppliers?	There has been development in this area. Some contracts are managed in line with established CSM processes. CSM process (as well as exit process) has been used to manage performance improvement. It was noted that CSM process is used more reactively i.e. when addressing issues.	2.5	**Level 2 Overview:** **Contract and supplier management (CSM) process is consistently applied across all high value, high risk, and business critical contracts.** The organisation has developed and documented a contract and supplier management process and is implementing it. The organisation has implemented some roles and responsibilities which are clearly defined for the contract management process. A training plan in place for all staff responsible for the management of contracts. The organisation can demonstrate that they contribute to sectorial and national balanced scorecards where requested and where appropriate.	**Level 3 Overview:** **Benefits from CSM supplier management are being achieved and recognised by the organisation.** Contract and supplier management (CSM) process is consistently applied across all high value, high risk, and business critical contracts. Regular contact takes place between the member of staff with responsibility for procurement and/or contract managers and high value, high risk, business critical suppliers. Procurement can demonstrate how savings from contract & supplier management are recognised by the organisation.		2
3.2 What does the organisation do to work with key suppliers throughout the life of a contract to ensure contractual obligations are met and to identify and deliver additional benefits to both parties?	There has been development in this area. KPIs and SLAs are used as standard in contracts. These have been used extensively in managing supplier performance improvement. Exit and phase out strategies also being utilised.	2	**Level 2 Overview:** **Contract performance is consistently measured and compared.** High value/high risk contracts are subject to regular review meetings between Procurement, customers and suppliers, with a named individual responsible for managing any corrective actions required. Processes and measures to ensure that key suppliers meet the terms set out in the contract. Exit strategies are considered at both pre-tender and pre-award stage for all high value requirements and are embedded within the organisations procedures. For high value/high risk contracts the organisation can evidence: ● The tracking and standardised reporting of performance is in place ● Embedded two way process for monitoring KPI's/SLA's, reporting, and improvement			1.5
3.3 What does the organisation do to increase contract coverage, ensure contract compliance and reduce maverick spend?	There has been development in this area. Contracted spend is at the 80% level specified.	3		**Level 3 Overview:** **The organisation has the large majority of spend under contract and measures benefits.** Contract coverage >80% of potential influenceable spend. Maverick spend accounts for <5%. Line item detail reporting is readily available and is utilised to reduce maverick spend. The organisation quantifies and reports the benefits delivered from moving off-contract on to contract.		2
4.1 What does the organisation do to receive goods/ services/minor works, and what is the process for authorising payment?	This level has been maintained. This has been strengthened further as the system used is more automated than previously, with greater use of PECOS.	3		**Level 3 Overview:** **Fully electronic processes in place.** The organisation has electronic processes in place to manage the raising of orders, receipting of goods and the payment of invoices. Appropriate staff in the organisation have access to the relevant systems and separation of duties are embedded into the systematic workflow. The organisation has implemented other payment methods such as GPC, consolidated invoices, self-billing and eInvoicing where appropriate. The organisation has reviewed and implemented P2P processes delivering additional efficiencies and benefits. There is an automated process to manage invoice mis-matches.		3

Title of Paper	Governance & Legislative Compliance
Presented by:	Amy McDonald, Vice Principal Operations
Status	PUBLIC
Recommendation:	**For Consideration**

Purpose / Executive Summary:

The College is required to comply with the conditions stated in the following documents in relation to the overall financial governance:

- The Scottish Funding Council Financial Memorandum.
- The Scottish Public Finance Manual.
- The Code of Good Governance for Scotland's Colleges.

In addition, the Principal as the Accounting Officer for the College has overall responsibility for maintaining sound systems of internal control, risk management and governance that supports the achievement of the College policies, aims and objectives. To demonstrate that these arrangements are adequate and effective, the College has, as set out within the Scottish Public Finance Manual, reviewed, and commented upon the Internal Control Checklist. Effective completion of the checklist provides robust evidence that allows the Principal to sign the annual assurance certificate as required by the SFC.

The objective of this report is to provide assurance to the Audit & Risk Committee that the College is operating in compliance with:

- The Scottish Funding Council Financial Memorandum.
- The Scottish Public Finance Manual.
- The Code of Good Governance.

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:
'To advise the Board on its compliance with corporate governance requirements and good practice guidance, and in particular its compliance with the Financial Memorandum with SFC, the SPFM and the Code of Good Governance for Scotland's Colleges.'

Recommendations:

The Audit & Risk Committee is asked to:
   a) **Note** the content of the compliance reviews undertaken of the SFC Financial Memorandum, Scottish Public Sector Finance Manual, the Code of Good Governance and the SFC Internal Control Checklist.
   b) **Consider** the assurance provided and whether any further assurances are required.
   c) **Note** that the College intends to return an unqualified assurance statement to the SFC.

Implications:	
Financial	There are no financial implications in this report
Student Experience	There are no student experience implications associated with this report
People	There are no people implications associated with this report
Legal	There are legal implications in this report
Reputational	There are no financial implications in this report
Community/ Partnership impact	There are no community or partnership implications in this report
Environment	There are no environmental implications in this report
Equalities	There are no equality implications in this report

Background

The College has utilised the RAG rating system noted below for each of the items contained within each of the governance documents. Where applicable, evidence to support the RAG rating has also been collated.

High	No / minor issues or weaknesses were identified - Overall high level of assurance provided.
Medium	Some issues or weaknesses identified which require to be addressed – Overall medium level of assurance provided.
Low	Major issues or weakness identified which require to be addressed urgently – Overall limited or no assurance provided.

A copy of the assessment work undertaken by the College is attached in the Additional Information Pack. A summary of areas of medium or low assurance have been noted within the main body of this report.

Based on the work undertaken, the College is content that it complies with the requirements of:
- The Scottish Funding Council Financial Memorandum.
- The Scottish Public Finance Manual.
- The Code of Good Governance for Scotland's Colleges.

Based on a review of the SPFM Internal Control Checklist, the College is content to sign the annual SFC assurance certificate.

Report Findings

(1) SFC Financial Memorandum

Under the terms of the Further and Higher Education (Scotland) Act 2005 the Scottish Funding Council (SFC) may attach terms and conditions to the payment of grant made to institutions. It is a term and condition of grant payments from the SFC that the institution's governing body and its designated officers comply with the requirements set out in the [Institutional sustainability and governance - Scottish Funding Council (sfc.ac.uk)](#)

The Financial Memorandum (FM) was revised and issued in September 2022.

Based on the assessment carried out by the College, it is content to categorise each FM condition as high assurance.

(2) Scottish Public Finance Manual (SPFM)

A major element to ensure compliance with the **Scottish Public Finance Manual** (SPFM) is that the College maintains an up to date set of Financial Regulations.   The **College Financial Regulations** are reviewed annually by the College to ensure they remain up to date in relation to legislation and best practice. The October 2023 Board of Management meeting approved the updated College Financial Regulations, and these were uploaded to the College intranet and website.

 The College monitor changes made to the SPFM and take appropriate action should any change impact the Financial Regulations. The change made in December 2022 has no impact on College operations and the February 2023 change was to update the Internal Control Checklist (the College has utilised the updated checklist).

Based on the assessment carried out by the College, it is content to categorise each SPFM condition as high assurance.

(3) Code of Good Governance

In accordance with Paragraph D.23 of The Code of Good Governance for Scotland's Colleges, "*the board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online*".

An update was provided to the Board at its meeting on 26 February 2024 on the College's review of the conditions of the Code. There were no areas of low assurance identified. A number of the areas identified as having medium assurances were upgraded to high assurance. Sixteen remain at medium with the following explanations.
- 6 relate to the Corporate Strategy Refresh.
- 2 relate to the updating of KPI reporting.

Others relate to

- Publishing of Board and Committee Agenda, Papers and approved minutes – Governance Manager taking forward, and back papers will be updated by 30 April. Papers will be published timeously thereafter.
- Appointment of Trade Union Board Members – process being taken forward by local TU branches. It is hoped that the TU Board Members will be in place by the April Board meeting. (Further update below).
- Undertaking a skills review of the Board, identifying any skills gaps and training requirements– This should be completed by April Board.
- Board Members to sign off Code of Conduct on an annual basis – This will be taken forward by the Governance Manager. The Code will be submitted for Members to approve at the first Board meeting of each academic year.

Two actions requiring further consideration:
- Annual meetings with Board and Student Association with no staff members present to review how the association is fulfilling its responsibilities.
- Strategy Sessions to be arranged with SMT and Heads to allow Board members to gain an understanding of the operations of the College.

A further review of the report will take place during the External Effectiveness Review taking place over the next month, with the outcome to be reported to the Board meeting on 23 June 2024.

As part of this Compliance review, the Audit & Risk Committee is requested to review the content of the Code of Good Governance and ensure that it is content with the assurance levels as assessed by the College.

(4) SPFM Internal Control Checklist

The College has a duty placed upon Principals/Chief Executives to provide an annual certificate of assurance to the Chief Executive/Accountable Officer (AO) of the Scottish Funding Council (SFC). This assurance allows the SFC AO, in turn, to provide a certificate to the Principal Accountable Officer (Permanent Secretary) of the Scottish Government, providing the necessary assurance to support hem in the signing of the governance statement which forms part of the Scottish Government consolidated accounts for the period 1 April 2023 to 31 March 2024. The certificate the Chief Executive/Accountable Officer (AO) will sign is attached for reference.

In establishing this procedure, the SFC have taken every effort to build upon the assurance work which the College already undertake including the work being carried out by internal and external audit. Reliance is placed on a variety of sources such as:
- Minutes from board committees dealing with Audit, Risk, Finance, Planning and HR.
- The 2022-23 audit opinion and any audit work carried out in the period from August 2023 to March 2024
- The College's own views of the operational effectiveness of the controls, processes, and procedures in place as evidenced in the Internal Controls Checklist.

To assist the College, the SFC have attached a schedule of assurances based on the SPFM internal control checklist. The College has undertaken a full review of the SPFM internal control checklist and summarised the results in part (4) of additional report provided.

Based on the assessment carried out by the College, it is content to categorise each SPFM Internal Control Checklist condition as high assurance. The College will therefore be returning a positive assurance statement to the SFC:

Based on that review, and my own knowledge of the internal control matters in the college I can confirm that these controls have been, and are, working well. There are in my opinion no significant matters arising in the college which would require to be raised specifically in the governance statement.

Title of Paper	Annual review of the effectiveness of the Audit & Risk Committee and Internal Auditors.
Presented by:	Susan McDonald, Governance Manager
Status	PUBLIC
Recommendation:	**For Approval**

Purpose / Executive Summary:

This report outlines the process which it is proposed the Audit & Risk Committee adopts for the 2023-24 review of its effectiveness and that of the internal auditors. The procedure follows that agreed in previous years which is to issue two questionnaires covering:

- Audit & Risk Committee Effectiveness.
- Evaluation of the Internal Auditors.

The College would intend issuing the questionnaires following the final Audit & Risk Committee meeting of the 2023/2024 session, with a report on the outcome submitted to the September 2024 Committee.

The purpose of this report is to consider and agree the approach to be taken and the timetable for this work.

The paper is presented in line with the following West College Scotland Audit Committee Terms of Reference:

- *"To review its own effectiveness at least annually and to report the results of that review to the Board."*
- *"To review the scope, efficiency and effectiveness of the work of the Internal Auditors and to advise the Board on these matters."*

Recommendations:

The Audit & Risk Committee is asked to consider **and approve** the suggested process which includes:

a) the distribution list to be used to evaluate the effectiveness of the Audit & Risk Committee and of the Internal Audit function.
b) Submission of both questionnaires to be used to the Audit & Risk Committee meeting taking place on 22 May 2024.

Implications:	
Financial	There are no direct financial implications in this report
Student Experience	There are no direct student experience implications associated with this report
People	There are no people implications associated with this report
Legal	There are no direct legal implications in this report
Reputational	There are no financial implications in this report
Community/ Partnership impact	There are no community or partnership implications in this report
Environment	There are no environmental implications in this report
Equalities	There are no equality implications in this report

Background

External Audit Review

At the Audit & Risk Committee meeting held on 31 January 2024, the Committee considered a summary on the evaluation of the External Auditor immediately following the completion of the external audit work. At the time of writing we still await information from Audit Scotland on the review of the External Auditor's performance.

Audit Committee Effectiveness

As the Chair and Membership of the current Audit & Risk Committee is fairly new, it has been decided that the effectiveness review of the committee will take place during June 2024, following the final Committee meeting of the academic year.   This will allow the current membership to have undertaken at least a few meetings.

It is proposed to use the same questionnaire as used previously, a copy of which will be submitted to the next meeting for agreement. The questionnaire used to evaluate the effectiveness of the Audit & RiskCommittee is based upon the requirements of the Scottish Government Audit and Assurance Committee Handbook, supplemented by further good practice questions as proposed by the National Audit Office.

As per previous years, and in line with good practice, it is the intention to issue the questionnaire to members of the committee and other regular attendees.

Internal Audit Review

The questionnaire used to evaluate the internal audit function has been updated based on a best practice guide issued by KPMG and complies with the requirements of the Scottish Government Audit and Assurance Committee Handbook. The proposed questionnaire will be submitted to the next meeting for agreement.

Next Steps

If the Committee is satisfied with the proposed approach, the questionnaires will be issued following agreement of the content at the Committee meeting of 22 May 2024.

The questionnaire will be issued to:
- All Audit & Risk Committee members, including Co-opted Members.
- Principal.
- Vice Principals.
- Other members of the Senior Management Team.

A report on the outcome of the surveys will be provided to the September 2024 Audit & Risk Committee meeting for consideration and action as appropriate. Thereafter, the Audit & Risk Committee will report to the October 2024 Board of Management on its findings.

Recommendations:

The Audit & Risk Committee is asked to consider **and approve** the suggested process which includes:
- c) the distribution list to be used to evaluate the effectiveness of the Audit & Risk Committee and of the Internal Audit function.
- d) Submission of both questionnaires to be used to the Audit & Risk Committee meeting taking place on 22 May 2024.

Title of Paper	**Fee Policy 2024/2025**
Presented by:	Amy McDonald, Vice Principal Operations
Decision:	For Approval
Status:	**PUBLIC**

Purpose / Executive Summary:

The purpose of this paper is to provide the updated on the College Fee Policy for 2024-25 year. As per the Scottish Public Finance Manual the College is required to set out it's fee policy annually.

The College is required to follow market pricing for the majority of College full and part time courses which are set by SFC. Short courses the College can decide what the charge is.   The College short courses have been benchmarked against other Scottish Colleges are in the middle range and therefore reasonable.

No cost increase is proposed across any area - consistent with the pricing set out for WCS by SFC.

A change to the College's refund policy is proposed for short courses, that refunds with a value of less than £100 are not refunded.

- Year to date the College has processed 126 refunds to a value of £21k.
- Of these refunds 34 have been for amounts of less than £100 and total £2.7k.
- No other changes to refund policy are proposed at this time.

The paper is presented in line with Audit Committee Terms of Reference:

To review the College Policies on a timely basis.

Recommendations:

The Audit& Risk Committee is asked to **consider and approve** the Fee Policy for 2024/2025 with the only change being an update the College refund policy for short courses.

Implications:	
Financial	As per paper.
Student Experience	Not applicable for this report
Human Resources	Not applicable for this report
Legal	College is required to have in place a fee policy supporting in year sales.
Reputational	Not applicable for this report
Community/ Partnership impact	Not applicable for this report
Equalities	Not applicable for this report
Environment	Not applicable for this report

Title of Paper	**Business Continuity Policy**
Presented by:	Amy McDonald, Vice Principal Operations
Decision:	For Approval
Status:	**PUBLIC**

Purpose / Executive Summary:

The purpose of this paper is to provide the Business Continuity Policy for Audit Commitee review and approval
   a) To confirm adequacy of arrangements
   b) Acknowledge this policy is supported by underpinning Business Continuity Plans.

The main objectives of the Policy have not changed. Underpinning delivery plans are managed by the College Senior Management Team.

The paper is presented in line with Audit Committee Terms of Reference:

To review the College Policy on a timely basis.

Recommendations:

The Audit & Risk Committee is asked to **consider and approve** the Business Continuity Policy.

Implications:	
Financial	Not applicable for this report
Student Experience	Not applicable for this report
Human Resources	Not applicable for this report
Legal	College is required to have in place effective controls for managing business continuity arrangements.
Reputational	Not applicable for this report
Community/ Partnership impact	Not applicable for this report
Equalities	Not applicable for this report
Environment	Not applicable for this report

Title of Paper	Internal Auditors Report - Governance
Presented by:	Stephen Pringle, Wylie & Bisset
Status:	**PUBLIC**
Recommendation:	**To Note**

Purpose / Executive Summary:

In line with the 2023-24 Internal Audit Plan, Wylie & Bisset conducted an assignment to assess whether the College's systems and procedures are fully compliant with legislation and the College are taking all necessary steps to protect its students and staff. The reviews sought to provide assurance to the Board, via the Audit and Risk Committee, that arrangements are adequate.

The report attached has concluded the following assurance:
Governance – Strong Assurance, 3 low level recommendations that will be taken forward and implemented through the Rolling Audit Action Plan.

The paper is presented in line with West College Scotland Audit Committee Terms of Reference:
'To agree the Internal Audit Plan and review the Internal Audit Annual Report'

Recommendations:

The Audit & Risk Committee are asked to consider and **note** the content of the report.

Implications:	
Financial	Financial implications are covered through internal budget controls and Board and Committee monitoring thereof
Student Experience	Strong assurances in areas audited enhance the overall student experience
People	There are no direct people implications associated with this report
Legal	Governance compliances ensures legal implications associated with this report are covered
Reputational	Governance compliances ensures any reputational implications associated with this report are covered
Community/ Partnership impact	There are no direct community implications associated with this report
Environment	There are no environmental implications associated with this report.
Equalities	WCS ensures all activities are accessible and inclusive

Title of Paper	Internal Auditors Progress Report – 2023/2024
Presented by:	Stephen Pringle, Wylie & Bisset
Status:	**PUBLIC**
Recommendation:	**To Note**

Purpose / Executive Summary:

The Audit & Risk Committee approved the 2023-24 College internal audit plan on 24 May 2023. The attached report provides the Audit Committee with an update on 2023-24 planned internal audit activity and key performance indicators for the year including:

- Agreed timings of the approved internal audit assignments.
- Dates that the Committee can expect to receive the internal audit reports.
- Agreed timings for the other audit work to be undertaken.

Phases 1,2 and 3 assignments have now been undertaken, with the work to complete the phase 4 assignments having commenced in March and are due to be completed by mid June 2024.

The paper is presented in line with West College Scotland Audit Committee Terms of Reference:
'To agree the Internal Audit Plan and review the Internal Audit Annual Report'

Recommendations:

The Audit & Risk Committee are asked to **note** the progress on the 2023-2024 internal audit plan.

Implications:	
Financial	There are no financial implications in this report
Student Experience	There are no student experience implications associated with this report.
People	There are no people or HR implications associated with this report
Legal	There are no further legal implications other than those noted above
Reputational	There are no reputational issues associated with this report
Community/ Partnership impact	There are no community implications associated with this report
Environment	There are no environmental implications associated with this report
Equalities	There are no equality implications associated with this report

Internal Audit Plan 2023/24

Assignment Plans

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

Key Dates

Visit	Audit Areas	No. of Audit Days	Provisional Start Date for Visit	Provisional Date of Issue of Draft Report	Status	Provisional Date for Reporting to Audit Committee
Phase 1	Credits SSF EMA	8 4 3	11 September 2023	29 September 2023	Completed	21 November 2023
Phase 2	Procurement & Tendering GDPR Compliance	5 5	23 October 2023	10 November 2023	Completed	31 January 2024
Phase 3	Corporate Governance	5	8 January 2024	26 January 2024	Completed	27 March 2024
Phase 4	Estates Strategy CPD	5 5	11 March 2024	29 March 2024	In progress	22 May 2024
Phase 5	Student Admissions / Enrolment Alternative / Non-SFC Funding Sources	5 6	15 April 2024	3 May 2024		tbc
Phase 6	Communications and Marketing Strategy (replacing the Corporate Strategy Review)	5	3 June 2024	14 June 2024		tbc

Wylie Bisset

Head Office

168 Bath Street,
Glasgow, G2 4TP

T: 0141 566 7000
E: info@wyliebisset.com

Oban

4 High Street,
Oban,
Argyll PA34 4BG

T: 0163 156 2478

Manchester

3 Hardman Square,
Spinningfields,
Manchester M3 3EB

T: 0161 694 2830

Title of Paper	**Rolling Audit Action Plan**
Presented by:	Amy McDonald, Vice Principal Operations
Decision:	For Approval
Status:	**PUBLIC**

Purpose / Executive Summary:

The purpose of this report is to update the Audit & Risk Committee on the status of recommendations made by the College internal and external auditors.

- Nine completed recommendations require to be validated by the Internal Auditors for the College to work through with Internal Audit
- Nine recommendations remain in progress and extensions have been requested. Eight of these are due to alignment with the new Corporate Strategy and one request has been made due to other priority workloads.

The paper is presented in line with West College Scotland Audit & Risk Committee Terms of Reference:
'To review the Internal Audit reports, the management response to them and to review implementation of the actions required.' and *'To review the Rolling Audit Action Plan at each meeting.'*

Recommendations:

The Audit & Risk Committee is asked to **consider and approve** the Rolling Audit Action Plan.

Implications:	
Financial	Not applicable for this report
Student Experience	Not applicable for this report
Human Resources	Not applicable for this report
Legal	Not applicable for this report
Reputational	Not applicable for this report
Community/ Partnership impact	Not applicable for this report
Equalities	Not applicable for this report
Environment	Not applicable for this report

Background

The Rolling Audit Action Plan (RAAP) (attached) provides a summary update on the progress made by the College in addressing the recommendations arising from the work of both the internal and external auditors and the full detail of any 'high' recommendations.

The **Additional information pack** includes full details of each of the remaining recommendations.

Overall Position

The summary table on page 2 indicates the origin of the 18 outstanding recommendations.
The status table on page 3 summaries the status of the recommendations:
- 9 have been completed and are awaiting review by the auditors.
- 9 requests for extension of time are proposed for consideration awaiting the new Corporate Strategy
- 8 of the 9 actions relate to the College's Corporate Strategy which has not been completed, therefore an extension is requested for the outstanding actions as they cannot be completed at this time.

Recommendation Status

Audit recommendations are graded as noted below:

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

The table below summarises the gradings of the outstanding recommendations:

Audit Grading	Low (3)	Medium (2)	High (1)	Total
2023/2024	1	8	0	9

Next Steps

The College will:
- Update the Rolling Audit Action Plan following consideration by the Audit & Risk Committee and agreement of extension dates.
- Engage with the external auditors to review closure of the 8 recommendations considered as fully implemented for consideration by the next Committee.
- Continue to monitor the Rolling Audit Action Plan.