

<b>Title of Paper</b>	Internal Audit Tender Process
<b>Presented by:</b>	Nicola Connelly, Director of Finance & Estates
<b>Recommendation:</b>	<b>For Approval</b>
<b>Status</b>	Public
<b>Linked To:</b>	
<b>KPI(s)</b>	All
<b>Strategic Objective</b>	All
<b>Strategic Risk</b>	All

**Purpose / Executive Summary:**

The current College contract with Wylie & Bisset for the provision of internal audit services is due to conclude on 31 July 2025. This contract incorporates the audit of several student support funds as agreed by the Audit Committee from 2020-21.

This report provides an update to the Committee on the procurement route the College intends to take to contract for the provision of internal and other audit services.

**Recommendations:**

The Audit and Risk Committee is asked to **approve** the proposed procurement approach, utilising the APUC framework and **approve** the direct award to WBG.

**Implications:**

<b>Financial</b>	There are no financial implications associated with this report
<b>Student Experience</b>	There are no student experience implications associated with this report
<b>People</b>	There are no people implications associated with this report
<b>Legal</b>	There are no legal implications associated with this report
<b>Reputational</b>	There are no reputational implications associated with this report
<b>Community/ Partnership impact</b>	There are no community / partnership implications associated with this report
<b>Environment</b>	There are no environmental implications associated with this report
<b>Equalities</b>	WCS considers equalities implications across all its activities and reports

## **Background**

The current College contract with Wylie & Bisset for the provision of internal audit services is due to conclude on 31 July 2025. This contract incorporates the audit of several student support funds as agreed by the Audit Committee from 2020-21.

It is proposed that the new contract will be for a period of 3 years from 1 August 2025 to 31 July 2028 with the option to extend for a further 2 two years (to 31 July 2030) if felt appropriate by the Committee to do so.

## **Services to be Provided**

The College is seeking to procure the following services:

### Internal Audit Service

The role of internal audit is to provide independent assurance that the College's risk management, governance and internal control processes are operating effectively.

The auditors provide an internal audit plan for Audit & Risk Committee and Board of Management approval which is based on a risk assurance approach.

Internal auditors have a professional duty to provide an unbiased and objective view. The appointed firm must be independent from the operations they evaluate and report to the Board of Management through the Audit & Risk Committee.

### Other Audit Services

The College is required by the SFC/SAAS to ensure that audit reviews are undertaken for the following funds:

- Scottish Funding Council (SFC) Student Activity;
- SFC Student Support Fund;
- Educational Maintenance Allowance; and
- SAAS Funding.

In completing these audit reviews, the auditor is required to provide an audit report and certificate in accordance with the requirements of the fund provider.

## **Procurement Route**

The proposed procurement route will be to utilise the Advanced Procurement for Universities and Colleges (APUC) Framework for Audit Services – Internal, External and Tax. Lot 1 would apply; (Internal Audit below £25m). The College could carry out a direct award to the first ranked from the framework (WBG). As per the Colleges Financial Regulations for procurements of this value for services; "Where a suitable procurement framework exists, a mini competition or direct award may be carried out."

WBG are ranked first under the framework, as you can see their commercial offering was cheaper.

<b>Lot 1 – Internal Audit - &lt;£25M</b>				
<b>Ranking</b>	<b>Appointed Contractors</b>	<b>Technical %</b>	<b>Commercial %</b>	<b>Total %</b>
1	Wbg Services LLP (previously Wylie & Bisset LLP)	61.67	<b>30.00</b>	91.67
2	BDO LLP	68.33	22.40	90.73
3	Azets	68.33	19.55	87.88

Under the procurement process, BT1 savings were achieved of 28% so this route demonstrates best value also.

As per the User Guide, the award of a contract will take place after the Institution has discussed **its specific requirements with the Contractor and an agreement has been reached as to timescales, methodology/approach, specific service requirements and key milestones and performance indicators to be met.** Therefore, we would issue an invitation to quote to the first ranked detailing our individual requirements.

As the potential route is a Direct Award, it can be commenced mid-April. The Contract will be for 3 years from 1 August 2025 to 31 July 2028 with the option to extend for a further two years to 31 July 2030.

### **Recommendation**

The Audit & Risk Committee is requested to:

- **approve** the proposed procurement approach, utilising the APUC framework; and
- **approve** the direct award to WBG

<b>Title of Paper</b>	Annual review of the effectiveness of the Audit & Risk Committee and Internal Auditors.
<b>Presented by:</b>	Susan McDonald, Governance Manager
<b>Status</b>	PUBLIC
<b>Recommendation:</b>	<b>For Approval</b>
<b>Linked To:</b>	
<b>KPI(s)</b>	All
<b>Strategic Objective</b>	All
<b>Strategic Risk</b>	All

**Purpose / Executive Summary:**

This report outlines the process which it is proposed the Audit & Risk Committee adopts for the 2024-25 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 2024/2025 session, with a report on the outcome submitted to the September 2025 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 & Risk 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) Both questionnaires to be used for the evaluation.

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

## **Background**

### **External Audit Review**

A summary on the evaluation of the External Auditor immediately following the completion of the external audit work will be submitted to the March Audit & Risk Committee Meeting.

### **Audit & Risk Committee Effectiveness**

The effectiveness review of the committee will take place during April/May 2025.

It is proposed to use the same questionnaire as used previously, a copy of which has been included for agreement. The questionnaire used to evaluate the effectiveness of the Audit & Risk Committee 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 proposed questionnaire used to evaluate the internal audit function is as used for last year's evaluation. This was updated based on a best practice guide issued by KPMG and complies with the requirements of the [Scottish Government Audit and Assurance Committee Handbook](#).

## Next Steps

If the Committee is satisfied with the proposed approach, the questionnaires will be issued following this Committee meeting and by no later than Thursday 27 March 2025.

Members will be asked to return the completed questionnaires to the Governance Manager by no later than Friday 25 April 2025, who will provide an anonymised analysis of the response to the 28 May 2025 committee meeting and the June Board.

The questionnaire will be issued to:

- All Audit & Risk Committee members, including Co-opted Members.
- Principal.
- Vice Principals.
- Director of Finance & Estates

A report on the outcome of the surveys will be provided to the June 2025 Audit & Risk Committee meeting for consideration and action as appropriate. Thereafter, the Audit & Risk Committee will report to the June 2025 Board of Management on its findings.

## 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) The same questionnaires to be used, as was used for last year's evaluation.
- c) The timeline for responses.

# AUDIT & RISK COMMITTEE SELF-ASSESSMENT CHECKLIST

	YES/NO/NA Don't know	Comments/Action
<b>Role and Remit</b>		
Does the committee have written terms of reference?		
Do the terms of reference cover the core functions of an audit and risk committee as identified in the <a href="#">SG Audit and Assurance Committee Handbook</a> ?		
Are the terms of reference approved by the committee and reviewed periodically?		
Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?		
Does the body's governance statement mention the committee's establishment and its broad purpose?		
Does the committee periodically assess its own effectiveness?		
<b>Membership, induction and training</b>	YES/NO/NA Don't know	Comments/Action
Has the membership of the committee been formally agreed by the management board and or Accountable Officer and a quorum set?		
Are members appointed for a fixed term?		
Does at least one of the committee members have a financial background?		
Has the committee explored the option of bringing in additional independent, non-executive members from sources other than the Board to ensure appropriate level of skills and experience.		
Are all members, including the chair, independent of the executive function?		
Are new committee members provided with an appropriate induction?		
Has each member formally declared his or her business interests?		

Are members sufficiently independent of the other key committees of the Board?		
Has the committee considered the arrangements for assessing the attendance and performance of each member?		
<b>Meetings</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the committee meet regularly, at least four times a year?		
Do the terms of reference set out the frequency and broad timing of meetings?		
Does the committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?		
Are members attending meetings on a regular basis and if not, is appropriate action taken?		
Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?		
Does the committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?		
<b>Internal control</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?		
Does the committee consider the findings of reviews on the effectiveness of the system of internal control?		
Does the committee have responsibility for review of the draft governance statement and does it consider it separately from the accounts?		
Does the committee consider how accurate and meaningful the governance statement is?		
Does the committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?		

Has the committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?		
Has the committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?		
Has the committee been made aware of the role of risk management in the preparation of the internal audit plan?		
Does the committee's terms of reference include oversight of the risk management process?		
Does the committee consider assurances provided by senior staff?		
Does the committee receive sufficient assurance on the operations in the key business areas such as Finance, HR, ICT?		
<b>Financial reporting and regulatory matters</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Is the committee's role in the consideration of the annual accounts clearly defined?		
Does the committee consider, as appropriate:		
• the suitability of accounting policies and treatments		
• major judgements made		
• large write-offs		
• changes in accounting treatment		
• the reasonableness of accounting estimates		
• the narrative aspects of reporting?		
Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?		
Does the committee review management's letter of representation?		

Does the committee gain an understanding of management's procedures for preparing the body's annual accounts?		
Does the committee have a mechanism to keep it aware of topical legal and regulatory issues?		
<b>Internal Audit</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the Head of Internal Audit attend meetings of the committee?		
Does the committee approve, annually and in detail, the internal audit plans including consideration of whether the scope of internal audit work addresses the body's significant risks?		
Does internal audit have a direct reporting line, if required, to the audit and risk committee?		
As well as an annual report from the Head of Internal Audit, does the committee receive progress reports from the internal audit service?		
Are outputs from follow-up audits by internal audit monitored by the committee and does the committee consider the adequacy of implementation of recommendations?		
If considered necessary, is the committee chair able to hold private discussions with the Head of Internal Audit?		
Is there appropriate co-operation between the internal and external auditors?		
Does the committee review the adequacy of internal audit staffing and other resources?		
Are internal audit performance measures monitored by the committee?		
Has the committee considered the information it wishes to receive from internal audit?		
Do formal terms of reference exist defining internal audit's objectives, responsibilities, authority and reporting lines?		

<b>External Audit</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the external audit representative attend meetings of the committee?		
Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)?		
Does the committee chair hold periodic private discussions with the external auditor?		
Does the committee review the external auditor's annual report to those charged with governance?		
Does the committee ensure that officials are monitoring action taken to implement external audit recommendations?		
Are reports on the work of external audit presented to the committee?		
Does the committee assess the performance of external audit?		
Does the committee consider the external audit fee?		The fee is set by Audit Scotland
<b>Administration</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the committee have a designated secretariat?		
Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members?		
Do reports to the committee communicate relevant information at the right frequency, time, and in a format that is effective?		
Does the committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?		
Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?		
Is a report on matters arising presented or does the chair raise them at the committee's next meeting?		

Do action points indicate who is to perform what and by when?		
Does the committee provide an effective annual report on its own activities?		
<b>Overall</b>	<b>YES/NO/NA Don't know</b>	<b>Comments/Action</b>
Does the committee effectively contribute to the overall control environment of the organisation?		
Are there any areas where the committee could improve upon its current level of effectiveness?		
Does the committee seek feedback on its performance from the Board and Accountable Officer?		

[Extracted from the Scottish Government Audit and Assurance Committee Handbook 2018](#)

Evaluation of the Internal Auditors	Yes	No	Not sure	Comments
<b>Questions for Audit &amp; Risk Committee Members</b>				
1. Did the auditors meet with the Audit & Risk Committee when requested?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Did the auditors adequately assess controls in place within the College?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the auditors inform the Audit & Risk Committee of any risks of which the Committee was not previously aware?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Did the auditors communicate issues freely with the Audit & Risk Committee, or did they seem protective of management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Does it appear that management exercises influence on the internal auditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Does it appear that the internal auditors are reluctant or hesitant to raise issues that would reflect negatively on management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Is the Audit & Risk Committee satisfied with the planning and conduct of the audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>8. Is the Audit &amp; Risk Committee satisfied with its relationship with the internal auditors? In making this decision, the Audit &amp; Risk Committee should consider whether:</p> <p>(a) the partner-in-charge of the audit participated in Committee meetings.</p> <p>(b) the auditors were frank and complete in the required discussions with the Committee.</p> <p>(c) the auditors were frank and complete during executive sessions with the Committee.</p> <p>(d) the auditors are on-time in their delivery of services to the College.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Evaluation of the Internal Auditors	Yes	No	Not sure	Comments
<b>Questions for Audit &amp; Risk Committee Members (continued)</b>				
<p>9. Is the Committee satisfied that the internal auditors remain independent and objective both in fact and appearance? This response should consider:</p> <ul style="list-style-type: none"> <li>• Review all audit-related and non-audit services conducted by the internal auditors in the prior year.</li> <li>• Review whether the firm, the office or the partner is dependent on the College for a material percentage of its fee income.</li> <li>• Review whether former members of the audit team are now employed by the College.</li> </ul> <p>If any of these conditions exist, the Committee should consider whether they impair the auditors' independence with respect to the College.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>10. Was the audit fee fair and reasonable in relation to what the Committee knows about fees charged to other non-profit Colleges, and in line with fee benchmarking data the Committee might have available to it?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>11. Did the internal auditors provide constructive observations, implications, and recommendations in areas needing improvement?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>12. Did the internal auditors demonstrate an ongoing understanding of the uniqueness of further education?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Signed:**

**Print Name:**

**Date:**

*Based on the Scottish Government Audit and Assurance Committee Handbook 2018*

Evaluation of the Internal Auditors	Yes	No	Not sure	Comments
<b>Questions for the Principal and Chief Executive</b>				
1. From your perspective, in working with the internal auditors are you satisfied with the scope, nature, extent, and timing of testing performed by the internal auditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Are you satisfied with the knowledge, skills, and abilities of the staff assigned to the audit work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are you satisfied with the engagement leadership assigned, including the partner(s), manager(s), and fieldwork leaders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Did the internal auditors provide constructive observations, implications, and recommendations in areas needing improvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. <i>a.</i> If the choice were yours, would you hire the firm to conduct next year's internal audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>b.</i> If yes, are there any changes you would make?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Are you satisfied with the quality and quantity of information provided by the internal auditors relative to the general progress of the audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Were identified problems or potential issues brought to your attention in sufficient time to be addressed without delaying or extending the completion of the audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Signed:**

**Print Name:**

**Date:**

Evaluation of the Internal Auditors	Yes	No	Not sure	Comments
<b>Questions for the Vice Principals and Director of Finance &amp; Estates</b>				
1. From your perspective in working with the internal auditors, are you satisfied with the scope, nature, extent, and timing of testing performed by the internal auditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Did the internal auditors work with you to ensure the co-ordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. a. Are you satisfied with the knowledge, skills, and abilities of the staff assigned to do the audit work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Are you satisfied with the engagement leadership assigned, including the partner(s), manager(s) and fieldwork leaders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. a. Did the internal auditors work in accordance with agreed audit parameters?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Was co-operative work conducted in a professional manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Are you satisfied with the quality and quantity of information provided by the internal auditors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are you satisfied that the auditors remain independent of the College in spite of any additional audit-related, or non-audit services the auditors provide to the College?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. a. Are you aware of any other information that might impair the independence of the internal audit firm?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Are you aware of any individuals on the internal audit team that might not be independent with respect to the College for whatever reason?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Evaluation of the Internal Auditors	Yes	No	Not sure	Comments
<b>Questions for the Vice Principals and Director of Finance &amp; Estates (continued)</b>				
7. Were identified problems or potential issues brought to your attention in sufficient time to be addressed without delaying or extending the completion of the audit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. <i>a.</i> If the choice were yours would you hire the firm to conduct next year's internal audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<i>b.</i> If yes, are there any changes you would make?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Signed:**

**Print Name:**

**Date:**

<b>Title of Paper</b>	WCS Strategic Risk Register
<b>Presented by:</b>	Nicola Connelly, Director of Finance and Estates
<b>Recommendation:</b>	To Discuss & Agree
<b>Status:</b>	PUBLIC
<b>Linked To:</b>	
<b>KPI(s)</b>	All KPIs will be closely monitored, any causing major concern will be covered within the Register
<b>Strategic Objective</b>	All - Students, Sustainability, Partnerships, People and Future
<b>Strategic Risk</b>	All strategic risks to be identified and monitored

**Purpose / Executive Summary:**

At the Board Strategy Day on 27<sup>th</sup> January, there was a review of the current Strategic Risk Register and agreement that Committees should review the Register to determine the key risks associated with the Committee, along with consideration as to whether all key strategic risks are identified.

The Committee should also consider the mitigations for the associated Committee key strategic risks, in line with the agenda discussions at the Committee and recommend any amendments to be submitted for the next Risk Register update.

Any changes to the register from the previous meeting will be highlighted on the document.

**Recommendations:**

The Audit and Risk Committee is asked to review the Strategic Risk Register to:

- Agree the key risks
- Recommend any amendments to the key strategic risks
- Recommend any amendments to the mitigations

**Implications:**

<b>Financial</b>	All implications have been considered across all risks on the register.
<b>Student Experience</b>	All implications have been considered across all risks on the register.
<b>People</b>	All implications have been considered across all risks on the register.
<b>Legal</b>	All implications have been considered across all risks on the register.

<b>Reputational</b>	All implications have been considered across all risks on the register.
<b>Community/ Partnership impact</b>	All implications have been considered across all risks on the register.
<b>Environment</b>	All implications have been considered across all risks on the register.
<b>Equalities</b>	All implications have been considered across all risks on the register.

<b>Title of Paper</b>	<b>Rolling Audit Action Plan</b>
<b>Presented by:</b>	Susan McDonald, Governance Manager
<b>Decision:</b>	For Noting
<b>Status:</b>	<b>PUBLIC</b>

**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.

There are seven completed actions that have now been fully approved by the Auditors and removed. A further eight now completed actions are noted and ready for auditor approval.

There are currently eight live actions.

Actions pertaining to the under-pinning strategies (six) were previously noted as a deadline of 31 March 2025, following the development of the new Corporate Strategy. However, due to the current Shaping Our Future Together programme, SMT are advising that although work continues on the development of the strategies, the timing is not quite right to fully finalise these and are requesting extensions to these deadlines so that the new under-pinning strategies take into consideration the outcomes and objectives from the transformation programme.

The two actions relating to recruitment and admissions that were due to be completed by March 2025 are still ongoing and this is mainly due to the continuing challenges with the new CIVICA system. Updates continue with the system through 2025, to best meet our requirements and it is requested that we extend completion of these actions to October 2025.

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 Committee is asked to **note** the update on the Rolling Audit Action Plan.

**Implications:**

<b>Financial</b>	Not applicable for this report
<b>Student Experience</b>	Not applicable for this report
<b>Human Resources</b>	Not applicable for this report
<b>Legal</b>	Not applicable for this report
<b>Reputational</b>	Not applicable for this report
<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

<b>Title of Paper</b>	<b>National Fraud Initiative</b>	
<b>Presented by:</b>	Nicola Connelly, Director of Finance & Estates	
<b>Decision:</b>	For Noting	
<b>Status:</b>	<b>PUBLIC</b>	
<b>Linked To:</b>		
<b>KPI(s)</b>		
<b>Strategic Objective</b>	Sustainability	
<b>Strategic Risk</b>	Reputational Risk	

**Purpose / Executive Summary:**

As reported previously to the Committee the College continues to participate in the National Fraud Initiative (NFI). The National Fraud Initiative 2024-25 is currently being undertaken.

The paper is presented in line with West College Scotland Audit and 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 **consider and note** the report.

**Implications:**

<b>Financial</b>	There are no financial implications associated with this paper.
<b>Student Experience</b>	There are no student experience implications associated with this paper.
<b>Human Resources</b>	There are no human resource implications associated with this paper.
<b>Legal</b>	There are no legal implications associated with this paper.
<b>Reputational</b>	Not applicable for this report

<b>Community/ Partnership impact</b>	Not applicable for this report
<b>Equalities</b>	Not applicable for this report
<b>Environment</b>	Not applicable for this report

## 1. BACKGROUND

- 1.1. As part of the National Fraud Initiative exercise for 2024/25 the College have submitted two key files, a payroll file and a creditors file, for review. NFI utilises computerised techniques to cross-check data from different public bodies and financial systems to identify potential instances of fraud or error. These checks aim to ensure that public sector organisations like ours are operating efficiently and without discrepancies that could suggest fraud.
- 1.2. Currently, the matches related to these files will not be returned until April 2025 as part of the second wave of NFI processing.

## 2. 2024-25 Exercise

- 2.1. As part of the National Fraud Initiative exercise for 2024/25 the College have submitted two key files, a payroll file and a creditors file, for review. NFI utilises computerised techniques to cross-check data from different public bodies and financial systems to identify potential instances of fraud or error. These checks aim to ensure that public sector organisations like ours are operating efficiently and without discrepancies that could suggest fraud.
- 2.2. Currently, the matches related to these files will not be returned until April 2025 as part of the second wave of NFI processing.
- 2.3. The delay in receiving the matches until April 2025 may lead to a period of uncertainty, as we will not know the results until the second wave of NFI checks is completed. During this time, the College must ensure that our systems are prepared to address any issues that may arise from the matches once they are returned. Additionally, planning for a detailed internal review of the data and matches upon receipt has commenced. The importance of compliance and transparency in this process cannot be overstated, as any discrepancies could impact the organisation's financial standing and reputation
- 2.4. Current assessment and work still to be undertaken:
  - 2.4.1. **Preparation for NFI Matches:** The College has designated resources within the Finance and HR team to prepare for the receipt of NFI match results, ensuring that necessary processes are in place for a prompt review. This includes being ready to address potential matches and follow up on any issues identified.
  - 2.4.2. **Internal Review Process:** Once the NFI data matches are received, a detailed internal review should be conducted promptly to address any issues. This will involve key finance, HR and compliance team members working together to resolve any discrepancies identified.
  - 2.4.3. **Co-ordination with External Audit:** Ensure communication with external auditors to align NFI findings with the annual accounts audit process. This will help streamline the review and address any potential concerns during the audit process.
  - 2.4.4. **Timely Reporting:** Following the internal review of both the Creditors and Payroll files, the findings will be entered into the NFA national system to ensure accurate tracking of identified issues. The College must ensure that any corrective actions are reported, and action taken internally as required.

2.4.5. **Monitor and Follow Up:** The finance department will set up a monitoring mechanism for tracking any corrective actions taken as a result of the NFI matches, to ensure all necessary steps are implemented and issues are fully resolved.

### 3. CONCLUSION

3.1. This paper outlines the current situation, assessment and recommended next steps to ensure we remain proactive and compliant in the NFI data review process.

3.2. The Audit & Risk Committee is asked to **consider and note** the report.

## Audit & Risk

### Summer Meeting (May / June)

<b>Governance:</b>	Minutes of Previous Meeting Schedule of Business Internal Audit (Updates/Reports)  External Audit (Updates/Reports)	Annual Meeting with IA (exc staff) IA Final Report current year Draft IA Plan for following year ANA / Assurance Map IA Reports - Recruitment & Retention / Enhancement Planning/ FOI/Corp Strat/Risk EA Planning Strategy (current year) Effectiveness Review - committee and IA Proposed dates for following year
<b>Corporate Reporting</b>	Compliance & Legislative Report Update	
<b>Finance / Estate/Risk</b>	Risk Management Rolling Audit Action Plan	Review of Strategic Risk Register PCIP Report (ARC)
<b>Annual Updates</b>		Insurance Policy Renewal
<b>Policies:</b>	<b>Policies:</b>	Risk / H&G / Anti-bribery / Anti-fraud

### Autumn Meeting (September)

<b>Governance:</b>	Minutes of Previous Meeting Schedule of Business  Internal Audit (Updates/Reports)  External Audit (Updates/Reports)	Review of Remit / Membership / Dates of Mtngs Draft A&R Com report to Board Review of Corporate Governance Statement Outcome - Effectiveness Review - Committee and IA Draft Annual Report (Performance & Accountability) Final IA Annual Report (current year) Comms & Marketing IA Report (23/24)
<b>Corporate Reporting</b>	Compliance & Legislative Update	SFC Accounts Direction for Scotland's Colleges
<b>Learning &amp; Teaching</b>		IT Security / Controls Report / IT Re-shaping
<b>Finance / Estate/Risk</b>	Risk Management Rolling Audit Action Plan	Review of College Financial Regulations Review of Risk Register Business Continuity Planning (result of summer event) IT Security / Controls Report (re-shaping of team)
<b>Annual Updates</b>	Annual Updates:	Whistleblowing / FOI/DP/H&G/ROIs - Legislative update Purchasing Culture (Procurement) AM
<b>Policies:</b>	<b>Policies:</b>	Public Interest Disclosure Policy (Sept 25) Risk Management Policy

<b>Joint Meeting with CDC (Nov)</b>		
<b>Governance:</b>	Annual Meeting with EA (no staff) Draft Report from Audit Committee to Board External Auditor Annual Report & Letter of Rep Internal Audit Annual Report Financial Statements for the year end & Annual report EA Reports on Student Activity & Student Funding Activity Corporate Governance Statement	
<b>Finance / Estate/Risk</b>	Financial Year End Update Management Accounts to Oct Financial Forecast <b>Risk?</b> RDEL/CDEL impact and mitigations	
<b>Spring Meeting (March)</b>		
	<b>Standing Items</b>	<b>Additional Items</b>
<b>Governance:</b>	Minutes of Previous Meeting	
	Schedule of Business	Audit Needs Assessment / Assurance Map Update
	Internal Audit (Updates/Reports)	(as per audit plan)
	External Audit (Updates/Reports)	CIVICA / Succession Planning/ Financial Systems
		Evaluation of External Auditor
		Annual Review of Committee - process
		Annual Review of IA - process
		Review of Corporate Governance Statement
<b>Corporate Reporting</b>	Compliance & Legislative Update Report	
<b>Finance / Estate/Risk</b>	Risk Management	Review of Strategic Risk Register
		Procurement Team introduction
	Rolling Audit Action Plan	
<b>Annual Updates</b>		National Fraud Initiative (every 2 years - 2027)
<b>Policies:</b>		Cyber / Information Security Risk Management Framework