Fife College

AGENDA

AUDIT AND RISK COMMITTEE

A meeting of the Audit and Risk Committee will be held on Thursday 3 June 2021 at 3.30pm. Please join via Microsoft Teams.

Papers highlighted in purple font have not been published with the agenda as they are either due for future publication or are not in the public domain.

No	Item	Action	Lead	Pages
1	Welcome, Apologies and Declarations of Interests	Note	SM	N/A
2	Minutes of the Previous Meeting: 25 February 2021	Approve	SM	
3	Matters Arising / Actions Outstanding	Note	SM	2-2
4	Internal Audit:			
4.1	Update on Internal Audit Actions: Exception Report	Note	IA	
4.2	Digital Capabilities	Note	IA	
4.3	Business Continuity and Cyber Resilience	Note	IA	
4.4	Review of Business Improvement Function	Note	IA	
4.5	Internal Audit Plan 2021-22	Approve	IA	
5	External Audit Plan and Fee	Approve	EA	
6	Accounting Policies	Approve	SD	
7	Strategic Risk Register 2020-21	Endorse	SD	3-10
8	National Fraud Initiative Update	Note	SD	
9	Policies and Procedures		MP	
9.1	Whistleblowing Policy and Procedure			
9.2	Fraud Prevention Policy and Response Plan			
10	Review of Remit and Self-Evaluation and Annual Report to the Board	Discuss	SM	11-23
11	Date of Next Meeting Thursday 9 September 2021 at 3.30pm	Note	SM	N/A

Fife College

Board of Governors: Audit and Risk Committee

Actions Outstanding / Progress Made

Key:	
🟥	Outstanding and deadline passed
🟧	Progressing and on target
🟩	Complete

	Date of Meeting	Action	Responsibility	Deadline	Comments
1	25.02.21	To approve the extension of appointment to Azets as internal auditor to 31 July 2022 and to note the extension of appointment of Ernst & Young as external auditor to cover the 2021-22 audit.	S Dunsmuir	31.03.21	Complete

Fife College

COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Strategic Risk Register 2020-21	
Date of Meeting:	Thursday 3 June 2021
Purpose:	To present to the Audit and Risk Committee the updated Strategic Risk Register 2020-21.
Intended Outcome:	Audit and Risk Committee members are invited to review the controls in place for the top risks and give assurance to the Board that the risks are being appropriately controlled by management
Paper Submitted by:	Susan Dunsmuir, Chief Financial Officer
Prior Committee Approvals:	N/A
Financial Implications:	N/A
Equality and Diversity Implications:	N/A
Risks Assessed:	N/A
Publicly Available:	Yes
Author Contact Details:	Susan Dunsmuir (susandunsmuir@fife.ac.uk) 01383 845 243
Date of Production:	24 May 2021

BOARD OF GOVERNORS OF FIFE COLLEGE

Audit and Risk Committee

Strategic Risk Register 2020-21

Introduction

1. The Strategic Risk Register is monitored and reviewed on a quarterly basis by the Executive Team, in order to give assurances to the Board of Governors, via the Audit and Risk Committee, that risks are being controlled appropriately. This paper provides the latest update for comment.

Changes to the Risk Environment

2. The Strategic Risk Register has been reviewed as at end April 2021 and an updated version of this is attached.

3. The summary below details those risks where significant changes have been made, however all individual risk sheets, including those where minor or no changes have been made, can be accessed via the following link: Risk and Opportunities Register 2020-21.

4. Specific changes to highlight to the Audit and Risk Committee are:

- **Risk 1 – Failure to maintain and deliver improvements to college estate and achieve the estate strategy objectives in support of the strategic plan:** The possible consequences were updated to include physical spaces not being adapted to facilitate the changes to how blended learning is delivered and staff moving to hybrid working. Update was also provided on the remedial control measures and further actions including the OBC for the Glenrothes refurbishment being submitted to SFC and taking the opportunity to bring forward and complete any works typically carried out during summer period, whilst student and staff numbers are limited on campus. No change to the risk scoring.

- **Risk 2 – Failure to achieve annual financial targets in line with the five year financial forecast plan:** The remedial control measures were updated to note that following the easing of Covid-19 restrictions, and the allowance for some limited return to face to face delivery in support of student course completion as well as the additional funding support announced by SFC on 24 March, the College finance position has improved and we are currently projecting a surplus of circa £600k at the end of July 2021. Uncertainties remain around our final outcome on ESF credit achievement, course completion and income recognition and the realisation of investment and spending plans. All of these could impact the bottom line at the year end and are being closely monitored as we enter our final quarter of the AY 2020/21.

  Based on these updates, the Gross Risk score has been decreased from 16 to 12 and the Net Risk has been decreased from 12 to 9, which has resulted in the overall Net Risk decreasing from high to moderate, the control strength being updated to medium and taking the risk within the tolerance level.

- **Risk 3 – Failure to make use of current and emerging technology and to be in a position to continuously enhance digital capability to offer the flexible and innovative learning and teaching delivery modes expected by learners and all stakeholders and necessary to support sustained delivery:** The description for this risk previously read as above, however to take into account the possible move to hybrid learning/working, the wording of the risk has been changed to:

  "Failure to make use of current and emerging technology effectively and to be in a position to continuously enhance digital capability and confidence to offer hybrid learning and teaching delivery modes expected by learners and all stakeholders and necessary to support sustained delivery."

  The possible consequences of this risk were updated to note that through hybrid learning and working there is potential to lose the social learning dimension, as well as teams working less effectively. The remedial control measures and further actions were also updated to include the facilitation of peer and social learning and teaching activities through appropriate technological solutions and the implementation of agile working approaches. No change to the risk scoring.

- **Risk 4 – Failure to focus on wider wellbeing of staff and students:** Update was provided on remedial control measures to include that the both Business Continuity Planning group and Covid group are continually monitoring and co-ordinating activity across college to ensure we can operate within safety guidelines during evolving covid-19 crisis. Status on the further actions was also updated to include that in the following 6 months the focus will be on how to support agile/working policies, we will work closely with SPS to support staff operating within the prison environment and we will take forward the actions identified in the 'Lessons from Lockdown' to support staff and students working and studying remotely. No change to the risk scoring.

- **Risk 6 – Failure to develop capacity and skills mix that fits the strategy:** Update was provided on the preventative control measures to include the ongoing skills assessment of colleagues including in relation to home/hybrid working, the online PDR process including a focus on digital skills development to support home/hybrid working. No change to the risk scoring.

- **Risk 7 – Risk of external political/funding/regulatory changes:** The possible consequences of this risk were updated to include the negative impact on the College if we fail to manage the increase in off campus/agile/flexible working due to changing working practices. Update was also provided on the remedial control measures including the variety of communications and guidance documentation the College has used to allow staff and students to work from home safely and increase the level of awareness of security risks caused by the Covid-19 pandemic, and how to keep users safe from cyber-attacks and phishing scams. No change to the risk scoring.

- **Risk 8 – Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans:** Further actions were updated to include the review of the commercial income targets for 2021/22 and across the next FFR period, the creation of detailed sales plans for each Faculty for next session, the continued engagement with regional partners to increase employer engagement activity and to follow-up the remaining 2019/20 and 2020/21 FWDF applications with employers, as

well as promote the 2021/22 funding and additional allocations. No change to the risk scoring.

- **Risk 9 – Failure to achieve cohesive culture:** Update was provided on the preventative control measures to outline that the design and implementation of an action plan (based on the results from the recent employee engagement surveys, including Working from Home) at a Faculty and Professional Service level are to include consideration of the future model of hybrid working. The results of the surveys were communicated to the managers and colleagues who are working through these results and are addressing the issues particular to their areas. These will be reported back to the team considering lessons learned from lockdown. No change to the scoring risk.

- **Risk 10 – Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environments for progressive learner journeys:** The description for this risk previously read as above, however to take into account both the learning environments and conditions, the wording of the risk has been changed to:

  "Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environments and conditions for progressive learner journeys."

  Update was provided on the preventative control measures and further actions to note that scenario planning to adapt future delivery as appropriate, will include enabling of peer learning and support for online delivery, the provision of support and guidance will foster effective models of independent and blended learning and learning pathways have been jointly developed to ensure progress against the regional STEM KPIs and in line with LMI projections. No change to the scoring risk.

- **Risk 11 - Failure to take steps to maintain reliable IT infrastructure and to protect systems from attacks and misuse, possibly remotely over the internet. Steps may be technical or procedural in nature. Technical steps more easily addressed than procedural steps which require buy in from staff and learners across the College:** Update provided on the preventative control measures and further actions including the Governance and Delivery Manager now in place to ensure governance and risk management is used to shape overall service delivery, membership of CISO-Share service to provide senior Information Security oversight which is used to shape operational activities, internal policies updated to include specific responses for cyber incidents, mandatory multi-factor authentication currently being deployed to all staff accounts, anticipated completion by June 2021 and a standardised '2 device' end user device platform being deployed to support increased mobile/remote/agile working whilst minimising the security and data risks associated with an increasingly geographically dispersed workforce. No change to the risk scoring.

- **Risk 12 Failure to comply with statutory or regulatory requirements leading to a breach of legislation, resulting in legal action, a fine or another penalty against the College.** Update provided on the control measures including staff communication and animation being used to brief staff on minor data breaches and remind staff of importance of checking communications before they are issued and the introduction of

the Multi-Factor Authentication (MFA) being implemented for remote working and financial/data sensitive system on campus. No change to the risk scoring.

- **Risk 13 Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College:** The possible consequences were updated to include significant costs required to address the condition report of the current Halbeath Campus to maintain provision and, given the current status of the DLC, there would be significant abortive costs. Update also provided on preventative control measures including campus risk register being reviewed on quarterly basis, concept design approved by the New Campus Project board and regular engagement with the Scottish Government and SFC/SFT on design development, pathfinder projects and key decision point dates.

  Further actions were also updated to note recent developments including capital grant funding for new Dunfermline Campus being agreed subject to successful delivery of the full business case to SFC board in September 2021, the Shepherd Offshore PPP (Planning Permission in Principle) was agreed on 12 May 2021 and the procurement process for the contractor being launched on 24 May 2021. No change to the risk scoring.

5.   Following this review, two risks remain outwith their tolerance levels, namely Risks 7 and 8. There continues to be uncertainty around employer's appetite to transact commercial training due to prioritising business operations and recovery, as well as economic uncertainty around the ongoing and evolving guidance from SFC and Scottish Government and other regulators of our activities during the pandemic and economic recovery.

Recommendation

6.   Members of the Audit and Risk Committee are invited to:

- Comment on the strategic risks and whether any should be considered for removal/adjustment;

- Consider whether any new risks should be considered for inclusion.

Audit and Risk Committee members are invited to review the controls in place for the top risks and give assurance to the Board of Governors that the risks are being appropriately controlled by management.

RISKS 2020-21			RISK MANAGEMENT									ACCOUNTABILITY		

RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	GROSS IMPACT ANALYSIS				CURRENT RISK MANAGEMENT STRATEGY (what already happens now)	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Risk Tolerance Level	Does the Net Risk Score meet the Tolerance Level?	Further Action Required	Risk Owner & Timetable	Assurances Available	Risk Status
			Impact	Likelihood	Gross Risk Score	Gross Risk			Impact	Likelihood	Net Risk Score							
1	Estates	Failure to implement effective financial planning and control regarding estates and achieve the estate strategy objectives in support of the strategic plan.	4	3	12	High	• Refresh of Estates Strategy to be approved by board December 2020 • Backlog maintenance agreed for 2020-21 • Extension of lease at Rosyth, review cost/benefit of remaining until DLC complete or carrying out work. • Maintaining engagement with contractors on ability to commence works when College accessible. • While student and staff numbers limited on campus, take the opportunity to bring forward and complete any works typically carried out during summer • Prepared and submit OBC for Glenrothes refurbishment to SFC • Changes to the estate to ensure that current Covid requirements are met and student experience maintained..	M	3	3	9	Moderate	9	Yes	Refresh of Estates Strategy has been completed and approved by the Board. Funding proposal to improve Glenrothes campus has be submitted to SFC in line with new campus business case. To have plans in place which assumes that we would not have the same access to contractors and not have the expected level of spend to permit us to carry out work as planned. These need to be able to be flexed up or down depending on the Covid situation.	S Reekie	Viewfield disposal in active negotiation.	➔
2	Finance	Failure to achieve annual financial targets in line with the five year financial forecast plan.	4	3	12	High	The impact of the Covid-19 crisis continues to significantly exacerbate an already very difficult financial and operating environment for the College. Following the easing of restrictions and the allowance for some limited return to face to face delivery in support of student course completion as well as the additional funding support announced by SFC on 24th of March the College finance position has improved and we are currently projecting a surplus of circa £600k at the end of July 2021. Uncertainties remain around our final outcome on ESF credit achievement, course completion and income recognition and the realisation of investment and spending plans. All of these could impact the bottom line at the year end and are being closely monitored as we enter our final quarter of the AY 2020/21. To note SFC announced £15m additional funding to the to help address the major impact that COVID-19 has had on colleges in terms of: • Reduced income, including from commercial contracts and residencies, affecting research funding and putting jobs at risk. • Additional costs, such as adjustments to campuses and facilities to allow for social distancing. • General weakening of their financial sustainability. The allocation to Fife College was £400k more than we had estimated and therefore we are seeking to ensure we invest these funds in support of student course completion and resources to support learning and working remotely. The lateness of this announcement has impaired our ability to react as quickly as we would have hoped but plans are progressing. We continue to work closely with the sector Finance Director group and Colleges Scotland to inform ongoing discussions with the Scottish Government and SFC highlighting the impacts and risks facing the sector within the current financial year and also those likely to impact2021/22. We also continue to modify our curriculum delivery and commercial offering to ensure we are able to deliver and support students through to achievement of their qualifications while working within the current restrictions in place.	M	3	3	9	Moderate	9	Yes	The College in year 2020/21 position has improved and continues to be closely monitored. The College 3 year FFR will also be updated over the next few months as budget allocations and SFC funding assumptions are provided. Curriculum reviews and changes are being made to ensure we adjust our offering in support of economic recovery and student demand as well as changes to delivery models to maintain provision during the current lockdown.	S Dunsmuir	Monthly budget/performance meetings.	↘
3	Curriculum Design and Development	Failure to make use of current and emerging technology effectively and to be in a position to continuously enhance digital capability and confidence to offer hybrid learning and teaching delivery modes expected by learners and all stakeholders and necessary to support sustained delivery.	4	4	16	High	• Enhancement of Digital Capability through targeted investment in physical and human resources. • Issuing of equipment and guidance to staff and students. • Collaboration with internal and external stakeholders / production of guidelines on alternative arrangements. • Communication strategy and continued support and monitoring arrangements at college, faculty and team level. • Information and support to current and future students to enable successful uptake of blended learning approaches. • Facilitation of peer and social learning and teaching activities through appropriate technological solutions and agile working approaches	M	3	2	6	Moderate	9	Yes	Continued investment in physical and human resources. Implementation of dedicated Digital Learning Development across College role. Continued agreed financial flexibility for appropriate variation / replacement of equipment. Implementation and monitoring of agreed College minimum standard of requirement for Digital Skills as part of the Leadership Framework. Implementation of agile working patterns	D Leslie	Student and external Stakeholders feedback.	➔
4	Health and Safety	Failure to focus on wider wellbeing of staff and students.	4	3	12	High	Ongoing engagement with staff and student body. Always giving Health & Safety agenda priority. BCP group and Covid group continual monitoring at cross college activity to co-ordinate activity to ensure we can operate within safety guidelines during evolving covid-19 crisis. In addition to consider how best to protect staff, students and their families, if they fall within the vulnerable category. Ensure PPE is available as appropriate, additional cleaning of estate and hand sanitisers are available around the campus and monitor both cleaning and supplies. All covid control measures implemented within the College meet the Scottish Government Guidelines will be monitored and updated as required. This will include updates from Government and identified changes to improve control measures to improve safety of all within the College environment. All Health & Safety Policy and Procedures are updated in line with schedules review dates. Application of these policies and procedures are monitored through Audit procedures & workplace inspections. HSE safety alerts are being reviewed, procedures updated as required. Sharing of best practice across sector through CDN H&S Forums	M	3	2	6	Moderate	6	Yes	Annual H&S audits for each Faculty/Department are scheduled to review and maintain H&S. Work towards Healthy Working Lives Gold Award. Next 6 months will focus on how to support agile/working policies. Taking forward the actions identified in 'Lessons from Lockdown' to support staff and students working and studying remotely.	S Reekie	Continuing safety inspections. Involvement of student representatives on Health and Safety and Wellbeing Action Group.	➔
5	Curriculum Design and Development	Failure to achieve student recruitment targets across GIA and Non-GIA income activity and to deliver relevant, inclusive and sustainable regional curriculum, including ensuring successful outcomes for all students.	4	4	16	High	• Robust curriculum planning and cross reference to Outcome Agreement. • Equal priority given to GIA and commercial income. • Effective strategic collaboration with employers and with partner organisations. • Realistic target setting and constant monitoring of recruitment against target. • Integration of full cost and GIA activity with alignment of curriculum offering. • Collaboration with external stakeholders, including commercial clients and agreed alternative arrangements. • Collaboration with funding and awarding bodies and agreed alternative arrangements. • Review of progression and recruitment processes as appropriate. • Agile scenario planning in collaboration with funding and awarding bodies. • Scenario planning and introduction of new models in collaboration with external partners e.g. schools.	M	3	3	9	Moderate	9	Yes	Strategic curriculum planning tied to Regional Outcome Agreement. Effective sharing and utilisation of resources at regional level , including with external partners. Increased flexibility in design and delivery to allow for variety of flexible learning and training opportunities. Effective planning and recruitment processes. Integrated marketing plans with curriculum and business development teams.	D Leslie	Student and external Stakeholders feedback Achievement of KPIs	➔

RISKS 2020-21 | RISK MANAGEMENT | ACCOUNTABILITY

RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	GROSS IMPACT ANALYSIS				CURRENT RISK MANAGEMENT STRATEGY (what already happens now)	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Risk Tolerance Level	Does the Net Risk Score meet the Tolerance Level?	Further Action Required	Risk Owner & Timetable	Assurances Available	Risk Status
			Impact	Likelihood	Gross Risk Score	Gross Risk			Impact	Likelihood	Net Risk Score							
6	Staff	Failure to develop capacity and skills mix that fits the strategy.	4	3	12	High	• Curriculum planning cross referenced to staffing and estates requirements. • The PDR was developed online to facilitate the process being undertaken remotely. This has created a new set of more detailed information which is more easily referenced and examined. The outputs will inform the next set of changes to the on line PDR process for this year. • Curriculum planning discussions are still taking place based on what is currently known. • There is new content being added to the working from home area of the Gateway to support people's development whilst not in College. • Career pathways including for leadership have been developed and are being introduced into OD and HR processes over a period of time and in line with the implementation of My Fife through an OD and HR lens • Ongoing skills assessment of colleagues including in relation to home / hybrid working, completed for academic staff with further commitments through the Workforce Plan.	S	2	2	4	Low	6	Yes	Work on developing a leadership and career pathway framework is continuing in line with the requirements of the career pathways and leadership framework. This will then support ongoing development of the CLPL platform.	Z Franklin-Hills	Progress of actions within the HR Strategy and Workforce Plan 2018 - 2023.	➜
7	Finance	Risk of external political/ funding/regulatory changes.	4	5	20	Severe	• Take account of any foreseen changes/cuts in budget planning and spending plans. • Ongoing participation within sector groups across the College. • Reverting to online delivery and home working to maintain college services and processes. • Adapt and make adjustments to College processes and procedures to maintain service operations. • The College has used a variety of communications and guidance documentation, to allow staff and students to work from home safely and increase the level of awareness of security risks caused by the Covid-19 pandemic. Remote working guidance is available through staff and student portals, in addition to guidance on how to keep users safe from cyber-attacks and phishing scams. • Provide relevant support to students and staff on resources, guides, health and wellbeing to enable ongoing learning and teaching and support services. • Remain abreast of sectoral/governmental developments, liaising with auditors and response to SFC circulars. • Remain abreast with developments on the New Build campus funding model and financing arrangements agreed with SFC/SG. • Principal sector lead on College financial position following Covid-19 supported by CFO and 4 other sector FDs • Actively engaging with SFC and SG on financial implications for the College sector. Providing support and recommendations on system changes and flexibilities required to support the financial sustainability of the sector. • Actively engaging with other government agencies such as SQA, SDS and other awarding bodies to support student achievement.	M	3	4	12	High	9	No	Prepare scenario planning for 2020/21 budget following impact of Covid-19. Close engagement with SFC and sector Colleagues on budget assumptions to support a sector wide position. Move to longer-term planning horizon and review the 5 year financial forecast following impact of COVID-19. • The 2020/21 in year position under review following additional funding allocation by SFC and uncertainties around income and spend completions by the year end. Actions underway for resource requirement alignments.	S Dunsmuir	Maintain ongoing dialogue with SFC/auditors/Finance Community of Practice.	➜
8	Commercial Income	Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans.	4	5	20	Severe	• Remain abreast with client positions following restrictions of Covid-19 and impact thereof. • Engage with SFC to continue to secure funding allocated to clients training now postponed. • Revert training offering to remote or online delivery. • Engagement for SFC and SDS on proposals to support ongoing achievement of MA/VQ qualifications. • Review product offering and adjust to support changing needs of clients. • Engagement with SPS on supplier relief to ensure continued payment of fixed costs on the contract. Providing ongoing support and services to SPS and working with them to review the offering as restrictions on COVID-19 change. • Review target/budget setting. • Adjust marketing as required. • Review complete curriculum and commercial offering for 2020/21 to make adjustments to offering and delivery models. • Working closely with clients on requirements. • Engagement with SFC to direct funding underspends to support clients in maintaining their essential/mandatory training needs to resume operations following ease of COVID-19 restrictions. • Work with SDS to create pre-apprenticeship programmes to maintain the MA pipeline and activity as business recover. • Constant review of KPI's. • Monitor return on investment. • Constant review of delivery options. • Departmental restructure/more integrated planning/workforce. • Creation of sales plans per faculty area directing focus on target markets. • Ensure estates team are kept abreast with estates related enhancements/changes required to support delivery. • Identify new MAs where demand has increased as a result of the pandemic • Increase network of partners and programmes offered to expand portfolio and geographical reach	M	4	4	16	High	9	No	Review commercial income targets for 2021/22 and across the next FFR period. Integration of full cost and GIA activity ongoing in conjunction with curriculum planning. Creation of sales plans per faculty area for 2021/22 directing focus on target markets. Enhance 2021/22 Employer Engagement activity to support economic recovery and the College impact and support thereof. Follow up remaining 2019/20 and 2020/21 Flexible Workforce Development Fund (FWDF) applications with employers and promote 2021/22 funding and additional allocations. Engage with the SME market to distribute the FWDF SME funding.	S Dunsmuir	Targets achieved.	➜
9	Staff	Failure to achieve cohesive culture.	4	4	16	High	• Development of culture through the refreshed vision and values and adhering to the Fair Work Convention. • Delivery mechanisms have altered through the use of teams and zoom to keep in contact with colleagues and the Trade Unions. • CLPL content is now through online content and the PDR process conducted online too. • The Employee Engagement surveys (including working from home) have been conducted and results have been carefully communicated to managers and colleagues through the online communication methods now in place. Managers are working through their own results and addressing issues particular to their areas. These are to be reported back to the team considering lessons from lockdown. • Design and implementation of an action plan based on the results from the recent employee engagement surveys, including Working from Home, at a Faculty and Professional Service level to include consideration of the future model of hybrid working.	M	2	3	6	Moderate	6	Yes	Continue to improve communications. The Employee Engagement survey has been conducted and results have been carefully communicated to managers and colleagues through the online communication methods now in place. Managers are working through their own results and addressing issues particular to their areas. These are to be reported back to the team considering lessons from lockdown. The introduction of a CLPL platform is part of the work to introduce career pathways and CLPL support with access on an 'anytime, anywhere and any place' model. Work is currently ongoing to support this model of delivery with a launch in early Spring 2021.	Z Franklin-Hills	Effective relationships with the recognised Trade Unions.	➜
10	Curriculum Design and Development	Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environment and conditions for progressive learner journey.	4	4	16	High	• Maintain a relevant and future focused regional curriculum based on up to date LMI and active, collegiate relationships with partner organisations to ensure streamlined learner journeys and increase successful outcomes for all students. • Collaboration with awarding bodies and external stakeholders to ensure continuity, based on alternative arrangements. • Sustained support to / communication with student, staff and stakeholders to enable transitions. • Scenario planning to adapt future delivery as appropriate, including enabling of peer learning and support for online delivery. • Provision of support and guidance to foster effective models of independent and blended learning.	M	3	2	6	Moderate	9	Yes	Further develop efficient and effective curriculum pathways at College and regional levels. Introduce flexibility in building design to support variety of learning and teaching contexts and approaches to increase accessibility. Work is currently underway in tandem with Dunfermline Learning Campus. Learning pathways jointly developed to ensure progress against regional STEM KPIs agreed and in line with LMI projections.	D Leslie	External stakeholders feedback.	➜

RISKS 2020-21			GROSS IMPACT ANALYSIS				RISK MANAGEMENT	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Risk Tolerance Level	Does the Net Risk Score meet the Tolerance Level?	Further Action Required	ACCOUNTABILITY		Risk Status
RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	Impact	Likelihood	Gross Risk Score	Gross Risk	CURRENT RISK MANAGEMENT STRATEGY (what already happens now)		Impact	Likelihood	Net Risk Score					Risk Owner & Timetable	Assurances Available	
11	Information Technology	Failure to take steps to maintain reliable IT infrastructure and to protect systems from attacks and misuse, possibly remotely over the internet. Steps may be technical or procedural in nature. Technical steps more easily addressed than procedural steps which require buy in from staff and learners across the College.	5	4	20	Severe	• Digital Strategy specifically highlights Cyber Resilience and Digital Capabilities. Accordingly a programme of outreach to staff and learners is in place to highlight risks and train staff to minimise their exposure. • Technical measures are a core part of the Infrastructure Team's remit and ongoing monitoring activities are in place to identify and respond to incidents when they are detected. • Mandatory multi-factor authentication used to protect privileged accounts. • Targeted multi-factor authentication used to protect access to key services including MyDesktop, TechOne and Microsoft 365 for all staff users when logging in from untrusted or high risk locations. • Governance and Delivery manager in place to ensure governance and risk management is used to shape overall service delivery • Membership of CISO-Share service and other sector bodies to enable appropriate sharing of threat intelligence • Membership of CISO-Share service to provide senior Information Security oversight which is used to shape operational activities • Internal policies include specific responses for cyber incidents • Updates communicated through the staff gateway and MyFife • Mandatory multi-factor authentication currently being deployed to all staff accounts (anticipated completion June 2021) • Deployment of a standardised '2 device' end user device platform focused around the MyDesktop service as a way to support increased mobile/remote/agile working whilst minimising the security and data risks associated with an increasingly geographically dispersed workforce	S	3	2	6	Moderate	6	Yes	Periodic Phishing/Cyber Awareness testing programme in place. These will be backed by KPIs identifying completion rates and the incidence of cyber breaches. Multi-factor Authentication being deployed, anticipated completion by June 2021. Rehearsal of playbook / response plan scenarios to ensure Cyber or IT incidents are dealt with correctly. Deployment of a standardised '2 device' end user device platform focused around the MyDesktop service as a way to support increased mobile/remote/ agile working whilst minimising the security and data risks associated with an increasingly geographically dispersed workforce	K Getchell	Targets achieved.	➡
12	Governance	Failure to fully comply with statutory or regulatory requirements leading to a breach of legislation, resulting in legal action, a fine or another penalty against the College.	5	5	25	Severe	• Mandatory Training in place for all staff, relevant policies and procedures in place with updates communicated with staff regularly. • CLPL and staff workshops / creation of a professional learning log / close working with DWP and employability delivery partners to the PDR process for staff • Access by key staff to seek advice as required (eg College solicitors, insurers, police, H&S Executive, Scottish Information Commissioner's Office, Information Commissioner's Office, UK Visa and Immigration Office). • Additional guidance prepared for staff on how to process personal data whilst working from home posted on Gateway. • Information on CyberSecurity risks regularly posted on Gateway . • Staff communication and animation which will be used to brief staff on minor data breaches and remind staff of importance of checking communications before they are issued. • Statutory timescales for FOI(S)A requests for information has been temporarily increased from 20 to 60 working days. • Antivirus software rolled out with all College devices issued for remote working. • Where data breaches or CyberSecurity occur, a review of what happened to tighten procedures and/or remind staff of requirements and expectations routinely occurs • Annual Insurance Risk Management fund utilised to test robustness of procedures, to implement changes or to train staff • Participation in Scottish Colleges Information Governance Group (SCIGG) to share good practice, knowledge and guidance and information • Introduction of Multi-Factor Authentication (MFA) being implemented for remote working and financial/data sensitive system on campus.	S	4	2	8	Moderate	9	Yes	Regular H&S and DP audits and briefings to be undertaken. Ongoing reviews of policies, procedures and arrangements to ensure compliance / learn from experiences/good practice.	Executive Team (S Reekie, D Leslie, S Dunsmuir, K Getchell, I Hawker, M Philp)	Main policies and procedures approved. Agreements re data sharing/processing being put in place. Internal Audits cover all key areas of strategic risk on a rolling basis	➡
13	Estates	Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College.	5	3	15	High	• Progress New Halbeath Campus as part of Integrated Campus with Fife Council/University. • Maintain dialogue with SFC /Scottish Government to obtain additional longer term estates maintenance funding. • Where appropriate use professional advisor to guide/assist to qualify risk and mitigation. • Joint Masterplan for campus delivered October 2020 and Masterplan Plus phase completed Jan 2021. • Procurement completed for Project Manager and Design Team, appointed Dec 2020, to progress the Full Business Case, Design Development and Contractor Appointment. • Monthly update provided to the New Campus Project Board, on programme, cost, quality, risk and mitigation. • Joint Design Principles Guide developed and Design Guardian appointed to support the design delivery of the guide, for the overall campus development. • Campus Risk Register reviewed on quarterly basis, looking at all risks. • College Schedule of Accommodation now developed for the basis of the design development. • Concept design approved by the New Campus Project board. • Regular engagement with the Scottish Government & SFC/SFT on design development, pathfinder projects and key decision point dates.	M	3	3	9	Moderate	9	Yes	Capital grant funding for new Dunfermline Campus agreed, subject to successful delivery of full business case (SFC September Board 2021). Masterplan for campus delivered October 2020 and masterplan plus completed Jan 2021. DFM update submitted October and update provided in November 2020.	S Reekie	Integrated Campus Masterplan commenced. Governance model with all stakeholders put in place.	➡

COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Review of Remit and Self-Evaluation and Annual Report to the Board	
Date of Meeting:	3 June 2021
Purpose:	To undertake a review of the remit and self-evaluation of the Audit and Risk Committee for academic year 2020-21, and to prepare an Annual Report to the Board giving an update on progress (this does not replace the Annual Report that is submitted to the Board alongside the Annual Accounts)
Intended Outcome:	To agree any changes to the remit that may be required, and any improvements that can be made to the work of the Committee; to populate the Annual Report template with a view to finalising this at the next meeting and submitting it to the Board in October 2021
Paper Submitted by:	Marianne Philp, Director: Governance and Compliance
Prior Committee Approvals:	N/A
Financial Implications:	None
Equality and Diversity Implications:	None
Risks Assessed:	None
Publicly Available:	Yes
Author Contact Details:	Marianne Philp; mariannephilp@fife.ac.uk; 01383 845009
Date of Production:	26 May 2020

BOARD OF GOVERNORS OF FIFE COLLEGE

Audit and Risk Committee

Review of Remit and Self-Evaluation and Annual Report to the Board

1   Introduction

The Board of Governors and each of its Committees is required to undertake a self-evaluation on an annual basis. It is also good practice to review the remit of each Committee annually.

2   Feedback

Feedback is requested on all aspects of the Committee structure and the work of the Audit and Risk Committee in particular. Members may wish to consider some or all of the following points:

- Timing of meetings
- Frequency of meetings
- The remit of this Committee – eg is it correct and it is too narrow / too wide, have all aspects been covered during this academic year?
- Are there any gaps (in terms of this Committee or in reporting on key areas to the Board)?
- Information contained within papers – is it easy to understand or is more/less information needed?
- Are papers issued sufficiently in advance of meetings to allow adequate preparation?
- Do Board members have sufficient skills / knowledge to contribute to meetings or are there any gaps?
- How effective the work of the Committee has been via Teams and to discuss preferences for face to face or Teams meetings once Covid-19 restrictions ease

These points are indicative and you should feel free to add any other points that you think are relevant.

3   Remit

The current remit is attached. Members are invited to consider whether or not this remains relevant or if any changes are required.

4   Annual Report to Board of Governors

A template is attached and members are invited to use this a framework, suggesting input to the report and content to be added. This will be worked on over the summer by the Committee Chair and Director: Governance and Compliance with a view to it being finalised at the next Committee meeting and submitted to the Chair's Committee and Board of Governors at the start of the new academic year. This will not replace the fuller report that is approved alongside the Annual Accounts, but will input into that document.

5   **Effectiveness of the Audit and Risk Committee**

A checklist to assess the performance and effectiveness of the Audit and Risk Committee is also attached. This is based on the template provided as part of the Scottish Government Audit Committee Handbook. Members are invited to comment on the appropriateness of the checklist. The checklist has been converted into a Microsoft Form and will be emailed to all Committee members for completion over the summer, with collated results presented at the next meeting for discussion.

6   **Recommendation**

Members are invited to suggest any changes required to the remit or format of meetings, and to populate the draft annual report template to enable relevant updates to be provided to the Board of Governors. Additional feedback can also be provided by members to the Director: Governance and Compliance outwith the meeting.

Members are invited to approve the template for assessing the performance and effectiveness of the Audit and Risk Committee and thereafter to complete the information via a link to a Microsoft Form which will be issued to members for completion over the summer.

Fife College

BOARD OF GOVERNORS

Remit of Audit and Risk Committee

1.0   Composition

The Audit and Risk Committee will have a minimum of four non executive members of the Board.

For a meeting to be quorate, at least three members must be present.

The Committee should have a range of skills and experience and at least one member must have recent relevant financial or audit experience.

The Principal and other members of staff may be invited to attend all or part of a meeting where items of relevance are on the agenda, with the prior agreement of the Committee Chair and the Principal. The Chair of the Board may be invited to attend meetings of the Committee. The College's appointed internal and external auditors will be invited to send representatives to each meeting.

Members of the Finance, Commercial and Estates Committee, the staff nominees or anyone with executive authority in the college may not be members of the Audit and Risk Committee.

The Committee should normally meet four times per year, one of which must be to consider the annual financial statements and accompanying external audit report. The Committee will annually hold a private meeting (without College executives present) with internal and external auditors to discuss audit issues. Audit and Risk Committee Members or the internal or external auditors may request an additional private meeting at any time should there be issues that require to be discussed.

2.0   Overall Purpose

The purpose of the Audit and Risk Committee is to assure the Board of Governors that Fife College has in place a system of governance, internal control and risk management which is being maintained and developed to meet legislation and regulations applying to the sector.   The Committee must support the Board and the Principal by reviewing the comprehensiveness, reliability and integrity of assurances: the College's governance, risk management and internal control framework.

Fife College

3.0   Remit and Duties

3.1 Probity

- Advise on the selection, appointment and remuneration of the internal audit service
- Agree an internal audit work programme annually based on an audit needs assessment
- Receive the internal audit reports as per the agreed work programme and ensure that recommendations are adequately responded to by the college
- Receive an annual report from the internal auditor which should include an opinion on the degree of assurance that can be placed on the systems of internal control and any follow-up actions still outstanding which should be closed off by the College
- Review the annual financial statements with a view to recommending them to the Board for approval
- Receive the external auditor annual report and management letters and to ensure that any recommendations are adequately responded to by the College
- Monitor the effectiveness of internal and external audit service and promote co-ordination between the two
- Review the effectiveness of financial and other control systems ensuring value for money
- Oversee the policies on fraud and irregularity and receive reports on any fraud or irregularity, potential or real, ensuring that action is taken by the College to address these
- Receive an annual report on any matters of whistleblowing or disclosure and ensure that any recommendations from these are adequately responded to by the College

3.2 Risk Management

- Monitor and ensure the effectiveness of the College's approach to risk assessment and management through regular review of the Risk Register and other reports
- Review the prioritisation of risk management taking into account financial, reputational, commercial and other risks
- Request reviews by the College of areas of high or escalating risk ensuring that recommendations from these are adequately responded to
- Receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the College's approach to managing the risks is appropriate and adequate
- Undertake an annual review of the risk management policy

![Fife College]

3.3 Performance
- Scrutinise the organisational performance management, business continuity and governance processes to ensure their appropriateness and effectiveness
- Undertake a self-evaluation exercise annually to ensure that the Audit and Risk Committee complies with best practice in relation to governance and that the internal and external audit service is satisfactory
- In accordance with the Scottish Funding Council Code of Audit Practice, provide an annual report to the Board on the adequacy and effectiveness of the College's internal control systems and on the effectiveness of the work of the internal and external auditors

3.4 Other Matters
- Receive and review reports related to the work of the Committee prepared by external bodies

3.5 Reports from the Committee
- Report to each Board meeting relevant matters discussed within the Committee
- Prepare an annual report to the Board that gives an opinion on the system of governance, internal control and risk management within the College
- Report to the relevant Committee of the Board matters that impact on their remit

BOARD OF GOVERNORS OF FIFE COLLEGE

Audit and Risk Committee

Annual Report to the Board of Governors: 2020-21

1   Introduction

The Committee has met on 4 occasions during academic year 2020-21.

2   Role and Remit of Committee

This is attached as Appendix 1. The Committee is satisfied that the duties delegated to the Committee by the Board have been carried out during the year.

The Committee reviewed the remit on 3 June 2021 and is content that the remit is fit for purpose and remains unchanged / wishes to propose the following changes be made……………..

3   Membership and Attendance

Name	Status	Appointed	Attendance	
			Possible	Actual
Bob Black	Non Executive Member	10.03.14	4	4
Brian Fisher	Non Executive Member	01.08.20	4	4
Evelyn McPhail	Non Executive Member	23.03.20	4	3
Susan Mitchell	Non Executive Member	01.11.18	4	4
Samantha Mowbray	Non Executive Member	01.04.21	1	1

Susan Mitchell has undertaken the role of Chair of the Audit and Risk Committee this academic year.

4   Main Focus / Highlights of the Year

………………..

5   Impact the work of the Committee has had on the Board / College

………………..

6   Impact of Covid-19 on Governance Arrangements for the Committee

All meetings have been held via Microsoft Teams………………..

7   Other Matters for Board's Attention

………………..

8   Committee Key Priorities for Next Academic Year

………………..

BOARD OF GOVERNORS OF FIFE COLLEGE

Audit and Risk Committee

Performance and Effectiveness Review

Role and remit	Yes/No/NA	Comments/Action
Does the committee have written terms of reference?		
Do the terms of reference cover the core functions of an audit committee as identified in the *SG Audit Committee Handbook?*		
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?		
Membership, induction and training	**Yes/No/NA**	**Comments/Action**
Has the membership of the committee been formally agreed by the board of governors and has a quorum been set?		
Are members appointed for a fixed term?		
Does at least one of the committee members have a financial background?		
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?		

	Yes/No/NA	Comments/Action
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?		
Meetings	**Yes/No/NA**	**Comments/Action**
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?		
Internal control	**Yes/No/NA**	**Comments/Action**
Does the committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?		
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?		

	Yes/No/NA	Comments/Action
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/ consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?		
Financial reporting and regulatory matters	**Yes/No/NA**	**Comments/Action**
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?		

	Yes/No/NA	Comments/Action
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?		
Internal audit	**Yes/No/NA**	**Comments/Action**
Does the Internal Auditor representative attend meetings of the committee?		
Does the committee approve, annually and in detail, the internal audit plan 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 committee?		
As well as an annual report from the Internal Audit representatives, 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 Internal Audit representative?		
Is there appropriate co-operation between the internal and external auditors?		

	Yes/No/NA	Comments/Action
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?		
Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines?		
External audit	**Yes/No/NA**	**Comments/Action**
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?		
Administration	**Yes/No/NA**	**Comments/Action**
Does the committee have a designated secretariat?		

	Yes/No/NA	Comments/Action
Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members and attendees?		
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?		
Overall	**Yes/No/NA**	**Comments/Action**
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?		