

# AGENDA

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**Meeting:** Audit and Risk Committee

**Date:** Thursday 8 September 2022 at 3.30pm

**Location:** 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	BF	N/A
2	Minutes of the Previous Meeting: 2 June 2022	Approve	BF	
3	Matters Arising / Actions Outstanding	Note	BF	2-2
4	Any Emerging Themes	Discuss	All	N/A
5	Strategic Risk Register	Approve	SD	3-8
6	Internal Audit:			
	6.1 Update on Internal Audit Actions: Exception Report	Note	IA	
	6.2 Governance Information Management	Note	IA	
	6.3 Internal Audit Annual Report	Note	IA	
7	Draft Response to Letter from External Auditors	Approve	BF	
8	Annual Update Reports			
	8.1 Whistleblowing Policy and Procedure	Note	MP	9-10
	8.2 Fraud Prevention Policy and Response Plan: Register of Losses	Note	MP	11-12
	8.3 Business Continuity Planning	Note	MP	13-14
9	Performance and Effectiveness Review: Feedback	Note	BF	15-22
10	Annual Report to the Board	Approve	BF	
11	Review of Meeting	Discuss	All	N/A
12	Date of Next Meeting: Thursday 17 November 2022	Note	BF	N/A
	<ul style="list-style-type: none"> <li>Annual private pre-meeting: 1.30pm</li> <li>Audit and Risk: 2pm</li> <li>Joint Audit and Risk/Finance Commercial and Estates: 3.15pm</li> </ul>			

## Actions Outstanding / Progress Made

Key:	
	Outstanding and deadline passed
	Progressing and on target
	Complete

	Date of Meeting	Action	Responsibility	Deadline	Comments
1	03.03.22	To note the impact of moving risk to the top of the agenda within the next relevant annual reports.	Director: Governance and Compliance	Dec 2022	Complete
2	02.06.22	To approve the internal audit plan for 2022-23.	Internal Auditors / Chief Financial Officer	01.08.22	Complete
3	02.06.22	To approve the external audit plan and fees.	External Auditors / Chief Financial Officer	01.08.22	Complete
4	02.06.22	To approve the Accounting Policies.	Chief Financial Officer	01.08.22	Complete
5	02.06.22	To issue the questionnaire to members for completion over the summer.	Director: Governance and Compliance	30.06.22	Complete
6	02.06.22	To update the draft annual report with the suggestions made at the meeting and email it to the Chair and Depute Chair of the Committee for finalizing.	Director: Governance and Compliance	30.06.22	Complete
7	02.06.22	To proceed with option 2 as recommended within the paper on the Appointment of Internal Auditors.	Chief Financial Officer	01.08.22	Complete



### COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

<b>Strategic Risk Register 2022-23</b>	
<b>Date of Meeting:</b>	Thursday 8 September 2022
<b>Purpose:</b>	To present to the Audit and Risk Committee the updated Strategic Risk Register 2022-23
<b>Intended Outcome:</b>	To approve the Strategic Risk Register for 2022-23, as well as review the controls in place for the top risks and give assurance to the Board that the risks are being appropriately controlled by management
<b>Paper Submitted by:</b>	Susan Dunsmuir, Chief Financial Officer
<b>Prior Committee Approvals:</b>	N/A
<b>Board Impact from Decision:</b>	Confirmation that the College's approach to risk assessment and management remains robust and effective and that all reasonable steps appear to have been taken by management to eliminate, reduce and remove risks as appropriate, in line with our overall risk management policy
<b>Financial Health Implications:</b>	N/A
<b>Learner Implications:</b>	N/A
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Susan Dunsmuir ( <a href="mailto:susandunsmuir@fife.ac.uk">susandunsmuir@fife.ac.uk</a> ) 01383 845 243
<b>Date of Production:</b>	29 August 2022

## BOARD OF GOVERNORS OF FIFE COLLEGE

### Audit and Risk Committee

### Strategic Risk Register 2022-23

#### Introduction

1. The Strategic Risk Register is monitored and reviewed on a quarterly basis by the Executive Team, in order to give assurance 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 July 2022. Attached is a dashboard report summarising where the risks are sitting, if there has been any movement since the previous report, and if we have any risks out with their tolerance level.
3. The summary below details 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 2022-23](#)
4. The summary below details where significant changes have been made. Specific changes to highlight to the Audit and Risk Committee are:

#### **4.1 Change in risks since previous version**

##### **New Risks**

No new risks have been added to the register.

##### **Risk Descriptions**

There has been one change made, as outlined below:

- **Risk Description – April 2022:** Risk (14) Failure to mutually negotiate agreeable terms for first year extension of 2 year optional uptake for the Scottish Prison Service (SPS) contract impacting on margins and more equitable contract terms and conditions.
- **Risk Description – September 2022:** Risk (14) Failure to mutually negotiate agreeable terms for year 7, being the final year of the optional extension period for the Scottish Prison Service (SPS) contract impacting on margins and more equitable contract terms and conditions

##### **Risks Removed**

There are no risks which have been removed from the risk register.

## **4.2 Change in Net Risk Scores since previous version**

### **Increased Net Risks**

Two net risk score increased during the period.

Risk 2 – Failure to achieve annual financial targets in line with the five year financial forecast plan.

- The net risk likelihood score has increased from 3 to 4, increasing the overall risk score from 12 to 16, resulting in the risk remaining out with tolerance level.

Following the Scottish Government Resource Spending Review issued in May 2022 which noted that the Scottish Funding Council will receive flat cash through to 2026/27 and the ongoing economic pressures of rising inflation and cost of living we are reviewing our financial forecasts out to 2026/27.

Various scenarios are being considered by the College which incorporate funding and cost assumptions from the Scottish Funding Council and also more realistic costs assumptions that align with the current economic environment.

Early indications from the scenario planning outline that:

- o Significant action is required to support financial sustainability across the planning period 2022/23 – 2026/27.
- o Our 2022/23 budget set a modest £141k surplus which is now under pressure from increases from utility costs, inflation and COL.
- o During our 2022/23 reforecast we will seek in year savings and income increases in year to ensure we maintain a breakeven position for the year.
- o Early indications for 2023/24 are that we are seeking circa £3m increased income margin and/or costs savings, with similar requirement in future years.

Risk 13 - Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College

- The net risk impact has increase from a 3 to 4, increasing the overall risk score from 9 to 12, resulting in the risk now being out with tolerance level.

In response to our DP4 submission, SFC commissioned Mott MacDonald to undertake an independent due diligence review of it on their behalf. This is standard practice for major capital projects. Whilst the review was very supportive of the College's approach to the project, the key risk highlighted in the review was achieving cost certainty.

Following the Mott MacDonald review, there were three key issues to emerge, which required resolution before SFC would proceed with funding approval within a total project cost of £119.3m:

- o Achieving full cost certainty with BBCL for phase one of the contract (the 76%).
- o For the remaining 24%, agree a process with SFC whereby the College can demonstrate that it will achieve the best value for money at a point where the market is less volatile;

- Placing the steel order is on the critical path for the delivery programme. Any delays to this will have a direct impact on the handover of the new campus to the College, which is currently scheduled for September 2024.

Our construction contractor (Balford Beatty) submitted a price to our project managers, GTMS, on 25 August 2022. The submission showed the construction cost to be £4.8m over the previous project cost of £119.3m with cost certainty on 67%.

There are also pressures on some non-construction costs.

### **Decreased Net Risks**

One net risk score has decreased during the period.

Risk 14 – Failure to mutually negotiate agreeable terms for year 7, being the final year of the optional extension period for the Scottish Prison Service (SPS) contract impacting on margins and more equitable contract terms and conditions

- The net risk impact score has decreased from 4 to 3, reducing the overall risk score from 12 to 9 and bringing this risk back within tolerance level. This reflects the successful negotiations for Year 6 of the contract.

### **Risk Scores out with Tolerance Level**

Two risk remains out with tolerance.

Risk (2) Failure to achieve annual financial targets in line with the five-year financial forecast plan

- As noted above work is underway to revise our financial forecast positions out to 2026/27 in line with our funding allocation for 2022/23 and the now issued Scottish Government spending review and Scottish Funding Council funding assumptions out to 2026/27.
- The prospective of flat cash and ongoing inflationary cost pressures requires a full review of the college's financial forecast and actions to maintain a financial sustainability across the planning period.
- The College will take a planned approach to secure financial sustainability which will incorporate the following:
  - Non-SFC Income growth
  - Increased student retention and credit maximisation
  - Undertaking a project between now and 2023 to review our curriculum offering and delivery models
  - Explore and expand collaborations with other College and Universities
  - Review our estate, utilisation and current footprint
  - Review all non-staff and discretionary spend to seek savings
  - Review all areas of the business to consider impact/output
  - Accelerate business process improvements seeking efficiencies
  - Voluntary Severance scheme is available and will be utilised as part of the ongoing workforce planning and FTE requirements set.

- Our scenario planning outputs and proposed financial forecast to 2026/27 for submission to the Scottish Funding Council will be presented to Finance Committee and Board of Governors in September 2022.

Risk (13) Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College

- GTMS and BBCL are working on a range of actions in an attempt to provide us with a robust construction contract price within the funding sought in our DP4 submission.
- An extensive Value Engineering exercise is ongoing to ensure the project can be delivered within the available funding.
- The College is working with our advisors on the non-construction costs to mitigate any increases and seek solutions to remain within budget.
- The College New Campus Project Board and SFC have been updated on the current position.

### **Risk Events Log**

5. There were two risk events logged during this period relating to Risks 4,12 and 10. Further details can be found in the [Risk Event Log](#).

### **Recommendation**

6. The Strategic Risk Register has been updated based on the above and is presented to the Audit and Risk Committee for approval. 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.

# STRATEGIC RISK REGISTER

## August 2022

### Overview

The following have been identified as the top strategic risks of Fife College for the reporting period up to October 2022. The colour status applied to each listed risk is based on the residual (Net) score applied within the top risk register maintained by the College.

#### RED Score

- ↑ (2) Failure to achieve annual financial targets in line with the five year financial forecast plan
- ↑ (13) Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College

#### AMBER Score

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>↔ (1) Failure to implement effective financial planning and control regarding estates and achieve the estate strategy objectives in support of the strategic plan</li> <li>↔ (3) Failure to make use of current and emerging technologies effectively and to ensure continuous enhancement of digital capability and confidence in support of hybrid learning and teaching delivery models as expected by all stakeholders and necessary to support sustained delivery</li> <li>↔ (4) Failure to focus on wider wellbeing of staff and students</li> <li>↔ (5) 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</li> <li>↔ (7) Risk of external political/ funding/regulatory changes</li> <li>↔ (8) Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans</li> </ul> | <ul style="list-style-type: none"> <li>↔ (9) Failure to achieve cohesive culture</li> <li>↔ (10) Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environment and conditions for progressive learner journeys</li> <li>↔ (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</li> <li>↔ (12) 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</li> <li>↔ (14) Failure to mutually negotiate agreeable terms for year 7, being the final year of the optional extension period for the Scottish Prison Service (SPS) contract impacting on margins and more equitable contract terms and conditions.</li> </ul> |
|---|--|

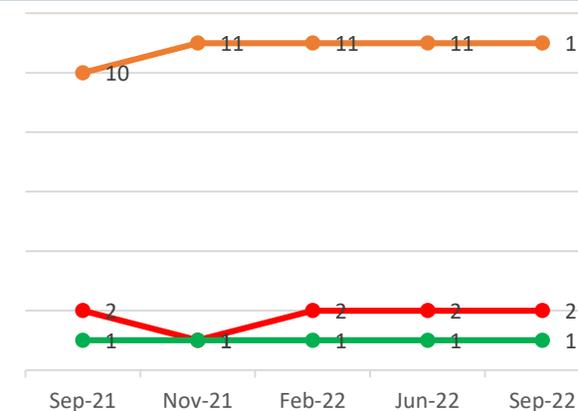
#### GREEN Score

- ↔ (6) Failure to develop capacity and skills mix that fits the strategy

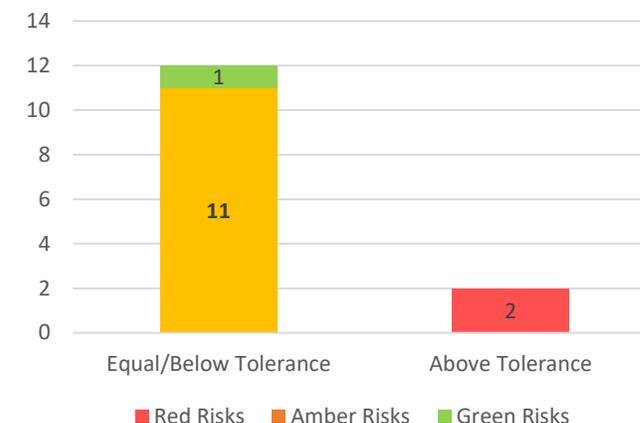
#### RAG Key

- ↔ No score movement from last quarter
- ↑ Residual (Net) score increase from last quarter. Colour of arrow denotes the previous score colour
- ↓ Residual (Net) score decrease from last quarter. Colour of arrow denotes the previous score colour
- New Risk
- ⤵ Combination of previously separate risks within the top risk register

### Risk Movement



### Risk Tolerance Summary





**COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD**

<b>Annual Update: Whistleblowing Policy and Procedure</b>	
<b>Date of Meeting:</b>	8 September 2022
<b>Purpose:</b>	To advise Committee members of any PIDA allegations made under the Whistleblowing Policy and Procedure during 2021-22
<b>Intended Outcome:</b>	To note the position
<b>Paper Submitted by:</b>	Marianne Philp, Director: Governance and Compliance
<b>Prior Committee Approvals:</b>	N/A
<b>Board Impact from Decision:</b>	Reassurance that the Whistleblowing Policy and Procedure is in place and that relevant action is taken should any allegations be received
<b>Financial Health Implications:</b>	N/A
<b>Learner Implications:</b>	N/A
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Marianne Philp; <a href="mailto:mariannephilp@fife.ac.uk">mariannephilp@fife.ac.uk</a> ; 01383 845009
<b>Date of Production:</b>	30 August 2022

## **BOARD OF GOVERNORS OF FIFE COLLEGE**

### **Audit and Risk Committee**

#### **Whistleblowing Policy and Procedure**

##### **1 Introduction**

As part of the Whistleblowing Policy and Procedure, a Register of allegations made under the Public Interest Disclosure Act (PIDA) is kept. The Register should be reviewed on an annual basis by the Audit and Risk Committee at the September meeting.

##### **2 Current Position**

The Whistleblowing Policy and Procedure was last reviewed in June 2021. A copy of the Whistleblowing Policy and Procedure is available on [Sharepoint](#) should members wish to review it.

During 2021-22, no allegations were made under PIDA. Should any serious PIDA allegations be made during the year, these will be reported to the Committee on an individual basis, to allow Members to take appropriate and timeous action.

##### **3 Recommendation**

Members are invited to note the update and in particular that no entries were made in the Register of PIDA Allegations for 2021-22.



**COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD**

<b>Annual Update: Fraud Prevention Policy and Response Plan: Register of Losses</b>	
<b>Date of Meeting:</b>	8 September 2022
<b>Purpose:</b>	To advise Committee members of any losses recorded under the Fraud Prevention Policy and Response Plan
<b>Intended Outcome:</b>	To note the position
<b>Paper Submitted by:</b>	Marianne Philp, Director: Governance and Compliance
<b>Prior Committee Approvals:</b>	N/A
<b>Board Impact from Decision:</b>	Reassurance that the Fraud Prevention Policy and Response Plan is in place and that relevant action is taken should any irregularity be discovered
<b>Financial Health Implications:</b>	N/A
<b>Learner Implications:</b>	N/A
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Marianne Philp; <a href="mailto:mariannephilp@fife.ac.uk">mariannephilp@fife.ac.uk</a> . 01383 845009
<b>Date of Production:</b>	30 August 2022

**BOARD OF GOVERNORS OF FIFE COLLEGE****Audit and Risk Committee****Fraud Prevention Policy and Response Plan****1 Introduction**

As part of the Fraud Prevention and Response Plan, a Register of Losses is kept. The Register of Losses should be reviewed on an annual basis by the Audit and Risk Committee at the September meeting.

**2 Current Position**

The Fraud Prevention and Response Plan was last reviewed in June 2021 and is available on [Sharepoint](#) should members wish to review it.

During academic year 2021-22, one entry was recorded on the register of losses. This was for a shortfall in the Carnegie Conference Centre cashflow of £273.70. An internal investigation was undertaken and no evidence of wrongdoing was found. The recommendations made as part of the investigation included:

- Some changes to procedures (to ensure these are documented and followed);
- any non-compliance with procedures to be formally recorded using normal HR processes;
- casual staff onboarding procedures to be reviewed.

Should any serious incidents of fraud or irregularity come to light during the year, these will be reported to the Committee on an individual basis, to allow Members to take appropriate and timeous action.

**3 Recommendation**

Members of the Committee are invited to note the entry made on the register of losses recorded under the Fraud Prevention Policy and Response Plan for 2021-22.



**COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD**

<b>Annual Update: Business Continuity Planning</b>	
<b>Date of Meeting:</b>	8 September 2022
<b>Purpose:</b>	To update Committee members on progress made with Business Continuity Planning matters over the past year
<b>Intended Outcome:</b>	To note the position
<b>Paper Submitted by:</b>	Marianne Philp, Director: Governance and Compliance
<b>Prior Committee Approvals:</b>	N/A
<b>Board Impact from Decision:</b>	To be assured that the processes in place for Business Continuity are appropriate and effective
<b>Financial Health Implications:</b>	In the event of a major incident, a faster recovery will minimise loss from income and help business survival
<b>Learner Implications:</b>	An effective response will minimise disruption to learners and ensure effective communication
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Marianne Philp; <a href="mailto:mariannephilp@fife.ac.uk">mariannephilp@fife.ac.uk</a> ; 01383 845009
<b>Date of Production:</b>	30 August 2022

## **BOARD OF GOVERNORS OF FIFE COLLEGE**

### **Audit and Risk Committee**

#### **Update on Business Continuity Planning**

#### **1 Introduction**

This paper provides an update on progress with regard to the College's approach to Business Continuity Planning over the past academic year. This Committee has delegated authority from the Board to "Scrutinise the organisational performance management, business continuity and governance processes to ensure their appropriateness and effectiveness".

#### **2 Progress Made: 2021-22**

- The Incident Response Team has met on two occasions to review progress and identify any key risks to business continuity
- The Colleges insurers, Zurich Municipal, facilitated a desktop test with the Business Continuity Team in October 2021. A report was prepared with recommendations on where some minor improvements could be made, most of which have been implemented
- Debrief / lessons learned exercises are routinely held following each incident and test in order to update plans and processes as required
- The Incident Response Plan has been updated to take account of changes to contacts, lessons learned and other feedback received
- All faculties and professional services teams have compiled critical activities lists and consider key dependencies for their areas which feed into the overall plans. Work is being undertaken by the CIO to consolidate plans and introduce standard scenarios to enable faculties and professional services teams to focus on departmental specific responses
- Lower level policies have been drafted to support Digital Services activity – including Vulnerability Management; Patch Testing Management; and Change Management, these are currently going through a review and approvals process
- An information leaflet has been drafted as part of our internal communications to staff to make them aware of their role in the event of a business continuity incident and to summarise the immediate steps to be taken and where we will communicate

#### **3 Plans for the Year Ahead: 2022-23**

- Quarterly Incident Management Team meetings will resume
- Debriefs/lessons learned sessions will continue to be held following each test and live incident with feedback being provided to the Incident Response Team
- Test exercises will be undertaken
- We will contact the local police and ask them to facilitate some briefings for the Incident Response Team on key risks for the College
- An increased focus in responding to campus based situations will be taken in recognition of increased on campus activity anticipated for this academic year
- Annual review of departmental and overall plans will be undertaken

#### **4 Recommendation**

Members are invited to note the update on progress.



### COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

<b>Performance and Effectiveness Review</b>	
<b>Date of Meeting:</b>	Thursday 8 September 2022
<b>Purpose:</b>	To review the feedback from the Performance and Effectiveness Review of the Audit and Risk Committee
<b>Intended Outcome:</b>	To note the feedback received and to agree any changes that may be required
<b>Paper Submitted by:</b>	Marianne Philp, Director: Governance and Compliance
<b>Prior Committee Approvals:</b>	N/A
<b>Board Impact from Decision:</b>	To ensure the performance and effectiveness of the Audit and Risk Committee and identify any opportunities for improvement and best practice
<b>Financial Health Implications:</b>	N/A
<b>Learner Implications:</b>	N/A
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Marianne Philp; 01383 845009; <a href="mailto:mariannephilp@fife.ac.uk">mariannephilp@fife.ac.uk</a>
<b>Date of Production:</b>	30 August 2022

**BOARD OF GOVERNORS OF FIFE COLLEGE**

**Audit and Risk Committee**

**Performance and Effectiveness Review**

<b>Role and remit</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee have written terms of reference?	Yes x 4	
Do the terms of reference cover the core functions of an audit committee as identified in the <i>SG Audit Committee Handbook</i> ?	Yes x 4	
Are the terms of reference approved by the committee and reviewed periodically?	Yes x 4	
Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Yes x 4	
Does the body's governance statement mention the committee's establishment and its broad purpose?	Yes x 4	
Does the committee periodically assess its own effectiveness?	Yes x 4	
Additional comment for this section:		<ul style="list-style-type: none"> <li>• Remit is reviewed annually, unless there are any significant changes in the governance arrangements for the college or changes to the SG Audit Committee Handbook I would not expect there to significant changes to the remit.</li> </ul>
<b>Membership, induction and training</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Has the membership of the committee been formally agreed by the board of governors and has a quorum been set?	Yes x 4	
Are members appointed for a fixed term?	Yes x 3 No x 1	
Does at least one of the committee members have a financial background?	Yes x 4	

Are all members, including the chair, independent of the executive function?	Yes x 4	
Are new committee members provided with an appropriate induction?	Yes x 4	
Has each member formally declared his or her business interests?	Yes x 4	
Are members sufficiently independent of the other key committees of the Board?	Yes x 4	
Additional comments for this section:		<ul style="list-style-type: none"> <li>• It would be helpful to consider whether there should not just be induction training for members but also refresher training for those members who have been on the committee for a while</li> <li>• With regard to induction, as we are getting new member(s) to the committee, I think we should be asking if the induction given was sufficient or if there are other items that we should be including</li> </ul>
<b>Meetings</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee meet regularly, at least four times a year?	Yes x 4	
Do the terms of reference set out the frequency and broad timing of meetings?	Yes x 4	
Does the committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?	Yes x 4	
Are members attending meetings on a regular basis and if not, is appropriate action taken?	Yes x 4	
Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?	Yes x 4	
Does the committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?	Yes x 4	

Additional comments for this section:		<ul style="list-style-type: none"> <li>• Attendance at the meetings is excellent with all participants fully engaged</li> <li>• To date there are no issues with the meetings operation and I believe we have achieved 100% attendance over the year</li> </ul>
<b>Internal control</b>	<b>Yes/No/NA</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?	Yes x 4	
Does the committee consider the findings of reviews on the effectiveness of the system of internal control?	Yes x 4	
Does the committee have responsibility for review of the draft governance statement and does it consider it separately from the accounts?	Yes x 4	
Does the committee consider how accurate and meaningful the governance statement is?	Yes x 4	
Does the committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?	Yes x 4	
Has the committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	Yes x 4	
Has the committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	Yes x 4	
Has the committee been made aware of the role of risk management in the preparation of the internal audit plan?	Yes x 4	
Does the committee's terms of reference include oversight of the risk management process?	Yes x 4	
Does the committee consider assurances provided by senior staff?	Yes x 4	

Does the committee receive/ consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?	Yes x 4	
Additional comments for this section:		<ul style="list-style-type: none"> <li>I believe that we cover the above however I do wonder if we should use the same language as per above to describe the reports or amend the language in the questions to reflect the way we describe reports presented to the committee.</li> </ul>
<b>Financial reporting and regulatory matters</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Is the committee's role in the consideration of the annual accounts clearly defined?	Yes x 4	
Does the committee consider, as appropriate:		
· the suitability of accounting policies and treatments	Yes x 4	
· major judgements made	Yes x 4	
· large write-offs	Yes x 4	
· changes in accounting treatment	Yes x 4	
· the reasonableness of accounting estimates	Yes x 4	
· the narrative aspects of reporting?	Yes x 4	
Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Yes x 4	
Does the committee review management's letter of representation?	Yes x 4	
Does the committee gain an understanding of management's procedures for preparing the body's annual accounts?	Yes x 4	
Does the committee have a mechanism to keep it aware of topical legal and regulatory issues?	Yes x 4	
Additional comments for this section:		<ul style="list-style-type: none"> <li>All the above are working well with clear review of inputs to Annual Report and Accounts, appropriate meetings being scheduled and the regular sharing of legal/regulatory issues</li> </ul>

Internal audit	Yes/No/NA	Comments/Action
Does the Internal Auditor representative attend meetings of the committee?	Yes x 4	
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?	Yes x 4	
Does internal audit have a direct reporting line, if required, to the committee?	Yes x 4	
As well as an annual report from the Internal Audit representatives, does the committee receive progress reports from the internal audit service?	Yes x 4	
Are outputs from follow-up audits by internal audit monitored by the committee and does the committee consider the adequacy of implementation of recommendations?	Yes x 4	
If considered necessary, is the committee chair able to hold private discussions with the Internal Audit representative?	Yes x 4	
Is there appropriate co-operation between the internal and external auditors?	Yes x 4	
Does the committee review the adequacy of internal audit staffing and other resources?	Yes x 4	
Are internal audit performance measures monitored by the committee?	Yes x 4	
Has the committee considered the information it wishes to receive from internal audit?	Yes x 4	
Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines?	Yes x 4	

Additional comments for this section:		<ul style="list-style-type: none"> <li>I am comfortable with all the above but would be good to confirm the performance measure that are used for Internal Audit (is this delivering of plan to cost/time and ways of working with College exec/staff?)</li> </ul>
<b>External audit</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the external audit representative attend meetings of the committee?	Yes x 3	
Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)?	Yes x 4	
Does the committee chair hold periodic private discussions with the external auditor?	Yes x 4	
Does the committee review the external auditor's annual report to those charged with governance?	Yes x 4	
Does the committee ensure that officials are monitoring action taken to implement external audit recommendations?	Yes x 4	
Are reports on the work of external audit presented to the committee?	Yes x 4	
Does the committee assess the performance of external audit?	Yes x 4	
Does the committee consider the external audit fee?	Yes x 4	
Additional comments for this section:		<ul style="list-style-type: none"> <li>Same comment as per section 7 re performance measurement (Internal Audit).</li> </ul>
<b>Administration</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee have a designated secretariat?	Yes x 4	
Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members and attendees?	Yes x 3	
Do reports to the committee communicate relevant information at the right frequency, time, and in a format that is effective?	Yes x 4	

Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?	Yes x 4	
Is a report on matters arising presented or does the chair raise them at the committee's next meeting?	Yes x 4	
Do action points indicate who is to perform what and by when?	Yes x 4	
Does the committee provide an effective annual report on its own activities?	Yes x 4	
Additional comments for this section:		<ul style="list-style-type: none"> <li>• This is run particularly well and the ARC would not be as effective as it is without the support from Marianne/Silvia</li> </ul>
<b>Overall</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee effectively contribute to the overall control environment of the organisation?	Yes x 4	
Are there any areas where the committee could improve upon its current level of effectiveness?	Yes x 1 No x 3	
Does the committee seek feedback on its performance from the Board and Accountable Officer?	Yes x 3 No x 1	
Additional comments for this section:		<ul style="list-style-type: none"> <li>• I feel that the changes that the committee made following last year's review have been very beneficial and aided the smooth running of the committee.</li> <li>• Question 'Are there any areas where the committee could improve upon its current level of effectiveness?' - would be good to get views of all members. Question 'Does the committee seek feedback on its performance from the Board and Accountable Officer?' For this section I think we may have discussed this last year but I can't remember the outcome (apologies) - I do think that we need a view from the Board/Accountable officer on the ARC performance - I do not believe that this will highlight any issues but it would be good to get confirmation.</li> </ul>