



AUDIT & RISK COMMITTEE

Meeting of 21 November 2018

AUDIT & RISK COMMITTEE

NOTICE

There will be a meeting of the Audit & Risk Committee on Wednesday 21 November 2018 at 1300 hours in the Boardroom, G10, at Aberdeen City Campus.

AGENDA

Agenda Item		Paper
32-18	Annual Meeting with External and Internal Auditors	
33-18	Apologies for Absence	
34-18	Declaration of any Potential Conflicts of Interest in relation to any Agenda Items	
35-18	Minute of Previous Meeting – 26 September 2018	X
36-18	Matters Arising from the Previous Meeting	
	Matter for Decision	
37-18	Annual Report of the Audit & Risk Committee to the Regional Board	X
	Matters for Discussion	
38-18	Audit Certification of Year-end Returns	X
39-18	Draft Internal Audit Assignment Plans 2018-19	X
40-18	Any Other Business	
41-18	Summation of Business and Date of Next Meeting	
42-18	Reserved Item of Business	
43-18	Matter for Decision (To be considered in conjunction with the Finance & Resources Committee)	
44-18	Financial Statements for the Year to 31 July 2018	
45-18	Summation of Reserved Item of Business	

AUDIT & RISK COMMITTEE

Draft Minutes of the meeting of the Audit & Risk Committee held on 26 September 2018 at 1500 hours in G10, Aberdeen City Campus.

Agenda Item	
	<p>Present: David Anderson Doug Duthie Ian Gossip (Chair)</p> <p>In attendance: Graham Gillespie, Wylie & Bisset Pete Smith, Vice Principal Finance & Resources Pauline May, Secretary to the Board Susan Lawrance, Minute Secretary</p> <p>In attendance for Agenda Item 29-18: Steve Hazelwood, Regional CISO Malcolm Johnson, Information Security Lead Scott Matthew, Director of IT</p>
	<i>Prior to the commencement of business, it was noted that the meeting was not quorate. It was confirmed that absent Members would be asked to ratify matters for decision following the meeting.</i>
20-18	<p>Apologies: Apologies were presented for Ann Bell, Andrew Russell, Anne Simpson, and Adrian Smith.</p>
	<p>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items Mr Duthie and Mr Gossip declared a potential conflict of interest in relation to their roles as Directors of ASET.</p>
21-18	<p>Minutes of Previous Meeting – 11 July 2018 The minutes were approved as a true and accurate record.</p>
22-18	Matters Arising from the Previous Meeting
	Matters for Decision
23-18	<p>Programme of Business AY2018-19 Members considered a paper detailing a proposed schedule of key items of Committee business throughout AY2018-19. It was agreed that the Programme was appropriate, noting that agenda items would be added to as appropriate during the academic year.</p> <p>It was noted that Mr P Smith and the Committee Chair would discuss outwith the meeting potential additional agenda items, for example, value for money reports, which the Committee may find helpful to consider.</p>

24-18	<p>Reports on Internal Audit Reviews</p> <p>The Committee noted a paper providing summary information on two internal audits recently undertaken by Wylie & Bisset.</p> <p>The Committee considered the report on the GDPR (Follow up) Internal Audit. Members noted the “substantial” overall conclusion. In response to a Member’s query, Mr Gillespie confirmed that the College was on par with other colleges regarding the implementation of GDPR.</p> <p>The Committee considered the report on the Payroll Internal Audit. Members noted the “strong” overall conclusion and 13 areas of highlighted good practice. It was agreed that a typo on page 15 of the Report would be corrected by Wylie & Bisset.</p> <p>The Committee Chair acknowledged the significant amount of work undertaken since the two areas were last audited and commended College staff for the significant progress made.</p>
25-18	<p>Internal Auditor’s Report to the Regional Board, Financial Reporting Period Year to 31 July 2018</p> <p>Members considered the Report presented by Wylie & Bisset on the programme of internal audit work undertaken in AY2017-18.</p> <p>Mr Gillespie highlighted that the College had received a lower number of recommendations in comparison to sector benchmarking figures.</p> <p>The Committee recorded its thanks to College staff for their contributions to the successful outcomes of the internal audits undertaken during the reporting period.</p>
26-18	<p>Draft Annual Report to the Regional Board, 2018</p> <p>The Committee considered its Draft Annual Report to the Regional Board, covering the business conducted in the period 01 August 2017 to 31 July 2018.</p> <p>Mr P Smith highlighted that the external auditor’s qualified opinion on the Financial Statements was not yet known.</p> <p>Members adopted the Report, subject to the correction of a typo in section 1.1 and the inclusion of a statement confirming no incidences of fraud or matters of impropriety. Members requested the Chair of the Committee to present the report to the next meeting of the Regional Board.</p>
27-18	<p>Internal Audit Programme, Year to 31 July 2019</p> <p>The Committee considered the proposed Internal Audit Programme for the year ending 31 July 2019.</p> <p>A short discussion was held on the total number of audit days undertaken at NESCol and their allocation to the various audit areas. Mr P Smith noted that the College, in due course, may wish to review the total number of audit days and the frequency that some areas are audited.</p> <p>Members adopted the Internal Audit Programme for AY2018-19 as presented by Wylie and Bisset.</p>

28-18	<p>Risk Management Policy The Committee considered a paper providing information on the review of the College's Risk Management Policy and a number of proposed amendments to the Policy.</p> <p>Members were advised that the Policy had been amended to reflect the strengthened approach to risk management and the reporting of risk which had been developed and adopted during AY2017-18.</p> <p>In response to a query regarding the information added in relation to the College's risk appetite, it was confirmed that the level of risk, both overall and at Strategic Goal level, was identified in the College's new Strategic Risk Register. It was noted that the Policy did not record risk appetites as this may change as the Register is reviewed, the Policy instead records where risk appetites are documented.</p> <p>Members agreed that the proposed amendments were appropriate and that the Regional Board should be asked to adopt the updated Policy at its next meeting.</p>
	Matter for Information
29-18	<p>Presentation – Cyber Security The Committee received a presentation on information security and related risks.</p> <p>The College's duty of care to protect the information it holds was highlighted.</p> <p>A progress update on the College's information security service was also provided. Information on steps the College takes to reduce breaches of information security was noted.</p> <p>Collaboration with the NESCol Students' Association and regional schools to increase cyber security awareness amongst students and pupils was highlighted. Planned training and awareness training for NESCol staff was also noted.</p> <p>The benefits of sharing intelligence relating to cyber security and attacks both regionally and nationally was acknowledged with Mr Matthew confirming that the College is involved in a number of key forums.</p> <p>It was noted that it would be helpful to share the information provided with the full Regional Board.</p>
30-18	<p>Any Other Business No other items of business were raised.</p>
31-18	<p>Summation of Business and Date of Next Meeting The next meeting of the Audit and Risk Committee will be held at 1300 hours on Wednesday 21 November 2018 at Aberdeen City Campus.</p>
	Meeting ended 1625 hours

Agenda Item	Actions from Audit & Risk Committee 26/09/18	Responsibility	Deadline
23-18	Meeting to discuss potential additional agenda items for the Committee to consider during AY2018-19.	P. Smith & I. Gossip	21 November 2018
24-18	Typo in Payroll Internal Audit Report to be corrected.	Wyile & Bisset	As soon as possible
26-18	Typo in section 1.1 of Annual Report to the Regional Board, 2018 to be amended- correction of typo on section 1.1 and inclusion of statement confirming no incidences of fraud or matters of impropriety.	P. Smith	21 November 2018
26-18	Annual Report to the Regional Board, 2018, to be presented to next meeting of Regional Board.	I. Gossip	29 October 2018
28-18	Updated Risk Management to be considered at next meeting of Regional Board.	P. May	29 October 2018

Signed:.....

Date:

AUDIT & RISK COMMITTEE	
Meeting of 21 November 2018	
Title: Annual Report of the Audit & Risk Committee to the Regional Board	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s):
Type of Agenda Item: For Decision <input checked="" type="checkbox"/> For Discussion <input type="checkbox"/> For Information <input type="checkbox"/> Reserved Item of Business <input type="checkbox"/>	
Purpose: To enable the Committee to approve submission of its annual report to the Regional Board.	
Linked to Strategic Goal: 5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
Executive Summary: The Report attached as Appendix 1 to this paper updates the draft presented to the Committee at its meeting of 26 September 2018, incorporating changes approved at that meeting and also the opinion of the External Auditor.	
Recommendation: It is recommended that the Committee approve submission of the Report to the Regional Board.	
Previous Committee Recommendation/Approval (if applicable): 26 September 2018	
Equality Impact Assessment: Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact <input checked="" type="checkbox"/> Evidence:	

Audit and Risk Committee
Annual Report to the Regional Board
2018

1. Introduction

- 1.1. The Audit and Risk Committee presents this report for consideration by the Regional Board. The report is part of the Regional Board's arrangements for governance and oversight that fulfill its obligations set out in the Financial Memorandum between the Scottish Further and Higher Education Funding Council (SFC) and the Regional Board, in particular those 'mandatory requirements' relating to audit and accounting, which are detailed in **annex 1** to this report.
- 1.2. The report covers the business conducted by the Committee in the period 1 August 2017 to 31 July 2018.
- 1.3. The Committee at its meeting on 21 November 2018 adopted the report for presentation to the Regional Board.

2. Appointment of Auditors – External Audit

- 2.1. Under the Public Finance and Accountability (Scotland) Act 2000, authority to appoint external auditors of colleges transferred to central authorities. The Auditor General for Scotland appointed Ernst and Young (EY) to be external auditor of the Regional Board for the period 1 August 2016 to 31 July 2021. The appointment is solely as external auditor of the Regional Board.
- 2.2. The Board retains authority to appoint the external auditor of its wholly owned trading subsidiary – Aberdeen Skills and Enterprise Training Limited (ASET). Henderson Loggie was appointed as external auditor of ASET for 3 years to 31 July 2020 as a result of the process agreed at the Annual General Meeting in 2018.

3. Appointment of Auditors – Internal Audit

- 3.1. The Regional Board appointed Wylie and Bisset as internal audit service provider in 2014. The contract provides that the appointment could be extended (for a further 2 years) after a period of 3 years. The Committee decided to exercise the option to extend the appointment and Wylie and Bisset will continue to provide internal audit services until 31 July 2019.

4. Adequacy and Effectiveness of Internal Control Systems

- 4.1. The Audit and Risk Committee has assessed the adequacy and effectiveness of the College's internal control systems.
- 4.2. Wylie and Bisset has reported to the Regional Board:
" We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In our opinion North East Scotland College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. However we have produced two weak reports during the year. These being, Data Protection (GDPR Compliance) which was followed up in July 2018 and resulted in an overall opinion of substantial as the recommendations were addressed or in the process of being addressed, and Value for Money – Transport

Our fieldwork was carried out between February 2018 and August 2018."

Source: Wylie and Bisset Annual Report to the Regional Board 2018.

- 4.3. The Internal Audit Annual Report was presented to the Committee by Wylie and Bisset and adopted at the Committee meeting on 26 September 2018. It is attached as **annex 2** to this report.
- 4.4. The reports presented by the internal audit service provider give the level of assurance sought by the Audit and Risk Committee to enable the Committee to reach the view that internal control systems are adequate and effective.

5. Significant Matters identified by Internal Auditors

- 5.1. The Committee and the internal audit service provider have established arrangements for grading the outcomes of internal audit reviews. The internal auditor grades the areas reviewed as:
 - Strong – controls were satisfactory, no significant weaknesses were found, some minor recommendations were identified;
 - Substantial - controls were largely satisfactory although some weaknesses were identified, recommendations for improvement were made;
 - Weak - controls were unsatisfactory and major systems weaknesses were identified that require to be addressed immediately.
- 5.2. In 2017-18, the internal auditor reviewed 15 areas (2016-17 – 16 areas) and graded the areas reviewed as: 'strong' in 11 areas (2016-17 – 14 areas); 'substantial' in 2 areas (2016-17 – 2 areas); and 2 areas were graded as 'weak' (2016-17 – no areas).
- 5.3. The Committee and the internal audit service provider have established arrangements for grading recommendations arising from the programme of internal audit review. Recommendations are graded as 'high', 'medium' and 'low' priority (with 'high' representing matters requiring urgent attention).
- 5.4. In 2017-18, the internal auditor made 34 audit recommendations (2016-17 – 35 findings) and graded those as: 'high' in 3 areas (2016-17 – 3); 'medium' in 18 areas (2016-17 – 6); and 'low' in 13 areas (2016-17 – 26).

6. Value for Money Programme

- 6.1. The internal audit programme for the period 1 August 2017 to 31 July 2018 addressed value for money issues. The programme was designed to address arrangements to ensure that the College secures economy, efficiency and effectiveness in carrying out its activities. Most internal audit assignments contain an element of value for money review.

7. Reports by External Auditors

- 7.1. EY carried out the external audit of North East Scotland College for the 12-month reporting period to 31 July 2017. This was the first year of the organisation's 5-year appointment as external auditor. As in previous years, an unqualified audit opinion was expressed on the consolidated financial statements of the College.
- 7.2. Henderson Loggie carried out the external audit of ASET, the Board's wholly owned subsidiary company, for the 12-month reporting period to 31 July 2017. As in previous years, Henderson Loggie issued an unqualified audit opinion on the financial statements of the ASET.

8. Key Administrative Information

8.1. Audit and Risk Committee membership in the period 1 August 2017 to 31 July 2018 comprised:

- Mr. Anderson
- Ms. Bell
- Mr. Duthie
- Mr. Gossip
- Mrs. Inglis (resigned during 2017-18)
- Mr. Russell
- Ms. Simpson
- Mr. Smith

8.2. Committee Chair

- Mr. Gossip

8.3. Committee Vice-Chair

- Mr. Anderson

8.4. In addition, the following Members of the Regional Board may attend and participate in meetings, but may not vote on matters at issue:

- Chair of the Regional Board (office held by Mr. Milroy);
- Chair of the Finance and Resources Committee (office held by Prof. Harper);
- Principal and Chief Executive (post held by Ms. McIntyre).

8.5. Attendance at Meetings

The Committee has met on 4 occasions during the reporting period. Members' attendance is analysed as:

	<u>Meetings</u>	<u>Percentage</u>
<u>Members of the Committee</u>	<u>Attended</u>	<u>Attended</u>
Mr. Anderson	4	100%
Ms. Bell	2	50%
Mr. Duthie	4	100%
Mr. Gossip	4	100%
Mrs. Inglis	0	0%
Mr. Russell	4	100%
Ms. Simpson	2	50%
Mr. Smith	3	75%
<u>Members in Attendance</u>		
Mr. Milroy	1	
Prof. Harper	1	
Ms. McIntyre	1	

Appropriate staff of Wylie and Bisset or EY attended meetings. Mr. Scott attended all meetings of the Committee as Vice Principal Finance.

8.6. Conduct of Business

The Committee has met throughout the reporting period. Four meetings have been held.

<u>Meeting</u>	<u>Business Conducted</u>
20 Sept. 2017	Consideration of: the Committee Terms of Reference; the Programme of Business for AY2017-18; the Reports on the Internal Audit Review from May 2017, including: Review of the Fraserburgh Estates Project, IT Systems, Payroll, Fixed Asset Management, Estates Management and Course Viability; the Internal Auditors Report to the Regional Board for the Financial Reporting Period Year to 31 July 2017; the Draft Annual Report to the Regional Board 2017; the Internal Audit Programme, Year to 31 July 2018; the refreshed approach to Risk Management and the External Audit Plan for the year to 31 July 2017.
11 Nov. 2017	Consideration of: the Audit Certificate of Year-end Returns; the Financial Statements for the year to 31 July 2017; the publication of a new code of audit conduct;
18 Apr. 2018	Consideration of: the Reports on Internal Audit Reviews, including: ASET, Budgetary and Financial Controls, Follow up Review of Previous Recommendations, GDPR Compliance, Income Collection and Credit Control, Business and Community Development, Creative Industries, Computing, ESOL & Business Enterprise, Environmental Sustainability, Virtual Learning Environment and IT Systems; the Internal Audit Review of Payroll and the External Audit Plan for the year to 31 July 2018.
11 Jul. 2018	Consideration of: the reports on Internal Audit Reviews, including: Human Resources, Management of Contract Managed Services, Value for Money – Transport and Freedom of Information; the new Strategic Risk Register; the Code of Good Governance for Scotland’s Colleges – Review of Compliance and the publication of the Audit Scotland Report “Scotland’s Colleges 2018”.

8.7. Minutes of meetings of the Committee were made available to Regional Board Members and, at meetings of the Regional Board, Members were provided with the opportunity to obtain further information on the business conducted by the Committee.

9. Measurements of Performance – External Audit

- 9.1. The external auditor of the Regional Board was EY.
- 9.2. The Committee was satisfied with the standard of service provided by EY as external audit service provider to the College.
- 9.3. The external audit of the Regional Board and its subsidiary companies was completed on schedule and at the agreed fee. The fee charged for the external audit of the College for FY2016-17 was £34,690 (FY2015-16 - £33,900).
- 9.4. The fee charged for the audit of ASET for 2016-17 was £7,300 (FY2015-16 - £7,100).

10. Measurements of Performance – Internal Audit

10.1. The internal audit programme was completed on schedule and at the agreed fee. The fee charged for internal audit services in 2017-18 was £30,650 (2016-17 was £30,650). The amount of audit work undertaken in delivering the core programme in 2017-18 was 70 days (2016-17 – 70 days).

10.2. The Committee was satisfied with the standard of service provided by Wylie and Bisset as internal audit service provider to the College for 2017-18, as it had been in previous years. All internal audit assignments were undertaken in accordance with the plan for the period and completed within set deadlines, key performance measures were met in full.

11. Fraud, Theft and Impropriety

12.1. No instances of fraud, theft or impropriety have been brought to the Committee's attention during the year or up to the date of approval of this report.

12. Events since 31 July 2018

12.1. There are no other matters which have been brought to the Committee's attention which would impact on the opinion expressed in this report.

13. Conclusion

13.1. The Committee has obtained assurance that internal control systems are adequate and effective. This is based on the evidence provided by the results of the internal audit service provider in the 12 months to 31 July 2018 and the external auditor's unqualified opinion on the financial statements for the 12-month reporting period to 31 July 2017.

13.2. The Committee is satisfied that, on the basis of the information provided to it by internal auditors, arrangements operate to allow the College to secure value for money.

13.3. The Committee is satisfied that the Regional Board has complied with the 'mandatory requirements' set by the Scottish Further and Higher Education Funding Council and has discharged its responsibilities in relation to audit and accounting.

13.4. The Committee is satisfied with the performance of EY as external auditor to the College for the 12-month reporting period to 31 July 2017 and Wylie and Bisset as internal auditor to the College for the 12 months to 31 July 2018.

Ian Gossip

Chair

Audit and Risk Committee

21 November 2018



Financial Memorandum with Fundable Bodies in the College Sector

Part 2: General requirements

1. Unless otherwise stated, the following general requirements apply to the institution.

Financial Memorandum

2. It is a term and condition of grant payment from SFC that the governing body of the institution and its designated officers comply with the requirements set out in this FM.

Post-16 Education Body criteria

3. In undertaking its functions, the governing body of the institution must keep under review and have in place satisfactory provision in relation to the list of matters set out in section 7 (2) of the 2005 Act, as amended by the Post-16 Education (Scotland) Act 2013. This requirement does not apply to Regional Boards as these are not Post-16 Education Bodies.

Outcome Agreement

4. The institution must deliver its Outcome Agreement with SFC.

Payment of SFC Strategic, Capital or other Grants

5. Where the SFC makes a payment to the institution of a Strategic, Capital or other grant, the institution will be required to comply with any additional requirements attached to the grant, as well as with this FM.

Changes to grant payments

6. If the Scottish Ministers revise their payment of grant to SFC, then SFC reserves the right to make in-year adjustments to its payment of grant to the institution. In this case, SFC and the institution may renegotiate the institution's Outcome Agreement.

Repayment of grant

7. If the institution fails to comply with the requirements of this FM, and any other specific terms and conditions attached to the payment of grant from SFC, it may be required to repay SFC any sums received from it and may be required to pay interest in respect of any period during which a sum due to SFC in accordance with this or any other condition remains unpaid.
8. If, in the reasonable opinion of SFC, any provision set out in this FM is not observed by the institution, SFC will be entitled, in respect of the payment of grant from SFC:

- In the case of funding by way of grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
- In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).

Public sector pay policy

9. The institution must have regard to public sector pay policy set by the Scottish Ministers.

Tuition fees

10. Where applicable, the institution must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.³ However:
 - the tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2006 do not apply to students who do not have a relevant connection with the United Kingdom and Islands or are not excepted students within the meaning of the Education (Fees and Awards) (Scotland) Regulations 2007; and
 - The tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2011 do not apply to students who do not have a relevant connection with Scotland or are not excepted students within the meaning of the Education (Fees) (Scotland) Regulations 2011, but any tuition fees charged to students from the rest of the United Kingdom must not exceed £9,000 per year⁴.

³ The level of tuition fees in 2014-15 for full-time undergraduate first degree students is £1,820. The same fee applies for PGDE and PGDipCE courses. A higher medical fee £2,895 applies only to continuing students. For full-time higher education courses at sub-degree level, a fee of £1,285 should be charged.

⁴ At the moment, this £9,000 limit is not set by legislation but will be once an order is made under section 9D of the Further and Higher Education (Scotland) Act 2005 (as inserted by the Post-16 Education (Scotland) Act 2013.).

Disposal of exchequer funded assets

11. In disposing of exchequer funded assets, the institution must follow the guidance in the relevant procedure notes on the SFC website as amended from time-to-time.

Student activity

12. Where appropriate, the institution must provide data returns requested by the SFC by the deadlines and to the standards specified. Our Student Activity Data Guidance for Colleges can be found on the SFC website.

Student support guidance

13. Where appropriate, the institution must follow SFC's Student Support Guidance.

European Social Funds

14. Where the institution is in receipt of European Social Fund funding, it must follow SFC's ESF guidance.

Audit and accounting

15. The governing body must appoint an audit committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. For incorporated colleges and Regional Boards, Audit Scotland will appoint external auditors.
16. The Audit Committee must produce an annual report to the governing body of the institution.

Accounts direction

17. The institution must follow the SFC's current Accounts Direction in the preparation of its annual financial statements.

Internal audit

18. The institution must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the Scottish Public Finance Manual.

19. The institution must inform SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.
20. The internal audit service must provide the governing body and senior management of the institution with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for-money.
21. The internal audit service must extend its review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the institution has a financial interest, including those not funded by SFC. It must include review of controls – including investment procedures – that protect the institution in its dealings with organisations, such as subsidiaries or associated companies, Arms-Length Foundations, students’ associations, and collaborative ventures or joint ventures with third parties.
22. The head of internal audit must produce an annual report for the governing body on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the institution’s risk management, internal control, and governance. The report must be presented to the institution’s audit committee and a copy sent to SFC.

Value for money

23. The institution must have a strategy for reviewing systematically management’s arrangements for securing value for money.
24. As part of its internal audit arrangements, the institution must obtain a comprehensive appraisal of management’s arrangements for achieving value for money.

External Audit

25. The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.
26. The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the institution’s annual report and financial statements are presented.
27. The external auditor is expected to attend, as a minimum, any meetings of the audit committee where relevant matters are being considered, such as planned

audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the audit committee to notify the external auditor of such meetings.

28. The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the SFC undertakes.
29. The institution must not in any way limit SFC's access to the institution's external auditors.

North East Scotland College

Internal Audit 2017/18

Annual Report

August 2018

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North East Scotland College
Annual Report 2017/18

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The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College. Also, the operation and conduct of the IAS complies with the Public Sector Internal Audit Standards and is carried out in accordance with the standards and guidelines set down by the Chartered Institute of Internal Auditors.

The provision of Internal Audit Services is covered by the Financial Memorandum issued by the Scottish Funding Council ("SFC").

The Financial Memorandum sets out that the internal auditors are required to produce an Annual Report on the internal audit activities addressed to the Board of Management and the Principal.

The Financial Memorandum also sets out that the Annual Report should be considered by the Audit Committee prior to the Audit Committee producing its annual report to the Board of Management.

This Annual Report has been drawn up in accordance with the Financial Memorandum.

A copy of this report requires to be submitted to SFC not later than 31 December following the financial year end to which it relates.

Opinion

Overall Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In our opinion North East Scotland College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. However we have produced two weak reports during the year. These being, Data Protection (GDPR Compliance) which was followed up in July 2018 and resulted in an overall opinion of substantial as the recommendations were addressed or in the process of being addressed, and Value for Money – Transport.

Our fieldwork was carried out between February 2018 and August 2018.

The overall findings and conclusion of each report are highlighted in Section 3. As can be seen from the summary in Section 3 all areas included in the Operational Plan for 2017/18 are complete.

In forming our opinion above, we have carried out the following work:

- a review and appraisal of financial and other controls operated by the College;
- a review of the established policies and procedures adopted by the College;
- an assessment of whether or not the internal controls are reliable as a basis for producing the financial accounts;
- a review of accounting and other information provided to management for decision making;
- compliance and substantive audit testing where appropriate;
- a review of the College's procedures in place to promote and secure value for money.

The analysis of performance indicators for the internal audit work carried out in the year is included at section 5.

Basis of Opinion

As the Head of Internal Audit at North East Scotland College we are required to provide the Board of Management and the Principal with an opinion on the adequacy and effectiveness of the College's risk management, control and governance processes. In giving our opinion it should be noted that assurance can never be absolute.

The most that we can provide to the Board of Management is reasonable assurance that there are no major weaknesses in the College's risk management, control and governance processes. In assessing the level of assurance given, we have taken into account:

- All audits undertaken during the period ended 31 July 2018;
- Any follow-up action taken in respect of audits from previous periods;
- Any significant recommendations not accepted by management and the consequent risks;
- The effects of any significant changes in the College's objectives or systems;
- Matters arising from previous reports to the Board of Management;
- Any limitations which may have been placed on the scope of internal audit;
- The extent to which resource constraints may impinge on the head of Internal Audit's ability to meet the full audit needs of the College;
- What proportion of the College's audit need has been covered to date;
- The outcomes of our quality assurance processes.

Summary of Work Undertaken

The following table summarises the audit work undertaken in 2017/18. The grading structure used in our reports can be found in Appendix A.

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Follow up Review	3	3	Complete	Substantial	-	3	2
Income Collection and Credit Control	5	5	Complete	Strong	-	1	1
Budgetary and Financial Controls	4	4	Complete	Strong	-	-	-
Data Protection (GDPR Compliance)*	4	4	Complete	Weak	-	10	-
Aberdeen Skills & Enterprise Training Ltd	5	5	Complete	Strong	-	-	-
Environmental Sustainability	4	4	Complete	Strong	-	-	-
Virtual Learning Environment	4	4	Complete	Substantial	1	-	-
Departmental Review – Creative Industries, Computing and Business Enterprise	5	5	Complete	Strong	-	-	-
Departmental Review – Business Solutions & Part Time	5	5	Complete	Strong	-	-	3
IT Systems	5	5	Complete	Strong	-	-	-
Payroll	4	4	Complete	Strong	-	1	-
Human Resources	4	4	Complete	Strong	-	-	2
Management of Contract Managed Services	5	5	Complete	Strong	-	-	2

Summary of Work Undertaken

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
Value for Money – Transport	4	3	Complete	Weak	2	2	1
Freedom of Information	4	4	Complete	Strong	-	1	2
Audit Management	6	6	Complete	N/A	N/A	N/A	N/A
Total	70	70			3	18	13

Recommendations on Follow Up Reports refer to Not Implemented and Partially Implemented recommendations.

* A follow up review on the GDPR Compliance review was undertaken in July 2018 which resulted in five of the original ten recommendations being fully implemented and five being partially implemented.

High Priority Recommendations

Area	Original Finding	Recommendation	Management Response
Value for Money – Transport: <i>Cost of pool cars</i>	<p>The College has a lease for 7 pool cars that can be used by staff for travel that relates to College use.</p> <p>During our review, we carried out testing to evaluate if the College were receiving value for money on the lease. We found that the total cost of using the pool cars from 1 April 2017 to 31 March 2018 was £49,190 which included lease costs, fuel excess mileage, insurance, winter tyres and valeting costs. We found that the total mileage used for the pool cars was 80,677 which equates to 61 pence per mile. If the College had paid staff members mileage at 45 pence per mile to use their own vehicle, the cost would have been £36,305. We also found that the College carried out a similar calculation for the cost per mile for the calendar year to 31 December 2016 and found that the cost of the was 52 pence mile. We note that the lease for the pool cars expires on the 2nd December 2018. For the period to 31 March 2018, the pool cars would have had to travel an average of 15,015 miles to cost 45 pence per mile.</p> <p>There is the risk that the lease of the pool cars does not represent value for money for the College as they are not being fully utilised.</p>	<p>We recommend that the College considers the findings of their VFM report to 31st December 2016 which highlighted that the cost per mile per car was 52 pence and our findings that highlight the cost for the year to 31 March 2018 was 61 pence. We also recommend that the College reviews the utilisation levels of the vehicles with consideration of the mileage used on personal vehicles.</p>	<p>On a point of accuracy, there have been 2 previous internally produced VFM reports on the College Car Pool. The findings of these VFM reports on pool car utilisation were considered and noted by the (then) College Principal. The simple cost difference per mile was deemed acceptable, given the factors that influence the calculation.</p> <p>‘Value for money’ is not simply about cost; it is also about effectiveness. The College has accepted that the cost of running a car pool, when expressed in terms of cost per mile travelled, will be greater than the cost per mile paid for use of private vehicles.</p> <p>The simple measure of ‘cost per mile’ does not take into account the circumstances of each journey. The analysis is not placed in context. Factors such as the number of passengers carried on a journey, the starting point of the journey, additional cost of safety features on pool cars (e.g. winter tyres) and whether or not the individual holds business motor insurance come together to impact on cost per mile, cost per passenger mile and the individual’s ability to use their own cars.</p> <p>That said, the increase that is now apparent in the difference between the cost per mile of the pool vehicles and the rate per mile for use of personal vehicles is sufficient to warrant a review of procedures and processes with a view to increasing pool vehicle use and reducing personal vehicle use.</p> <p>Action Procedures and processes for use of pool vehicles and mileage payment for use of private vehicles will be reviewed and improved procedures and processes put in place.</p>

High Priority Recommendations

Area	Original Finding	Recommendation	Management Response
<p>Value for Money – Transport:</p> <p><i>Use of Available Pool Cars</i></p>	<p>The College should ensure that personal cars are only utilised by staff in circumstances where a pool car is not available in order to ensure value for money for the pool cars.</p> <p>From our review of the use of pool cars and the use of personal vehicles for the month of November 2017, we identified 10 days during the month where personal vehicles were being used despite at least one pool car being available that day. This would indicate that pool cars are not being fully utilised as 8,000 miles were claimed from personal vehicles. For the year to 31 March 2018, 103,039 miles were used on personal vehicles which would indicate that pool vehicles are being underutilised.</p> <p>There is the risk that pool cars are being under-utilised and that the College is therefore not achieving value for money for their pool cars.</p>	<p>We recommend that the College ensures that personal cars are only utilised in circumstances where all pool cars are unavailable in order to achieve value for money for their pool cars.</p>	<p>The simple measure of ‘utilisation’ does not take into account the circumstances of each journey. As noted previously, factors such as the starting point of the journey and whether or not the individual holds business motor insurance come together to impact on the decision to use a College pool vehicle.</p> <p>That said, the increase in the difference distance travelled between pool vehicles and personal vehicles is sufficient to warrant a review of procedures and processes with a view to increasing pool car use and reducing personal vehicle use.</p> <p>Action Procedures and processes for controlling use of private vehicles rather than pool vehicles will be reviewed and improved procedures and processes put in place.</p>

High Priority Recommendations

Area	Original Finding	Recommendation	Management Response
Virtual Learning Environment: <i>Maths for Engineering</i>	<p>All courses within the College have a Blackboard page that should be used to deliver online materials to students.</p> <p>During our review, we were informed that the Maths for Engineering staff at the Altens Campus do not use the Blackboard and have set up their own website for hosting their study materials. This is an open webpage operated by two members of staff which does not require students to log in and access is open to anyone. We were able to view and access all content following a Google search. On discussions with the Director of Learning Enhancement and the Learning Technologies Team, we were informed that the College has no control over the security, management and content of this website. The primary control of the website lies with a maths lecturer, but all maths lecturers have access to update the website when required. We note that that the website does not involve any additional cost to the College and the information on the website is backed up and on the College share drive.</p> <p>There is the risk that there is no continuity for students when accessing the virtual learning environment as they are using different online formats. There is also the risk that the lecturer with primary control to the website could leave the College and close the website down. There is also a security risk as the College has no control over the security of the domain website.</p>	<p>We recommend that the College transfer all information on the website to the Blackboard system and close the website at the end of the academic year. This will ensure there is no interruption for potentially affected students.</p>	<p>Whilst acknowledging this particular recommendation, it is important to stress that the grading, and the impact, of this singular risk feels somewhat disproportionate when compared with the wealth of good practice identified in relation to the College's VLE-related activities. This somewhat isolated and localised 'risk', has ultimately led to the overall grading for all College-wide, VLE-related activity dropping from 'strong' to 'substantial'. In order to remedy the issue raised and mitigate any potential risks the Director for Learning Enhancement will work in conjunction with others, including College Leadership Team members, to ensure that any required action is fully implemented. However, it is requested that some further, perhaps more balanced, consideration to the grading of this report, and the finding/risk contained therein, could be given particularly when considering the considerable good practice identified.</p>

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the previous financial year.

Area	High	Medium	Low	Total
Income Collection and Credit Control				
Average number of recommendations in similar audits	-	-	4	4
Recommendations at North East Scotland College	-	1	1	2
Budgetary and Financial Controls				
Average number of recommendations in similar audits	-	-	1	1
Recommendations at North East Scotland College	-	-	-	-
Data Protection (GDPR Compliance)				
Average number of recommendations in similar audits	-	7	-	7
Recommendations at North East Scotland College	-	10	-	10
IT Systems				
Average number of recommendations in similar audits	-	3	3	6
Recommendations at North East Scotland College	-	-	-	-
Payroll				
Average number of recommendations in similar audits	1	3	1	5
Recommendations at North East Scotland College	-	1	-	1
Human Resources				
Average number of recommendations in similar audits	-	3	2	5
Recommendations at North East Scotland College	-	-	2	2

Area	High	Medium	Low	Total
Management of Contract Managed Services				
Average number of recommendations in similar audits	-	2	2	4
Recommendations at North East Scotland College	-	-	2	2
Freedom of Information				
Average number of recommendations in similar audits	-	-	2	2
Recommendations at North East Scotland College	-	1	2	3
Summary				
Average number of recommendations in similar audits	1	18	15	34
Recommendations at North East Scotland College	-	13	7	20

As highlighted above, North East Scotland College has an overall lower number of recommendations in comparison with the colleges it has been benchmarked against. Benchmarking information was not available for the other audits undertaken as these were bespoke to North East Scotland College.

Analysis of Performance Indicators

Performance Indicator	Target	Actual
Internal audit days completed in line with agreed timetable and days allocation	100%	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 days before each start date	100%	100%
Draft reports issued within 10 working days of exit meeting	100%	100%
Management provide responses to draft reports within 15 days of receipt of draft reports	100%	100%
Final reports issued within 5 days of receipt of management responses	100%	100%
Recommendations accepted by management	100%	100%
Draft annual internal audit report to be provided by 31 August each year	100%	100%
Attendance at audit committee meetings by a senior member of staff	100%	100%
Suitably experienced staff used on all assignments	100%	100%

For each area of review we assign a grading in accordance with the following classification:

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

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

Grading	Risk	Classification
High	High Risk	Major weakness that we consider needs to be brought to the attention of the Audit & Risk Committee and addressed by senior management of the College as a matter of urgency
Medium	Medium Risk	Significant issue or weakness which should be addressed by the College as soon as possible
Low	Low Risk	Minor issue or weakness reported where management may wish to consider our recommendation



AUDIT & RISK COMMITTEE	
Meeting of 21 November 2018	
Title: Audit Certification of Year-End Returns	
Author: Peter D Smith, Vice Principal – Finance and Resources	Contributor(s): Henderson Loggie
Type of Agenda Item: For Decision <input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For Information <input type="checkbox"/> Reserved Item of Business <input type="checkbox"/>	
Purpose: To enable the Committee to consider reports on audit certification of academic year end returns submitted to central authorities by North East Scotland College.	
linked to Strategic Goal:	
Linked to Annual Priority:	
Executive Summary: Colleges are required to submit to central authorities a number of year end returns to provide data on measured student activity and to account for a range of student support funds. An independent auditor must certify these returns. The returns for the College for the academic year to 31 July 2018 have been submitted in accordance with set deadlines. Henderson Loggie has undertaken audit reviews of returns on measured student activity data and student funding and their reports are appended to this paper	
Recommendation: It recommended that the Committee note the submission of returns within set deadlines, and discuss the reports on audit certification of the year end returns of measured student activity and the use of student support funds submitted to central authorities by North East Scotland College.	

Previous Committee Recommendation/Approval (if applicable): n/a
None

Equality Impact Assessment:

Positive Impact ☐

Negative Impact ☐

No Impact ☒

Evidence:



North East Scotland College

2017/18 Student Activity Data

Audit Report No: 2018/01

Draft Issued: 24 October 2018

Final Issued: 12 November 2018

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1. Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 2 August 2018, '2017-18 data return for funding purposes (FES return) and audit guidance for colleges', requested submission by North East Scotland College ('the College') of the FES return for session 2017/18, which includes the Credits data relating to College activity for the academic year 2017/18.

Guidance on completion of the 2017/18 return was issued by the SFC on 10 May 2017.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

Scope of Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

Audit Staffing

An Audit Director with 25 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by an Assistant Manager and Trainee Auditor with 13 and two-years' experience in the sector respectively.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was seven, split ½ day for the Audit Director, two days for the Assistant Manager and 4½ days for the Trainee Auditor.

Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Conclusion

Our report to SFC was submitted on 15 October 2018 following receipt of the College certificate signed by the Principal. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

A copy of our Audit Certificate is included at Appendix I to this report.

Acknowledgements

We would like to take this opportunity to thank the staff at North East Scotland College who helped us during the course of our audit.

2. Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.3.1 & 2.3.2	<p><i>Systems and Procedures for Compilation of Returns</i></p> <p>Required Dates</p> <p>R1 For courses that are other than full-time, ensure that the required date input into UNIT-e is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.</p>	2	<p>The definition of the required date in R1 is taken from FES 1. The definition in FES 2 for the same required date is 'For other programmes the funding qualifying date will be set at the day on which 25% of the course calendar days have passed.' This gives a slightly different take on the required date. We do not agree that holidays and days/weeks that the course does not run should be included in the calculation for the required date. We propose that we continue to calculate the required date using the method that we have used in the past.</p> <p>Auditor comment – the FES 1 definition is also used in the Credit Guidance for Colleges, issued 10 May 2017 and in previous years since 2015/16. Prior to 2015/16 the calculation of the required date under the SUMs Guidance was based on days on which participation was required. The College should clarify with the SFC its interpretation of the definition of the required date based on the FES 2 guidance.</p>	N	Director of Student Access and Information	

3. Main Report

1 Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 2 August 2018 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of Credits for students registered on ECDL courses;
- allocation of dominant Price Group code;
- capturing of enrolments and identification and recording of student attendance and withdrawals;
- allocation of Credit values;
- claims for related study;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes; and
- claims for collaborative provision.

1.1.2 For academic year 2017/18 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by dominant programme group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; the extent of checking undertaken; details of any additional testing carried out as a result of errors found in initial sampling; the external data examined; an indication of analytical review work performed; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report includes a summary of adjusted and unadjusted errors found during the course of the audit.

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.

2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:

- a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
- b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
- c) Ensured that courses recorded as full-time met the definition of full-time set out in the Credits guidance;
- d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
- e) Checked allocation of Credits to courses is in accordance with the Credits guidance.

2.1.3 For a total of 66 students selected from the above courses the following tests were carried out, where applicable:

- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
- b) Checked back to signed enrolment forms, or electronic equivalent, for the 2017/18 academic year;
- c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
- d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance; and
- e) For students following courses of open and distance learning vouched to study plan etc. and ensured that required criteria was met.

2.1.4 The following tests were carried out by reviewing records for all College courses:

- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2017/18 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
- b) Confirmed that Credits had not been claimed for overseas students or students enrolled on full cost recovery commercial courses; and
- c) Confirmed that Credits had not been claimed for distance learning student's resident out-with Scotland.

2. Systems and Procedures for Compilation of Returns (Continued)

2.1 Introduction (Continued)

- 2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes, testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:
- a) reviewing the eligibility of students flagged for ESF Credits;
 - b) ensuring that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality; proof of permanent residence; and appropriate notification issued to the student; and
 - c) ensuring that Credits are only claimed for completed modules.
- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of seven part-time students we confirmed that College staff had verified the entitlement to benefit.
- 2.1.7 The only collaborative activity undertaken by the College during 2017/18 related to programmes delivered at the Aberdeen campuses in partnership with a local university under Partnership Agreements between the two organisations. The agreements in place were reviewed by us in previous years and it was confirmed that these programmes do not meet the requirements for eligibility for funding set out in the Credits guidance notes and as a result no Credits have been claimed by the College.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this report discusses issues identified during our review of the 2017/18 student activity data.

2.2 Maximum Credits Claim per Student

- 2.2.1 Since 2016/17 a process has been in place for agreeing the number of Credits claimed for programmes above 18 Credits for further education or 15 Credits for higher education, known as 'one plus' activity. The Credits guidance states that if the total one plus activity is over 2.5% of the total volume of Credits allocated to the college by the SFC then an application must be made to the SFC to approve delivery of these courses at the higher Credit value. Courses where industry requires a higher level of engagement are excluded from this calculation.

2. Systems and Procedures for Compilation of Returns (Continued)

2.2.2 The final FES summary report highlights 573 instances where student Credits were above 15 for a full-time higher education course and 1,887 instances where student Credits were above 18 for a full-time further education course. Excluding SWAP, OPITO, ECITB and some other College programmes, which are approved exemptions identified in the Credits guidance to deliver more than 15 / 18 Credits, the College's total one plus activity was calculated as 2.2% of the target delivery, which is below the threshold.

2.3 Required Dates

2.3.1 For 2017/18 the Credits guidance notes that the 'required date' for programmes 'other than full-time' should be calculated as the day on which 25% of the total calendar days between the course start and end have passed.

2.3.2 Included within our sample of 15 courses tested were five courses classed as other than full-time, which were not work based or open / distance learning courses, and therefore required attendance at the College. For each of these five courses we noted that the required date stated in the UNIT-e system had not been calculated in line with the 2017/18 Credits guidance. The College uses the total calendar days for which the course is timetabled in its calculation of the required date and therefore excludes weekends and holidays. The effect of the recalculation in dates was in most instances not significant in terms of days (ranging from -1 to +15) and in only one instance gave rise to a student being incorrectly included in the Credits count. Similar issues were also identified during the College's 2016/17 Credits audit

Recommendation

R1 For courses that are other than full-time, ensure that the required date input into UNIT-e is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.

3. Analytical Review

3.1 The analytical review by DPG for the current year, included at Appendix IV of this report, showed significant variances in DPG 2, 4, 6, 7, 8, 14 and 15. Analytical review by dominant Price Group at Appendix III also showed significant variances in Price Groups 1, 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- DPG 2 Business & management – there was a reduction in Business and Accounting courses offered in 2017/18 due to reduced demand. This is reflected in a decrease in activity in Price Group 1;
- DPG 4 Computers, software & information – new full-time Computing courses ran during 2017/18;
- DPG 6 Art & Design – HND Photography included in 2017/18 due to programme content change, having previously been claimed under DPG 8 in 2016/17;

3. Analytical Review (Continued)

3.1 (Continued)

- DPG 7 Engineering – there was a reduction in Engineering type courses offered in 2017/18 due to reduced demand. This is reflected in a decrease in activity in Price Group 3;
- DPG 8 Health & related studies – there was a large reduction in Tribal Care provision offered due to change of contracts between providers. DPG 8 courses mainly fall within Price Groups 2 and 3, which both show an equivalent increase and decrease in Credits on last year as the above reductions have been offset by other movements;
- DPG 14 Social studies & languages – some ESOL groups included in 2017/18 due to programme content change, having previously been claimed under DPG 8 in 2016/17; and
- DPG 15 Social work – there was an increase in Social Work programmes in 2017/18. This is reflected in an increase in activity in Price Group 2.

Appendix I – Copy of Audit Certificate

si/A296

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

15 October 2018

Dear Sirs

Auditor's Report to the Members of the Board of Management of North East Scotland College

We have audited the FES return which has been prepared by North East Scotland College under the 'Credits' Guidance issued 10 May 2017 and which has been confirmed as being free from material mis-statement by the College's Principal in her Certificate dated 11 October 2018. We conducted our audit in accordance with guidance contained in the 2017-18 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material mis-statement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Yours faithfully

Henderson Loggie

Date:

15 October 2018

Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.3.2	Credits claimed for a part-time student where the required date for their course had been incorrectly calculated	Unadjusted	-2.28 Credits

College Funded Target 2017/18 138,161 Credits

The above target figure includes 135,126 core Credits and 3,035 ESF

Final claimed 2017/18 136,266 Credits including 1,140 ESF Credits

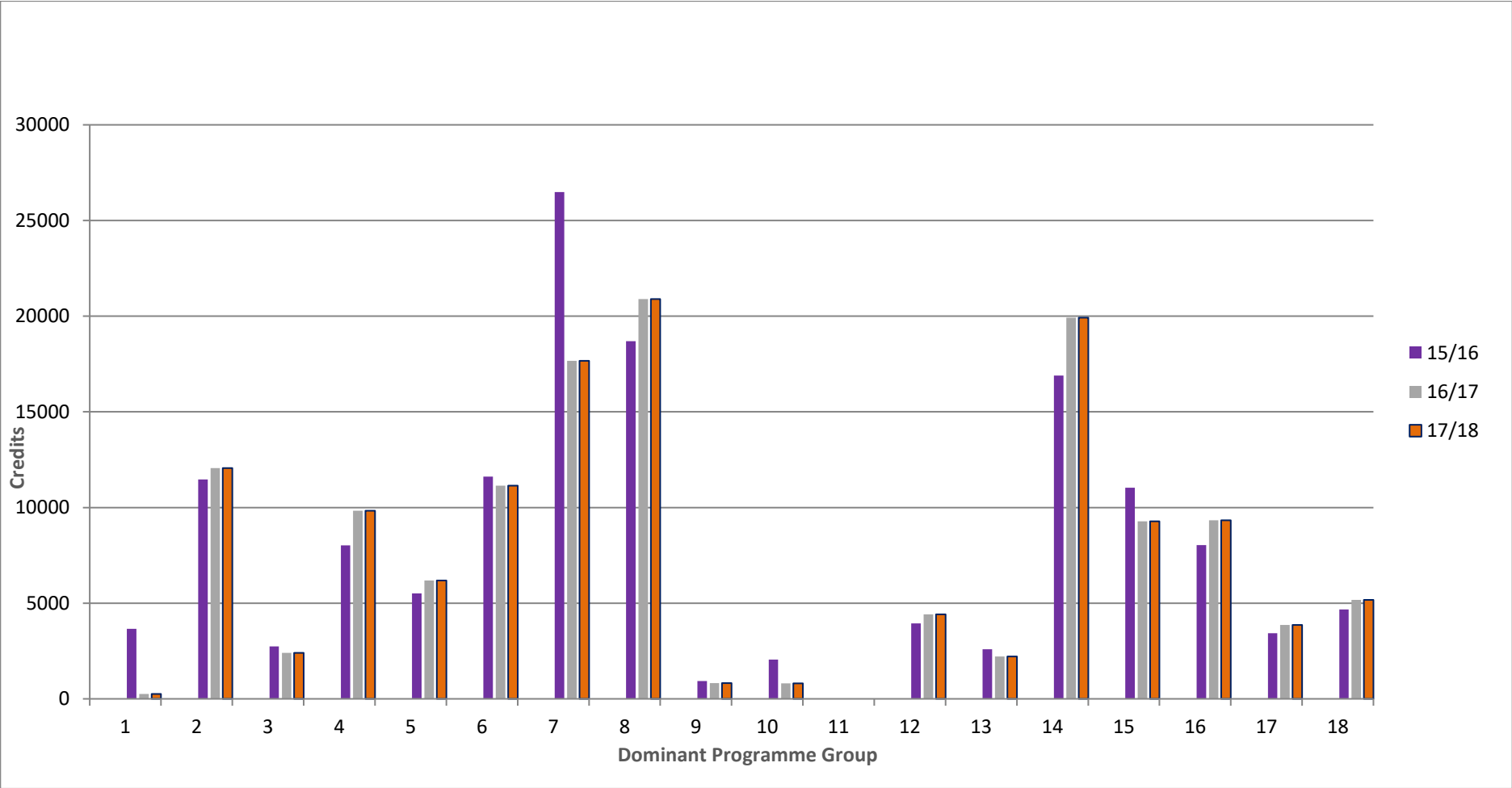
Appendix III – Price Group Analytical Review 2016/17 and 2017/18

Price Group	2016/2017 Credits	2017/2018 Credits	Credits Variance	% Variance
1	24,482	22,168	(2,314)	(9.45)
2	66,175	69,613	3,438	5.20
3	42,879	39,302	(3,577)	(8.34)
4	0	4	4	-
5	4,659	5,179	520	11.16
	<u>138,195</u>	<u>136,266</u>	<u>(1,929)</u>	<u>(1.40)</u>

Appendix IV – DPG Analytical Review 2016/17 and 2017/18 - Figures

Dom Gp		<u>2016/2017</u> Credits	<u>2017/2018</u> Credits	Credits Variance	% Variance
1	Agriculture, horticulture and animal care	342	250	(92)	(26.90)
2	Business & management	12,910	12,063	(847)	(6.56)
3	Catering & food	2,547	2,407	(140)	(5.50)
4	Computers, software & information	8,455	9,834	1,379	16.31
5	Construction	5,909	6,180	271	4.59
6	Creative arts & design	8,679	11,148	2,469	28.45
7	Engineering	21,942	17,670	(4,272)	(19.47)
8	Health & related studies	37,497	20,890	(16,607)	(44.29)
9	Minerals, materials & fabrics	959	822	(137)	(14.29)
10	Personal development & self help	232	805	573	246.98
11	Printing	1	0	(1)	(100.0)
12	Science & maths	4,534	4,415	(119)	(2.62)
13	Secretarial/office & sales work	2,374	2,208	(166)	(6.99)
14	Social studies & languages	13,493	19,920	6,427	47.63
15	Social work	1,556	9,274	7,718	496.02
16	Sport & leisure	8,808	9,334	526	5.97
17	Transport, services & vehicle engineering	3,298	3,867	569	17.25
18	Special educational needs	4,659	5,179	520	11.16
	Totals (excluding ELS)	138,195	136,266	(1,929)	(1.40)
	Total Target Activity		138,161		
	- including ESF Target Activity of		3,035		
	ESF Actual Activity		1,140		

Appendix V – DPG Analytical Review 2015/16 to 2017/18 - Graph



Appendix VI – Updated Action Plan – Student Activity Data 2016/17

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at August 2018
2.4.2	<p><i>Systems and Procedures for Compilation of Returns</i></p> <p>Required Dates and Attendance</p> <p>R1 For courses that are other than full-time, ensure that the required date input into UNIT-e is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.</p>	3	Support to be given to Curriculum staff to ensure that required data is calculated correctly and also updated if any change to dates is made. Spot checks to be made on data.	Y	Marion Cadger	Mid Nov 2017	Similar issues identified during testing for 2017/18. Refer to paragraph 2.3.2 of this report.

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at August 2018
2.5.2	ESF Credits R2 Ensure that ESF Credit claims are based on the number of units completed by the student and not claimed for full programmes where students have withdrawn prior to completing all units.	3	Activity for students who have withdrawn will be reviewed at the time that the withdrawal is processed and Unit-e updated to reflect number of units completed.	Y	Kim Rattray	Mid Nov 2017	No similar issues identified during testing for 2017/18.

Our ref: si/ABER296
Your ref:

HENDERSON LOGGIE
Chartered Accountants

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

12 November 2018

Dear Sirs

**North East Scotland College
Discretionary Fund, Childcare Fund and Bursary Return 2017/18**

On behalf of our above named client, we enclose the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2017/18.

We make one observation in relation to the disclosure of FE and HE childcare payments between lone parent and other. The *SFC FES 4 Guidance notes 2017-18*, issued 3 April 2017, require that the total amount awarded to students who are lone parents should be disclosed under the FE or HE childcare, lone parent headings. Awards to students not classified as a lone parent should be disclosed as FE or HE childcare, other. We noted that the lone parent expenditure disclosed on the FES student support funding report includes only the Lone Parent Childcare Grant element of up to £1,215 per student, with the balance of payments to students who are lone parents being included under the 'other' headings. We have not qualified our audit opinion in this regard.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully

Henderson Loggie

Henderson Loggie

Enclosure

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College - 5261651 - North East Scotland College

Report - Student Support Funding

College Name: North East Scotland College

College Number: 5261651

1st August

Bursary Funds Expenditure	(AAC 1) Students under 18 Headcount Expenditure (£)		(AAC 2) Parentally € Headcount
Maintenance Costs			
At Parental Home	1	2156	607
Away from Parental Home	27	58811	82
Approved Accomodation or Lodgings	0	0	0
Personal Allowance	0	0	0
Dependents Allowance	0	0	0
Study Expenses	1145	236567	773
Travel Expenses	1028	683102	600
Special Educational Needs	57	48504	35
Total Bursary	1145	1029140	773
Total Bursary Fund Spend (AAC 1+2+3)	3022	7212236	[ESF Studer

Discretionary Fund & Childcare Fund Expenditure

	Headcount Expenditure (£)	
Total FE Discretionary Fund	205	277769
Total FE Childcare Fund	149	568857
Total HE Childcare Fund *	48	131044


* UHI partner colleges to manually enter data on the CSV version of this report.

	Part-time Headcount Expenditure (£)		Full-time Headcount
FE childcare, lone parent	3	3645	110
FE childcare, other	3	14976	119
HE childcare, lone parent	0	0	32
HE childcare, other	1	2826	31

We have examined the books and records of the above college and have obtained such explanations as we have been able to obtain. On the basis of our examination and the explanations given to us, we report that the information set out in this report is true and correct and that the underlying records.

We also report that in our opinion, the college used these funds in accordance with the Scottish Fundin
We are satisfied that the systems and controls of the administration and disbursement of these funds a

PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING I

Principals Signature 

Auditors Name (in printed capitals) HENDERSON LOGGIE

Auditors Signature..... Henderson Loggie

Date of Signature..... 12 NOVEMBER 2018

College Contact: Linda Taylor

 07872420251
 Phone Number:

2017 - 31st July 2018

Supported Expenditure (£)	(AAC 3)	
	Self Supporting Headcount	Expenditure (£)
1398293	12	28982
284158	967	3111204
0	0	0
0	0	0
0	9	18310
149218	1104	259482
434322	707	461255
31138	7	6734
2297129	1104	3885967

nts to be included in all tables]

Expenditure (£)
 119990
 430246
 34435
 93783

id carried out such tests as we consider necessary.
 it in these forms is in agreement with the

g Council conditions.
re adequate. * Delete if not applicable.

COUNCIL.

Our ref: si/ABER296
Your ref:

HENDERSON LOGGIE
Chartered Accountants

Student Awards Agency for Scotland
Saughton House
Broomhouse Drive
Edinburgh
EH11 3UT

9 November 2018

Dear Sirs

**North East Scotland College
Higher Education Audited Fund Accounts Return 2017/18**

On behalf of our above named client, we enclose the audited HE Fund Account Return for the academic year 2017/18.

Although we have not raised any reservations in our Auditor's Report we have an observation to make arising from our audit work.

During the year two students received amounts exceeding the maximum entitlement of £4,000 as a result of childcare payments being charged to the HE Discretionary Fund. In total, these students received £4,185 each from the fund. The College advised that additional childcare payments were awarded to cover additional course commitments during the year.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully

Henderson Loggie

Henderson Loggie
Dundee Office

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Income and Expenditure

INSTITUTION

NORTH EAST SCOTLAND COLLEGE

INCOME

- a Initial allocation received for the academic year 2017/18
- b Supplementary allocation received in January 2018
- c Bank interest received in the academic year 2017/18
- d Previous year's short-term loans repaid in the academic year 2017/18
- f Total funds available for disbursement $(a+b+c+d)=i$

Check

EXPENDITURE

- g Funds disbursed (=grand total of k from Report on Funds Expenditure)
- h Funds to be returned to SAAS by 31 October 2018
- i Total disbursement of funds $(g+h)=f$

NAME:
(Principal)

ELIZABETH MCINTYRE

SIGNED:

[Signature]

DATE:

29.10.18

AUDITOR'S REPORT

We have examined the books and records of the above institution and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us we report that ~~the reservations set out in our letter dated~~ which is attached to the information set out above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

* Delete if not applicable

APPOINTED AUDITOR:

Henderson Logan

DATE:

9/11/2018

Undergraduate Discretionary Fund £	Postgraduate Discretionary Fund £	TOTAL £
199,473.00	-	199,473.00
-	-	-
-	-	-
-	-	-
199,473.00	-	199,473.00

127,963.47		127,963.47
71,509.53		71,509.53
199,473.00	-	199,473.00

Report on Funds Expenditure

INSTITUTION

NORTH EAST SCOTLAND COLLEGE

	Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		TOTAL
	Full Time	Part Time	Full Time	Part Time	
	£	£	£	£	£
a General living expenses	78,727.98	-	-	-	78,727.98
b Travel	-	-	-	-	-
c Childcare	46,870.49	-	-	-	46,870.49
d Bursary /scholarship	-	-	-	-	-
e Short-term loans not repaid in the academic year	2,365.00	-	-	-	2,365.00
f Disability diagnosis costs	-	-	-	-	-
g Equipment	-	-	-	-	-
h Audit	-	-	-	-	-
i Advertising and publicity	-	-	-	-	-
j Other administration costs	-	-	-	-	-
k Total (= grand total of (g) from the Income & Expenditure accounts return)	127,963.47	-	-	-	127,963.47

Check

NAME: ELIZABETH MCINTYRE

SIGNED:

DATE:

29.10.2018

Report on Student Numbers

INSTITUTION

NORTH EAST SCOTLAND COLLEGE

Undergraduate Discretionary Fund		Postgraduate Discretionary Fund		TOTAL
Full Time	Part Time	Full Time	Part Time	

SUMMARY OF STUDENT NUMBERS

- a Total number of students applying for assistance (= b+c)
- b Total number of students assisted
- c Total number of students refused assistance (= a-b)

92	-	-	-	92
74	-	-	-	74
18	-	-	-	18

DETAIL OF STUDENT NUMBERS

d General living expenses

e Travel

f Childcare

g Bursary /scholarship

h Short-term loans not repaid in the academic year

i Disability diagnosis costs

j Equipment

49	-	-	-	49
-	-	-	-	-
18	-	-	-	18
-	-	-	-	-
13	-	-	-	13
-	-	-	-	-
-	-	-	-	-

SHORT-TERM REPAYABLE LOANS > £500 WRITTEN OFF

- k Number of short-term loans over £500 written off in the year
- l Monetary value of short-term loans over £500 written off in the year

				-
				-

Check

NAME: ELIZABETH MCINTYRE
(Principal)

SIGNED:



DATE:

29.10.2018

Please note, a student may be assisted in more than one category therefore the total number of students assisted may not equal the sum of students shown in individual categories.

Our ref: si/ABER296
Your ref:

HENDERSON LOGGIE
Chartered Accountants

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

31 October 2018

Dear Sirs

**2017/18 Education Maintenance Allowance
North East Scotland College**

In accordance with the Scottish Funding Council's EMA audit guidance we enclose an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2017/18 (copy attached).

Should you have any queries regarding the enclosed, please do not hesitate to contact Stuart Inglis at this office.

Yours faithfully

Henderson Loggie

Henderson Loggie

sti@hlca.co.uk

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Our ref: si/ABER296
Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

31 October 2018

Dear Sirs

**North East Scotland College: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August
2017 to 31 July 2018**

We have examined the books and records of the above College, including evidence of checks of five per cent of applications and payments, with a sample size appropriate to the size of the institution, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully

Henderson Loggie

Henderson Loggie

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www.hlca.co.uk
info@hlca.co.uk

College: NESCOL
AY 2017-18

College	Full Time students		Part Time Students						Maintenance									Administration				
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	College Maintenance Adjustment	SubTotal Maintenance (=G+L)	Balance of funds B/F from AY 2016-17 confirmed in year end statement	Funds Remaining after adjustment L+O	Final total of funds to be paid		Upfront Payment 2017-18 & accrual payment	Recovery of upfront Payment	Balance to be paid	Total EMA Maintenance	College Administration Adjustment	Annual Admin payment to be made 2017	Total EMA Admin (=G+X+Y)	Total EMA Spend (=V+Z)
June 2017	1,011	£30,330	0	£0	£30,330	£0	0		£0	£30,330	£0		£30,330		£26,000	£0	£0	£56,330	£0	£0	£0	£56,330
July 2017	5	£150	0	£0	£150	£0	0		£0	£150			£150			£0	£0	£150	£0	£0	£0	£150
August 2017	0	£0	0	£0	£0	£0	0	Zero return	£0	£0			£0		£0	£0	£0	£0	£0	£0	£0	£150
September 2017	341	£10,230	0	£0	£10,230	£0	0		£0	£10,230			£10,230		£0	£0	£0	£10,230	£0	£0	£0	£10,230
October 2017	748	£22,380	0	£0	£22,380	£0	159		£0	£22,380			£22,380		£0	£0	£0	£22,380	£0	£0	£0	£22,380
November 2017	888	£26,580	0	£0	£26,580	£0	0		£0	£26,580			£26,580		£0	£0	£0	£26,580	£0	£0	£0	£26,580
December 2017	1299	£38,970	0	£0	£38,970	£0	0		£0	£38,970			£38,970		£0	£0	£0	£38,970	£0	£0	£0	£38,970
January 2018	1053	£31,590	0	£0	£31,590	£5,145	0	Additional funds for FY 2017-18 based on average claims Feb-Mar 2016 & 2017 less up-front payments for AY 2017-18.	£45,950	£77,540	£0		£77,540		£45,950	£0	£0	£77,540	£0	£0	£5,145	£82,685
February 2018	721	£21,630	0	£0	£21,630	£540	0			£0	£21,630	£0		£21,630	0	0	-£22,170	0	-£540	0	0	£540
March 2018	1684	£50,520	0	£0	£50,520	£0	0		£0	£50,520	£0		£50,520		0	-£49,780	£740	£740	£0	£8,000	£8,000	£8,740
April 2018	499	£14,970	0	£0	£14,970	£0	0		£0	£14,970			£14,970		£0	£0	£0	£14,970	£0	£0	£0	£14,970
May 2018	983	£29,490	0	£0	£29,490	£0	0		£0	£29,490			£29,490		£0	£0	£0	£29,490	£0	£0	£0	£29,490
June 2018	845	£25,350.00	0	£0	£25,350	£0	£0		£0	£25,350	£0	£0	£0		£0	£0	£0	£25,350	£0	£0	£0	£25,350
July 2018	10	£300	0	£0	£300	£825	0	Have previously claimed for 379 students who are receiving EMA. As of the end of July we have 434 students receiving EMA so have put a claim in for 55 additional students	£0	£300	£0.0	£0.0	£0.0		£0	£0	£0	£300	£0	£0	£825	£1,125
Totals	10,083	£302,490		£0	£302,490	£6,510	159		£45,950	£348,440	£0	£0	£322,790		£71,950	-£71,950		£302,490	£0	£8,000	£14,510	£317,000

£0

Principal's declaration I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme. I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.	
Principal's name (please print) ELIZABETH MCINTYRE	
Principal's signature 	
Date 12.10.18	

Data to provide an average-based advance allocation for February and March 2018									
College	2016 February	2016 March	2017 February	2017 March	Average February	Average March	Combined Feb & March Averages	Upfront Payments	Combined Averages - Net of Upfront payments
NESCOL	£27,710	£37,020	£22,950	£56,220	£25,330	£46,620	£71,950	£26,000	£45,950

Payments made to College

Month	Maintenance	Adminstration	Total	Balance
August 2017	£56,330	£0	£56,330	£0
September 2017	£150	£0	£150	£0
October 2017	£0	£0	£0	£0
November 2017	£10,230	£0	£10,230	£0
December 2017	£22,380	£0	£22,380	£0
January 2018	£26,580	£0	£26,580	£0
February 2018	£38,970	£0	£38,970	£0
March 2018	£77,540	£5,145	£82,685	£0
April 2018	£0	£0	£0	
May 2018	£740	£8,000	£8,740	£0
June 2018	£14,970	£0	£14,970	£0
July 2018	£29,490	£0	£29,490	£0
August 2018	£25,350	£0	£25,350	£0
September 2018	£300	£825	£1,125	£0
	£303,030	£13,970	£317,000	£0

Upfront payments		Clawback 1 (Feb Claim/Apr Pay)	Clawback 2 (March Claim/ May Pay)	Clawback 3 (April Claim)	Total Remaining
AY 2017-18	£26,000				
FY 2017-18 Accrual Payment	£45,950				
		-£22,170			£49,780
			-£49,780		£49,780
	£71,950	-£22,170	-£49,780		£0

AUDIT & RISK COMMITTEE	
Meeting of 21 November 2018	
Title: Draft Internal Audit Assignment Plans 2018-19	
Author: Peter D Smith, Vice Principal – Finance & Resources	Contributor(s): Wylie Bisset
Type of Agenda Item: For Decision <input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For Information <input type="checkbox"/> Reserved Item of Business <input type="checkbox"/>	
Purpose: To enable the Committee to consider the draft internal audit assignment plans for the work programme 2018-19.	
Linked to Strategic Goal: 5. Optimise the use of our available resources to deliver financial and environmental sustainability.	
Linked to Annual Priority:	
Executive Summary: At its meeting of 26 September 2018, the Committee approved the internal audit work programme for academic year 2018-19. The College's internal auditors have now drafted assignment plans to meet that programme and these are available in the Committee's Collaborative Space on COLIN . At this stage, the assignment plans remain draft and will be finalised with College management in advance of each assignment.	
Recommendation: It is recommended that the Committee discuss the draft assignment plans and provide any feedback to the auditors.	
Previous Committee Recommendation/Approval (if applicable): September 2018 None	
Equality Impact Assessment: Positive Impact <input type="checkbox"/>	

Negative Impact ☐

No Impact ☒

Evidence: