



Meeting of the Audit and Risk Committee

**Wednesday 27 November
2024 at 1000hrs via MS
Teams**

AUDIT & RISK COMMITTEE

NOTICE

There will be a meeting of the Audit & Risk Committee on Wednesday 27 November 2024 at 10am via MS Teams.

AGENDA

Agenda Item		Paper
13-24	Apologies for Absence	
14-24	Declaration of any Potential Conflicts of Interest in relation to any Agenda Items	
15-24	Minute of Previous Meeting – 11 September 2024	x
16-24	Matters Arising from the Previous Meeting	x
	Matters for Discussion	
17-24	Internal Audit Plan AY2024-25	x
18-24	Audit Certification of Student Activity & Support Fund Year-End Returns	
19-24	Internal Audit Report(s) <ul style="list-style-type: none"> Student Activity Data 	x
20-24	Annual Audit Plan AY2023/24	
21-24	Strategic Risk Register	x
22-24	Committee Evaluation Feedback	x
	Matters for Information	
23-24	Data Protection Report for AY203/24	x
24-24	National Fraud Initiative – 2024/25 Update Report	
25-24	Any Other Business	
26-24	Summation of Actions and Date of Next Meeting The next meeting of the Audit & Risk Committee will be held on 26 February 2025.	
	Reserved Matters for Discussion (in conjunction with F&R Committee)	
27-24	Draft Audited Financial Statements, 12 months to 31 July 2024 (Reserved Item to be discussed with F&R Committee)	x
	Reserved Matters for Discussion (in conjunction with F&R Committee)	
28-24	External Annual Report (to be discussed in conjunction with F&R Team)	x

AUDIT & RISK COMMITTEE

MINUTE OF MEETING

Draft Minute of Meeting of the Audit & Risk Committee held on Wednesday 11 September 2024 at 1000 hours via Microsoft Teams

Agenda Item	Present: Jim Gifford, Chair Leona McDermid Caroline Laurenson Bryan Hutcheson Ellie Zemani In attendance: Anne MacDonald, Senior Audit Manager, Audit Scotland David Archibald, Partner, Henderson Loggie Stuart Thompson, Vice Principal Finance & Resources Susan Lawrance, Secretary to the Board Lorraine Garden, Minute Secretary	Paper
01-24	Apologies for Absence Apologies were received in advance of the meeting from I Watt, D Anderson and G Lawrie	
02-24	Declaration of any Potential Conflicts of Interest in relation to any Agenda Items L McDermid declared a potential conflict of interest by virtue of her position with Aberdeen Foyer.	
03-24	Minute of Previous Meeting – 29 May 2024 The Minute was approved as a true and accurate record.	x
04-24	Matters Arising from the Previous Meeting Members noted that the 2 matters arising had been addressed and marked as complete.	x
	Matters for Decision	
05-24	Internal Audit Reports	

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06-24	Committee Terms of Reference AY2024-25 Members considered the Committee's Terms of Reference as presented and were content to agree their adoption. Decision - Approved	x
07-24	Programme of Business AY2024-25 After consideration of the Programme as presented, the content was agreed as proposed, <div>5</div>	x

	Decision – Approved	
08-24	Strategic Risk Register	
	Matters for Discussion	
09-24	Internal Audit Plan AY2024-25 Members were informed of Henderson Loggie's re-appointment as internal auditors. Members noted the development of a new 3-year plan (with scope) which will be brought back to Committee once Leadership Team have had an opportunity to provide input to the Plan. Views on priorities for this academic year were invited, with Wellbeing and Equalities being highlighted by C Laurenson as one option. Action: Draft of 3 year Internal Plan to be circulated to Committee by email when any additional priorities identified by Committee could be added ahead of next Committee meeting when full plan will be presented.	x
10-24	Matters for Information No matters for information were raised.	
11-24	Any Other Business No other business was raised.	
12-24	Summation of Actions and Date of Next Meeting S Lawrance provided a summary of the identified actions. The next meeting of the Audit & Risk Committee will be held on 27 November 2024, (joint meeting with F&R Committee).	

Actions from the Audit and Risk Committee – 11 September 2024			
Agenda Item	Action	Responsibility of	Deadline
05-24	Action:		
09-24	Action: Draft of 3 year Internal Audit Plan to be circulated to Committee via email and taken to next Committee for discussion/approval.	S Thompson/D Archibald	Nov 2024

AUDIT & RISK COMMITTEE

An update on matters arising from the meeting of the Audit and Risk Committee held on 11 September 2024.

Agenda Item	Action
05-24	Action:
	Status:
09-24	Action: Draft of 3 year Internal Audit Plan to be circulated to Committee via email and discussed at next Committee.
	Status: In hand. One year Audit Plan included in November Committee papers with additional Agenda item to be included in February meeting.

AUDIT & RISK COMMITTEE	
Meeting of 27 November 2024	
Title: Internal Audit Plan 2024-25	
Author: S Thompson, Vice Principal – Finance and Resources	Contributor(s):
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 review the initial Internal Audit Plan 2024-25.	
Linked to Strategic Theme: 5. Leading Sustainability	
Linked to Strategic Risk(s): <i>n/a</i>	
Executive Summary: The College signed a new Internal Audit service contract with Henderson Loggie in June 2024. An initial internal audit plan for 2024/25 is attached.	
Main Points <ul style="list-style-type: none"> • Audit & Risk Committee to review the draft plan and recommend any changes. • Plan will be discussed by the Leadership Team. • Henderson Loggie will develop a full audit needs assessment for the February committee meeting. 	
Recommendation: Discuss the planned process to develop the plan.	
Previous Committee Recommendation/Approval (if applicable): <i>n/a</i>	

Equality Impact Assessment:	
Positive Impact	<input type="checkbox"/>
Negative Impact	<input type="checkbox"/>
No Impact	<input checked="" type="checkbox"/>
Evidence:	

North East Scotland College

Internal Audit Annual Plan 2024/25

Internal Audit Report No: 2025/01

Draft issued: 18 November 2024

Final issued: ...



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Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit and Risk Committee the annual operating plan for the year ended 31 July 2025. As outlined at the Audit and Risk Committee in September 2024, the draft plan has been based on discussions with the Leadership Team, consideration of areas of higher risk and need arising from a review of the College's Strategic Risk Register and taking into account previous internal audit coverage.
- 1.2 A copy of the extended Strategic Plan is included at Section 2 of this report.
- 1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2024/25, together with the proposed audit approach. These have been arrived at following discussion with the Leadership Team. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area.
- 1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.



Extended Strategic Plan 2019 to 2025

Proposed Allocation of Audit Days

	Category	Priority	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Actual 23/24 Days	Planned 24/25 Days
Reputation								
Publicity and Communications	Gov	M						5
Health and Safety	Gov	M				5		
Student Experience								
Curriculum planning	Perf	M			5			
Student support	Perf	M		5				
Student recruitment and retention	Fin/Perf	H					5	
Students Association	Gov	M						5
Timetabling and Registers (BPR)	Perf	M			5			
Staffing Issues								
Staff recruitment and retention	Perf	M/L		4				
Workforce planning	Perf	M						5
Payroll	Fin	M			4			
Estates and Facilities								
Building maintenance	Fin/Perf	H/M						
Estates and facilities contract VFM	Fin/Perf	M			5			
Estates strategy / capital projects	Fin/Perf	H/M						
Space management	Perf	H					6	
Financial Issues								
Budgetary control	Fin	H		4				
Financial planning	Fin	H	4			6		
Student fees and contracts / registry	Fin	M						5
General ledger	Fin	M				3		
Procurement and creditors / purchasing	Fin	M			4			
Debtors/ Income	Fin	M				4		
Cash & Bank / Treasury management	Fin	M				5		
Commercial Issues								
Business Development	Fin/Perf	H/M	5					
ASET	Gov/Fin/Perf	H/M			5		6	



Internal Audit Annual Plan 2024/25 - DRAFT

	Category	Priority	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Actual 23/24 Days	Planned 24/25 Days
Organisational Issues								
<i>Risk Management*</i>	Perf	M		5				
<i>Business Continuity*</i>	Perf	M						
<i>Corporate Governance</i>	Gov	M		6				
<i>Corporate Planning</i>	Perf	M					6	
<i>Performance reporting / KPIs</i>	Perf	M		5				
<i>Partnership Working</i>	Gov/Perf	M						
<i>Environmental Sustainability</i>	Gov	M					5	
Information and IT								
<i>IT network arrangements**</i>	Perf	M		6				
<i>BYOD VFM</i>	Perf/Fin	M	5					
<i>Data protection**</i>	Gov	H						
<i>Systems development / implementation</i>	Perf	M						6
<i>Website delivery project VFM</i>	Perf / Gov	M		4				
<i>IT / Digital strategy</i>	Perf	M				5		
<i>IT operations</i>	Perf	M	5					
<i>Artificial Intelligence</i>	Perf	M						
Other Audit Activities								
Credits audit		Required	7	7	7	7	7	7
Student Support Funds		Required	8	8	8	8	8	8
Management and Planning)			5	5	5	5	5	5
External audit / SFC)								
Attendance at Audit & Risk Committee)								
Follow-up reviews		Various	3	2	2	2	2	2
Audit Needs Assessment			3					
Total			45 =====	61 =====	50 =====	50 =====	50 =====	48 =====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



Outline Scope and Objectives

Audit Assignment:	Publicity and Communications
Priority:	Medium
Fieldwork Timing	TBA
Audit & Risk Committee Meeting:	TBA
Days:	5

Scope

This audit will focus on the systems in place within the College for the management of positive and negative publicity externally, and internal communication following a recent re-structure of the Publicity & Communications team.

Objectives

The objectives of the audit will be to ensure that:

- The structure of the Publicity & Communications team, along with relevant policies, procedures and systems, is in place to assist the College to maximise the benefits from positive publicity and effectively manage negative publicity, reducing the potential risk of damage to the College's reputation; and
- appropriate strategies, procedures, ICT and other systems are in place to assist and encourage internal communication and joint working between campuses and Academic Faculties / Support Services.

Our audit approach will be:

The senior managers who oversee marketing and communications activity within the College, and a sample of other College managers and staff, will be interviewed to determine current working practices.

The College's internal and external communication strategies, policies and procedures will be reviewed, and their content benchmarked against good practice, identifying any areas requiring improvement.

The results of recent staff surveys relevant to internal communication will be reviewed to ensure that issues raised are being addressed where appropriate.



Audit Assignment:	Students' Association
Priority:	Medium
Fieldwork Timing	TBA
Audit & Risk Committee Meeting:	TBA
Days:	5

Scope

Student engagement at the College is about students and staff working together to improve the learning and teaching experience. The College wants its students to be involved in all aspects of learning, helping to shape the College's direction by being a key part of the decision-making process in the College.

There are several ways students can get involved: be part of the Students' Association; become a Class Rep; attend a Focus Group; or attend a Course Action and Development Meeting.

The scope of this audit will be to review the College's student engagement activities including the link with the Students' Association.

Objectives

The specific objectives of our audit will be to obtain reasonable assurance that:

- a comprehensive and robust Student Engagement Strategy is in place which is reviewed on a regular basis;
- student engagement is monitored and evaluated on a regular basis;
- there is evidence of student engagement outcomes influencing planning and decision making;
- adequate resources are allocated to student engagement activities, including the Students' Association; and
- training and support is provided to staff and students where necessary.

Our audit approach will be:

From discussion with the Director of Student Access and Information, the Students' Association President, Students' Association Liaison Officer, and other relevant managers and staff, we will establish the College's approach to student engagement and compare with good practice.

Audit Assignment:	Workforce Planning
Priority:	Medium
Fieldwork Timing	TBA
Audit & Risk Committee Meeting:	TBA
Days:	5

Scope

We will examine the way in which future workforce needs are assessed and then built into succession planning arrangements, training and development activity and financial plans.

Objectives

The overall objective of this audit will be to gain assurance that there are effective processes in place to assess the workforce needs of the College to meet strategic priorities.

The objectives of this review will be to obtain reasonable assurance that:

- There is appropriate management information and Board oversight to identify areas of potential under or over-utilisation of staff, including the use of capacity tools, and proportionate action is taken where any such instances are identified;
- Workforce planning performance metrics are in place to identify emerging workforce challenges and risks and to address them in a way which supports achievement of strategic and operational objectives; and
- Appropriate succession planning arrangements are in place for key members of staff, including a formal approach to the identification of staff training needs, training provision, and evaluation of training; and
- the HR system provides a robust framework for the administration of recruitment, retention, staff development and succession planning processes.

Our audit approach will be:

Human Resources and other relevant staff will be interviewed, and relevant documentation reviewed to gain evidence regarding the objectives above. Detailed testing will be undertaken to ensure key controls are working effectively.

Audit Assignment:	Student Fees
Priority:	Medium
Fieldwork Timing	TBA
Audit & Risk Committee Meeting:	TBA
Days:	5

Scope

The main purpose of this review will be to ensure that the policies, procedures and processes in place within MIS and Finance for recording, processing, invoicing and receiving of student fees are effective.

Objectives

The objectives of this audit will be to ensure that:

- enrolment procedures across the College are sufficient to ensure accuracy of student records information, including adequate checking of student data by MIS;
- modern apprenticeship students and employer information are accurately identified during the enrolment process and also accurately recorded in the MIS and Finance system to allow income to be tracked effectively;
- there is accurate and timely transfer of data between the student records system and the finance system, and regular reconciliation between the systems;
- all fees are fully and correctly invoiced and processed for self-financing students and sponsored students. Fee-waiver students are appropriately identified; and
- adequate debt management and recovery procedures are in place and are consistently followed in practice.

Our audit approach will be:

From discussion with MIS and Finance staff we will identify the key internal controls in place within the College's student fees process and compare these with expected controls. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Compliance testing will then be carried out where necessary to ensure that the controls in place are operating effectively.



Audit Assignment:	Systems Development / Implementation
Priority:	Medium
Fieldwork Timing	TBA
Audit & Risk Committee Meeting:	TBA
Days:	6

Scope

The scope of this audit will be to carry out a review of the ICT project management controls in place within the College in relation to the recently implemented VLE and the planned replacement of the student records system.

Objectives

The objectives of this audit will be to ensure that:

- the College has established formal documented project management standards and policies, which reflect best practice;
- project teams and managers have received adequate project management training;
- requests for the VLE and replacement student records system projects were supported by a detailed business case, a feasibility study, project initiation document and detailed project plan;
- a functional specification was prepared for both systems which sets out user requirements and technical specifications were prepared based on this;
- an outline testing plan with acceptance criteria was written at the functional specification stage and complied with during the implementation phase;
- relevant staff are appropriately trained at the right time in the new system and operational guides, user manuals and support are supplied to system users; and
- post-implementation reviews are carried out by project teams to compare the actual costs and benefits etc. with those originally expected.

Our audit approach will be:

From discussion with the Director of ITTS, ITTS staff, and other relevant College managers and staff, and review of project documentation for the VLE and replacement student records system , we will consider whether the above objectives are being met.

Audit Assignment:	Credits Audit
Priority:	Required audit
Fieldwork Timing	September 2025
Audit & Risk Committee Meeting:	November 2025
Days:	7

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

Objectives

To obtain reasonable assurance that:

- 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
- the FES return is free from material misstatements.

Our audit approach will be:

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year's activity.

Our testing will be designed to cover the key areas of risk identified at Annex C to the Credits Audit Guidance.

We will also review the final error report from the FES on-line checks.

Audit Assignment:	Student Support Funds
Priority:	Required audit
Fieldwork Timing	September 2025
Audit & Risk Committee Meeting:	November 2025
Days:	8

Scope

We will carry out an audit on the College's student support funds for the year ended 31 July 2025 and provide an audit certificate. Three specific fund statements will require an audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary Fund; and
- Education Maintenance Allowance (EMA) Return.

Objectives

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC, SAAS and the Scottish Government;
- payments to students are genuine claims for hardship, childcare, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2025 is in agreement with underlying records.

Our audit approach will be:

- Reviewing new guidance from the SFC, SAAS and the Scottish Government and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare, and 'Guidance on the audit requirements for EMA.'



Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	April 2025
Audit & Risk Committee Meeting:	May 2025
Days:	2

Scope

This review will cover reports from the 2023/24 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

Objectives

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit and Risk Committee.



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Our ref: ABER296/DA/STI

Your ref:

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

AGENDA ITEM 18-24

20 November 2024

To Whom it May Concern

2023/24 Education Maintenance Allowance North East Scotland College

In accordance with the Scottish Funding Council's EMA audit guidance we attach an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2023/24 (copy attached).

As referenced in our Auditors' Report, we have one reservation to make arising from our audit work. Maintenance payments made by the College during 2023/24 totalled £299,100 against £300,000 claimed on the monthly EMA returns which was due to BACS rejections being included in the EMA monthly claims in error. As agreed with the SFC the overclaim of £900 has been deducted from the September 2024 maintenance claim.

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

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
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College: NESCOL
AY 2023-24

College	Full Time students		Part Time Students						Maintenance		Administration				Payments made to College				
	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 (=F+K)	College Administratio n Adjustment	Annual Admin payment to be made 2024	Total EMA Admin (=G+S+T)	Total EMA Spend (=L+U)	Month	Adminstration	Maintenance	Total	Balance
August 2023	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	August 2023	£0	£0	£0	£0
September 2023	0	£0	0	£0	£13,410	£0	0		£0	£13,410	£0	£0	£0	£13,410	September 2023	£0	£13,410	£13,410	£0
October 2023	0	£0	0	£0	£15,930	£0	0		£0	£15,930	£0	£0	£0	£15,930	October 2023	£0	£15,930	£15,930	£0
November 2023	0	£0	0	£0	£33,210	£0	0		£0	£33,210	£0	£0	£0	£33,210	November 2023	£0	£33,210	£33,210	£0
December 2023	0	£0	0	£0	£39,720	£0	0		£0	£39,720	£0	£0	£0	£39,720	December 2023	£0	£39,720	£39,720	£0
January 2024	0	£0	0	£0	£22,980	£0	0		£0	£22,980	£0	£0	£0	£22,980	January 2024	£0	£22,980	£22,980	£0
February 2024	0	£0	0	£0	£36,690	£5,250	350		£0	£36,690	£0	£0	£5,250	£80,210	February 2024	£5,250	£74,960	£80,210	£0
March 2024	0	£0	0	£0	£35,160	£0	0		£0	£35,160	£0	£0	£0	£0	March 2024	£0	£0	£0	£0
April 2024	0	£0	0	£0	£14,790	£0	0		£0	£14,790	£0	£8,000	£8,000	£19,680	April 2024	£8,000	£11,680	£19,680	£0
May 2024	0	£0	0	£0	£48,720	£0	0		£0	£48,720	£0	£0	£0	£48,720	May 2024	£0	£48,720	£48,720	£0
June 2024	0	£0	0	£0	£38,940	£390	26		£0	£38,940	£0	£0	£390	£39,330	June 2024	£390	£38,940	£39,330	£0
July 2024	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	July 2024	£0	£0	£0	£0
Totals	0	£0	0	£0	£299,550	£5,640	376		£0	£299,550	£0	£8,000	£13,640	£313,190		£13,640	£299,550	£313,190	£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)

Neil Cowie

Principal's signature



Date

1 November 2024

Our ref: ABER296/DA/STI

Your ref:

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

20 November 2024

To Whom it May Concern

**North East Scotland College: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2023
to 31 July 2024**

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 total number of applications, 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, subject to the reservations set out in our letter dated 20 November 2024, 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



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Our ref: ABER296/DA/STI

Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
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20 November 2024

To Whom it May Concern

**North East Scotland College
Discretionary Fund, Childcare Fund and Bursary Return 2023/24**

On behalf of our above-named client, we attach the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2023/24.

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

From review of all students in receipt of FE Discretionary Fund funding, we noted two students in receipt of more than the £5,000 cap stated in the SFC guidance for 2023/24 and where approval was not sought from the SFC. The students received payments totalling £5,350 and, £5,169.92 respectively for General Expense Awards and Emergency Cost of Living, giving a total of £519.92 paid above the cap. During discussion with College staff, we were advised that in the student funding system, TeQuios, the normal General Expense Awards and the Emergency Cost of Living awards are not automatically combined, meaning the member of the Student Funding team processing awards has to manually combine the two categories in order to calculate the total FE Discretionary funding awarded to a student. In both cases, the original General Expense Awards did not exceed the £5,000 cap and the amounts paid above the cap related to Emergency Cost of Living awards made to the students.

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

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
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The SAS System

10:03 Friday, October 18, 2024

college=5261651 - North East Scotland College report=Student Support Funding

College Name: North East Scotland College

College Contact:

College Number: 5261651

Phone Number:

1st August 2023 - 31st July 2024

(AAC 1)	(AAC 2)		(AAC 3)		(AAC 4)		(AAC5)		(AAC6)		(AAC 7)							
Bursary Funds	Student		Parentally		Parentally		Self-		Care-		Universal		Non-		Totals			
Expenditure	under 18		Supported		Supported		supporting		experienc		Credit		maintena					
(At home)	(Away from home)																	
Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)
Maintenance Costs	6	8981	352	1104966	31	131818	584	2270707	170		298	296039	1	131	1442	4959623		
Dependents Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Approved Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Study Expenses	15	4447	353	58081	31	7281	586	142860	170	33648	299	77182	1066	264400	2520	587899		
Travel Expenses	4	1124	115	87148	11	11425	299	228268	61	40642	173	123337	329	219448	992	711392		
Special Educational Needs	2	3038	32	32768	1	1024	2	22964	25	25600	2	2048	91	122875	155	210317		
Total Bursary	15	17595	353	1283080	31	151555	586	2664908	170		299	498652	1107	606939	2561	6469619		

(AAC 1)	(AAC 2)		(AAC 3)		(AAC 4)		(AAC5)		(AAC6)		(AAC 7)							
Discretionary Funds	Student		Parentally		Parentally		Self-		Care-		Universal		Non-		Totals			
Expenditure	under 18		Supported		Supported		supporting		experienced		Credit		maintenance					
(At home)	(Away from home)																	
Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)	Headcount (£)
FE Discretionary	6	13800	174	202961	23	50647	322	836125	64	115733	190	468097	655	762454	1434	2449817		

Childcare Fund Expenditure

Headcount Expenditure (£)

Total FE Childcare Fund 81 415838

Total HE Childcare Fund * 10 46254

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

The SAS System***10:03 Friday, October 18, 2024***

	Part-time Headcount	Expenditure (£)	Full-time Headcount	Expenditure (£)	Tot Headcount	Expenditure (£)
FE childcare, lone parent	2	4075	66	348440	68	352515
FE childcare, other	0	0	13	63323	13	63323
HE childcare, lone parent	0	0	8	37158	8	37158
HE childcare, other	0	0	2	9096	2	9096

We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary. On the basis of our examination and 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 Scottish Funding Council conditions.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.

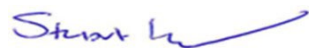
PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.



MR NEIL COWIE

Principals Signature

Auditors Name (in printed capitals)HENDERSON LOGGIE LLP.....



Auditors Signature.....
DIRECTOR
FOR AND ON BEHALF OF HENDERSON LOGGIE LLP, CHARTERED ACCOUNTANTS

Date of Signature.....20/11/2024.....

North East Scotland College

2023/24 Student Support Funds

Internal Audit report No: 2024/09

Draft issued: 20 November 2024

Final issued: 20 November 2024



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Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund in 2023/24 was £5,000 and maximum payable from the Higher Education Discretionary Fund was £3,000. Colleges could award sums above these limits in exceptional circumstances with prior approval from SFC and SAAS respectively.

Childcare Funds sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to certain groups, including lone parents and mature students, when allocating funds from the Further and Higher Education Childcare Funds.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

Bursary funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student living in college-approved accommodation, or due to having dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds. In recognising that the bursary fund is cash-limited, colleges may have to exercise discretion to target support to meet local priorities and the needs of their students. SFC expects colleges to award students their full calculated bursary award. Where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

Education Maintenance Allowances (EMAs) provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines.

Audit Scope

For the 2023/24 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.

Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2024, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to amounts awarded;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Action Plan

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 and in the appendices.

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 and Risk 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.

Findings and Conclusions

We were able to certify the Higher Education Discretionary and Childcare Fund for the year and submit this to SAAS, without reservation. In our covering letter to SAAS we made one observation. The College does not operate a separate interest-bearing bank account for the Higher Education Discretionary Fund. Whilst the College does have a student funding bank account, some student funding income and expenditure is processed through the main College bank accounts, although this is fully reconcilable. The College utilises the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.



Findings and Conclusions (Continued)

In our covering letter to the SFC enclosing the audited EMA Return we made one reservation arising from our audit work. Maintenance payments made by the College during 2023/24 totalled £299,100 against £300,000 claimed on the monthly EMA returns which was due to BACS rejections being included in the EMA monthly claims in error. As agreed with the SFC the overclaim of £900 has been deducted from the September 2024 maintenance claim. Similar issues were noted in previous years in terms of differences between the monthly claims and the financial ledger – refer 2022/23 recommendation **R1** at **Appendix IV**.

We were able to certify the Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return for the year and submit this to SFC, without reservation. In our covering letter to the SFC we made one observation arising from our audit work. From review of all students in receipt of FE Discretionary Fund funding, we noted two students in receipt of more than the £5,000 cap stated in the SFC guidance for 2023/24 and where approval was not sought from the SFC. The students received payments totalling £5,350 and, £5,169.92 respectively for General Expense Awards and Emergency Cost of Living, giving a total of £519.92 paid above the cap. During discussion with College staff, we were advised that in the student funding system, TeQuios, the normal General Expense Awards and the Emergency Cost of Living awards are not automatically combined, meaning the member of the Student Funding team processing awards has to manually combine the two categories in order to calculate the total FE Discretionary funding awarded to a student. In both cases, the original General Expense Awards did not exceed the £5,000 cap and the amounts paid above the cap related to Emergency Cost of Living awards made to the students.

Recommendation

R1 Ensure that a check is made that the individual student funding cap is not being exceeded, and where this would be the case in exceptional circumstances, that prior approval is obtained from the SFC.

In addition, the following points were noted during the course of our audit:

Bursary Study Expenses

As part of our audit testing of Bursary study material costs, we agreed a sample of study materials costs posted in the financial ledger to invoices and, for a sample of students, agreed the amounts awarded to the students for study as part of the total Bursary awards to approved course costs.

We noted that distribution lists of the students receiving study materials purchased centrally by the College were not available for audit for the sample of invoices tested.

Recommendation

R2 The College should ensure that distribution lists identifying Bursary students in receipt of study materials are maintained for each purchase invoice charged to the Bursary fund.



Findings and Conclusions (Continued)

Award Letters

The following instances were noted during our sample testing where we could not fully agree payments made to students to award letters:

- For one bursary student the total maintenance per the award letter was just £25.11, however maintenance paid per the FES was £1,223.51. It was noted that the student underwent multiple reassessments during the academic year due to changes in their circumstances, ultimately being assessed as eligible for a higher bursary award. A revised award letter was not generated and saved within the Tequios system, and therefore we were not able to verify the final funding paid to the updated award notice. We were however able to confirm the amounts paid to the student per the FES data agreed to the amounts recorded in Tequios and that rates were in line with the SFC guidance; and
- For one student in receipt of childcare funding, we identified a difference between the amount stated on the award letter and the final amount paid per the FES return. From review of supporting information, it was established that the student was originally awarded £8,360, however following re-assessment this was increased to £10,192.58, which was reflected on the FES return. The original award letter issued to the student showed the original £8,360, however a revised award letter showing the increased award was not issued following re-assessment.

Recommendation

R3 Ensure that revised award letters are always issued, and copies retained, where reassessment of student awards is made during the year.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during our audit.



Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	Further Education Discretionary Fund R1 Ensure that a check is made that the individual student funding cap is not being exceeded, and where this would be the case in exceptional circumstances, that prior approval is obtained from the SFC.	3	Further checks and processes will be conducted to avoid the minor error discovered. If there are exceptional circumstances requiring a higher payment, we will secure SFC prior approval.	Yes	Director of Student Access & Information	30 April 2025
3	Bursary – Study Expenses R2 The College should ensure that distribution lists identifying Bursary students in receipt of study materials are maintained for each purchase invoice charged to the Bursary fund.	3	A more detailed record of study material per purchase invoice will be maintained.	Yes	Director of Student Access & Information	30 June 2025
4	Award Letters R3 Ensure that revised award letters are always issued, and copies retained, where reassessment of student awards is made during the year.	3	Staff will be reminded that all formal assessments should be generated and retained, additional checks will be put in place.	Yes	Director of Student Access & Information	31 January 2025



Appendix I – Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return and Audit Certificate



**Appendix II – Higher Education Discretionary and Childcare Fund Return
and Audit Certificate**



Appendix III – Education Maintenance Allowance Return and Audit Certificate



Appendix IV – Updated Action Plan – Student Support Funds 2022/23

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2024
EMA Return R1 Ensure that the monthly EMA claims are fully reconciled to expenditure in the financial ledger.	3	Accepted.	Yes	Director of Student Access & Information	Monthly, commencing Nov return	<p>Similar issues noted during audit testing in 2023/24. See page 3 of main report.</p> <p>Little or No Progress Made</p> <p>Revised implementation date: 31 January 2025</p>
Childcare Return – College Nursery R2 Review the student withdrawal procedures to ensure that there is not an unreasonable delay in withdrawing students after their last date of attendance / participation and notifying Student Funding.	3	Actions relating to withdrawing students who have ceased engagement have been tightened up, but greater focus and further work is required.	Yes	Director of Student Access & Information, Associate Vice Principals, Director of Business Development	31 July 2024	<p>All eight students sample tested for 2023/24 (of 14 using the College Nursery) showed sufficient attendance / engagement with their course for payments to be made in line with College policy.</p> <p>Fully Implemented</p>



2023/24 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2024
R3 Ensure that the College Nursery recharge calculation takes into account student withdrawals and any student contributions to be made under College policy.	2	Accepted	Yes	Director of Student Access & Information	31 July 2024	<p>The College changed its methodology for 2023/24 to apportion the Nursery recharge based on the number of sessions the students' children attended.</p> <p>No withdrawals were noted during audit testing in 2023/24 of a sample of eight students using the College Nursery.</p> <p>One student using the College Nursery in 2023/24 paid a contribution. This was deducted from their bursary award, albeit at a lower level than if the contribution was based on the recharged amount.</p> <p><i>Fully Implemented</i></p>



2023/24 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2024
R4 The College should consider whether the current use of the Childcare funds continues to represent value for money.	2	A review of the use of the on-site nursery will be undertaken, to shape how Childcare funds are used in 2023-24.	Yes	Vice Principal – Finance and Resource	31 March 2024	<p>Similar to last year, the College Nursery recharge was apportioned between only 15 children (14 students). Using the College's new methodology, one student with two children who attended the most sessions, was apportioned costs of £42,723. The average cost per child was £13,796.</p> <p>College management advised that the Nursery will no longer operate from 2025/26.</p> <p>Fully Implemented</p>
Bursary Study Expenses R5 Ensure that student numbers are applied consistently between the Bursary study expenses (essential texts) workings and the claim on the final FES return.	3	Accepted	Yes	Director of Student Access & Information, Financial Controllers	31 July 2024	<p>Based on the final student numbers for 2023/24 there would only have been a minor difference in the charge per student.</p> <p>Fully Implemented</p>



Appendix V – Updated Action Plan – Student Support Funds 2019/20

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2024
Bursary Fund R1 The College should refine the print costs re-charge calculation to ensure that the cost of any core teaching materials that should be covered by the core grant and any costs relating to non-Bursary students are excluded.	2	Accepted	Yes	Muir Wilson, Financial Controller (External Affairs)	Mid-August 2021	At November 2021 As noted on page 3 of this report, for 2020/21 the methodology used included apportionment of costs between Bursary and non-Bursary students, however the College has again assumed that all copying charged to the Teaching codes was for study materials (essential texts). Any books and newspapers that are not essential to the course e.g. additional reading materials would also not be eligible to be funded through the study expense allowance.	For 2023/24 we noted that the calculation of internal costs incurred by the College for the printing of essential texts £75,400 (approx. £31 per student) was made on the same basis as in previous years since 2020/21 and had not been reviewed. Partially Implemented Revised implementation date: 30 June 2025



2023/24 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2024
R1 (continued)						<p>At November 2022 For 2021/22 the calculation of internal costs incurred by the College for the printing of essential texts was made on the same basis as 2020/21.</p> <p>At November 2023 For 2022/23 the calculation of internal costs incurred by the College for the printing of essential texts was made on the same basis as 2020/21.</p> <p>Management advised that this will be reviewed during 2023/24.</p> <p><i>Partially Implemented</i></p> <p>Revised implementation date: 31 July 2024</p>	



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North East Scotland College

2023/24 Student Activity Data

Internal Audit report No: 2024/08

Draft issued: 19 November 2024

Final issued: 20 November 2024



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 27 August 2024, '*FES Return and Audit Guidance 2023-24*' requested submission by North East Scotland College ('the College') of the FES return for session 2023/24, which includes the Credits data relating to College activity for the academic year 2023/24.

Guidance on completion of the 2023/24 return was issued by the SFC on 12 June 2023.

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

Scope of the 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 Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Audit Staffing

An Audit Director with 31 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 a Senior Auditor and Auditor with six and two-years' experience in the sector respectively. A Senior Manager with 19 years' experience in the sector was also involved at the planning, review and reporting stage.

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 10½, split ½ day for the Audit Director, 1 day for the Senior Manager, 5 days for the Senior Auditor and 4 days for the 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.

Audit Findings (continued)

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 and Risk 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 was submitted to the SFC on 19 November 2024. 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
- we can provide reasonable assurance that the FES return is free from material misstatements.

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

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during our audit review.



Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.2.1	<i>Systems and Procedures for Compilation of Returns</i> Non-Fundable Students R1 Non-fundable students, including those requiring a Visa to study should be flagged in the College system to ensure that Credits are not claimed.	3	Further checks and processes will be conducted to avoid the minor error discovered.	Yes	Director of Student Access & Information	31 July 2025
2.3.2 & 2.9.1	Classification as Full-Time Fee Waiver R2 In-year and end of year FES data integrity checks should include a review to ensure that data is accurate covering student source of fee codes, including fee waiver categories, and mode of attendance, including classification of courses as full or part-time based on Credits being claimed in line with the SFC Credits guidance.	3	Further checks and processes will be conducted to avoid the minor error discovered.	Yes	Director of Student Access & Information	31 July 2025



2023/24 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.4.1 – 2.4.5	Open / Distance Learning R3 The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for open / distance learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.	3	Further checks and processes will be conducted to avoid the minor error discovered.	Yes	Director of Student Access & Information	31 July 2025
2.5.1 – 2.5.3	Allocation of Credits to Courses R4 For all College rated units, the College should ensure that adequate supporting evidence is available for planned learning hours to verify the Credits claim.	3	Further checks and processes will be conducted to avoid the minor error discovered.	Yes	Director of Student Access & Information	31 July 2025



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 27 August 2024 sets out, at Annex C, the key risk areas in relation to the preparation of the FES return. These are:

- the average Credits claimed for full-time students exceeds levels indicated in the Credits guidance;
- incorrect Credit value is claimed for collaborative provision;
- claims for fee waivers and students with multiple enrolments;
- spanning courses;
- identification of non-fundable activity, both courses and students, including capturing of eligible enrolments and identification and recording of student withdrawals;
- recording of progress for students on open / distance learning programmes;
- identification and counting of infill students; and
- claims for non-accredited work experience / placement.

1.1.2 For academic year 2023/24 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, and obtaining explanations for significant variations by Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also 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 16 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 for full-time as 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 and, where Credits were claimed beyond normal full-time levels, that the claims could be appropriately justified by the College.
- 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 2023/24 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 / engagement records and, for withdrawals, checked that the withdrawal date noted on the system was the last date of physical attendance or engagement;
 - e) For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
 - f) For students undertaking non-accredited work experience / placement ensured that the Credits value had been calculated in line with the Credits guidance.
-
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- a) Compared the overall average Credits per full-time student against the SFC expected average of 17 Credits for full-time Further Education students and 15 Credits for full-time Higher Education students;
 - b) Confirmed that there were no claims for more than one full-time enrolment per student for 2023/24 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;
 - c) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
 - d) Confirmed that Credits for spanning courses were claimed in the correct year.



Systems and Procedures for Compilation of Returns (continued)

2.1 Introduction (continued)

- 2.1.5 Collaborative activity undertaken by the College during 2023/24 included an agreement with local partners, including the University of Aberdeen, local authorities, and Skills Development Scotland, to create a Project SEARCH transition programme to provide preparation for employment to young people with disabilities through a mix of education and work experience internships. Collaboration agreements are also in place in relation to Prince's Trust programmes delivered in direct partnership with the Prince's Trust and with Aberdeen Foyer, a local charity. All agreements have been reviewed by us and it was confirmed that the programmes meet the requirements for eligibility for funding set out in the Credits guidance.
- 2.1.6 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.7 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 C of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.8 The remainder of this section discusses issues identified during our review of the 2023/24 student activity data.

2.2 Non-Fundable Students

- 2.2.1 Our audit testing identified five students who required a student Visa to study at the College. We cross referenced the students to the FES and noted that one of the students had a Credit claim against them. This totalled 20.31 Credits which were removed for the final FES.

Recommendation

R1 Non-fundable students, including those requiring a Visa to study should be flagged in the College system to ensure that Credits are not claimed.

2.3 Classification as Full-Time

- 2.3.1 The Credits guidance notes that any student that undertakes 15 Credits or more, on a single programme of study, in a single academic year – including spanning courses – should be considered full-time. In addition, HNC students undertaking 12 Credits on a single programme in a single academic year should also be considered full-time.
- 2.3.2 We identified from our audit testing four students with a full-time mode of attendance and only 10.5 Credits claimed each. From discussion with College management, it was noted that the programme was set up as full-time on the basis that it would be 12 Credits. However, ultimately the programme was reduced to 10.5 Credits. The mode of attendance was updated to short full-time.

Recommendation

R2 In-year and end of year FES data integrity checks should include a review to ensure that data is accurate covering student source of fee codes, including fee waiver categories, and mode of attendance, including classification of courses as full or part-time based on Credits being claimed in line with the SFC Credits guidance.



Systems and Procedures for Compilation of Returns (continued)

2.4 Open / Distance Learning

- 2.4.1 The Credits guidance notes that Credits should only be claimed for distance learning students who remain active and fully engaged with their course.
- 2.4.2 For one student on Certificate in Counselling Skills Level 2 - VAR – Distance Learning, it was noted that Credits had already been claimed in full for the student in the previous year. This claim was not removed for the final FES and an unadjusted error of -4 Credits has been noted. College management advised that the student had been enrolled on the course in error and should have been enrolled on another distance learning course.
- 2.4.3 In total, 10 students were sample tested from this course (initial sample of six, extended by a further four). In only one instance did a student complete all four assessments however all showed some evidence of engagement and had completed at least one assessment out of the four (25%).
- 2.4.4 For a second distance learning course sampled, Certificate in Understanding Autism Level 2 - VAR – Distance Learning, we noted that one student had initially enrolled in the 2022/23 academic year before deferring studies to 2023/24. Credits were not claimed in 2022/23, with 3.75 credits claimed in 2023/24. It was however noted that there was no evidence of engagement in 2023/24, with the last engagement in May 2023. This claim was not removed for the final FES and an unadjusted error of -3.75 Credits has been noted.
- 2.4.5 In total, eight students were sample tested from this course (initial sample of six, extended by a further two). Other than the student noted above all showed sufficient evidence of engagement. Six of the students had submitted coursework for all four course modules and one had submitted coursework for three of the four modules.

Recommendation

R3 The College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for open / distance learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim.

2.5 Allocation of Credits to Courses

- 2.5.1 The Credits guidance states that for programmes containing a mix of credits (Scottish Qualifications Authority (SQA) or other awarding body) and other activity, the Credits claim should be based on the total Credits plus the planned learning hours divided by 40 (1 credit = 40 learning hours) for the non-credited units. Planned learning hours should represent a realistic and sensible estimation of the number of hours that students will normally be required to undertake in their programme of learning. Examples of what may be counted as planned learning hours include: Class contact time; Supported study time; Supported learning; Tutorial time; and any additional time which the College requires for delivering the course and / or supporting the student (e.g. assessment time).
- 2.5.2 For one course in our sample, VRQ Level 3 Diploma in Hairdressing (SCQF Level 6), timetable extracts provided to support the delivery of two Academic Guidance / Tutoring modules (block 1 and 2) for 1 Credit each, showed a total of 35 direct teaching hours. No further evidence was available to verify the balance of the planned learning hours outwith timetabled classes.
- 2.5.3 Similarly, for another course in our sample, NCFE Level 2 Diploma for Entry to the Uniformed Services (SCQF Level 4/5), timetable extracts provided to support the delivery of two Academic Guidance / Tutoring modules (block 1 and 2) for 1 Credit each, showed a total of 29 direct teaching hours. No further evidence was available to verify the balance of the planned learning hours outwith timetabled classes.



Systems and Procedures for Compilation of Returns (continued)

2.5 Allocation of Credits to Courses (continued)

- 2.5.4 For the other courses in our sample with College rated units for guidance / tutoring and academic and personal skills development, adequate supporting evidence was available for the Credits claimed.

Recommendation

R4 For all College rated units, the College should ensure that adequate supporting evidence is available for planned learning hours to verify the Credits claim.

2.6 Required Dates

- 2.6.1 For 2023/24 the Credits guidance noted that the SFC has aligned the 'required date' for colleges and universities, and colleges can now claim credits for full-time students on courses lasting for over 20 weeks if they are still active after 5 weeks from the course start date. For shorter courses the required date continues to be after a quarter of the course has been delivered.
- 2.6.2 Included within our sample of 16 courses tested were five courses classed as other than full-time, which were not flexible / distance learning courses, and therefore required attendance at the College. For all of these courses we noted that the required date stated in the UNIT-e system had not been calculated in line with the Credits guidance. As noted in previous years, 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 not significant in terms of days, and there were no student withdrawals during the period of the difference and therefore no impact on the Credits claimed. We understand that the College's approach has been agreed with the SFC in previous years.

2.7 Claims for More Than One Full-Time Enrolment

- 2.7.1 The final FES error report shows 32 students where more than one full-time enrolment has been claimed for 2023/24. As in previous years, these students were enrolled in programmes specifically designed to meet employer / industry needs which have been running for a number of years. The programme concerned is the Shell Engineering Scheme where students undertake SVQ Performing Engineering Operations Level 2 Electrical and NC Engineering Systems (SCQF Level 6) in year 1, and HNC Mechanical Engineering and OPITO Workshop Skills and HNC Electrical Engineering and CMI Course in Year 2.

2.8 Average Credits Claimed for Full-Time Students

- 2.8.1 For 2023/24 the Credits guidance noted that claims for individual students / programmes will vary but colleges should not exceed an overall average of 17 Credits for full-time Further Education students or 15 Credits for full-time Higher Education students across the full-time cohort, including those additional part-time courses on which these students enrol. Overall average Credits per full-time student in excess of this may be subject to further scrutiny.
- 2.8.2 We noted from the final FES that the averages for the College were slightly above these values at 17.6 Credits for full-time Further Education students and 16.1 Credits for full-time Higher Education students. From discussion with the SFC, we understand that this should not be an issue for 2023/24 although there is an expectation going forward that average Credit claims will move towards 17 and 15 respectively.



Systems and Procedures for Compilation of Returns (continued)

2.8 Average Credits Claimed for Full-Time Students (continued)

- 2.8.3 The final FES error report shows excessive credits claimed for 155 full-time FE students and 76 full-time HE students. College management and sample testing noted that these were students on OPITO programmes, students completing a Princes Trust course which spanned into 2023/24 and then enrolled on a full-time mainstream course, or students on a Social Services course which includes a SVQ and a set amount of hours of placement to meet Health Service requirements.
- 2.8.4 All full-time courses include academic tutoring (2 Credits for Further Education and 1 Credit for Higher Education), which the College has discussed with the SFC.

2.9 Fee Waiver

- 2.9.1 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 15 part-time students, we confirmed that College staff had verified the entitlement to benefit for 13 of them. Two students who were originally classified in the fee waiver categories Islands Authority and Incapacity Benefit respectively, were found to have been incorrectly classified and should have been Cost Borne by the College. This was updated for the final FES. In year and end of year data integrity checks should be undertaken which include a review of fee waiver codes. Refer to recommendation **R2** at paragraph 2.3.2 above.

3. Analytical Review

- 3.1 The analytical review by Price Group for the current year, included at Appendix III of this report, 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. The College's credits target reduced from 128,812 in 2022/23 to 115,931 in 2023/24, a reduction of 10.0%. The overall decrease in actual Credits of 11.0% is in line with the reduction in target.
- Price Group 1 – decrease of 3,772 Credits due to a reduction in ESOL classes;
 - Price Group 2 – decrease of 7,615 Credits also due to a reduction in ESOL classes; and
 - Price Group 3 – decrease of 1,712 Credits due a reduction in Hospitality classes.



Appendix I – Copy of Audit Certificate

North East Scotland College
Gallowgate
Aberdeen
AB25 1BN

19 November 2024

To Whom it May Concern

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 SFC's Credit Guidance for colleges issued 12 June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 18 October 2024. We conducted our audit in accordance with the 2023-24 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 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 misstatements.

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
- we can provide reasonable assurance that the FES return is free from material misstatements.

Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

19 November 2024

Date FES returned: 18 October 2024

Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1	Claim made for on-fundable student	Adjusted	-20.31 Credits
2.4.2 & 2.4.4	Credits claimed for students who did not show progression on their distance learning programme	Unadjusted	-7.75 Credits

Appendix III – Price Group Analytical Review 2022/23 and 2023/24 – Figures

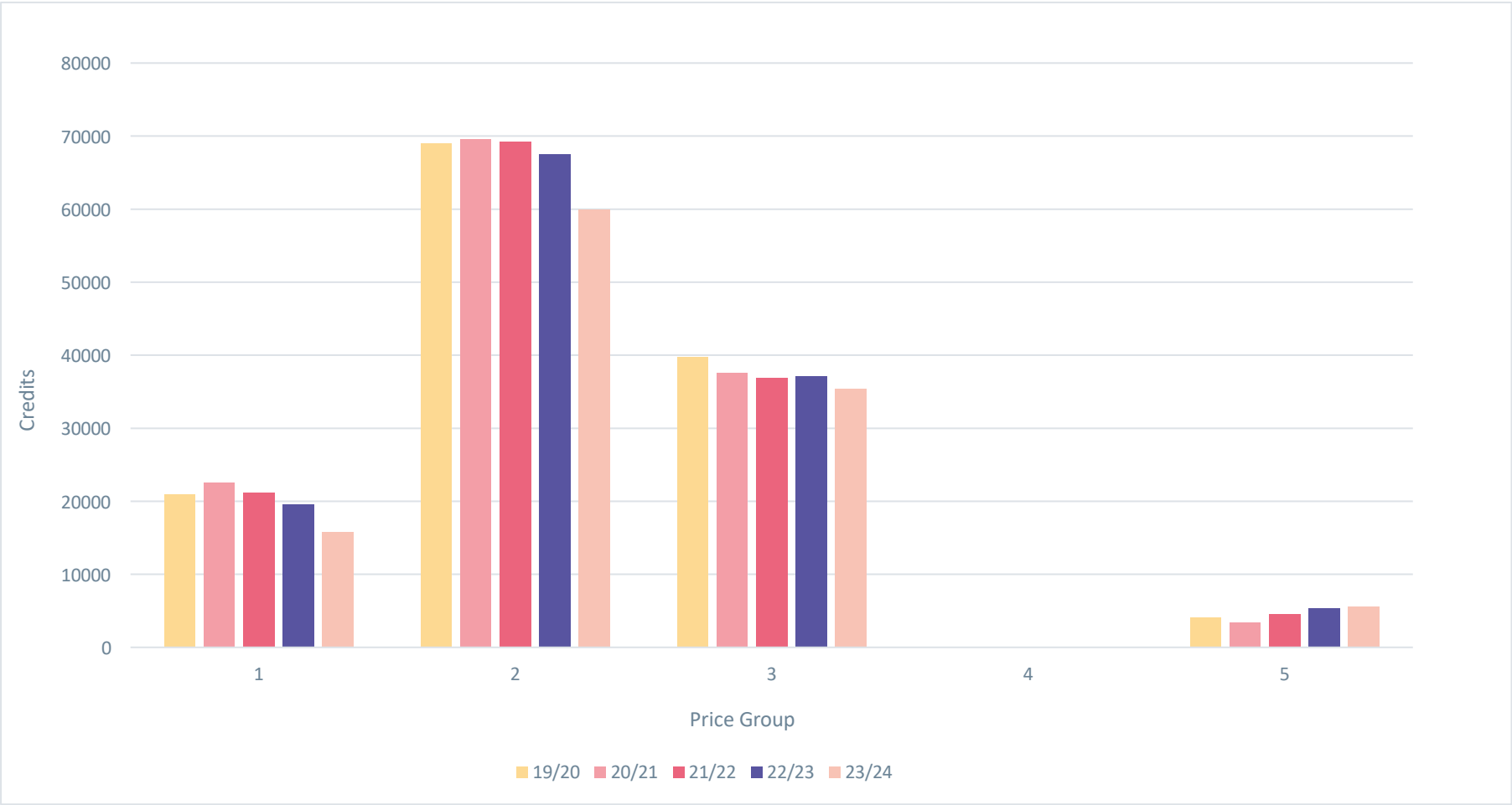
Price Group	2022/2023		2023/2024		Variance	Variance
	Credits		Credits		Credits	%
1	19,550		15,778		(3,772)	(23.9)
2	67,525		59,910		(7,615)	(12.7)
3	37,109		35,397		(1,712)	(4.8)
4	39		36		(3)	(8.3)
5	5,343		5,589		246	4.4
	129,566		116,710		(12,856)	(11.0)

College Funded Target 2023/24:

115,931 Credits



Appendix IV – Price Group Analytical Review 2019/20 to 2023/24 – Graph



Appendix V – Updated Action Plan – Student Activity Data 2022/23

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2024
<i>Systems and Procedures for Compilation of Returns</i> Fundable Activity R1 As part of in-year data integrity checks, ensure that Credits are appropriately claimed for courses with Source of Finance codes marked as other than 9: Scottish Funding Council. Ensure that the SoF code and Credits claimed accurately reflects the type of activity delivered in the year.	3	This recommendation relates to one isolated course offering which meant that 2 credits were generated incorrectly. The coding was changed by the College when this was discovered after the auditors had received our original files. We will ensure that these checks are completed prior to files being passed to auditor in future.	Yes	Director of Student Access & Information	7 August 2024	No similar issues noted during 2023/24 testing. Fully Implemented
Classification of Programmes R2 As part of in-year data integrity checks, ensure that programmes are correctly classified as FE or HE in line with the SFC guidance.		Agreed.	Yes	Director of Student Access & Information	7 August 2024	No issues with FE/HE classification noted during 2023/24 testing. Fully Implemented



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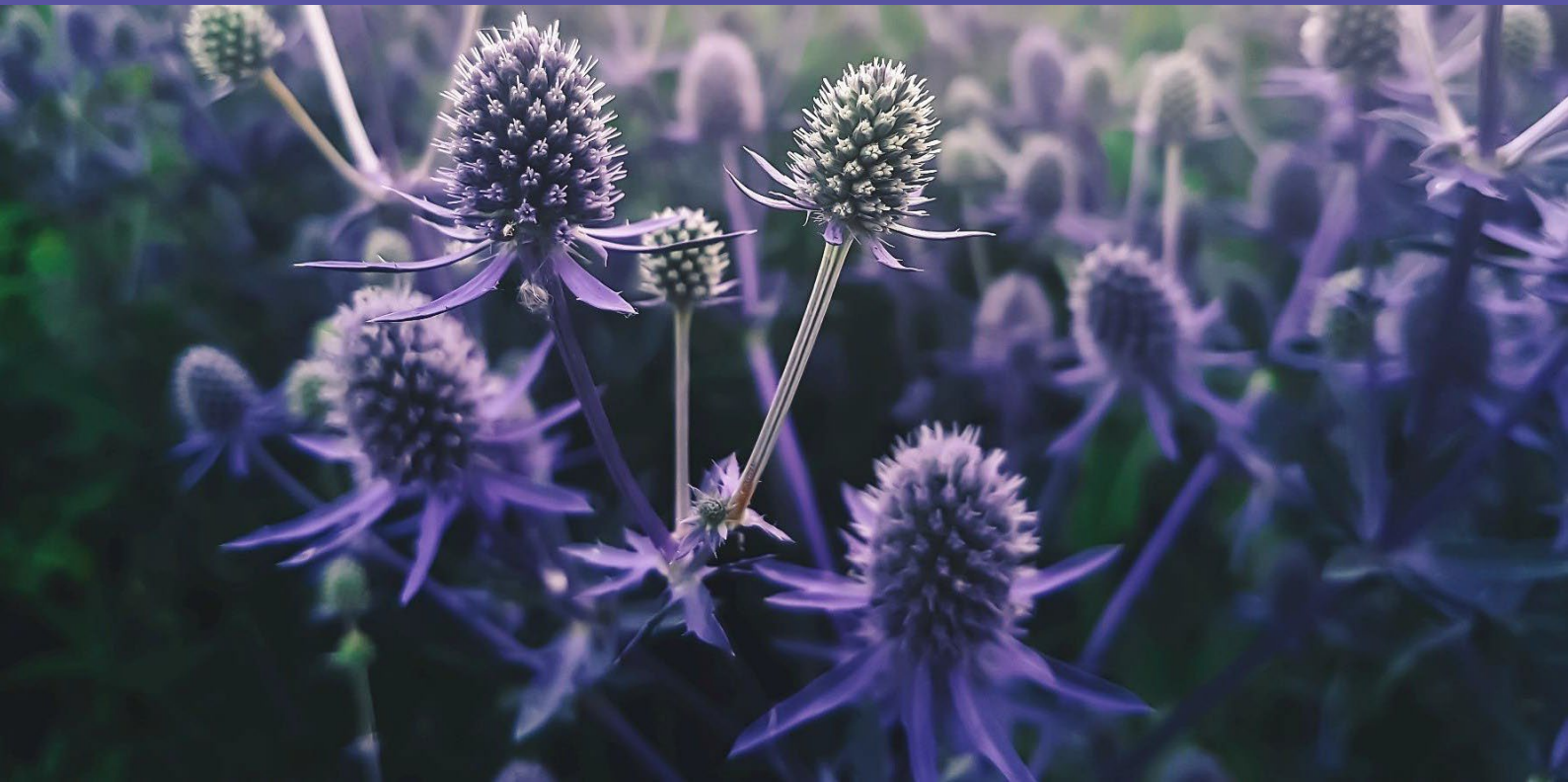
North East Scotland College

Annual Report to the Regional Board and Principal on the Provision of Internal Audit Services for 2023/24

Internal Audit report No: 2024/10

Draft issued: 20 November 2024

Final issued: 20 November 2024



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Annual Report and Opinion

Introduction

- 1.1 We were appointed as internal auditors of North East Scotland College ('the College') for the period 1 August 2019 to 31 July 2022, with an option available to the College to extend for a further two years which was exercised. This report summarises the internal audit work performed during 2023/24.
- 1.2 Given that the College invoked the two-year contract extension, which takes us beyond the ANA and Strategic Plan 2019 to 2022 (Report 2020/01, finalised 10 September 2019) it was agreed that a full ANA should not be undertaken at this time. The draft plan was based on discussions with the Leadership Team, consideration of areas of higher risk and need arising from a review of the College's Strategic Risk Register and previous internal audit coverage, and this was approved by the Audit and Risk Committee at its meeting on 29 September 2023.
- 1.3 The work carried out in the year showed no changes to the allocation set out in the approved internal audit programme for 2023/24.
- 1.4 The reports submitted during 2023/24 are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is included at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent, risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.



Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (Continued)

1.7 Self-assessment is undertaken through:

- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
- Ensuring compliance with best professional practice, in particular the PSIAS;
- Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
- Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
- Annual completion of a checklist to confirm our PSIAS compliance.

1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. An independent review was undertaken during May / June 2024 of the firm's policies and procedures relating to internal audit services and their application to the firm's internal audit clients. The independent review confirmed that Henderson Loggie was, in all material respects, compliant with the requirements of PSIAS.

Significant Issues

1.9 Our review of ASET was graded as Requires Improvement. The report highlighted a number of issues as follows:

- The need for finance processes to be consolidated in a Finance Manual.
- The absence of a formal document which sets out the annual budget planning process.
- The absence of a zero-based budgeting exercise due to the limited capacity within ASET's finance team.
- The risk that the income assumptions and minimum numbers identified by management and used to manage booking on Arlo do not cover all costs attributed to running the course.
- The annual income budget is a consolidated profit and loss (P&L) financial statement. However, there was absence of a multi-step P&L statement that details all courses and their forecasted sales and direct costs.
- The format of the ASET Monthly Financial Report P&L and Summary Revenue Report Excel spreadsheets are not presented in a way which aids identification of significant variances or the actions underway to either leverage areas of growth or address areas where revenue forecasts are not achieved, or where direct costs have increased beyond planned levels.
- There is absence of a formal recharge agreement established between NESCol and ASET.
- Performance management reporting arrangements should be improved.
- A portfolio management framework, such as using the Boston growth-share matrix, should be used to review the market status of current training / course offerings.
- The ASET Chief Executive is due to retire in December 2025. Consideration should be given to a robust succession planning exercise. The capacity of the Finance Team to provide the financial analysis and assurance reporting requirements should also be considered.

Significant Issues (Continued)

- 1.10 There were no other issues identifying major internal control weaknesses noted from the internal audit work carried out during the year. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues. The agreed actions will be followed-up as part of our planned activity in 2024/25.

Opinion

- 1.11 With the exception of the issues highlighted above in paragraph 1.9, in relation to ASET, in our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2023/24, and in the prior years since our initial appointment.



Reports Submitted

Number	Title	Overall Grade	Recommendations	High / Priority 1	Medium / Priority 2	Low / Priority 3
2024/01	Internal Audit Annual Plan	N/A	N/A	N/A	N/A	N/A
2024/02	Student Recruitment	Good	-	-	-	-
2024/03	Environmental Sustainability	Good	-	-	-	-
2024/04	Follow-up Reviews	N/A	1 of 12 recommendations required further action	-	-	1
2024/05	ASET	Requires Improvement	8	-	7	1
2024/06	Corporate Planning	Good	-	-	-	-
2024/07	Space Management BPR	N/A	9 (Note 1)	1	7	1
2024/08	2023/24 Student Activity Data (Credits Audit)	Audit opinion unqualified	4	-	-	4
2024/09	Student Support Funds 2023/24	FE & HE – no reservations but observations made EMA – reservation made	3	-	-	3

Note 1: The recommendations in report 2024/07 – Space Management Business Process Review (BPR) were areas for management consideration to enhance existing arrangements. All of the identified actions were designed to enhance efficiency and effectiveness, and no control issues were identified during our review that would subject the College to material or significant risk.



Internal Audit Annual Report 2023/24

Overall gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Recommendation grades are defined as follows:

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



Summary of Results and Conclusions

2024/01 – Internal Audit Annual Plan 2023/24

Final Issued – February 2024

The purpose of this document was to present for consideration by management and the Audit and Risk Committee the final annual operating plan for the year ended 31 July 2024. This would normally be based on a comprehensive Audit Needs Assessment (ANA) and three-year Strategic Plan, which would be prepared following discussion with Regional Board members and managers throughout the College. Given that the College has invoked a two-year contract extension, which takes us beyond the ANA and Strategic Plan 2019 to 2022 (Report 2020/01, finalised 10 September 2019) it was agreed that, similar to last year, a full ANA should not be undertaken at this time. The draft plan was based on discussions with the Leadership Team, consideration of areas of higher risk and need arising from a review of the College's Strategic Risk Register and previous internal audit coverage, and this was approved by the Audit and Risk Committee at its meeting on 29 September 2023.



2024/02 – Student Recruitment

The scope of this audit was to review the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment, covering the role of Student Advice and Support, Marketing, Student Admissions, Student Records and Curriculum Areas.

This included a review of early warning indicators to flag where recruitment targets were not being met.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Reporting is in place via the Power BI dashboards on student applications which can be reviewed at any time.
- Ongoing monitoring of applications is undertaken through Curriculum Managers and Heads of Sector.
- Weekly tracking is in place from the Marketing and Communications team on trends in the respective industries.
- Leadership Team updates are in place detailing recruitment progress.
- A student recruitment update is provided to the Regional Board at each meeting.
- The Regional Board report at the end of each academic year contains an assessment of the prior year's student recruitment.
- The Schools College Partnership Team oversees engagement with schools in Aberdeen City and Aberdeenshire.
- A Recruitment Conversion Group is in place to share good practices on student recruitment between departments.
- The College has a Marketing Engagement Strategy in place to define its approach for each sector within the College.

Final Issued – May 2024

The specific objectives of the audit were to ensure that:	
1. There is appropriate senior management and Regional Board committee oversight, including monitoring and reporting of information on student applications against targets to identify areas of poor recruitment, and identify possible actions.	Good
2. Clear roles and responsibilities have been established that foster accountability for student recruitment.	Good
3. There is an agreed student recruitment strategy taking into account: <ul style="list-style-type: none"> • College strategic objectives, the Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; • agreed student recruitment targets; • equal opportunities; • widening participation; and • admissions policy. 	Satisfactory
4. An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: <ul style="list-style-type: none"> • planned; • activities are designed to be economic, efficient and effective; • underpinned by recruitment data and market intelligence; • coordinated; and • reviewed, monitored and evaluated. 	Satisfactory



2024/02 – Student Recruitment (continued)

- The Student Admissions and Interview Procedure includes assignment of roles and responsibilities to Admissions Team, Heads of Sector, Curriculum Managers and Student Support.
- A Curriculum Planning Workshop was undertaken in January 2024 which detailed the timelines for the recruitment process and the personnel involved for the next academic year.
- The College holds two Open Days for each academic year.
- A formal Complaints Policy and associated procedures document are in place.
- On the College's website, under the 'Quality' section, the Feedback and Complaints processes are documented, with the relevant documentation such as policies, procedures and forms provided via hyperlinks on the webpage.

Actions In Progress

- The College rolled forward its 2021-2023 Strategic Plan into 2024 and 2025. However, management are in the process of refreshing and updating the Strategic Plan for 2025 onwards.
- The College is in the process of documenting its new recruitment plan to align with planned changes to its strategy and to reflect recent changes in the management structure.

5. Knowledge, skills and training is provided to staff who are engaged in recruitment activity.	Good
6. There are mechanisms to handle recruitment complaints and take remedial action, where necessary.	Good
Overall Level of Assurance	Good



2024/03 – Environmental Sustainability

This audit included a review of the College's current position in relation to the strategic plans and operational arrangements in place to ensure compliance with the Climate Change (Scotland) Act 2009.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College has bsi ISO 14001 accreditation, demonstrating achievement of an internationally recognised standard for environmental management systems.
- The College has dedicated environmental sustainability resource provided through the Environmental and Sustainability Manager.
- Leading Sustainability is one of the key strategic themes included in the College Strategic Plan 2021 – 2023 (which has been rolled forward into 2024 and 2025). Sustainability is also considered in all other College strategies including finance, IT, learning teaching, marketing communications and estates.
- The College has developed a specific College Sustainability Strategy and accompanying Environmental and Energy Policy Statement, which sets out the commitment to and ambitions of the College in relation to environmental sustainability.
- There is a Carbon Management Plan (June 2021) which sets out key targets and objectives for the period 2020 to 2025, a register of projects implemented to date, and risks and issues faced by the College.
- The College reports carbon emissions annually as part of Public Body Climate Change Duty (PBCCD) reporting. Emissions data is provided by the College's facilities management provider, Mitie, and includes data in relation to energy usage, water usage, and waste collection.
- Roles and responsibilities relating to environmental sustainability are set out in a Roles and Responsibilities document (August 2023). This includes all key parties including the Vice Principals, Environmental and Sustainability Manager, Curriculum staff and wider staff groups.

Final Issued – May 2024

The objective of our audit was to obtain reasonable assurance that:	
1. The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College	Good
2. Roles and responsibilities around climate change action and environmental sustainability have been clearly articulated	Good
3. There are appropriate targets, actions and milestones in place to demonstrate the steps the College is taking to contribute to climate change mitigation and to climate change adaptation, and to act sustainably	Good
4. There are appropriate arrangements in place to update the Regional Board on the progress being made to deliver on actions around climate change and sustainability	Good
Overall Level of Assurance	Good



2024/03 – Environmental Sustainability (continued)

- The College has an Annual Level Evaluative Report and Enhancement Plan, which sets out climate change aspirations for the coming year and reflects on progress made against targets set for the previous year.
- The College has undertaken several significant estates projects to enhance environmental sustainability, including installation of solar panels at all campuses, LED lighting upgrades for some buildings, use of district heating network at the City campus and ongoing glazing and cladding project at the City campus.
- The College has upgraded its vehicle fleet, removing all diesel cars and introducing a mix of electric, hybrid and hydrogen vehicles to support sustainable travel between campuses and across Scotland.
- All staff undertake compulsory sustainability training, which is monitored as part of staff development programmes.
- There is a Sustainability Committee in place with representation from across the College including the Vice Principal Finance and Resources, Environmental and Sustainability Manager, states, marketing, curriculum and students.
- Environmental and Sustainability Reports are provided to the Leadership Team, Finance and Resources Committee, and the Regional Board periodically to provide updates on environmental sustainability activity.

Weaknesses

- No significant weaknesses were identified from the work performed.



2024/04 – Follow-Up Reviews

Final Issued – May 2024

As part of the Internal Audit programme at the College for 2023/24 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2022/23 and reports from earlier years where previous follow-up identified that recommendations were outstanding. These were:

- 2023/05 – Debtors / Income;
- 2023/06 – Cash and Bank / Treasury Management;
- 2023/07 – IT / Digital Strategy;
- 2023/09 – Follow-Up Reviews 2022/23; and
- 2023/10 – General Ledger.

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that where little or no progress had been made towards implementation, that plans were in place to progress them.

The College had made good progress in implementing the recommendations followed-up as part of our review with 10 of the 12 recommendations being categorised as 'fully implemented'. Only one recommendation was assessed as 'partially implemented' and will be subject to follow up in the next formal Follow Up Review exercise.

In addition, one recommendation from report 2023/06 – Cash and Bank / Treasury Management had been considered by management but not fully implemented. We recommended that all future short-term investment options be presented for consideration by the Senior Leadership Team (SLT), with minutes taken, and these options should subsequently be presented to the Finance & Resources Committee (FRC). For operational reasons relating to interest rate changes, short-term investment decisions continue to be made by the Financial Controller (External Affairs) and Vice Principal Finance & Resources, although are now being reported to the Leadership Team and FRC retrospectively.

Our findings from each of the follow-up reviews has been summarised below:



Internal Audit Annual Report 2023/24

2024/04 – Follow-Up Reviews (Continued)

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2023/05 – Debtors / Income	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	5	5	-	-	-	-
Total		5	5	-	-	-	-
2023/06 – Cash and Bank / Treasury Management	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	-	-	-	1
Total		1	-	-	-	-	1
2023/07 – IT / Digital Strategy	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	1	-	-	-
Total		1	-	1	-	-	-
2023/09 – Follow-Up Reviews	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
2023/10 – General Ledger	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	3	-	-	-	-
Total		3	3	-	-	-	-
Grand Totals		12	10	1	-	-	1



2024/05 – ASET

This review focused on the financial monitoring of profitability against budget, including projected income figures and examined the way in which income and expenditure is allocated to individual activity / projects in order to achieve financial targets and to focus future marketing activity and the ASET investment strategy on those activities which will deliver maximum financial benefit.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The governance arrangements between NESCol and ASET were enhanced with the update to their MoU, approved by the Regional Board in December 2023.
- ASET is now a standing agenda item at the College's quarterly Finance and Resources Committee and each Regional Board meeting, increasing the oversight by the parent.
- The new ASET Board Chair is enhancing the reporting needs of the monthly ASET Board. This has included a revised standing meeting agenda.
- The VP Finance and Resources is a member of the ASET Board and there is close working between the ASET Chief Executive and ASET Senior Operations Manager.
- ASET management highlighted strong awareness of the competitor market, sales opportunities, and sale strategies established for ASET's current customer portfolio.
- The process for paying intercompany recharges is effective and efficient and there is close working between NESCol and ASET Accounting Teams.
- An annual income budget is developed and monitored closely via rolling income forecasts by ASET management.
- Sales, Direct Costs and Gross Margin actuals are monitored against budget on a monthly with the annual outcome forecasted.
- There are ambitions to improve the internal business operations with the implementation of Arlo, the online booking system, that has reporting capabilities to review staff utilisation.

Final Issued – September 2024

The objective of our audit was to obtain reasonable assurance that appropriate mechanisms are in place to ensure that:	
1. Full year income budgets and in year income reforecasts are compiled, including review of how pipeline contract information is gathered and utilised	Requires Improvement
2. Any College recharges to ASET reflect the true commercial cost of the goods or services provided;	Satisfactory
3. ASET income and costs are appropriately analysed and allocated across the different ASET activities and projects;	Requires Improvement
4. The ASET investment strategy / capital planning process is appropriately informed by an analysis of income and costs split by activity, in order to maximise the benefits of marketing and investment activity to ASET (and by extension the College).	Requires Improvement
Overall Level of Assurance	Requires Improvement



2024/05 – ASET (continued)

Strengths (continued)

- A new Customer Relationship Management (CRM) system is planned for implementation over 2024 which will improve transparency into the customer portfolio to inform future sales strategies and related customer engagement.
- The improvements identified in this report were being addressed by management at the time of reporting.

Weaknesses

- ASET's finance processes are not consolidated in a Finance Manual to provide transparency to its financial internal control environment to ensure it aligns with that of the College's Financial Regulations. The annual budget planning process is also not documented in procedures to provide transparency to the business reviews, the pricing considerations completed to build income forecasting assumptions, and governance timeframes for its review and approval by the ASET Board and Regional Board.
- There has been absence of a zero-based budgeting exercise due to limited capacity of ASET's finance team that consists of two individuals. Direct costs associated with the provision of individual courses are based on a Costing Exercise that was completed in January 2022. There is risk then that the income assumptions and minimum numbers identified by management and used to manage booking on Arlo do not cover all costs attributed to running the course.
- The annual income budget is a consolidated profit and loss (P&L) financial statement. However, there was absence of a multi-step P&L statement that details all courses and their forecasted sales and direct costs. The titles of the consolidated product lines also do not align to all headings within the published 2024 Course Directory to allow transparency to the offerings and planning. This action was completed at the time of reporting.
- The format of the ASET Monthly Financial Report P&L and Summary Revenue Report Excel spreadsheets are not presented in a way to easily identify significant variances (above or below budgeted figures) or the actions underway to either leverage areas of growth or address areas where revenue forecasts are not achieved, or direct costs have increased to that planned.



2024/05 – ASET (continued)

Weaknesses (continued)

- There is an absence of a formal recharge agreement established between NESCol and ASET that centralises and provides transparency on the management of recharges.
- Performance management reporting arrangements should be improved through the adoption of a balanced scorecard that considers the metrics required to ensure delivery of ASET's strategic business plan and operational performance and quality. For example, a balanced scorecard that can be used to monitor operational delivery and sales.
- A portfolio management framework, such as using the Boston growth-share matrix, should be used to review the market status of current training / course offerings and be used to understand sales and pricing strategies for future offerings.
- The ASET Chief Executive is due to retire in December 2025. Consideration should be given to ensure that there is a robust succession planning exercise for the Chief Executive to ensure that the subsidiary has the appropriate sales experience and skills to grow the business. The capacity of the Finance Team, to provide the financial analysis and assurance reporting requirements, should also be considered.



2024/06 – Corporate Planning

The scope of this audit was to consider whether the College’s planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement (ROA), and the detailed operational plans. The overall objective of the audit was to obtain reasonable assurance that the College’s planning process accords with good practice.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Following expiry of the current Strategic Plan 2021 – 2023, the College is undergoing a full and comprehensive review and development process to develop a new five-year Strategic Plan. There is a timetable in place setting out each step of the plan and the deadlines by which these should be completed. The existing Strategic Plan remains in place in the interim period as the key objectives are still reflective of the College’s overall mission.
- A Strategic Plan Planning Process document has been developed to guide the corporate planning process.
- A Steering Group has been formed to help guide the corporate planning process, led by the Vice Principal of Curriculum and Quilty. This is further supported by a Working Group with staff and student representation and input from established staff and student groups.
- There are a number of supporting sub-strategies which link directly to the Strategic Plan. These are being redeveloped as part of the ongoing corporate planning process but will continue to link with the overall Strategic Plan and objectives with consideration given to reducing and simplifying strategies where possible.
- There are plans to undertake significant engagement with all key stakeholders to ensure their needs are considered and reflected within the new Strategic Plan. This is in line with work already in place and used to develop the ROA each year.
- Enhancement plans are in place at all levels of the College including an overall College enhancement plan, plan for each curriculum area, at sector level, and for all support services. Each enhancement plan contains development drivers, providing objectives at strategic and operational levels which align with the overall strategic direction of the College.

Final Issued – July 2024

The specific objectives of our audit were to obtain reasonable assurance that:	
1. The corporate planning process is adequately planned and challenged for robustness	Good
2. Linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated	Good
3. Operational plans are robust and include detailed prioritised action plans	Good
4. The Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators	Good
5. There is effective linkage between planning and budgeting at all levels	Good
Overall Level of Assurance	Good



2024/06 – Corporate Planning (continued)

Strengths (continued)

- Key performance indicators (KPIs) are in place against each of the five strategic objectives within the Strategic Plan. Reporting against these is provided in the annual Evaluation report with detail about achievements in the past academic year. This information is also reported to the Curriculum and Quality Committee and Regional Board on an annual basis.
- Each enhancement plan has detailed actions which should be implemented to support achievement of the relevant operational or strategic aim. These are reported on twice a year, in February and September, to the Director of Quality, to ensure appropriate monitoring and measure progress against these plans.
- There are effective linkages between the planning and budget setting processes, with consideration given to priorities set out in the Strategic Plan and supporting sub-strategies, the ROA, and enhancement plans when setting budgets.

Weaknesses

- No significant control weaknesses were identified during our review.



2024/07 – Space Management (Business Process Review)

The scope of this assignment was to carry out a review of the current processes used by staff for room allocation and the calculation of room utilisation.

The table opposite notes each separate objective for this review.

Strengths

- The Central Timetabling Team, consisting of the Quality Services Manager and two Timetabling Officers, provides strong support to Course Managers (CMs) who are relatively new to their timetabling roles.
- The Timetabling and Registers Guidelines, reviewed annually, outline timetabling principles, roles, scheduling rules, amendments, feedback processes, and system guidance.
- Timetabling is centralised and conducted in two main phases: Semester 1 and Semester 2. Faculties may timetable for the full academic year when student cohort numbers are known.
- Draft Semester 1 timetables are aimed to be completed by the end of June, with final timetables available for students during enrolment. Semester 2 timetables are confirmed by mid-December.
- Student feedback on timetabling is collected through Class Rep processes and annual surveys, with the Student President addressing issues raised with management and curriculum areas.
- Timetabling utilises Celcat and integrates with student recruitment data from UNIT-e, with reports generated in Power BI and compliance status provided to Associate Vice Principals (AVPs).

Final Issued – September 2024

The objective of our audit was to obtain reasonable assurance that:

1. The College is aware of how teaching and support space is currently being utilised
2. The timetabling process takes sufficient cognisance of space utilisation, ensuring efficient use is being made of College teaching rooms
3. There are appropriate monitoring and reporting frameworks in place
4. The anticipated outcomes for all stakeholders from processes are clearly defined
5. The steps in the value chain (processes) are identified
6. Steps that do not add value are identified with a view to eliminating them;
7. The steps in the value chain (processes) are identified



2024/07 – Space Management (Business Process Review) (continued)

No issues were identified during our review which would subject the College to material or significant risk.

There was one high priority area for investigation or improvement:

- A comprehensive facilities review of the college estate, along with an analysis of the involving curriculum, staff, and student needs across campuses, should be conducted to address current curriculum demands and broader campus requirements. To ensure coordinated planning, the connection between curriculum, the timetabling team, estates, and IT planning should be strengthened, potentially through the establishment of a working group under the City Futures Group that focusses on short term needs from the estate.



2024/08 – 2023/24 Student Activity Data

Final Issued – November 2024

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 Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Our report was submitted to the SFC on 19 November 2024. 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
- we can provide reasonable assurance that the FES return is free from material misstatements.

Four recommendations were made in our internal audit report, including that: the College should ensure evidence of progression and participation / engagement is retained to evidence eligibility of the Credits claimed for open / distance learning students. Where curriculum staff identify that no evidence is available, or that students are no longer engaging, this should be notified to the Student Records team to ensure that the Credits are removed from the Credits claim; and for all College rated units, the College should ensure that adequate supporting evidence is available for planned learning hours to verify the Credits claim.



2024/09 – 2023/24 Student Support Funds

Final Issued – November 2024

For the 2023/24 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2024, is in agreement with underlying records.

We were able to certify the Higher Education Discretionary and Childcare Fund for the year and submit this to SAAS, without reservation. In our covering letter to SAAS we made one observation. The College does not operate a separate interest-bearing bank account for the Higher Education Discretionary Fund. Whilst the College does have a student funding bank account, some student funding income and expenditure is processed through the main College bank accounts, although this is fully reconcilable. The College utilises the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

In our covering letter to the SFC enclosing the audited EMA Return we made one reservation arising from our audit work. Maintenance payments made by the College during 2023/24 totalled £299,100 against £300,000 claimed on the monthly EMA returns which was due to BACS rejections being included in the EMA monthly claims in error. As agreed with the SFC the overclaim of £900 has been deducted from the September 2024 maintenance claim. Similar issues were noted in previous years in terms of differences between the monthly claims and the financial ledger and we have repeated last year's recommendation that the monthly EMA claims are fully reconciled to expenditure in the financial ledger.

We were able to certify the Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return for the year and submit this to SFC, without reservation. In our covering letter to the SFC we made one observation arising from our audit work. From review of all students in receipt of FE Discretionary Fund funding, we noted two students in receipt of more than the £5,000 cap stated in the SFC guidance for 2023/24 and where approval was not sought from the SFC. The students received payments totalling £5,350 and, £5,169.92 respectively for General Expense Awards and Emergency Cost of Living, giving a total of £519.92 paid above the cap. During discussion with College staff, we were advised that in the student funding system, TeQuios, the normal General Expense Awards and the Emergency Cost of Living awards are not automatically combined, meaning the member of the Student Funding team processing awards has to manually combine the two categories in order to calculate the total FE Discretionary funding awarded to a student. In both cases, the original General Expense Awards did not exceed the £5,000 cap and the amounts paid above the cap related to Emergency Cost of Living awards made to the students. A recommendation has been made to ensure a check is made and approval obtained.



2024/09 – 2023/24 Student Support Funds (continued)

In addition, the following points were noted during the course of our audit:

Bursary Study Expenses

We noted that distribution lists of the students receiving study materials purchased centrally by the College were not available for audit for the sample of invoices tested. A recommendation has been made to ensure these are maintained.

Award Letters

Two instances were noted during our sample testing of bursary and childcare where we could not fully agree payments made to students to award letters as copies of the latest award were not available following re-assessment. A recommendation has been made to ensure that revised award letters are always issued and copies retained.

Bursary Fund – Print Costs

For 2023/24 we noted that the calculation of internal costs incurred by the College for the printing of essential texts £75,400 (approx. £31 per student) was made on the same basis as in previous years since 2020/21. This methodology assumes that all copying charged to the Teaching codes is for study materials (essential texts). Any books and newspapers that are not essential to the course e.g. additional reading materials would also not be eligible to be funded through the study expense allowance. We previously recommended that the College should refine the print costs re-charge calculation to address these issues however the methodology has not been reviewed.



Time Spent - Actual v Budget 2023/24

	Report number	Planned days	Actual days feed	Days to fee at Nov 2024	Days to spend / WIP	Variance
Student Experience						
<i>Student recruitment and retention</i>	2024/02	5	5	-	-	-
Estates and Facilities						
<i>Space Management</i>	2024/07	6	6	-	-	-
Commercial Issues						
ASET	2024/05	6	8	-	-	2
Organisational Issues						
Corporate Planning	2024/06	6	6	-	-	-
Environmental Sustainability	2024/03	5	5	-	-	-
Other Audit Activities						
Credits audit	2024/08	7	-	7	-	-
Student Support Funds	2024/09	8	-	8	-	-
Management and Planning)	2021/01	5	5	-	-	-
External audit / SFC)						
Attendance at Audit & Risk Committee)						
Follow-up reviews	2024/04	2	2	-	-	-
Total		50	37	15	-	2



Operational Plan for 2024/25

- 5.1 As outlined at the Audit and Risk Committee in September 2024, the draft plan for 2024/25 has been based on discussions with the Leadership Team, consideration of areas of higher risk and need arising from a review of the College's Strategic Risk Register and taking into account previous internal audit coverage
- 5.2 The annual programme of internal audit activity in relation to 2024/25, is shown below.



Proposed Allocation of Audit Days for 2024/25

	Category	Priority	Planned 24/25 Days
Reputation			
Publicity and Communications	Gov	M	5
Health and Safety	Gov	M	
Student Experience			
Curriculum planning	Perf	M	
Student support	Perf	M	
Student recruitment and retention	Fin/Perf	H	
Students Association	Gov	M	5
Timetabling and Registers (BPR)	Perf	M	
Staffing Issues			
Staff recruitment and retention	Perf	M/L	
Workforce planning	Perf	M	5
Payroll	Fin	M	
Estates and Facilities			
Building maintenance	Fin/Perf	H/M	
Estates and facilities contract VFM	Fin/Perf	M	
Estates strategy / capital projects	Fin/Perf	H/M	
Space management	Perf	H	
Financial Issues			
Budgetary control	Fin	H	
Financial planning	Fin	H	
Student fees and contracts / registry	Fin	M	5
General ledger	Fin	M	
Procurement and creditors / purchasing	Fin	M	
Debtors/ Income	Fin	M	
Cash & Bank / Treasury management	Fin	M	
Commercial Issues			
Business Development	Fin/Perf	H/M	
ASET	Gov/Fin/Perf	H/M	



Internal Audit Annual Report 2023/24

	Category	Priority	Planned 24/25 Days
Organisational Issues			
<i>Risk Management*</i>	Perf	M	
<i>Business Continuity*</i>	Perf	M	
<i>Corporate Governance</i>	Gov	M	
<i>Corporate Planning</i>	Perf	M	
<i>Performance reporting / KPIs</i>	Perf	M	
<i>Partnership Working</i>	Gov/Perf	M	
<i>Environmental Sustainability</i>	Gov	M	
Information and IT			
<i>IT network arrangements**</i>	Perf	M	
<i>BYOD VFM</i>	Perf/Fin	M	
<i>Data protection**</i>	Gov	H	
<i>Systems development / implementation</i>	Perf	M	6
<i>Website delivery project VFM</i>	Perf / Gov	M	
<i>IT / Digital strategy</i>	Perf	M	
<i>IT operations</i>	Perf	M	
<i>Artificial Intelligence</i>	Perf	M	
Other Audit Activities			
Credits audit		Required	7
Student Support Funds		Required	8
Management and Planning)			5
External audit / SFC)			
Attendance at Audit & Risk Committee)			
Follow-up reviews		Various	2
Audit Needs Assessment			
Total			48 =====

Key

Category: Gov – Governance; Perf – Performance; Fin – Financial

Priority: H – High; M – Medium; L – Low



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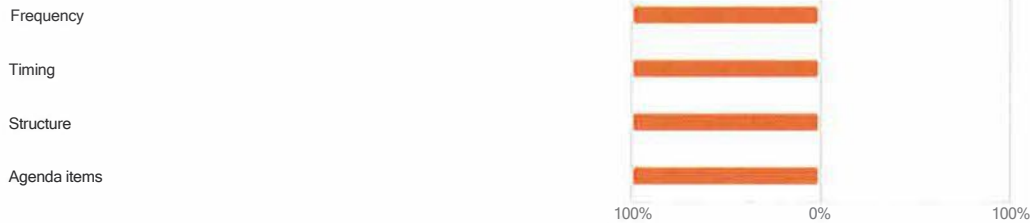
AUDIT AND RISK COMMITTEE	
Meeting of 27 November 2024	
Title: Committee Evaluation Feedback	
Author: Susan Lawrance, Secretary to the Board	Contributor(s):
Type of Agenda Item: For Decision <input type="checkbox"/> For Discussion <input checked="" type="checkbox"/> For Information <input type="checkbox"/> Reserved Item of Business <input type="checkbox"/>	
Purpose: To provide the Committee with an opportunity to consider Members' feedback relating to the Committee's performance.	
Linked to Strategic Goal:	
Linked to Annual Priority:	
Executive Summary: Attached as Appendix 1 is feedback submitted by Committee Members on the performance of the Committee. The feedback was gathered through the use of an online anonymous questionnaire.	
Recommendation: It is recommended that the Committee discuss the information provided and agree if any actions are required to strengthen the performance of the Committee.	
Previous Committee Recommendation/Approval (if applicable): None	
Equality Impact Assessment: Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact <input checked="" type="checkbox"/> Evidence:	

Responses Overview Active



1. How satisfied are you that the meeting arrangements are appropriate and support the overall effectiveness and remit of the Committee?

Very satisfied
Somewhat satisfied
Neither satisfied nor dissatisfied
Somewhat dissatisfied
Very dissatisfied



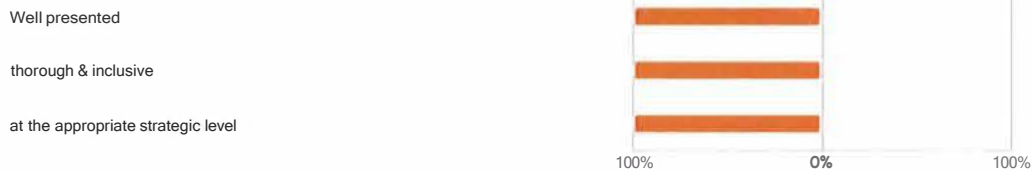
2. Please provide any additional supporting comments in relation to question 1, including any proposed agenda items/areas of focus for consideration.

3
 Responses

Latest Responses
[See Additional Comments page](#)

3. How satisfied are you that the support and information provided to the Committee by members of the Executive and Leadership team is:

Very satisfied
Somewhat satisfied
Neither satisfied nor dissatisfied
Somewhat dissatisfied
Very dissatisfied



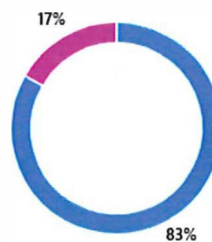
4. Please provide any additional supporting comments in relation to question 2, including any suggested improvements.

3
 Responses

Latest Responses
[See Additional Comments page](#)

5. Do you agree that Committee Members are fully engaged, ensuring there is a thorough discussion of Agenda items and constructive challenge is provided as appropriate.

Strongly Agree	5
Agree	1
Disagree	0



6. Please provide any additional comments including suggestions to encourage further engagement

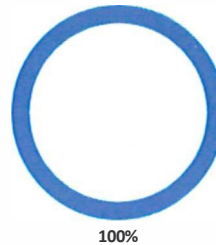
2
Responses

Latest Responses
See Additional Comments page

...

7. Do you agree that the collective skills, knowledge and experience of Committee members allow the Committee to fulfill its governance role and remit?

Strongly Agree 6
Agree 0
Disagree 0



8. Please provide any additional comments in relation to Committee Members collective skills, knowledge and experience.

3
Responses

Latest Responses
See Additional Comments page

...

9. In considering your own skills, knowledge and experience, please comment on how well you believe you contribute to the work of the Committee, highlighting how this could be enhanced.

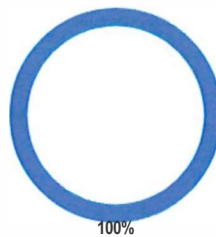
5
Responses

Latest Responses
See Additional Comments page

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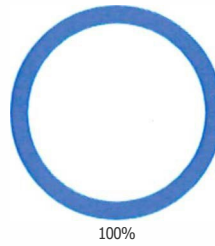
10. Do you agree that the Chair provides strong leadership to ensure that the Committee's work effectively supports the College's strategic ambitions?

Strongly Agree 5
Agree 0
Disagree 0



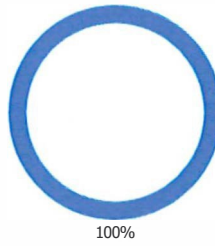
11. Do you agree the Chair effectively communicates with meeting attendees, encouraging equality of participation from all Members. This includes listening; explaining; questioning; influencing and challenging constructively.

Strongly Agree 5
Agree 0
Disagree 0



12. Do you agree the Chair provides attendees with sufficient time to debate and decide issues in an informed and rigorous manner ensuring issues are properly discussed, decisions are clear and Committee Members accept collective responsibility?

Strongly Agree 5
Agree 0
Disagree 0



13. Please provide any additional comments you may wish to make on the Committee Chair's performance.

2
Responses

Latest Responses
[See Additional Comments page](#)

...

Audit and Risk Committee Evaluation Feedback

Additional Comments

Qstn 2: Proposed agenda items areas of focus for consideration:

- Meetings are well structured leaving room for discussion and to aid understanding when required.
- The meetings always have a clear agenda and allow plenty of time for sharing of important information and discussion.
- The meeting agenda and timings continue to be relevant and appropriate.

Qstn 4: Suggested improvements/comments in relation to information provided to Committee by Members of ET and LT:

- Reports are always informative and enable good decision making
- Feedback that I provided about the risk register and how to improve it's value was incorporated and it is good to see how this is helping now in our discussions around risk management, and has given more clarity on the changes and status of the strategic risks that we monitor.
- The papers prepared in advance are consistently of a high quality in content and depth of detail.

Qstn 6: Comments including suggestions to encourage further engagement:

- The meeting is very well chaired and everyone has the opportunity to speak. It never feels rushed and all discussion points raised are given proper attention.
- Newer members of the committee are always encouraged to contribute their thoughts. This is building confidence over time.

Qstn 8: Comments in relation to Committee Members' collective skills, knowledge and experience:

- There is a range of different thinkers across the committee that enables challenge and discussion safely
- There is a good balance of diverse skills represented in the committee's membership
- Think committee has a good mix at present

Qstn 9: How well do you believe you contribute to Committee Work, any enhancements required:

- Due to my external role I have a good sense of risks the college may be facing and can bring this into the discussions.
- With my background in engineering and technical safety in the offshore oil and gas industry, I have a deep understanding of audit and risk management. I also have experience of developing and managing complex processes and procedures as well as quality improvement processes. I have been able to use this experience to help suggest improvements to the strategic risk register.
- I believe I always have the opportunity to contribute when I consider it appropriate to do so
- I always try to contribute where I can, however i think it's up to others to decide if my contributions are valuable.
- Always interested in CPD opportunities but can't think of anything specific at present

Qstn 13: Any additional comments on the Committee Chair's Performance:

- I have never left a meeting thinking I still have questions!
- It is my opinion that Jim has been consistently capable, competent and thorough in his handling of business in these meetings and I thank him for this and congratulate him on his efforts.

AUDIT & RISK COMMITTEE	
Meeting of 27 November 2024	
Title: Data Protection Annual Report	
Author: Malcolm Johnson/Marcelyn Akun	Contributor(s): Linda Taylor
Type of Agenda Item: For Decision <input type="checkbox"/> For Discussion <input type="checkbox"/> For Information <input checked="" type="checkbox"/> Reserved Item of Business <input type="checkbox"/>	
Purpose: To enable the Committee to have oversight of the activities undertaken by Data Protection Officer during AY 23/24, and any Data Protection issues during the year	
Linked to Strategic Theme: 4. Delivering Excellence and Innovation	
Linked to Strategic Risk(s): 6.1 and 6.2	
Executive Summary: NESCol continues to meet its responsibilities in the area of Data Protection. The Training materials have been reviewed and updated, and a programme of mandatory training introduced. Notice has been given to HEFESTIS Ltd who provide the contract for a shared service Data Protection Officer. This provision has been taken back in-house making a considerable cost saving.	
Recommendation: It is recommended that the Committee note the contents of the paper.	
Previous Committee Recommendation/Approval (if applicable):	
Equality Impact Assessment:	

Positive Impact ☒

Negative Impact ☐

No Impact ☐

Evidence: Internal audits confirm whether we are complying with our legislative responsibilities. Data Protection laws ensure that we are protecting personal and special data.

Data Protection Annual Board Report Aug 2023 – July 2024

North East Scotland College

Marcelyn Akun, Data Protection Officer, Malcolm Johnson –
Information Security & Data Protection Manager.

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Introduction

This annual DPO report summarises the key activities and outcomes of work carried out by the Data Protection arm of the college during the 2023-24 college year. It also provides an oversight of organisational data protection compliance and assurance. This is a Board summary report of key data protection and information governance activity and issues to date. It serves as NESCol's Data Protection and Information Governance annual assurance report. NESCol operate a Data Protection Governance Group which meets quarterly throughout the year which is attended by various departmental heads such as Director of Student Access and Support, Head of Planning & Academic Partnerships, Information Security & Data Protection Manager and a host of others. Progress against the Annual DPO Compliance Plan and the college's DP Accountability Framework (as recommended by Information Commissioner's Office (ICO)) are discussed in detail in those meetings and as required on a priority basis throughout the year.

Data Protection Impact Assessments

Assessments reviewed

Data Protection Impact Assessments (DPIA) are the means by which NESCol evidences that Privacy by Design is being implemented into new processes, services and technologies.

Article 35 (UK GDPR) requires a DPIA to be completed where the “nature, scope, context and purposes of the processing, is likely to result in a high risk to the rights and freedoms of natural persons [living people].” The UK GDPR requires that “The controller shall seek the advice of the data protection officer, where designated, when carrying out a data protection impact assessment.”

The use of a DPIA to review legitimacy, risks and controls for processing of personal and special category data is central to an organisation's understanding and management of that processing and reflects a core organisational management tool that is of high interest to senior management of the College. Not all processing or intended processing is likely to result in high risks. However, in line with national and industry recommendations, it is highly recommended that a DPIA is utilised as the default tool for identifying risks and designing controls for processing of personal data. Article 36 (UK GDPR) requires that the organisation consult with the supervisory authority (ICO) where a DPIA indicates that “the processing would result in a high risk in the absence of measures taken by the controller to mitigate the risk.”

Data Protection Impact Assessments Completed (DPIA)

There have been ten data protection impact assessments completed in the year 2023-24. DPIA is an area where training to individual teams is required to ensure improvement in the internal knowledge base in order to enable NESCol to manage data protection impact assessments.

Policy & Procedure DPO review

Review or new	Policy & Procedure title	Date reviewed	Recommendations or changes implemented
New	Data Classification & Handling Policy (Draft)	New policy in progress	New policy in progress
Review	OS01 Data Protection Policy	May 2024	changes implemented
Review	OS02 Freedom of Information Policy and Procedure	May 2024	changes implemented
Review	OS03 Records Management Policy	April 2024	changes implemented
Review	1098 Data Sharing	March 2024	Changes implemented

Data Protection Incidents and Breaches

NESCol have a high awareness when it comes to incident reporting and are keen to capture all incidents, implementing lessons learnt.

There was one major incident with the firewall, however no compromise of the firewall occurred, and no personal data was affected.

Within the 2023–24 period NESCol have experienced 7 data protection breaches, all related to email, where emails have been sent in error to the wrong recipients. It was noted that the 7 email breaches were categorised as low risk and low impact. This compares with 5 data protection breaches in 2022/23, where 4 related to email activity.

All staff responsible for breaches have undertaken further training.

Neither the incident or data breaches were reportable to the ICO and no data subjects had to be notified.

Subject Access Requests (SARs)

There have been 2 subject access requests received in the year 2023-24, compared to 4 requests received in 2022/23. The DPO has identified that SAR is an area where training to individual teams is required to ensure improvement in the internal knowledge base in order to enable NESCol to manage an efficient, compliant subject access request service.

SAR Breaches and lessons learnt

There has been no breach to SAR nor any complaints to the ICO within this reporting year.

Internal/external Audit Report

There has been no requirement for an external or internal audit to be carried out for NESCol.

Contracts and Agreements

Tribal	Contract Review
BP – Student Tutoring Scheme	Data Sharing Agreement
Tac Healthcare	Contract Review

Training Materials Produced by DPO

July 2024	Reviewed the new CLC online training course, created DP introduction and MS Form that will all now be presented on Brightspace/MyNescol VLE and will be part of regular mandatory training for all staff.

Other DPO Engagement inc. CPD for DPO

May 2024	Certified Data Protection Foundation and Practitioner qualification being undertaken. Exam still to be taken
July 2024	HEFESTIS Data Protection away day

Overall Annual Summary.

Throughout the 2023-24 year, NESCol have been enthusiastic and proactive in embedding and improving its organisational practices and culture with regards to data protection operational working and culture. This has been reflected primarily through NESCol close-working and engagement with its DPO who has worked as a key member of the organisational governance structure and whose operational input has driven this forward. Note should be given to the engagement by the organisation with Data Protection Impact Assessments, their commitment to and achievement of organisational information governance training and their determination in upholding data subject rights and freedoms as described within UK GDPR / Data Protection Act (2018), and in particular subject access requests which often poses significant challenges for most organisations. Through their continued and practical close engagement with the Data Protection Officer, NESCol can reflect a sincere organisational commitment to embedding data protection within its organisation.

A new data protection training platform has been introduced by the Learning and Development team. This new platform should significantly enhance our data protection capabilities and ensure the college remains compliant with data privacy regulations.

The platform covers core principles of data protection, including lawful processing, data subject rights, data breach protocols, and security best practices and includes quizzes, and scenario-based simulations to enhance understanding and application of data protection rules.

All staff will be encouraged to complete their training promptly and the training will be mandatory for all staff.

CyberComply is an online tool we have been analysing that centralises data protection compliance activities by leveraging automated tools and streamlining processes; various stakeholders have now had live demos presented by the supplier and we are now about to start a trial with a working group identified to make sure that the tool has all the functional requirements that the college and the data protection service would require.

Change in Data Protection Officer role

It is a legal requirement that North East Scotland College (NESCol) has a Data Protection Officer. This role has been provided by HEFESTIS Ltd under a shared service contract. As part of the cost savings review undertaken by the Leadership Team in 2023/24 this service was identified as one where savings could be made. The role of the Data Protection Officer could be merged with the Information Security role, with existing support to help with the workload.

At the end of the 2023/24 academic year, this proposal was approved and NESCol created an updated role of Information Security & Data Protection Manager. This brings the responsibility for Data Protection in-house again. Training is being undertaken by the Information Security & Data Protection Manager. 3 months' notice was given to HEFESTIS at the end of July 2024 to terminate the contract which runs until 31 Oct 2024. After negotiation with HEFESTIS it has been agreed that instead of providing cover 3 days per week in Sep and Oct 2024, they will continue to provide support for 2 x half days per week until Jan 2025.