

## AUDIT AND RISK COMMITTEE

### NOTICE

There will be a meeting of the Audit and Risk Committee on 6 May 2025 at 1730 hours in the Boardroom and on Teams.

### AGENDA

Agenda Item		Paper	Lead
01	Apologies for Absence	N	VA
02	Declaration of any potential Conflicts of Interest in relation to any Agenda items	N	VA
03	Minutes of Previous Meeting – 4 February 2025	Y	PS
04	Matters Arising from the Previous Meeting	N	PS
	<b>Matters for Discussion</b>		
05	<b>Reserved Item: Commercially Sensitive Internal Audit</b> 05.1 Audit Report 2025/02 – Payroll	Y	DA
06	06.1 Rolling Audit Recommendations Commentary 06.2 Rolling Audit Recommendations Monitor	Y	EMcK
07	Risk Management – Risk Register 07.1 Commentary on SLC Strategic Risk Register 07.2 SLC Cyber Risk Register and CRF 07.3 SLC Data Protection – ICO Accountability Tracker 07.4 Regional Strategic Risk Report	Y	EMcK
08	UK Public Sector Internal Audit Changes: 1 April 2025	Y	DA
	<b>External Audit</b>		
09	Draft External Audit Plan for 2024-25	Y	AK
10	National Fraud Initiative: Results 2023/24	Y	EMcK
	<b>Matters for Information</b>		
11	<b>Reserved Item: Sensitive Information</b> Pension Project Update	Y	GMcl
	<b>Matters for Information</b>		
12	Governance Rolling Review	Y	VA
13	Cyber Essentials Certificate	Y	CS
14	Audit Scotland Technical Bulletin	Y	EMcK
15	Summation of Actions and Date of Next Meeting		VA
16	Any Other Business		

**Key:**

AK Senior Audit Manager, Audit Scotland: Andrew Kerr  
CS Head of MIS: Chris Sumner  
DA Partner, Henderson Loggie LLP: David Archibald  
EMcK Vice Principal Finance Resources and Sustainability: Elaine McKechnie  
GMcl Head of Human Resources: Gary McIntosh  
PS Chair: Peter Sweeney  
SMcM Principal: Stella McManus  
VA Governance Professional: Vari Anderson

## UNCONFIRMED ARC MINUTES

### AUDIT & RISK COMMITTEE

#### MINUTES

ARC Committee on 4 February 2025 at 1730 hours via Microsoft Teams or in the Boardroom at South Lanarkshire College

#### Present

Peter Sweeney, Acting Chair  
Heather Anderson, Vice Chair of the Board  
Anne Doherty, Support Staff Member  
Jacqueline Morrison

#### In Attendance

Stella McManus, Principal  
Elaine McKechnie, VP for Finance, Resources and Sustainability  
Ciaran O'Brien, Audit Scotland  
David Archibald, Henderson Loggie  
Chris Sumner, Head of MIS  
Gary McIntosh, Head of HR  
Yvonne Finlayson, Chair of LRSB ARC  
Douglas Morrison, Chair of the Board

Vari Anderson, Governance Professional

#### AGENDA ITEM

01

#### Apologies for Absence

Tom Feely, Fiona Whittaker

02

#### Declaration of any potential Conflicts of Interest in relation to any Agenda items

None.

03

#### Minutes of Previous Meeting – 15 November 2024

The minutes were duly **approved**.

04

#### Matters Arising from the Previous Meeting

#### Matters for Discussion

05

#### Internal Audit

#### Reserved Item – Commercially Sensitive

#### 05.1 Consultancy Review of Payroll and Pensions Management

The Committee were provided with an update regarding the review of payroll and pensions management.

The details could not be published due to being commercially sensitive.

The Committee were assured that Regional Governance was being followed and the matter would be raised at the LRSB's ARC.

	As an <i>action point</i> , Stella to organise a meeting with the Chair of the LRSB.HR and Finance to communicate with HMRC.
06	<p><b>6.1 Rolling Audit Recommendations Commentary</b> The Committee noted the work that has been done to address the recommendations to date.</p> <p><b>6.2 Rolling Audit Recommendations Monitor</b> The terms of the Rolling Audit Recommendations Monitor were noted.</p> <p>The Committee gave thanks to Henderson Loggie for conducting the risk appetite session in November which was well received by the Board and Senior Leadership Team.</p>
07	<p><b>Risk Management – Risk Register</b>  <b>7.0 Commentary on SLC Strategic Risk Register</b>  <b>7.1 SLC Strategic Risk Register</b>  <b>7.2 SLC Cyber Risk Register</b>  <b>7.3 Regional Strategic Risk Register Audit</b></p> <p>The Committee noted that there has been no movement in risk scorings since November 2024. Owing to the Christmas College sector shut-down and the ongoing stagnancy of many issues within the political landscape regarding Educational Reform, Budget constraints, National Bargaining and various sector-wide strategic frameworks, the College Risk Management Group did not deem any change necessary to the risk scoring this quarter.</p> <p>The Committee were advised that the new Head of Finance is due to start on 17 March 2025.</p>
08	<p><b>Update from SLC Quality Enhancement Group</b>  <b>Quality Assurance and Enhancement Group Membership</b>  <b>Quality Audit Schedule 2024-2025</b>  <b>EMA ‘Spot Check’ 1<sup>st</sup> Audit 4 December 2024</b></p> <p>The Committee considered and noted the remit and membership of the Quality Assurance and Enhancement Groups, the Quality Audit Group (QAG) Audit Schedule for 2024-25 and the results of the recent EMA 1<sup>st</sup> Block Audit. It was noted that this function is not new activity for the College but rather demonstrates a renewed focus on various quality-focused groups with some renaming of subgroups and reorganisation of committee remits to minimise risk.</p>
	<b>External Audit</b>
09	<p><b>External Audit Proposed fees 2024-25</b> The Committee noted and agreed the proposed level of fee set by Audit Scotland and the Auditor General for 2024/25. It was noted that the budget and fees recognise the difficult financial environment and the challenges facing public services, and public audit’s role in helping meet them.</p>
	<b>Matters for Approval</b>
10	<p><b>SLC Digital Strategy</b> The Committee considered the terms of the SLC Digital Strategy and <b>remitted</b> to the Board for approval. The Committee gave thanks to Chris Sumner for his work on both the digital strategy and for representing the College at the JISC event in Manchester in January 2025.</p>

	<b>Matters for Information</b>
11	<b>Pension Project Update – Reserved Item – Commercially Sensitive</b> The Committee were provided with an update regarding the pension project plan.  The details could not be published due to being commercially sensitive.
12	<b>Governance Rolling Review</b> The Committee noted the updates to the Rolling Review.
13	<b>Audit Scotland Technical Bulletin</b> The terms of the Technical Bulletin were noted.
14	<b>Summation of Actions and Date of Next Meeting – 6 May 2025</b>  Item 5 – <i>Action Point</i> – Stella to organise a meeting with the Chair of the LRSB. HR and Finance to communicate with HMRC. Item 10 – SLC Digital Strategy remitted to the Board for approval
15	<b>Any Other Business</b> There being no other business the meeting was declared closed.

### AUDIT AND RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	Rolling Audit Recommendations Monitor
<b>REFERENCE</b>	06.1
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie Vice Principal – Finance, Resources & Sustainability <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To present an update on the work that has been undertaken by the College to address previous audit recommendations.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>• note a further 6 recommendations have been marked as closed during the last quarter.</li> </ul>
<b>RISKS</b>	<ul style="list-style-type: none"> <li>• That the College does not have appropriate internal controls to safeguard its staff, students and assets</li> <li>• That the College does not have adequate risk management processes and procedures in place.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• 6 recommendations have been closed off during the last quarter.</li> <li>• There are now 27 outstanding recommendations on the monitor, covering 1 Cyber Security, 1 Health &amp; Safety, 3 Staff Recruitment &amp; Retention, 4 Budgetary Control, 4 Student Support Funds, 2 Student Activity (Credits), 1 Publications and Communications Audit, 1 Procurement and Purchasing/Creditors, 3 Business Process Review Space Management/Room Utilisation and 7 Payroll &amp; Pension Management.</li> <li>• The achievement of all recommendations above continues to be dependent on staff compliance with policies, procedures, training initiatives and new systems and the College having sufficient staff resources to undertake work.</li> <li>• The College also acknowledges that the recent voluntary severance scheme launch and ongoing restructure has absorbed significant time and priority for many support staff departments, which has caused some temporary slippage on previously targeted dates for completion. These will be prioritised for completion over the next quarter.</li> </ul>

## **1 INTRODUCTION**

- 1.1. This paper provides an update of the College's progress in responding to Internal Audit Recommendations from prior audit engagements. It is a centralised point of reference for logging of all actions taken to ensure that the recommendations are enacted. The report is subject to an internal review by the Senior Leadership Team (SLT) on a quarterly basis, with updates provided by the owner of the recommendations. This ensures sufficient focus and commitment from the College to ensure that recommendations are accepted and enacted.

## **2 BACKGROUND**

- 2.1 Internal Audit is a necessary function to ensure good governance and control within each area of College operations. The report details findings from Internal Audits with College management response to those findings and suggestions as to timeframes for completion of work required to address concerns raised.

## **3 CYBER SECURITY**

- 3.1 1 Audit recommendation remains for completion by the end of September 2025.
- 3.2 The Incident Response Process, and supporting playbooks, that was originally in plan for the SLT at the Staff Development Day in December 2024 had been moved to end of March 2025 due to competing priorities across the winter term. However, due to the changes in Senior Leadership Team staff following the restructure, this process has been moved out to later in the year/academic year 25-26 once all postholders are in place.

## **4 HEALTH & SAFETY**

- 4.1 The College remains confident in its ability to close the 1 remaining recommendation.
- 4.2 The reporting of an Annual Health and Safety Report to be incorporated into the forward workplan for the Human Resources Committee is a key priority for the College. The Estates team is undertaking work to ensure that this is completed as soon as possible for review. This is underway however has not yet been completed and is now in view for completion by May 2025.

## **5 RISK MANAGEMENT**

- 5.1 The residual recommendation has now been closed off during this quarter.

## **6 STAFF RECRUITMENT & RETENTION**

- 6.1 Three recommendations remain in progress as at April 2025. The College remains committed to improving its staff recruitment and retention management and work is underway to ensure full compliance with the following recommendations through refreshment of key policies and procedures and through the implementation of the new HR system which is and will continue to improve reporting capabilities.
- 6.2 The new HR system is now the lead payroll system at the College however as has been previously advised, there have been delays in the project, leading to delays in ensuring

full data transfer from legacy system, for which HR estimates a revised timeline for completion of May 2025.

6.3 In addition, owing to the work ongoing with the pension contribution project and the restructure and voluntary severance, the prioritisation of refreshing dated policies procedures and specifically, implementing a Recruitment Policy, have been pushed out. Subsequent progress updates will be brought to the next committee meeting.

## **7 BUDGETARY CONTROL**

7.1 The College remains committed to enhancing the quality of financial reporting and specifically the annual budget process through the closure of the remaining 4 audit recommendations.

7.2 As part of the current budget setting process for 2025-26, progress is underway to fully document a budget process and ensure a more bottom -up approach is taken to budgeting, holding budget holders accountable for their department's finances.

7.3 Similarly, with the new Head of Finance only recently joining the College in March 2025, work to embed a more formalised month end process is still in train.

7.4 In respect of training for Budget holders in budget and financial information, attendance by the finance team at a future Curriculum Management meeting will be arranged during early 2025-26 to set out and imbed processes and procedures going forward.

## **8 STUDENT SUPPORT FUNDS**

8.1 The College recognises the importance of the student support funds audit and the role that the College plays in administering public funds to qualifying students. There are 4 outstanding audit recommendations on the monitor as at April 2025.

8.2 These recommendations are now expected to be completed by July 2025 and evidenced in Sep 2025, once the full quota of students is contained within the 24/25 FES return and new processes can be tested and evidenced during the audit preparation phases for that return.

8.3 Monthly check of FES categories will be implemented to ensure any miscategorised students will have their details corrected by the student support team before any over/under payment takes place prior to the end of the academic year.

## **9 STUDENT ACTIVITY (CREDITS)**

9.1 The College is committed to ensuring upmost accuracy in credit claims for student activity through greater data checks and through the latter implementation of a new student record system to auto-enhance data integrity.

9.2 The College expects to close these 2 audit recommendations during the next audit cycle in September 2025.

## **10 PUBLICITY AND COMMUNICATIONS**



- 10.1 The audit focused on the systems in place within the College for the management of positive and negative publicity externally, and internal communication.
- 10.2 Unfortunately, due to illness, the Vice Principal for Finance, Resources & Sustainability was unable to attend the Media Training course in March 2025. Once the training has been re-arranged and completed, the 1 remaining audit recommendation will be closed off.

## **11 PROCUREMENT AND PURCHASING/CREDITORS**

- 11.1 There is 1 recommendation remaining in respect of the amendment of approvals of low value purchase orders in PECOS to Vice Principals (rather than requiring sign off by the Principal), to reduce the risk of a bottleneck at senior level.. It is anticipated that all updates (including communication of all changes to relevant staff) will now be targeted by end of September 2025, not July 2025.
- 11.2 Owing to the ongoing College restructure and the work that will be required in PECOS to revise system parameters and approvals, it was decided to allow more time for this recommendation and ensure that the new College structure still aligns with current proposal before incurring a significant amount of rework to revise approvals again in the imminent future.

## **12 BUSINESS PROCESS REVIEW: SPACE MANAGEMENT & ROOM UTILISATION**

- 12.1 There are 3 recommendations in progress for this audit.
- 12.2 This review focused on the processes utilised by staff for the completion of course unit information, timetabling (courses, staffing and room allocation), dissemination of timetables, and calculation of room utilisation. While the review concluded that the College has a strong collaborative approach to timetabling and space management, with close working between Curriculum Managers across the College, there is room for improvement.
- 12.3 All recommendations remain in place for completion by December 2025. The Estates Strategy is in progress for launch in early 2025/26 to align to the new strategic priorities which come into effect in August 2025. In addition, the new access control system will support with the production of a centralised room booking system.

## **13 CONSULTANCY REVIEW: PAYROLL AND PENSIONS MANAGEMENT**

- 13.1 There were 12 recommendations returned from this independently arranged audit to review controls and processed within payroll and pensions management.
- 13.2 The College acknowledges that many of the recommendations raised can only be fully completed on the full implementation of Itrent, the Payroll system and the production of reports that will support more detailed monthly checks and analysis.
- 13.3 The College has closed 5 of these recommendations during this quarter, with 7 in view for completion across May – August 2025.

## **14 RESOURCE IMPLICATIONS**

- 14.1 The achievement of all recommendations remains dependent on staff compliance with policies, procedures, training initiatives, new systems being fully operational and the College having sufficient staff resources to undertake work.

14.2 The College also acknowledges that the recent voluntary severance scheme launch and ongoing restructure has absorbed significant time and priority for many support staff departments, which has caused some temporary slippage on previously targeted dates for completion. These will be prioritised for completion over the next quarter.

## **15 EQUALITIES**

15.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **16 RISK AND ASSURANCE**

16.1 That the College does not have appropriate internal controls to safeguard its staff, students and assets; and

16.2 That the College does not have adequate risk management processes and procedures in place. is on the front cover as well, so suggest retaining if further detail is required.

## **17 RECOMMENDATIONS**

17.1 The Committee is asked to:

17.1.1 note a further 6 recommendations being marked as closed during the last quarter.

### **Appendix 06.2 Audit Recommendations Monitor as at 29 April 2025**

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
Report / Action	Recommendation	Action Owner	Grade	Original timescale	Status at 29 April 2025	Expected Completion Date	South Lanarkshire College management update as at 29 April 2025
2021/22							
Cyber Security	The Incident Response Process, and supporting playbooks, should be tested by way of a scenario-based desktop exercise to ensure staff know how to respond during an incident, and to also highlight any problem areas in the planned response.	Heads of IT and HR and the Clerk to the Board	2	31-Mar-23	In progress	<b>Jun-25</b>	<p>Incident response documents exist along with playbooks. Will need review and updated before December. Training for the senior leadership team is scheduled for some time in October.</p> <p>Training for the SLT needs to go on the agenda for the new year. ETA Feb 2024</p> <p>Update April 2024: SLT availability has been limited, the incident response document has been recently reviewed and training for the SLT will be by the end of May. Closure of this item due at that point</p> <p>Update August 2024: SLT will get training at the beginning of the year 24/25 and the presentation/scenario that we use can be shared as evidence of the incident response training</p> <p>Update November 2024: SLT training still needs to be organised, now aiming for the staff development day in December with intention to make this a regular refresher for the group. This is in alignment with work going on with the BCP</p> <p>Update January 2025: SLT training to be arranged; targetting March 2025</p>
Health & Safety	We recommend the reporting of an Annual Health and Safety Report be incorporated into the forward workplan for the Human Resources Committee to ensure that Board Members have the opportunity to consider and approve the annual report and the forward workplan for health and safety activity for the coming year.	Head of Facilities & HS	3	31-Dec-22	Partially complete	<b>May-25</b>	<p>An annual report will be produced reporting on what has been completed during the year and set out the priorities and targets for the coming year. Staff absence has caused a delay in this piece of work progressing more fully but it will be carried out imminently for review at a future HR Committee.(CF)</p> <p><b>Apr '25 - Date moved out to allow for completion of report CF</b></p>
2022/23							
Staff Recruitment & Retention	It is recommended that the College define timeframes for completion of the ongoing review of its recruitment and selection policies to ensure that these are completed in a timely manner and are issued to the relevant staff for their understanding.	Head of HR	2	20-Jan-24	In progress	Aug-25	The College is currently refreshing dated policies and implementing policies where there are gaps. This year, the Human Resources Committee has agreed to a recruitment policy being part of the next suite of new policies being implemented.

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 29 April 2025</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 April 2025</b>
Staff Recruitment & Retention	It is recommended that the College prepare procedural documents to formally document the administration processes to be followed when recruiting a new member of staff, to ensure that the process can be consistently performed by anyone in the event of staff absences / unexpected turnover.	Head of HR	3	20-May-24	In progress	Aug-25	The College is currently refreshing dated procedures and implementing procedures where there are gaps. This year, the Human Resources Committee has agreed to a recruitment procedure being part of the next suite of new procedures being implemented.
Staff Recruitment & Retention	It is recommended that the College set out a clear timeline for importing all relevant hard copy documentation to the new HR system iTrent, to ensure that this data transfer is completed in a timely manner and to avoid a protracted scenario where some information is held electronically and some information is still held in hardcopy files	Head of HR	3	20-May-24	In progress	May-25	Following the implementation of the new HR System, the College will propose the importing of hard copy documentation. This will allow the College time to understand the time and process necessary to undertake this task. The College will aim to have a project plan for the importation by 20th May 2024.  <b>Apr 25: the project plan for importation has been delayed due to delays in the HR System project. It is now envisaged to be created by 1st May 2025.</b>
Budgetary Control	The College should develop a formal budget setting timetable, setting out all key activities in the budget setting process from end to end, to ensure that all activities are completed timeously. The timetable may also assign tasks to responsible individuals, with target completion dates aligned with the Finance and Resources Committee meeting as appropriate.	VP - Finance, Resources & Sustainability	3	31-Jan-24	In progress	Aug-25	Finance team is currently preparing a timetable for the Budget setting process across Feb - May 2024, aligning with the Curriculum Plan.  <b>Apr 25; As advised previously, a draft budget setting process has been prepared and shared with our internal auditors and will be further enhanced with procedure steps as the Finance Team work towards the completion of the Budget setting process for 25/26. With a new Head of Finance only recently in post, the College will conclude the Budget setting process in May and bring an update to the Committee in Aug 2025</b>
Budgetary Control	The College should consider developing enhanced real time financial information and dashboards, perhaps via Power BI, to allow Budget Holders to monitor actual income and expenditure against budget in real time.	VP - Finance, Resources & Sustainability	3	29-Feb-24	In progress	Jul-25	Finance currently working with the Head of IT to further develop Power BI information to enhance reporting capability and results monitoring. <b>Apr 25: As was communicated to Internal Audit at the start of the month, work is ongoing and progress is being made to further build out Power BI capability within financial reporting. Budgets for 24/25 rely on reports and month end income accruals/deferrals will also be centred around Power BI reports.</b>

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 29 April 2025</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 April 2025</b>
Budgetary Control	The Finance team should document the month end process currently followed by Finance, including preparation of budgeting information to allow for prompt publication of income and expenditure by budget line for review and monitoring by Budget Holders. This should be adapted as the capabilities of BluQube are enhanced to include generation of reports immediately following the completion of the month end close process to provide timely information.	VP - Finance, Resources & Sustainability	3	31-Mar-24	In progress	Jul-25	<p>The Finance Department are in the process of updating and formalising its operating and reporting calendar.</p> <p><b>Apr 25; Work is still ongoing to devise a full process and process notes will be built out as the process is embedded. The Finance System was enhanced with consultancy input in September 2024 and the College has purchased the reporting package to enable monthly reports to be run directly from the system with ease. With the new Head of Finance in post the College anticipates more progress on this point over the coming months.</b></p>
Budgetary Control	The College should develop a formal training programme for Budget Holders, which they are required to complete before they undertake their budget monitoring role. Detailed written procedures and guidance documents should also be developed (in parallel with the development of this tailored training for Budget Holders). This will provide a useful reference document for all Budget Holders, which they can consult, as required, following the training.	VP - Finance, Resources & Sustainability	3	31-May-24	Not yet started	Jul-25	<p><b>Apr 25: A formal training programme has yet to be put in place but allowing for 6 month period to embed the Bluqube reporting package and have it fully operational, the College would expect to roll out training to budget holders in conjunction with new reporting system capabilities in 25/26.</b></p>
Student Support Funds	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. Based on the current approach, the College should ensure that the planned study costs for each course still reflect the specific items or materials needed for the course and the current price from suppliers.	Management Accountant	3	29-Feb-24	In progress	Jul-25	<p>The College will continue to analyse all study costs monthly and reconcile them back to Cost of Course forms, adjusting the Teqios system where required, and reconciling this to the general ledger. With regards to distribution lists, the College has implemented a document during the monthly reconciliation process that lists all bursary students and their course code/spend available however this did not tie in to actual spend. The College therefore accepts the action required now to attach actual spend to this document and will work with the curriculum managers to see if a better record of study cost spend can be kept at class level. The College commits to resolving this over the summer with a view to it being evidenced and confirmed in the next FES return audit in Sep 25.</p>

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
Report / Action	Recommendation	Action Owner	Grade	Original timescale	Status at 29 April 2025	Expected Completion Date	South Lanarkshire College management update as at 29 April 2025
Student Support Funds	Ensure that a check is made on the categorisation of ASN costs to ensure that they are correctly disclosed on the FES return.	Management Accountant	3	29-Feb-24	In progress	Jul-25	The monthly categorisation check of FES categories will include a check of ASN costs to ensure that they are being disclosed correctly going forward. This is monitored from Aug - Jan then implemented from Feb - Jun once full quote of students are included on the FES return.
2023/24							
Publicity & Communications	Crisis communication training should be delivered for the Principalship and the Marketing and Communications Manager.	Vice Princioal - Learning, Teaching & Student Experience	3	31-Jul-24	In progress	Dec-25	The Principal and Vice-Principal for Learning, Teaching & the Student Experience are comfortable with the level of training they have received to date. The Vice Principal - Finance, Resources & Sustainability and the Marketing and Communications Manager will undertake Media/Crisis Training with Police Scotland. Due to illness, the Vice Principal was unable to attend the event on 25th March 2025. Another session will need to be booked in its place.
Procurement & Creditors/Purchasing	It is recommended that consideration be given to amending the approvals of low value purchase orders in PECOS to Vice Principals and Associate Principals (rather than requiring sign off by the Principal), to reduce the risk of a bottleneck.	Vice Principal - Finance, Resources & Sustainability	3	30-Jun-24	In progress	Sep-25	The College Finance Team is progressing with plans to embed changes in PECOS to support the new structure now, aligning named individuals to the strucures mandated by the Finance Regs. However,given the ongoing College restructure and work that will be required to change the system parameters for new authorisations, this task has been delayed until a new College structure has been finalised to avoid unnecessary rework.
Student Activity (Credits)	Allocation of Credits to Courses  R1 For all College devised units, the College should ensure that adequate supporting evidence is available for planned learning hours to verify the Credits claim.	Head of MIS (Chris Sumner)	3	Sep-25	In progress	Sep-25	College Units or "Non-SQA" units are a frequent issue. While I agree with the recommendation to get better at reporting the evidence, the college uses far fewer non-SQA units in their courses than previous years. That said, the timetabling and attendance for these modules needs improved using our current timetabling system. We will monitor this more closely with he timetabled hours vs actual hours power reporting as this was invaluable in the audit. At curriculum planning process, the CM's will be challenged for using the non-SQA units, preventing unnecessary use of units in the courses. Record of work evidence is a lot clearer this year and can be used as supportive evidence for these modules.

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 29 April 2025</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 April 2025</b>
Student Activity (Credits)	<p>Required Dates and Attendance</p> <p>R2 Ensure that the required dates for programmes and students recorded on the FES1 and FES2, respectively, are calculated in line with the Credits guidance.</p>	Head of MIS (Chris Sumner)	3	Sep-25	In progress	Sep-25	<p>Required date issues was not an issue at course level but it was at student level if the student finished early. The power bi report we use for checking the required date has been modified so we can see the student required date might be incorrect and reviewed at each FES quarter returns.</p> <p><b>April 2025 Update: The report was updated and being reviewed by the staff. However, there is a question around the validity of moving a required date that we need to speak to the auditors about as it changes the way SFC view the required date. (CS to follow up with HL)</b></p>
Student Support Funds	The College should ensure that expenditure is correctly categorised on the study costs spreadsheet to allow a more accurate comparison of planned and actual expenditure.	Management Accountant	3	Dec 24	In progress	Jul-25	The cost of course forms will be updated to show a more realistic split of bursary spend for each department, departments that have 'other' as a category of spend with no history of any actual spend within this category will have this amount spread over the other categories based on likely spend. Invoices that have a number of different categories of bursary spend will be allocated accordingly. This will be monitored from Aug - May and then implemented in June 25 once all spend is complete.
Student Support Funds	The College should review student Award Assessment categorisation on the FES and ensure that any apparent misstatements are fully investigated and resolved	Management Accountant	3	Dec 24	In progress	Jul-25	A monthly check of FES categories will be implemented to ensure any miscategorised students will have their details corrected by the student support team before any over/under payment takes place.
Businss Peocess Review Space Management/Room Utilisation	The College's Estate Strategy needs to be updated to reflect the current space requirements of the curriculum, staff, and students.	Head of Estates	N/A	30-Nov-24	In progress	Jul-25	<p>The existing Estates Strategy is very outdated but an update has started and will be progressed in the coming months.</p> <p><b>Apr '25 - Date extended out to allow time to carry out CF</b></p>
Businss Peocess Review Space Management/Room Utilisation	A centralised room booking system is required that is visible by the whole College.	Head of MIS/Head of Estates	N/A	31-Aug-25	Not yet started	Dec-25	<p>The College agrees that there needs to be timetabling protocols and a room booking system that is visible and can be used by the whole College. This then allows for room utilisation data to be monitored.</p> <p><b>Apr '25 - New access control system and future tech to assist in enabling this. Date extended due to delay in tendering process CF</b></p>

							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 29 April 2025</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 April 2025</b>
Businss Peocess Review Space Management/Room Utilisation	Space management objectives and room utilisation targets need to be clearly defined in policies and procedures, accompanied by a structured space utilisation monitoring process.	Head of Curriculum/Head of Estates/Head of MIS and Vixe Principal - Finance	N/A	23-Dec-25	Not yet started	Dec-25	Management agrees that policies and procedures (timetabling protocols and room booking) should be developed for cross college use. This is to be led by the curriculum area to enable support function departments to have systems in place. <b>Apr '25 - Once procedures are in place, room utilisation can also use future access control technology for streamlined process CF</b>
<b>2024/25</b>							
Payroll amd Pensions Management	Review the capability within its Payroll team to prepare and submit the SPF member data for College employees in a timely and accurate manner. The College should consider strengthening the review and approval controls in place in relation to the data being submitted to the pension scheme administrators to minimise the risk of errors and subsequent inefficiencies in resolving SPFO's and employees' queries. The College should ensure that it is actively monitoring and enforcing the submission of accurate member data to ensure that the scenario where member data is out of date by several months does not reoccur.	Head of HR	N/A	31-May-25	In Progress	May-25	Completed except for the iConnect automation which is expected to be concluded by May 2025.
Payroll amd Pensions Management	The College should ensure that multiple employees, across both Payroll and HR departments, have access to e-mail inboxes where queries can be received from pension scheme members in relation to the College's management of their pension data. This is especially important due to the high risk of errors and misalignment between data held by the College and the pension scheme administrators, as demonstrated throughout our review.	Head of HR	N/A	31-Aug-25	In progress	Aug-25	Completed except for the new Helpdesk System, which is expected to be concluded by end August 2025.
Payroll amd Pensions Management	The College should conduct a post-implementation review to provide confirmation that the new Payroll / HR system – iTrent – is configured in a way that provides adequate functionality for the management of employee pension data and allows the accurate, timely and efficient submission of required information to the pension scheme administrators.	Head of HR	N/A	31-May-25	In progress	May-25	This is in prgress



							<b>Audit Recommendations Monitor</b>
							<b>29 April 2025</b>
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 29 April 2025</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 April 2025</b>
Payroll amd Pensions Management	The College should ensure that the new Payroll / HR system – iTrent – is configured in a way that offers adequate functionalities for managing employee pension data and assisting in accurately and efficiently submitting it to the pension scheme administrators.	Head of HR	N/A	31-May-25	In progress	May-25	This is in progress
Payroll amd Pensions Management	Pension scheme members' leaving status should be communicated to the relevant pension agency promptly, accurately, and in line with their requirements. The College should review its controls around managing employee data on its payroll system and ensure that any staff members are removed from it on their actual leaving date. It should be made impossible to pay staff members who have left the College through regular payroll payment runs. Monitoring controls should be introduced (potentially independent to the Payroll team) over the payroll payment runs to ensure that no ex-employees are included in payroll payment runs past the month in which they have left the organisation.	Head of HR	N/A	30-Apr-25	In progress	Jun-25	Complete, with the exception of the reports being used as monitoring controls, which will commence in April 2025 and likely be in place for Jun 2025.
Payroll amd Pensions Management	The College should ensure that adequate internal controls are in place to prevent and detect illegitimate payroll transactions, ex-employees being included within payroll processing, and errors. Risk-averse monitoring, review, and approval controls should be implemented (or strengthened) to ensure sufficient segregation of duties in processing the payroll. The capabilities of the new iTrent HR & payroll system should be leveraged to establish appropriate user access rights and embed approval controls within the process.	Head of HR	N/A	30-Apr-25	In progress	Jun-25	Completed, with further reporting and monitoring commencing in April 2025, following the parallel runs.
Payroll amd Pensions Management	The College should consider undertaking a detailed exercise to determine how the historical overpayments to employees and pension schemes, as well as underpayments to HMRC, should be addressed and communicated to staff and other relevant stakeholders, including HMRC. The College should consider whether it has a complete view of instances where the 'salary advance' or other illegitimate adjustments were utilised and should take steps to determine whether these adjustments to HMRC payments are in any way connected to the fines levied by HMRC against the College in recent years	Head of HR	N/A	31-Jul-25	In progress	Jul-25	This is in progress

							<b>Audit Recommendations Monitor</b>	
							<b>03 October 2023</b>	
<b>Report / Action</b>	<b>Recommendation</b>	<b>Action Owner</b>	<b>Grade</b>	<b>Original timescale</b>	<b>Status at 18 August 2023</b>	<b>Expected Completion Date</b>	<b>South Lanarkshire College management update as at 29 September 2023</b>	<b>Date of Next Review</b>
2019/20								
Payroll and Expenses	The College should review and, if necessary, update the Expense Procedural Manual in line with its version control information.	Head of Finance	1	Oct-20	Complete	N/A	The College's Financial regulations were updated and were approved by the Finance and Resources Committee in April 2022. The controls in that document flowed into an updated Expense Procedure Manual which was presented to the SLT as per the new procedures for policy approvals in February 2023 before being presented to and approved by the Finance Committee.	Apr-24
2019/20								
Strategic Planning	SLC should conduct a structured and documented analysis of stakeholders and key groups to record and assess the level of influence and interest each has with the SLC's operations.	Depute Principal	2	To be confirmed – for the next round of Strategic Planning	Complete	N/A	Stakeholder newsletter issued in May / June and College has had meetings with a range of stakeholders and Board members. The College has also been engaging with the South Lanarkshire Community Planning Partnership. The latter has resulted in a grant from the Shared Prosperity Fund.	
2020/21								
<b>No recommendations outstanding</b>								
2021/22								

Cyber Security	Mechanisms should be established for testing the effectiveness and value for money of the security training provided to staff. The areas of the organisation that regularly feature in security reports, or achieve the lowest feedback from information security questionnaires, should be targeted for further tailored training activity.	Head of IT and Clerk to the Board	3	30-Jun-23	Sep-24	<p>We are currently working with JISC on such topics of the pen testing and phishing scam testing to test effectiveness. Unfortunately, we need to wait until training has been completed to fully assess the staff. This is due to be completed by the end of September, where we can assess the staff thereafter.</p> <p>Security Questionnaires will form part of the training schedule in the</p>	**Completed	
Cyber Security	To effectively communicate the College's risk management approach to management and Board members, so that they understand how cyber security risks should be managed and to help them make decisions about them, updates on the cyber threat landscape, events, actions, and plans surrounding cyber security within the College and the sector should be reported to the Management Team and to the Board regularly. Reporting should include a summary of the top-rated risks on the College cyber risk register (see R1) and details of mitigations already in place and those further required.	Head of IT and Clerk to the Board	3	31-Dec-22	Complete	Mar-23	This follows on from the risk register setup above. Once we're comfortable with the formal review of the documentation and it has been agreed by the auditors, this can be shared with the risk committee. In addition, the Head of IT provides an update report to SLT at least once a term on cyber security. The Board now consider a minimum of two reports a year on cyber security. Cyber security posture/incidents are now reported to the board. The mitigations and the list of the threats were presented to the board at the last board strategy day.	Sep-24
Cyber Security	Establish mandatory requirements within procurement procedures for relevant suppliers to provide evidence of current cyber security certifications. Also ensure that relevant suppliers provide copies of recertifications when these are due.	Head of Finance	3	31-Oct-22	Complete	N/A	This is complete. There is a separate form supplied by APUC to successful tenderers and the information is retained on their Supplier Chain Management (SCM) system.	Sep-24

Cyber Security	Establish mandatory requirements within procurement procedures for relevant suppliers to provide evidence of current cyber security certifications. Also ensure that relevant suppliers provide copies of recertifications when these are due.	Head of Finance	3	31-Oct-22	Complete	N/A	This is complete. There is a separate form supplied by APUC to successful tenderers and the information is retained on their Supplier Chain Management (SCM) system.	
Health & Safety	We recommend that a timetable for Health and Safety Policy / Procedure Approval should be developed to ensure the timely update of the Occupational Health and Safety Policy (and related policies, procedures and guidance) and a timeline for consideration by the Health and Safety Committee and ultimately formal approval by the Board. This timetable should include an action to develop a Communications plan which will ensure a planned launch and roll out of the new policy framework and procedures so that all staff and students are aware of the new Policy and procedures and know where to find the information which sets out their respective responsibilities.	Depute Principal/ Heads of Health & Safety and Estates	3	30-Nov-22	Complete	N/A	The Health and Safety Policy was approved by the Board of Management in November 2022. The policy is now live and all staff are required to read and accept the policy upon sign in. The Health and Safety Coordinator is putting together a series of briefing sessions to advise staff of the main changes.	Sep-24
Health & Safety	The wording around the reporting of near misses in the new Policy should include specific wording which clearly defines the types of near misses which should be reported and those which do not need to be reported.	Depute Principal / Heads of Health & Safety and Estates	3	31-Oct-22	Complete	N/A	This has been added to the First Aid Policy and training to support will follow.	Sep-24
Health & Safety	We recommend that a timetable for Health and Safety Policy / Procedure Approval should be developed to ensure the timely update of the Occupational Health and Safety Policy (and related policies, procedures and guidance) and a timeline for consideration by the Health and Safety Committee and ultimately formal approval by the Board. This timetable should include an action to develop a Communications plan which will ensure a planned launch and roll out of the new policy framework and procedures so that all staff and students are aware of the new Policy and procedures and know where to find the information which sets out their respective responsibilities.	Depute Principal/ Heads of Health & Safety and Estates	3	30-Nov-22	Complete	N/A	The Health and Safety Policy was approved by the Board of Management in November 2022. The policy is now live and all staff are required to read and accept the policy upon sign in. The Health and Safety Coordinator is putting together a series of briefing sessions to advise staff of the main changes.	
Health & Safety	The wording around the reporting of near misses in the new Policy should include specific wording which clearly defines the types of near misses which should be reported and those which do not need to be reported.	Depute Principal / Heads of Health & Safety and Estates	3	31-Oct-22	Complete	N/A	This has been added to the First Aid Policy and training to support will follow.	

Health & Safety	We recommend that a programme of refresher training for staff should be developed to coincide with the launch of the revised Occupational Health and Safety Policy and associated procedures. Attendance at this refresher training should be mandatory for all members of staff and completion of the training should be monitored by HR to ensure full attendance.	Head of Facilities & HS, Head of HR	3	31-Dec-22	Sep-24	<p>This will be done in association with the Health and Safety team as per the the launch of the policy.</p> <p>HR will provide generic H&amp;S training as part of the e-learning suite.</p> <p>Health &amp; Safety Officer issued email in this regard on 21st August; sessions will roll out and expect to be completed by end of Nov 2023. (CF) This is ongoing once resource is available (CF)</p>	<b>**Completed</b>	
Risk Management	<p>Operational leads should be reminded of their roles and responsibilities in relation to risk management and use of the AIR Logs for the documentation of risks identified.</p> <p>On reinstating the RMG, its remit should be updated and arrangements for the reporting of Operational Risk Registers to the group clearly defined.</p> <p>The future RMG standing agenda should include the review of emerging risks arising from projects and capital works.</p>	Depute Principal	3	31-Oct-22	Complete	N/A	<p>Review of the Strategic Risk Register is now a standing item on the Risk Management Group agenda with the Register being reviewed prior to it being considered by the Senior Leadership Team. SLT business now includes review of the College's AIRlog and consideration of major items of spend.</p>	May-24

Risk Management	<p>The College's risk appetite for differing risk categories requires to be set by the Board so that resources (people, time and money) can be aligned to mitigating actions for risks that are approaching or exceed the College's agreed risk appetite levels.</p> <p>Risk appetite should also be reviewed annually or when there are significant changes in Board membership. Risk appetite for risk categories should be documented on the Strategic Risk Register to allow comparison against residual risk levels.</p> <p>Treatment of risks should also be considered as part of this exercise. Risk appetite and risk treatment arrangements should be documented in the Risk Management Policy and Procedures to ensure organisational knowledge and transparency on arrangements.</p>	Depute Principal	3	31-Oct-22	Complete	N/A	Risk appetite was considered by the Audit and Risk Committee in May 2023 and the Board of Management in June 2023. Risk appetite is an annual exercise for the Board to consider.	May-24
Risk Management	<p>All risks should be linked to strategic objectives to ensure there is a golden thread from the College's strategy and performance requirements to the risks identified at a strategic and operational level.</p> <p>All risks and (associated mitigating actions) should have a single delegated owner to allow effective assessment of the appropriateness of the resource deployed to maintain mitigating controls and progress mitigating actions required to manage individual risks.</p>	Depute Principal	3	30-Sep-22	Complete	N/A	All risks now linked to strategic objectives and all have a single dedicated owner.	May-24
2023/24								
Staff Recruitment & Retention	When onboarding new employees, it is recommended that copies of all original qualifications and right to work documentation held on file are signed as being reviewed and confirmed as an original document by the HR officer who was presented with the document for copying	Head of HR	3	20-Dec-24	Completed	Sep-23	The College agrees that by signing the copies as "original sighted", this would be further evidence of this process being implemented.	

Cyber Security	Review and reconfigure the cyber training compliance reporting parameters to ensure that data reported consists of current users only. The data reported can then be used more meaningfully by Organisational Development, departmental line managers, and the Head of Information Systems and Services to monitor staff compliance rates.	Heads of IT and HR	3	30-Jun-23	Completed	Mar-24	<p>The effectiveness of the training and the training materials have been sourced as part of the previous item. The stats that support this should follow on from the training communicated to staff.</p> <p>Update April 2024: As above the program of works will be monitored throughout the next two years, including phishing campaigns. The data is collected at departmental level in the TES develop software, as will the training program put together by the IT team. We also now have org structures in the M365 tenancy allowing us to understand patterns of behaviour within departments. We consider this closed.</p>	<p>As above, TES develop stats are currently:</p> <p>270 staff have completed so far 57 still to complete (82.6% of staff completed)</p>
Cyber Security	<p>A programme of information security training should be developed for students to mitigate information security risks covering:</p> <ul style="list-style-type: none"> <li>the organisation's IT security policies and procedures.</li> <li>cyber security risks and strategies for defence, covering internet safety, mobile and home working, phishing, and prevention against malware.</li> <li>regular updates and training on the security risks to the College.</li> <li>monitoring the effectiveness of security training through incident monitoring and mock scenario testing; and</li> <li>promoting an incident reporting culture.</li> </ul>	Heads of IT and Student Services	3	28-Feb-23	Completed	Mar-24	<p>This program is associated with the comments mentioned in the last two rows. This includes students and staff in the schedule The schedule was completed and shared before the end of Feb; the implementation is currently taking place at the start of the new term.</p> <p>Stats now available regarding the risky users and the implementation of the Microsoft Security tracking. Further work planned for the incident response and business continuity in the new year which should close this action</p> <p>Update April 2024: we now have a plan as part of the staff training above. Simple but effective campaigns have been put together by the IT team and the plan is available to be shared. Monitoring of effectiveness can be done via the M365 security dashboard</p> <p><b>Update August 2024: We have applied updates and changes to the M365 following a Jisc review, cyber risks are covered by an earlier point the incident response functions are switched on in M365 and are also addressed in a later item</b></p>	<p>M365 review document (redacted) and provided the retention policy as well.</p> <p>Screenshot of the risky users and 3rd party 365 settings that have now been applied. The review document says we need to do it, the screenshots proved</p>

Cyber Security	It is recommended that an audit of cloud and third-party systems in use across the College estate, which are not directly linked to College Active Directory or Office365 accounts, is undertaken to identify instances of staff using College logins and email accounts and put in place procedural guidance for line managers to revoke user access to such accounts, and for staff on good password management. Development of a digital asset register which combines the details of College hardware and software assets, as well as third party services operated by staff would provide clearer visibility of the College cyber and data risk profile. Any identified risks should then be included on the cyber risk register	Heads of IT and HR	3	31-Jan-23	Completed	Apr-24	<p>Office 365 has now been fully implemented for 3<sup>rd</sup> party blocking of college accounts. Only approved apps can be used. Updates to HR will complete as part of the new HR system which will be completed in October, that will resolve the leavers and role change requirement for this point</p> <p>Update in Nov and Jan, awaiting the completion of the HR system and processes</p> <p>Update April 2024: Cyber risk register is now complete, the 3rd party access is now controlled, recent M365 reviews from JISC support our approach to the logins, HR now have good communication on starters and leavers, security review are in place for clear downs of old accounts, plus retention document has been issued in the last year which the IT team now adhere to. Item should be completed</p> <p><b>Update August 2024: Same as an item above, M365 review from JISC is provided to HL and we have in place the 3rd party and risky users parameters on office 365</b></p>	Screenshots and the summary document from JISC
Health & Safety	An exercise should be completed to update the master spreadsheet to demonstrate the number of issues identified and to record the remedial action taken. Once the master spreadsheet has been updated, the location of the master document on the server should be communicated to managers so that they can review and provide updates on any remedial action taken.	Head of Facilities & HS	3	31-Dec-22	Partially complete	May-24	<p>The master log is being updated and any outstanding items pursued to provide an update. This will be shared with all relevant managers.</p> <p>Master H&amp;S Housekeeping is maintained by facilities and required actions are rolled out to managers in the relevant departments. Due to resource issues this is behind schedule. We are making best endeavours to fill this gap by increasing H&amp;S role from 3 to 5 days as previous member of staff was not replaced. (CF)</p> <p>Housekeeping log is being updated at this point and I expect completion to be May 2024 (CF)</p> <p>This has been completed and will continue to be completed alongside the housekeeping inspections thought the method of closure is improved by being checked by H&amp;S Advisor(CF Aug 2024)</p>	Housekeeping log available



Cyber Security	Formally document the College's specific cyber security risks and vulnerabilities, along with controls and mitigations, within an IT or cyber risk register. Format should be in line with the College's strategic risk register.	Heads of IT and Finance	3	31-Dec-22	Completed	Apr-24	<p>The cyber risks detailed in the NCSC 10 things have been collated into a framework that we can demonstrate to the committee and the auditors. New framework template is currently being discussed with the HEFESTIS cyber security shared service and progress has been made to ensure all risks have been mitigated or progress has been made towards the mitigation</p> <p>Update Nov: Progress as we have been awaiting on this from scottish government, update due Dec 2023 with the old framework if the new framework still hasn't been issued</p> <p>Update Jan 24 - Scottish Government now released document this will be finished by April with evidence for all the CRF answers.</p> <p>Update April 2024: Risk regsiter now complete the new CRF from scottish government we are now part of the pilot for roll out, but have been using the current CRF to monitor the risks in the department. Action should now be completed</p>	CRF and Risk Register supplied
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Cyber Security	Ensure that a formal programme of refresher training is established for staff users with a risk-based approach adopted in identifying the frequency of refresher training requirements	Heads of IT and HR	3	30-Jun-23	Completed	Apr-24	<p>A program that has been written up by the Head of IS and the HEFESTIS shared service has now been implemented. This involves the various training that staff potentially could be lacking and align to the risk stated in the register mentioned above.</p> <p>Cyber security has been purchased as part of a suite of e-learning materials and training has been rolled out. The training has been rolled out at the beginning of term and stats from this e-module will support the interaction with the staff on this basis.</p> <p>Update Nov: The training has been issued to staff and we are still waiting for the analysis of the results. Further training for the year is planned and the schedule of this should be available in the next month (Dec 23)</p> <p>Update Jan 24: 3 employees have not yet started the training, 231 have completed the training and 99 people are in progress with the training.</p> <p>Update April: Following the feedback from the HR team above with the stats of cyber security training, the IT team have brought together a 2 year program of campaigns covering the major risks with a view to refresh</p>	Cyber security training schedule supplied
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Student Activity (Credits)	Ensure that in-year data integrity checks of the FES 1 and FES 2 data include a review of Modes of Attendance, and other key data such as Credits claimed, to identify conflicts and that data is amended as required.	Head of MIS	3	31-Mar-24	Completed	Jun-24	<p>The quarterly returns to be more thorough. Introduction of a new student record system where the data entry will be better validated will help but that won't be complete for the next credit audit in 2024. Demonstration of the checking should be shown to the Head of MIS by the second Quarter (February) and a review of this point against that return can confirm that the staff are monitoring the information well. Yes Chris Sumner 31 March 2024</p> <p>Update April 2024: Currently the FES Q2 return was checked and appeared to be complete. Q3 is in June and should confirm that modes of attendance are being properly recorded as alterations were require to full time courses which became "short full time". Partially complete at this stage until we can provide evidence of the check.</p> <p><b>Update August: Q3 submissions was successful, we use the power bi reporting screenshot can be used as evidence when demonstrating that we are managing our data integrity</b></p>	Screenshot of the power bi report
Staff Recruitment & Retention	It is recommended that in future when uploading documentation to the new HR system, that the College should take steps to ensure that all information is accurate prior to upload to the new HR system, and any amendments to the information held on file should be checked with the relevant stakeholder(s) where any issues are identified	Head of HR	3	20-May-24	Completed	May-24	The College accepts that an administrative error by a new employee had been missed. All other documentation in the file would confirm that this was a mistake. Additional checks will take place for future documentation checks. The new HR System will support this.	
Procurement & Creditors/Purchasing	It is recommended that the College formalise its process for recording changes to supplier's standing information (including bank details and addresses) by implementing a standard form to document the independent checks undertaken to verify the changes, with a peer review / management review step implemented to ensure that there has been independent review of the changes made to supplier standing data prior to any payment being made to the relevant supplier following the application of the changes on the system.	Vice Principal - Finance, Resources & Sustainability	3	30-Jun-24	Nov-24	A form has been prepared by the Finance team and is now in use by the team. This audit point is now closed.		

Staff Recruitment & Retention	It is recommended that the College implement ongoing engagement measures to capture levels of staff satisfaction to reduce the risk of employees leaving the employment of the College due to issues which could have been managed and resolved had they been identified earlier.	Head of HR	3	20-Nov-25	Nov-25	The College has historically measured engagement through various surveys. Whilst there have been regular surveys, they have followed the structure required by third party accreditations and have not provided the College with an engagement framework that is measured over time and across the employee journey. The College recognises this. It is included in the HR & People	
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Student Activity (Credits)	Ensure that Credits claimed for students on part-time programmes are based upon the value of the units listed on the discrete course record, or notional Credits based on planned hours of activity divided by 40, and not based upon a default tariff.	Head of MIS	3	30-Sep-24	Sep-24	SLC will endeavour to ensure that the credit matching process between claim and the units attached to students are accurately done. In addition, a check for the credits not meeting 0.25 multiples will be put in place. Review of this during the quarter returns should be sufficient to close this recommendation, checked again in the final return next year.	**Completed	
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Student Activity (Credits)	Ensure that the Credits claimed for flexible learning courses adequately reflects the level of activity undertaken in the year.	Head of MIS	3	30-Sep-24	Sep-24	SLC Spanning course must make sure that they only claim what they teach within the year. The 22/23 ESOL ICDL course was adjusted downwards as there wasn't reasonable time to complete the work. However, good controls are already in place for Spanning / Cross Sessional courses via the power bi reporting and the management of course from one year to another. Feedback to the AP's and CM's	**Completed	
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Student Activity (Credits)	Ensure that the required date input into SITS is calculated in line with the SFC guidance.	Head of MIS	3	30-Sep-24	Sep-24	<p>THIS was an issue between the course required date and the student required date in the system. More care will be taken in the next year to ensure that the required dates are accurate in the system and that the FES output takes the information from that field. It is expected to be correct but as the year goes on we will review as part of the quarterly return. Confirmation of this point will only close at the start of the next</p> <p><b>**Completed (New recommendation for 24/25)</b></p>	
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Publicity & Communications	Comprehensive social media guidelines should be developed in order to: • support staff who have direct access to College social media accounts; and • to guide staff in their use of personal social media in relation to information which pertains to their role within the College.	Marketing and Communications Manager	3	01-Jun-24	Nov-24	SLC agree that Social Media Guidelines are required to frame employees' responsibilities. As noted by HL, this is captured within the Code of Conduct and is on the Marketing Action Plan. Marketing are working closely with MIS to devise appropriate guidelines and these are being brought to the next round of Committee/Board meetings in November/December 2024.	
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Cyber Security	Explore how guidance for staff on how to manage their digital footprints safely and reduce the risk of becoming a target for attackers, both in a professional and personal capacity, and particularly through use of social media platforms can be made more widely available to staff and Board members.	Heads of IT and HR	3	31-Dec-22	Nov-24	Social media guidance is already in effect, however follow up sessions and the impact of staff actions will form part of the training schedule details in the comments in the last few rows. Documentation is still under review, however a big improvement since this audit point has been with modifications to the azure platform to prevent 3rd party sign in without prior	**Please note date moved, awaiting board approval for policy
Risk Management	<p>A session on risk management should be included as part of the programme of Board Member Strategy Days with the leadership team. This will allow greater understanding on how the risks link to the College's strategic aims and objectives and the impact failure to manage these risks will have on future success.</p> <p>To support Board assurance, management should conduct an assurance mapping exercise on the internal and external reporting arrangements in place against the current risks on the risk register. This will allow for a central analysis of the arrangements in place and allow any gaps to be identified and appropriate supplementary reporting arrangements determined. Assurance mapping can be completed by adding additional columns to the existing risk register detailing the following sources of assurance established:</p> <ul style="list-style-type: none"><li>•Internal - management reporting and quality assurance arrangements; and</li><li>•External - internal audit, external audit, Education Scotland etc.</li></ul>	Principals hip	3	31-Aug-22	Feb-25		January 2025: the Board Strategy day hosted by the College in November 2024 allowed the Board to reassess risk scoring. Assurance mapping has been completed on the Risk Register.
2024/25							

Payroll amd Pensions Management	The College should consider proactively collaborating with the SPFO to ensure that any future queries and discrepancies, which may arise in the member data submitted, can be dealt with efficiently and to ensure that the member pension data is accurate and identical between the two entities moving forward. The College should request the scheduling of regular meetings with the SPFO to provide a forum where any issues can identified and rectified in a timely and efficient fashion.	Head of HR		31-Mar-25	Mar-25		Completed	
Payroll amd Pensions Management	We recommend that the College reviews the capability within its Payroll Team in regard to being able to prepare and submit the STSS member data for College employees in a timely and accurate manner. The College should consider strengthening review and approval controls around the data being submitted to the pension scheme administrators to minimise the risk of errors and subsequent inefficiencies as a result of having to resolve SPPA's and employees' queries.	Head of HR		31-Mar-25	Mar-25		Completed	
Payroll amd Pensions Management	The College should consider proactively collaborating with the SPPA to address any queries and discrepancies in the member data submitted, in order to ensure that the member pension data is accurate and identical between the two entities. The College could propose to hold regular meetings with the SPPA so that any issues are identified and addressed as soon as possible.	Head of HR		31-Mar-25	Mar-25		Completed	
Payroll amd Pensions Management	We would recommend that payments are stopped to the two 'pensioners' until contact is made with the College	Head of HR		28-Feb-25	Feb-25		Completed	
Payroll amd Pensions Management	The College should assess the technical capability within its Payroll team to perform routine payroll processing in an accurate and timely manner. This includes the processes for removal of staff from the payroll system when they leave the College, and in regard to the processing of payroll adjustments relating to leavers.	Head of HR		31-Mar-25	Mar-25		Completed	

### AUDIT AND RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	SLC Strategic Risk Register Commentary
<b>REFERENCE</b>	07.0
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie, Vice Principal – Finance, Resources & Sustainability <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To provide members with an update to the risk management arrangements of the College.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended to: <ul style="list-style-type: none"> <li>• review and approve the strategic risk analysis contained in the College's Strategic Risk Register and the commentary therein; and</li> <li>• note 3 increased risk scorings since February 2025 in respect of the College having insufficient capital funds, risks to business interruption and its ability to ensure learners progress onto positive destinations.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That College strategic risks are not identified, and mitigating actions are not taken.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• Of the fifteen risks identified, 3 post mitigation scores have increased.</li> <li>• The highest risks for the College continue to be financial sustainability and, to an extent, remains outside of the control of College, owing to Government funding restrictions. However, the College continues to encourage full cost recovery and commercial delivery of programmes to bolster income streams.</li> <li>• The College acknowledges that there is insufficient funding for capital and maintenance works and as the Campus continues to age, there is likely to be a higher demand for capital funding to support renovations.</li> <li>• The restructure in the College has also delayed the ability to train the Senior Leadership Team (SLT) in Business Interruption processes. While the College recognises that it can react well to Campus closures, it cannot evidence that it has robust procedures in place for longer term business continuity without the completion of essential training.</li> <li>• Students failing to engage with the bursary assessment process as early as possible continues to cause delays in students receiving funding which can adversely affect attendance and progression to a positive destination. There are also students who are still waiting for needs assessments. Proposed changes to the structure of the Extended Learning</li> </ul>

	Support team will likely mitigate some of the risk to students in failing to progress onto positive destinations however this is not yet in place.
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## **1 INTRODUCTION**

- 1.1. This paper provides a commentary on the College's strategic risk register as reviewed by the Risk Management Group (Senior Leadership Team) on 24 April 2025. The risk register is an important document that demonstrates the College's commitment to the establishment and maintenance of effective governance and control arrangements.
- 1.2. Commentary has been added to each risk to justify decisions to maintain risks at current levels where required.

## **2. RISK ONE - FINANCIAL SUSTAINABILITY**

- 2.1 Post-mitigation risk remains at 20. The political landscape is not within the control of the College and as grant funding makes up over 70% of total income, financial sustainability for the College and the wider sector remains a challenge.
- 2.2 Indicative funding allocations for 25/26 were announced in April 2025 and largely represent a flat cash scenario with only a minimal £45k increase in learning & teaching grant funding. The College has tried to mitigate the risk of financial stability through its restructure and voluntary severance scheme and is now aiming for a small deficit or break-even financial position for 25/26.
- 2.3 The College continues to diversify income streams through the provision of full cost recovery courses and has been encouraged by the Scottish Government intended 60% funding for NI increases in 25/26.

## **3. RISK TWO - FAILURE OF FINANCIAL CONTROLS**

- 3.1. Post mitigation risk remains at 10. This is below the inherent risk rating of 15 inferring that the management of financial controls is within the responsibility of the College.
- 3.2. The newly appointed Head of Finance is now in post, offering an enhancement to the financial control environment.
- 3.3. However, it is recognised that new systems such as Itrent (Payroll System) and Unit-E (Student record systems) which will have financial interactions are not fully operational yet and so the College has maintained risk scorings to reflect that the financial control environment will only be more fully supported when these systems are completely integrated with the finance system.

## **4. RISK THREE - CREDIT TARGET**

- 4.1. The post mitigation risk remains at 5, with inherent risk remaining at 15.
- 4.2. The credit target for the 2024-25 academic year is 43,600, and SLC is currently sitting at 43,810 credits, so 210 credits over target. There is also potential for additional credits up to 164, which will be generated by short courses between March and June 2025. This means SLC are expected to claim 43,974 by the end of the academic year which is above target and within the 2% upper threshold. These credit numbers are subject to audit.

- 4.3. MA monitoring continues following the changes in the PI from the previous risk review. Monthly finance and resources meetings continue to assure that all external contracts (inlc. MA's) are closely monitored. If there are any risk emerging, there are changes made to support these contracts.

## **5. RISK FOUR – THERE IS A BREACH OF LEGISLATION AND ASSOCIATED REGULATIONS**

- 5.1. The College continues to be confident that its arrangements for legislation compliance (including GDPR, HR, Quality and Finance) means that it can record a lower risk score. The latest review has not flagged any concerns or requirement to change the inherent risk score or the post mitigation score.
- 5.2. The Committee is asked to note that the description of this risk has been enhanced to include HR, Quality and Finance so as to ensure that it is broader in scope.

## **6. RISK FIVE - CAPITAL FUNDING REQUIREMENTS**

- 6.1. There has been no change to the inherent risk scoring in April 2025 at 12, but post-mitigation risk is now higher at 12 (previously 8).
- 6.2. The College acknowledges that there is insufficient funding for capital and maintenance works and as the Campus continues to age, there is likely to be a higher demand for capital funding to support renovations.
- 6.3. In the last quarter, ongoing concerns have been voiced regarding the robustness of the existing cladding and a further issue with one of the lifts in the College has caused the lift to be out of order for a period of 4-6 weeks.
- 6.4. Mitigations include quarterly CAPEX meetings to ensure progress is being made on capital projects that are priority. Additionally, the budget for 25/26 indicates a 4.9% increase in capital funding, amounting to a further £50k.
- 6.5. However, the College recognises that it needs to implement a capital investment plan and related policy to ensure that projects are planned and scheduled across the year and processes for the approval of large-scale works are being followed. This is in progress for review in 2025.

## **7. RISK SIX – THERE IS A BREACH OF LEGISLATION AND ASSOCIATED REGULATIONS IN RESPECT OF HEALTH AND SAFETY.**

- 7.1. The inherent risk score remains at 12 in April 2025, signifying the impact of a potential breach of legislation and regulation on being able to continue as a viable entity. Post-mitigation risk remains at 8.
- 7.2. Staff resource continues to work to capacity to get through policies and procedures updates as required. Regular H&S Committee meetings take place internally to ensure follow up and closure of key actions raised. Compliance with H&S related audits and inspections is standard practice at the College.

## **8. RISK SEVEN – BUSINESS INTERRUPTION**

- 8.1. Inherent risk score remains at 6, with a slight increase to post-mitigation risk score at 6 (previously 3).

8.2. The restructure in the College has delayed the ability to train the Senior Leadership Team (SLT) while changes to staffing are occurring. Once all postholders are appointed and the restructure is in place, the College will go through BCP testing with the SLT with AJ Gallaghers, the insurance provider.

8.3. While the College recognises that it can react well to storms and unexpected Campus closures and staff can perform their duties remotely, it cannot evidence that it has robust procedures in place for longer term business continuity without the completion of training for a broader range and severity of incidents (e.g. fire, flood damage).

## **9. RISK EIGHT - DAMAGE TO THE INTEGRITY OF MANAGEMENT INFORMATION SYSTEMS**

9.1. The risk scoring has been maintained at 6 (inherent risk) and 3 (post-mitigation risk) respectively for April 2025.

9.2. As per last quarter, the College is aware that to keep this as an area green, completion of the audit recommendation for incident response for SLT and continual staff training will need to be maintained.

## **10. RISK NINE – FAILURE TO ACHIEVE ACCEPTABLY HIGH LEVELS OF LEARNING AND TEACHING AND ASSESSMENT**

10.1. There has been no change to the risk scoring as at April 2025 (inherent risk 8 and post-mitigation risk 4). The word 'Assessment' has been added to the risk description to capture the quality aspect of learning and teaching.

10.2. The plans for restructure within the Quality department that are underway, coupled with the quality element that is now formally embedded within the Curriculum Manager role, will help to mitigate against this risk in due course.

## **11. RISK TEN - THERE IS A FAILURE TO PROVIDE AN ENGAGING AND EFFECTIVE EMPLOYEE JOURNEY**

11.1. There has been no change to inherent risk scoring from January 2025 remaining at 8; and a post-mitigation risk remaining at 4 in April 2025.

11.2. There has been an engaging Consultation process to support the restructure of the College and its voluntary severance programme. Human Resource roles will now include enhanced engagement with employees and managers across the College. Furthermore, the College continues to engage with College Employers Scotland and trade unions during this period of change for support staff representation.

## **12. RISK ELEVEN - THERE IS A FAILURE TO SAFEGUARD THE HEALTH AND WELLBEING OF STAFF AND STUDENTS**

12.1. There has been no change to risk scorings from January 2025, with inherent risk at 9 and post-mitigation risk remaining at 3.

12.2. As advised previously, this is a positive area for the College and Student and Staff wellbeing and safety continues to be of utmost importance. Policies and procedures are well embedded, and the College is currently undertaking the welfare student internal audit with Henderson Loggie.

- 12.3. The College remains up to date with new legislation, such as Martyn's law, and is reviewing the potential to invest in security guard presence on Campus as a further mitigation against this risk.

### **13. RISK TWELVE - THERE IS A FAILURE TO PROVIDE A ROBUST LEARNER EXPERIENCE TO SUPPORT ONWARD PROGRESSION**

- 13.1. There has been no change to the inherent risk scoring from January 2025 (staying at 8) however post-mitigation risk has been raised from 8 to 12.
- 13.2. Students failing to engage with the bursary assessment process as early as possible continues to cause delays in students receiving funding which can adversely affect attendance and attainment. However, it is noted that the Bursary team have worked conscientiously to support bursary applications, and much progress has been made across the last year.
- 13.3. There are also students who are still waiting for needs assessments and while these cases are outstanding, there is a risk to those students in being able to complete their studies with appropriate support and ultimately progressing to positive destinations post-College.
- 13.4. However, as advised previously, mitigations include the review of Extended Learning Support (ELS) at the College as part of the restructure which will further support the student experience.

### **14. RISK THIRTEEN - FAILURE OF CORPORATE GOVERNANCE**

- 14.1. No further change to inherent risk as at April 2025 (currently 8) with post-mitigation risk at 4.
- 14.2. All corporate governance arrangements are up to date and the Governance Professional continues to ensure continuity of the programme of work across the year to ensure compliance with the Code.
- 14.3. The College continues to be well supported by the Governance Professional, ensuring that due process is being followed.

### **15. RISK FOURTEEN – ADVERSE REPUTATIONAL RISK**

- 15.1. There is no change to the inherent risk scoring as at April 2025 (currently 16) and post-mitigation risk remaining at 12.
- 15.2. The employment tribunal concluded in December 2024 with the result going in favour of the College. However, the College remains vigilant to a potential appeals process and so makes no change to its risk scorings in this intervening period.

### **16. RISK FIFTEEN – THE MEETING OF NET ZERO SUSTAINABILITY PRIORITIES**

- 16.1. The inherent risk scoring has been maintained at 9 in April 2025, with post-mitigation risk remaining at 6. It will be increasingly difficult for the College to drive forward with larger capital investments to support net zero if funding is not available. The description of the risk has been altered slightly to include reference to Scottish Government sustainability priorities.
- 16.2. The Scottish Government is currently consulting with stakeholders to inform the new statutory guidance for reporting on climate change duties under the Climate Change

(Scotland) Action 2009. The Climate Change Leads are working with the Environmental Association of Universities and Colleges to compile the College's response.

16.3. The College, through its Climate Change Action Team, continues to demonstrate a healthy engagement with all internal and external requirements in respect of environmental sustainability.

16.4. As set out in the planned restructure for the College, a 0.5 FTE Sustainability Officer post will be created. This position should mitigate risk further by enabling the College to have a dedicated resource to establish more sustainable practices and to identify available funding streams.

## **17. CYBER RISK REGISTER**

17.1. The Committee is asked to note that actions outstanding have now been completed, mainly supporting risks that were already green.

17.2. There are no changes to the scoring in this risk register. The focus is now on improving logging which should resolve some of the higher risks in the register.

## **18. DATA PROTECTION ICO ACCOUNTABILITY TRACKER**

18.1. The Committee is asked to note that the following:

18.1.1 items marked as Green have increased from 245 up to 256 (72% to 72%)

18.1.2 Items marked as in progress or not started (Amber or Red) have gone from 77 (58 and 19) down to 66 (51 and 15). This is 23% down to 19%

18.2 The movement of the green items increasing and the red/amber items decreasing shows an improvement in data protection governance. The College is having regular data protection group meetings and moving forward with a better understanding of our colleges data with record of processing activities (ROPA's) within in each department.

## **19. EQUALITIES**

19.1. There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **20. RISK AND ASSURANCE**

20.1. That College strategic risks are not identified, and mitigating actions are not taken.

## **21. RECOMMENDATIONS**

21.1. Members are recommended to:

21.1.1 review and approve the strategic risk analysis contained in the College's Strategic Risk Register and the commentary therein; and

21.1.2 note 3 increased risk scorings since February 2025 in respect of the College having insufficient capital funds, risks to business interruption and its ability to ensure learners progress onto positive destinations.

## **APPENDICES**

**Document 07.1      The College's Strategic Risk Register**



<b>Document 07.2</b>	<b>SLC Cyber Risk Register</b>
<b>Document 07.3</b>	<b>SLC Data Protection ICO Accountability Tracker</b>
<b>Document 07.4</b>	<b>Regional Strategic Risk Register (Feb 2025)</b>

### AUDIT & RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	Internal Audit: Global Internal Audit Standards in UK Public Sector
<b>REFERENCE</b>	08.0
<b>AUTHOR AND CONTACT DETAILS</b>	David Archibald, Partner, Henderson Loggie LLP <a href="mailto:David.Archibald@hlca.co.uk">David.Archibald@hlca.co.uk</a>
<b>PURPOSE:</b>	To update the Committee on recent changes to the Internal Audit landscape, following the implementation of Global Internal Audit Standards (GIAS) on 1 <sup>st</sup> April 2025 in place of Public Sector Internal Audit Standards (PSIAS).
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>• Note the contents of the presentation and the summary below; and</li> <li>• Note the strengthened responsibilities placed on Audit Committees to ensure compliance with the new GIAS</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• That the College fails to comply with changes to Internal Audit Standards</li> <li>• That the College does not meet governance requirements due to lack of adherence to the requirements of the GIAS.</li> <li>• That the College does not fulfil its requirements as regards giving assurance to the Regional body and to its external auditors.</li> </ul>
<b>RELEVANT STRATEGIC AIMS:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF PRESENTATION:</b>	<p>The slides describe the impact of changes to Internal Audit Standards:</p> <p>What is changing?</p> <ul style="list-style-type: none"> <li>• Effective 1<sup>st</sup> April 2025, PSIAS has been replaced by GIAS in the UK Public Sector</li> </ul> <p>What's included?</p> <p>Under Mandatory GIAS:</p> <ul style="list-style-type: none"> <li>• Five Domains that set the standards.</li> <li>• 15 guiding principles that enable an effective IA function</li> </ul>

	<p>Under Non-Mandatory GIAS:</p> <ul style="list-style-type: none"> <li>• Global practice guides and Global Technology Audit Guides.</li> </ul> <p>The Standards provide..</p> <ul style="list-style-type: none"> <li>• Greater Emphasis on Independence &amp; Governance</li> <li>• Strengthened Ethical &amp; Professional Requirements</li> <li>• More Rigorous Annual Opinion Requirement</li> <li>• Tighter Quality Assurance Standards</li> <li>• Updated Internal Audit Planning &amp; Reporting criteria</li> </ul> <p>How does this impact on Audit Committees?</p> <ul style="list-style-type: none"> <li>• The Standards also set expectations for the Board, the Audit Committee and senior management, to champion the role of Internal Audit &amp; ensure internal audit remains effective and independent.</li> </ul> <p>Key changes of which Audit Committees should be aware:</p> <ol style="list-style-type: none"> <li>1. Expanded Oversight Role</li> <li>2. Increased Involvement in Strategic Decision-Making</li> <li>3. Enhanced Focus on Public Accountability</li> <li>4. Broader Risk Management Framework</li> <li>5. Value for Money &amp; Service Delivery Focus</li> <li>6. Engagement with a Broader Range of Stakeholders</li> <li>7. Increased Emphasis on Governance &amp; Ethical Leadership</li> <li>8. Engagement with External Auditors &amp; Regulatory Bodies</li> </ol> <p>How can Audit Committees demonstrate conformance?</p> <ul style="list-style-type: none"> <li>• Drive impact, uphold integrity, enhance communication and evaluate effectiveness of the Audit Committee in conforming to GIAS.</li> </ul> <p>The Audit Committee now has strengthened responsibilities to:</p> <ul style="list-style-type: none"> <li>• Champion internal audit's work &amp; ensuring its findings are acted upon.</li> <li>• Facilitate direct access between Internal Audit &amp; senior management.</li> <li>• Promote a culture of transparency, accountability, &amp; good governance.</li> </ul>
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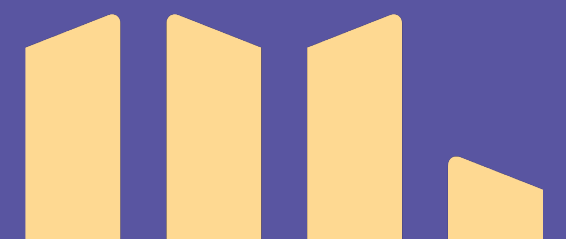


# Global Internal Audit Standards in the UK Public Sector.

Effective from 1 April 2025

# What's Changing?

- The GIAS came into force 9 January 2025 for all internal audit functions.
- GIAS is a new, globally consistent framework that aims to strengthen audit quality and governance and the position of Internal Audit in their organisations.
- From **1 April 2025**, the Public Sector Internal Audit Standards (PSIAS) will be replaced by the Global Internal Audit Standards (GIAS) in the UK Public Sector.
- The **GIAS in the UK Public Sector** consists of both the GIAS and the Application Note. The Application Note is used to tailor GIAS to public sector requirements.



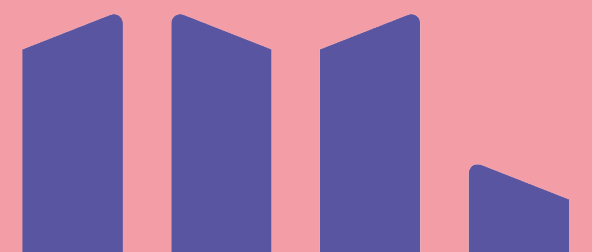
# What's included?

## **Mandatory GIAS**

- Five Domains that set the standards.
- 15 guiding principles that enable an effective IA function. Each principle has essential requirements to be adopted.
- Topical Requirements – will enhance consistency and quality of internal audits. IA must conform with the relevant topical requirements when the scope of an engagement includes one of the identified topics.
- Application Note sets how these are applied in UK public

## **Non mandatory GIAS**

- Global practice guides (assurance & advisory services, engagement planning, financial service, fraud, etc)
- Global Technology Audit Guides (GTAG).



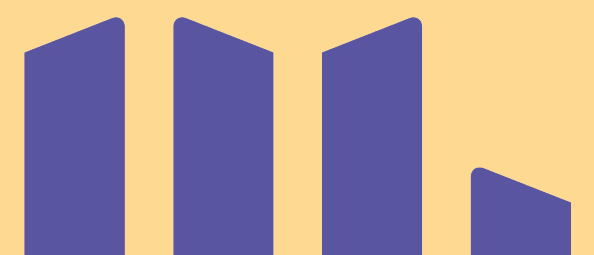
# The Standards provide..

## Greater Emphasis on Independence & Governance

- Greater positioning of Internal Audit an organisations through communicating its purpose and mandate.
- Clearer expectations on the Chief Audit Executive's (CAE's) role in maintaining independence.
- Reinforced guidance on direct reporting between Internal Audit & the Board.

## Strengthened Ethical & Professional Requirements

- Auditors must formally adhere to the Nolan Seven Principles of Public Life & exhibit professional courage.
- CAEs must be professionally qualified & demonstrate significant public sector experience.



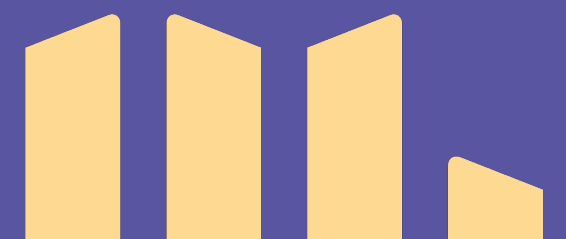
# The Standards provide..

## More Rigorous Annual Opinion Requirements

- CAEs must provide a more structured annual opinion, covering governance, risk management, & internal controls, highlighting trends & areas operating above the Board's risk appetite.

## Tighter Quality Assurance Standards

- Annual Peer-Led Internal Quality Assessments.
- External Quality Assessments (EQA) must now be carried out by assessors with equivalent CAE-level public sector experience at least every 5 years.

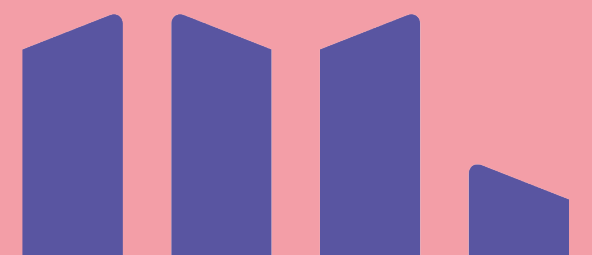




# The Standards provide..

## Updated Internal Audit Planning & Reporting criteria

- Greater alignment of audit plans to strategic objectives & risk priorities.
- More structured reporting requirements to governing bodies and stakeholders.



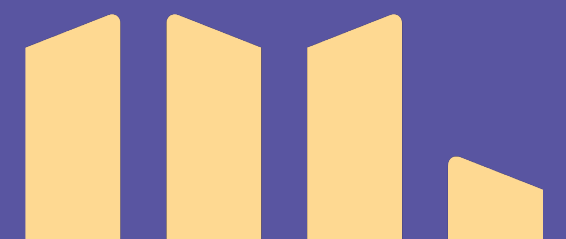
# How does this impact on Audit Committees?

The introduction of the Global Internal Audit Standards (GIAS) in the UK Public sector brings several key changes to the role and responsibilities of Audit Committees within the UK public sector.

Effective from 1 April 2025, these changes aim to enhance governance, accountability, and the overall effectiveness of the internal audit process.

The Standards also set expectations for the Board, their Audit Committee and senior management, to champion the role of Internal Audit & ensure internal audit remains effective and independent.

Here are 8 key changes that you should know.....



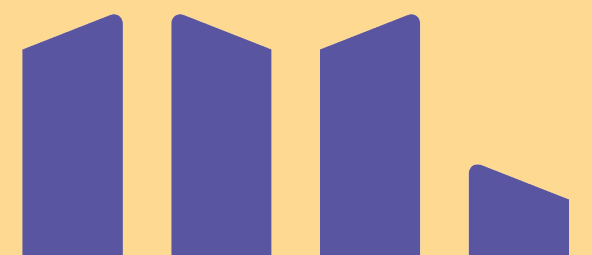
# 1. Expanded Oversight Role

**Before:** Audit Committees primarily focused on overseeing the internal audit function's effectiveness, reviewing risk management processes, and ensuring compliance with regulations.

**Now:** Audit Committees are now tasked with a broader governance oversight role.

They will be responsible for ensuring internal audit supports the achievement of the organisation's strategic objectives, not just in its compliance with legislative or regulatory requirements, or financial reporting standards.

This includes the delivery of audits that focus on service delivery, performance management, public accountability, and the effective and efficient use of resources.



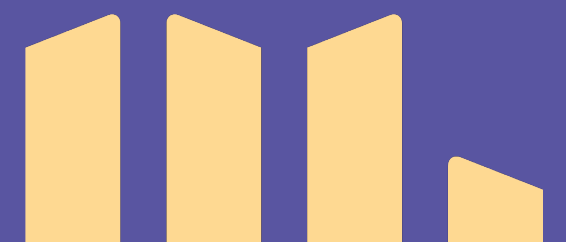
## 2. Increased Involvement in Strategic Decision-Making

**Before:** Audit Committees had limited involvement in strategic decision-making, primarily concerned with audit findings and risk outcomes.

**Now:** Audit Committees will now have a more active role in strategic decision-making.

They will need to engage more closely with senior management to ensure that internal audits are aligned with the organisation's strategic priorities and related risks to ensure that outcomes from audits help successful delivery of long-term plans.

This includes advising on areas where audit insights can improve decision-making and value for money.



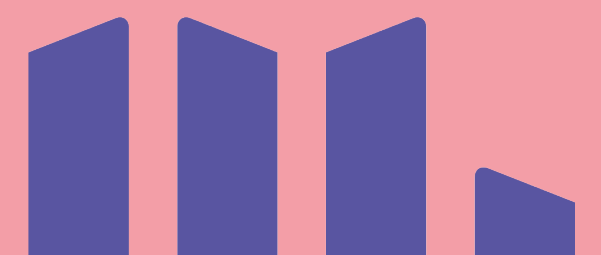
# 3. Enhanced Focus on Public Accountability

**Before:** The focus was largely on internal financial controls, risk management, and the effectiveness of audit processes.

**Now:** Audit Committees must now ensure that internal audits contribute to the organisation's public accountability.

This means ensuring that audits provide insights to the efficient and effective use of resources, in meeting the service outcome, the expectations of service users & funding bodies.

Audit Committees will need to focus on whether resources are being used effectively to deliver public value.



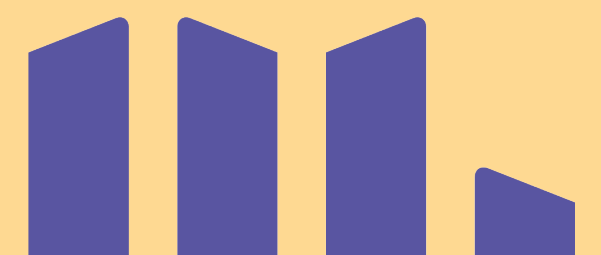
# 4. Broader Risk Management Framework

**Before:** Risk management focused on financial, operational, and compliance risks.

**Now:** The scope of risk management will expand to include environmental, social and governance (ESG) risks.

Audit Committees will need to oversee how the Internal Audit function addresses emerging risks to the organisation achieving its Net Zero goals, social and community impact, and corporate governance related concerns.

This will require more comprehensive risk assessments of their alignment with national public sector sustainability goals, which often in turn align to the United Nation's 17 Sustainability Development Goals (SDGs).



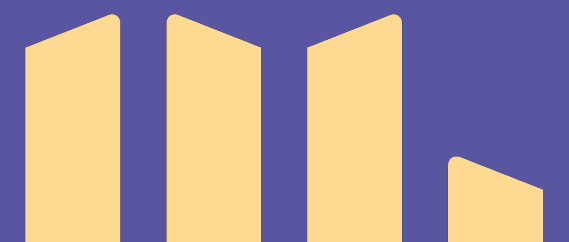
# 5. Value for Money & Service Delivery Focus

**Before:** The Audit Committee's role was centred on ensuring the financial efficiency & identifying operational & strategic risks.

**Now:** Audit Committees must ensure that audits support the delivery of value for money & service delivery.

They will be responsible for making sure that audits assess how well they are achieving the organisation's strategic objectives & delivering public services.

This includes ensuring that audits provide actionable insights to improve performance & better outcomes for service users.

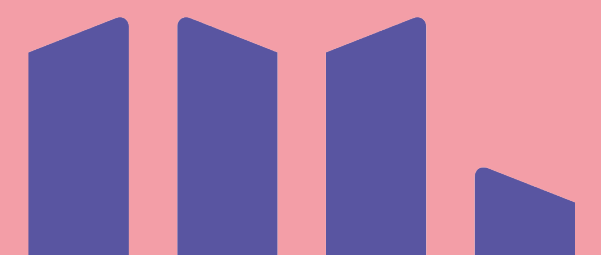




# 6. Engagement with a Broader Range of Stakeholders

**Before:** In some organisations, the Audit Committee's role was largely limited to internal stakeholders, such as senior management, as well as External Audit.

**Now:** Audit Committees will need to engage with a wider range of stakeholders, including service users, so to distil audit findings and provide clarity on actions being taken. The aim being to promote public trust.



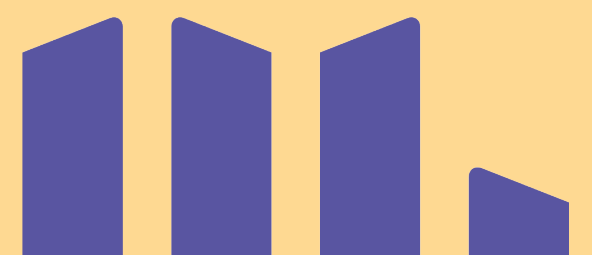


# 7. Increased Emphasis on Governance & Ethical Leadership

**Before:** While governance was important, the Audit Committee's focus was often limited to audit findings and control mechanisms.

**Now:** The Audit Committee's role will now encompass ensuring that Internal Audit functions are aligned with the ethical values and governance standards expected in the UK public sector.

Audit Committees will need to ensure that audit practices not only align with the GIAS in the UK Public Sector but also address the unique ethical and governance matters present in the UK public sector, such as compliance with ethical standards, conflicts of interest & transparency in the use of public funding.

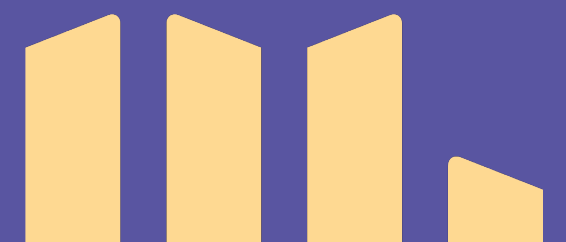


# 8. Engagement with External Auditors & Regulatory Bodies

**Before:** Audit Committees often interacted with External Auditors to discuss their audit findings and audit reports.

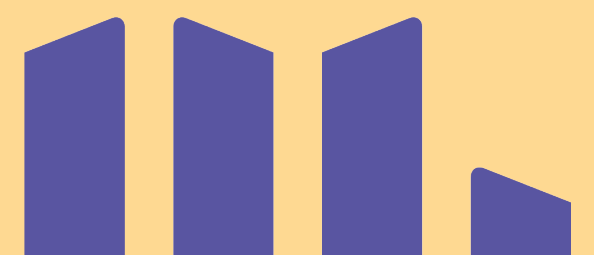
**Now:** The role of the Audit Committee now includes more active engagement with External Auditors, regulatory bodies, and other oversight mechanisms.

Audit Committees will need to ensure that there is a coherent approach to internal & external audit processes, including the management of any overlaps or gaps in audit coverage.



# How can Audit Committees demonstrate conformance?

- **Align** the Audit Committee's remit with Global Internal Audit Standards for the UK Public Sector.
- **Reinforce independence** - the CAE must have direct functional reporting to the Board & Audit Committee.
- **Drive impact** - Senior Management must ensure effective risk management & governance, acting on Internal Audit findings.
- **Uphold integrity** - both Internal Audit & Senior Management must adhere to ethical standards.
- **Enhance communication** - Internal Audit must deliver clear, risk-based recommendations to support decision-making and continuous improvement.
- **Self-assess annually** - regularly evaluate the Audit Committee's effectiveness in conforming with the GIAS in the UK Public Sector.

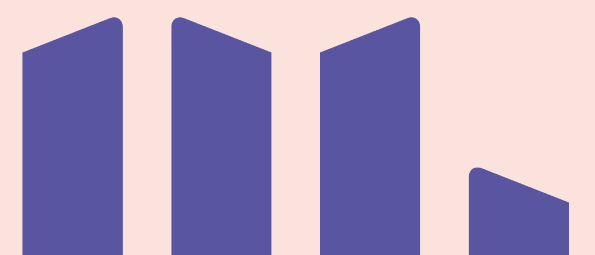


# Strengthened Responsibilities

Audit Committees will be more than just oversight bodies - they will actively drive governance, risk management and improvements.

Audit Committees will play a bigger role in:

- Championing internal audit's work & ensuring its findings are acted upon.
- Facilitating direct access between Internal Audit & senior management.
- Promoting a culture of transparency, accountability, & good governance.



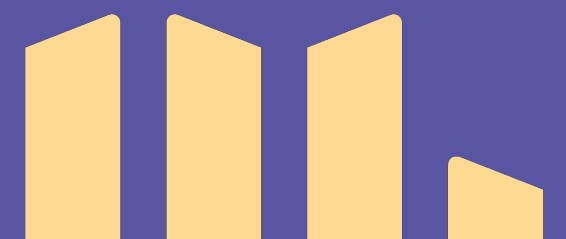
# Compliant & Committed.

Our HL Internal Audit Team is prepared to lead with courage to deliver real value and assurance to your organisation.

We're proud that our readiness assessment indicates we fully align with the Global Internal Audit Standards (GIAS) and GIAS for the UK Public Sector.

We're ready to help you ensure **your** conformance to these new Standards.

Contact [David.Archibald@hlca.co.uk](mailto:David.Archibald@hlca.co.uk)



## AUDIT AND RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	External Audit Plan 2024/25
<b>REFERENCE</b>	09.1
<b>AUTHOR AND CONTACT DETAILS</b>	Andrew Kerr, Senior Audit Manager <a href="mailto:akerr@audit-scotland.gov.uk">akerr@audit-scotland.gov.uk</a>
<b>PURPOSE:</b>	To provide the Committee with the external audit plan as proposed by the external audit service provider, Audit Scotland.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	The Committee is asked to <ul style="list-style-type: none"> <li>• Note the methodology to be followed by the external audit providers;</li> <li>• Note the levels of materiality to be employed;</li> <li>• Note the risks that the external auditors will focus on;</li> <li>• Note the Wider Scope and Best Value areas of focus as determined by reference to the Code of Audit Practice.</li> </ul>
<b>RISKS</b>	<ul style="list-style-type: none"> <li>• That the College cannot maintain financial stability;</li> <li>• That there is a failure of financial controls;</li> <li>• That there is a failure of Corporate Governance arrangements</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• Audit Scotland was awarded the contract to provide the external audit service for the College for a 5-year period from 2022/23 to 2026/27;</li> <li>• The Annual Audit Plan sets out the scope of the audit and the responsibilities on both parties (the College and External Audit) to prepare accurate reports and financial statements with controls in place to mitigate the risk of significant misstatement.</li> </ul>

## **1. INTRODUCTION**

- 1.1 A plan is prepared annually by the external audit providers which provides a context for the work that will be carried out to review both the financial statements and the governance arrangements in place.

## **2 BACKGROUND**

- 2.1 Each year, the external auditor presents the Board of the College with its planning document. The document has been reviewed and agreed by College management and the Chair of the Audit and Risk Committee beforehand.

## **3 DISCUSSION**

- 3.1 Audit Scotland conducts a tendering exercise every five years for the audit of the college sector's Annual Report and Financial Statements. Audit Scotland have also been appointed as the external auditors for the 5-year period to 2026/27.

- 3.2 The main elements of Audit work include:

- 3.2.1 inspection of the design and implementation of the key controls within the main accounting systems.
- 3.2.2 an audit of the annual report and financial statements, and provision of an independent auditor's report.
- 3.2.3 an audit opinion on regularity and other statutory information published within the annual report and financial statements including the performance report, the governance statement and the remuneration and staff report.
- 3.2.4 consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership, and governance; and use of resources to improve outcomes.
- 3.2.5 consideration of Best Value arrangements.
- 3.2.6 Ensuring that the College has a well-established Internal Audit function.

- 3.3 Significant risks of material misstatement to the Annual Report and the Financial Statements encompass the following:

- 3.3.1 management override of controls, for which accounting system inputs and controls are reviewed and tested as part of the audit assignment;

- 3.4 Materiality has been assessed at £0.405m; performance materiality is £0.245M and the reporting threshold is £0.020m. Detailed explanations for each of these levels is contained in exhibit 1 (page 7) of the Annual Audit Plan.

## **4 RESOURCE IMPLICATIONS**

- 4.1 The Committee were previously cited on the costs levied on the College compared to previous years, with a 1.9% increase in fee for the College from 2023/24 to 2024/25, representing an increase of £490 from £25,590 to £26,080. This is owing to economic environment and increased expectations on the audit profession.

4.2 In addition, as in previous years, the Committee are advised that the approach to the completion of the audit and the Financial Statement production is a collaborative approach, spanning various cross-college departments. Staff resource will be utilised from within the Principalship, Governance, Human Resources, Management Information Systems and Finance to ensure the accuracy and robustness of both financial and non-financial inputs.

4.3 The Timetable for the audit is contained in exhibit 3 (page 13); with the expectation that the College will have fully prepared accounts for the start of the audit on 6 October 2025, with all audit points raised to be cleared by 10 November 2025 to ensure that the approval of the Annual Report and Financial Statements can take place during the November cycle of Committees and Board meetings.

## **5 EQUALITIES**

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **6 RISK AND ASSURANCE**

6.1 A successful audit will give stakeholders a tangible assurance on both the financial sustainability of the College and the governance arrangements that it employs.

## **7 RECOMMENDATIONS**

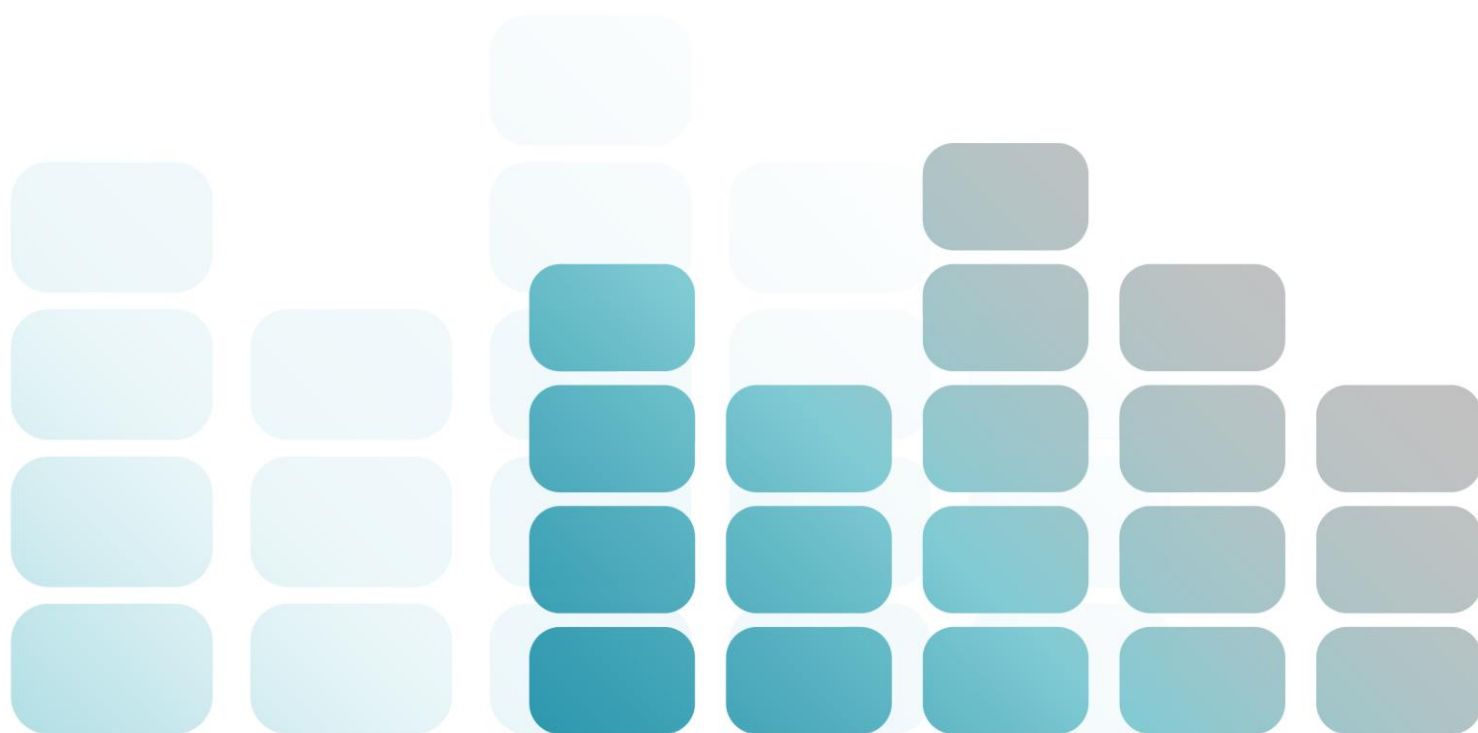
7.1 The Committee is asked to:

- Note the methodology to be followed by the external audit providers;
- Note the levels of materiality to be employed;
- Note the risks that the external auditors will focus on;
- Note the Wider Scope and Best Value areas of focus as determined by reference to the Code of Audit Practice.



# South Lanarkshire College

Annual Audit Plan 2024/25



Prepared for South Lanarkshire College  
May 2025

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# Introduction

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## Purpose of the Annual Audit Plan

1. The purpose of this Annual Audit Plan is to provide an overview of the planned scope and timing of the 2024/25 audit of South Lanarkshire College (the college) Annual Report and Financial Statements. It outlines the audit work planned to meet the audit requirements set out in [auditing standards](#) and the [Code of Audit Practice](#), including supplementary guidance.

## Appointed auditor and independence

2. Andrew Kerr, of Audit Scotland, has been appointed by the Auditor General for Scotland as external auditor of the college for the period from 2022/23 until 2026/27. The 2024/25 financial year is therefore the third of the five-year audit appointment.

3. The audit team are independent of the college in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. This standard imposes stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with ethical standards. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

4. The Ethical Standard requires auditors to communicate any relationships that may affect the independence and objectivity of the audit team. There are no such relationships pertaining to the audit of the college to communicate.

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# Audit scope and responsibilities

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## Scope of the audit

**5.** The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the Annual Report and Financial Statements, the Performance Report, and the Governance Statement, and an opinion on the audited part of the Remuneration and Staff Report.
- Conclusions on the college's arrangements in relation to the wider scope areas: Financial Management, Financial Sustainability, Vision, Leadership, and Governance, and Use of Resources to Improve Outcomes.
- Reporting on the college's arrangements for securing Best Value.
- Provision of an Annual Audit Report setting out significant matters identified from the audit of the Annual Report and Financial Statements and the wider scope areas specified in the Code of Audit Practice.

## Responsibilities

**6.** The Code of Audit Practice sets out the respective responsibilities of the auditor and the college. A summary of the key responsibilities is outlined below.

### Auditor's responsibilities

**7.** The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the Annual Report and Financial Statements, and concluding on the college's arrangements in place for the wider scope areas.

## The college's responsibilities

8. The college has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of Annual Report and Financial Statements, comprising financial statements and other information that gives a true and fair view.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

## Communication of fraud or suspected fraud

9. In line with ISA (UK) 240 (*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*), in presenting this plan to the Audit and Risk Committee we seek confirmation from those charged with governance of any instances of actual, suspected, or alleged fraud that should be brought to our attention. During our audit, should members of the Committee or Board of Management have any such knowledge or concerns relating to the risk of fraud within the college, we invite them to communicate this to us for our consideration.

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# Audit of the Annual Report and Financial Statements

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## Introduction

**10.** The audit of the Annual Report and Financial Statements is driven by materiality and the risks of material misstatement in the financial statements, with greater attention being given to the significant risks of material misstatement. This chapter outlines materiality, the significant risks of material misstatement that have been identified, and the impact these have on the planned audit procedures.

## Materiality

**11.** The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the Annual Report and Financial Statements.

**12.** Broadly, the concept of materiality is to determine whether matters identified during the audit could reasonably be expected to influence the decisions of users of the financial statements. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

**13.** The materiality levels determined for the audit of the college are outlined in [exhibit 1](#).

**Exhibit 1****2024/25 materiality levels for the college**

<b>Materiality</b>	
<b>Materiality:</b> based on an assessment of the needs of users of the financial statements and the nature of the college's operations, the benchmark used to determine materiality is gross expenditure based on the audited 2023/24 financial statements. Materiality has been set at 2% of the benchmark.	£0.405 million
<b>Performance materiality:</b> this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate that further audit procedures are required. Using professional judgement, performance materiality has been set at 65% of planning materiality.	£0.245 million
<b>Reporting threshold:</b> all misstatements greater than the reporting threshold will be reported.	£0.020 million

Source: Audit Scotland

## **Significant risk of material misstatement to the financial statements**

**14.** The risk assessment process draws on the audit team's cumulative knowledge of the college, including the nature of its operations and its significant transaction streams, the system of internal control, governance arrangements and processes, and developments that could impact on its financial reporting.

**15.** Based on the risk assessment process, a significant risk of material misstatement to the financial statements has been identified and this is summarised in [exhibit 2](#). This risk has the greatest impact on the planned audit approach, and the planned audit procedures in response to it are outlined in [exhibit 2](#).

**16.** The risk assessment process is an iterative and dynamic process. The assessment of risks set out in this Annual Audit Plan may change as more information and evidence is obtained over the course of the audit. Where such changes occur, these will be reported to the college.

**Exhibit 2****Significant risk of material misstatement to the Annual Report and Financial Statements**

Risk of material misstatement	Planned audit response
<p><b>Fraud caused by management override of controls</b></p> <p>Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> <li>• Evaluate the design and implementation of controls over journal entry processing.</li> <li>• Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries.</li> <li>• Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end.</li> <li>• Evaluate significant transactions outside the normal course of business.</li> <li>• Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements.</li> <li>• Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.</li> </ul>

Source: Audit Scotland

**Key audit matters**

**17.** The Code of Audit Practice requires public sector auditors to communicate key audit matters. Key audit matters are those matters, that in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

**18.** In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.



**19.** The matters determined to be key audit matters will be communicated in the Annual Audit Report. [Exhibit 2](#) outlines the significant risk of material misstatement to the financial statements that has been identified. This has the greatest impact on the planned audit procedures and requires most attention when performing the audit.

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# Wider scope and Best Value

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## Introduction

**20.** Reflecting the fact that public money is involved, the Code of Audit Practice requires that public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit set out by the Code of Audit Practice broadens the audit of the Annual Report and Financial Statements to include consideration of additional aspects or risks in four wider scope areas, which are summarised below:

- **Financial Management:** this means having sound budgetary processes. Factors that can impact on the college being able to secure sound financial management include the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption.
- **Financial Sustainability:** this means looking forward over the medium and longer term in planning the services to be delivered and how they will be delivered effectively. This is assessed by considering the college's medium- to longer-term planning for service delivery.
- **Vision, Leadership and Governance:** this means having a clear vision and strategy, with set priorities within the vision and strategy. This is assessed by considering the clarity of plans in place to deliver the vision and strategy and the effectiveness of the governance arrangements to support delivery.
- **Use of Resources to Improve Outcomes:** this means using resources to meet stated outcomes and improvement objectives through effective planning and working with partners and communities. This is assessed by considering the college's arrangements for ensuring resources are deployed to improve strategic outcomes, meet the needs of service users, and deliver continuous improvement.

**21.** A conclusion on the effectiveness and appropriateness of arrangements the college has in place for each of the wider scope areas will be reported in the Annual Audit Report.

## Duty of Best Value

**22.** The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

**23.** Consideration of the arrangements the college has in place to secure Best Value will be carried out alongside the wider scope audit, and a conclusion on the arrangements the college has in place will be reported in the Annual Audit Report.

**24.** Auditors may also carry out specific audit work covering the seven Best Value characteristics set out in the SPFM. The risk assessment process did not identify a need to carry out specific audit work on any of the characteristics. In addition, auditors are required to carry out a review of the 'fairness and equality' characteristic at least once during the audit appointment, and this will be carried out later in the audit appointment.

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# Reporting arrangements, timetable and audit fee

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## Audit outputs

**25.** The outputs from the 2024/25 audit include:

- This Annual Audit Plan.
- An Independent Auditor's Report to the college, the Auditor General for Scotland, and the Scottish Parliament setting out opinions on the Annual Report and Financial Statements.
- An Annual Audit Report to the college and the Auditor General for Scotland setting out significant matters identified from the audit of the Annual Report and Financial Statements, conclusions from the wider scope and Best Value audit, and recommendations, where required.

**26.** The matters to be reported in the outputs will be discussed with the college for factual accuracy before they are issued. All outputs from the audit will be published on Audit Scotland's website, apart from the Independent Auditor's Report, which is included in the audited Annual Report and Financial Statements.

**27.** Target dates for the audit outputs are set by the Auditor General for Scotland. In setting the target dates for the audit outputs, consideration is given to the statutory date for laying the Annual Report and Financial Statements, which is 31 December 2025 for colleges.

**28.** The Independent Auditor's Report and Annual Audit Report are planned to be issued by the target date of 31 December 2025.

## Audit timetable

**29.** Achieving the timetable for production of the Annual Report and Financial Statements, supported by complete and accurate working papers, is critical to delivery of the audit to agreed target date. [Exhibit 3](#) includes a timetable for the audit, which has been agreed with management. Agreed target dates will be kept under review as the audit progresses, and any changes required, and their potential impact, will be discussed with the college and reported to those charged with governance, where required.

### Exhibit 3

#### 2024/25 audit timetable

Audit activity	Audit team target date	Relevant Board/Committee date
<b>Annual Report and Financial Statements:</b>		
• Submission of unaudited Annual Report and Financial Statements and all working papers to audit team	6 October 2025	
• Latest date for audit clearance meeting	10 November 2025	
• Agreement of audited and unsigned Annual Report and Financial Statements. Issue of draft Letter of Representation, proposed Independent Auditor's Report, and proposed Annual Audit Report	14 November 2025	
• Approval by those charged with governance and signing of audited Annual Report and Financial Statements		Audit and Risk Committee – 25 November 2025 Board of Management – 9 December 2025
• Signing of Independent Auditor's Report and issue of Annual Audit Report	9 December 2025	

Source: Audit Scotland

### Audit fee

**30.** The college audit fee is determined in line with Audit Scotland's fee setting arrangements. The audit fee for the 2024/25 audit is £26,080 (2023/24: £25,590). In setting the audit fee, it is assumed that the college has effective governance arrangements in place and the complete Annual Report and Financial Statements will be provided for audit in line with the agreed timetable. The audit fee assumes there will be no significant changes to the planned scope of the audit. Where the audit cannot proceed as planned, for example, due to incomplete or inadequate working papers, the audit fee may need to be increased.

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# Other matters

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## Internal audit

**31.** The college is responsible for establishing an internal audit function as part of an effective system of internal control. As part of the audit, the audit team will obtain an understanding of internal audit, including its nature, responsibilities, and activities.

**32.** While internal audit and external audit have differing roles and responsibilities, external auditors may seek to rely on the work of internal audit where it is considered appropriate. A review of internal audit's 2024/25 audit plan was carried out to identify if there were any areas where the audit team could rely on its work. The audit team concluded it will not rely on internal audit's work. However, the audit team will review internal audit's reports and assess if there is any impact on the audit.

## Audit quality

**33.** Audit Scotland is committed to the consistent delivery of high-quality audit. Audit quality requires ongoing attention and improvement to keep pace with external and internal changes. Details of the arrangements in place for the delivery of high-quality audits is available from the [Audit Scotland website](#).

**34.** The International Standards on Quality Management (ISQM) applicable to Audit Scotland for 2024/25 audits are:

- ISQM (UK) 1, which deals with an audit organisation's responsibilities to design, implement, and operate a system of quality management (SoQM) for audits. Audit Scotland's SoQM consists of a variety of components, such as: governance arrangements and culture to support audit quality, compliance with ethical requirements, ensuring Audit Scotland is dedicated to high-quality audit through engagement performance and resourcing arrangements, and ensuring there are robust quality monitoring arrangements in place. Audit Scotland carries out an annual evaluation of its SoQM and has concluded it complies with this standard.
- ISQM (UK) 2, which sets out arrangements for conducting engagement quality reviews, which are performed by senior management not involved in an audit, to review significant judgements and conclusions reached by the audit team, and the appropriateness of proposed audit opinions on high-risk audits.

**35.** To monitor quality at an individual audit level, Audit Scotland carries out internal quality reviews on a sample of audits. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) carries out independent quality reviews on a sample of audits.

**36.** Actions to address deficiencies identified by internal and external quality reviews are included in a rolling Quality Improvement Action Plan, which is used to support continuous improvement. Progress with implementing planned actions is monitored on a regular basis by Audit Scotland's Quality and Ethics Committee.

**37.** Audit Scotland may periodically seek the views of the college on the quality of audit services provided. The audit team would also welcome feedback at any time.

# South Lanarkshire College

Annual Audit Plan 2024/25



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
Phone: 0131 625 1500 **Email: [info@audit.scot](mailto:info@audit.scot)**  
**[www.audit.scot](http://www.audit.scot)**



### AUDIT & RISK COMMITTEE

<b>DATE</b>	6 May 2024
<b>TITLE OF REPORT</b>	National Fraud Initiative (NFI)– 2024/25 exercise
<b>REFERENCE</b>	10.0
<b>AUTHOR AND CONTACT DETAILS</b>	Elaine McKechnie, Vice Principal – Finance, Resources & Sustainability <a href="mailto:Elaine.mckechnie@slc.ac.uk">Elaine.mckechnie@slc.ac.uk</a>
<b>PURPOSE:</b>	To update the Committee on the results of the recent 2024/25 NFI exercise
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended to: <ul style="list-style-type: none"> <li>• note the contents of this report; and</li> <li>• take assurances from the clearance of matches identified which rendered no potential fraud issues.</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• There are fraud risks resulting from the failure to satisfactorily complete the NFI exercise every 2 years.</li> <li>• There are risks to effective corporate governance at the College through failure to report potential fraud issues.</li> <li>• There are risks to the validity of insurance policies if fraud is found to underpin contractual procedures.</li> <li>• There are risks to the reputation of the College through failure to identify and respond to fraud issues.</li> <li>• There are risks to going concern because of poor reputation, reducing the potential pool of students and staff to support its operations.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• As a publicly funded body, the College is obligated to participate in the UK Government's matching exercise known as the National Fraud Initiative (NFI) every 2 years.</li> <li>• An upload of relevant information on personnel and supplier transactions was initially made on the NFI website by the College in respect of the 24/25 exercise.</li> <li>• There were 68 matches (2022/23 306 matches) identified as a result of the data upload and on review, none were found to indicate any potential fraud issue.</li> </ul>

## **1. INTRODUCTION**

- 1.1. As a publicly funded body, the College is obligated to participate in the UK Government's matching exercise known as the National Fraud Initiative (NFI) every 2 years. The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.
- 1.2. The matching exercise for 24/25 compared staff and supplier information such as names, addresses, national insurance numbers, invoice numbers and bank details, looking for matches in what may be deemed unconnected areas.

## **2 DATA PROTECTION**

- 2.1 To help ensure compliance with the Data Protection Act 2018 in relation to participation in the NFI, Organisations must abide by the NFI Security Policy and inform users of the requirements of this policy prior to using the system.

This security policy applies to all employees, temporary members of staff, sub-contractors and third parties who have access to the NFI system and covers:

- Adherence to the NFI information policy;
- Pre-employment screening checks;
- Restrictions to information sharing;
- Incident management and reporting;
- End point system security;
- Information loaded into NFI; and
- Threat levels.

- 2.2 As part of the College's compliance with the initiative, the College confirms during the exercise that appropriate steps have been taken to inform individuals about the collection and use of their personal data in accordance with the requirements of the General Data Protection Regulation and the Data Protection Act 2018. Individuals are also informed that personal data will be disclosed to fraud prevention (and/or detection bodies) for the purpose of assisting the prevention and detection of fraud.

- 2.3 The College's Data Protection Officer is content that the College will not be exposed.

## **3 THE 24/25 COLLEGE MATCHING EXERCISE**

- 3.1 The Vice Principal – Finance, Resources & Sustainability is the College's contact for the NFI however this will pass to the recently appointed Head of Finance for the 2026/27 exercise.
- 3.2 An upload of relevant information on personnel and supplier transactions was initially extracted by the Finance and HR teams and uploaded to the the NFI website by the Vice Principal. This data is matched with the data returned by over 1,200 participating organisations. The result is a report from the NFI database that lists potential areas of fraud which the College, like all other participants, should investigate.
- 3.3 College sector participants can expect to receive matches in three areas: HMRC, Payroll and Creditors.

## **4 RESULTS OF THE 24/25 MATCHING EXERCISE**

- 4.1 There were 58 matches identified as a result of the data upload, categorised as followed.

#### 4.1.1 Table of NFI 24/25 matches:

REPORT TITLE	TOTAL	STATUS	OUTCOME	COMMENT
Within Payroll to Payroll	1	Cleared	£0.00	An employee was found to have two full time contracts at both South Lanarkshire College and at South Lanarkshire Council. The employee's contract confirmed maths tutoring for 8.75 hours a week, not 35 hours. Error in SLC data uploaded; now corrected. No issue.
Duplicate creditors by creditor reference	1	Cleared	£0.00	Only one invoice had been uploaded but prior supplier address details uploaded as well as current supplier details. Invoice and addresses reviewed and confirmed as legitimate. No issue.
Duplicate creditors by address detail	6	Cleared	£0.00	Valid supplier changes to trading name and/or address. No issue.
Duplicate creditors by bank account number	1	Cleared	£0.00	One company is the ultimate controlling parent company of the other. One company which was previously dormant now appears to be trading as a live company, as evidenced by website address. Bank account belongs to the Group of which this company is a part. No issue.
Duplicate records by reference, amount and creditors reference	1	Cleared	£0.00	An invoice was reversed as it had been put onto the ledger twice in error. The error was spotted quickly and a purchase ledger adjustment was posted to remove the invoice prior to its payment. The College is comfortable that the invoice was only paid once.
Duplicate records by amount and creditor reference	58	Cleared	£0.00	<p>The majority of these records were periodic payments – quarterly invoiced set amounts as part of an agreed contract rate. Same value invoiced repeatedly</p> <p>There were two instances that were investigated separately with the College:</p> <ol style="list-style-type: none"> <li>1. The college took delivery of a double order and advised the supplier that they would keep the extra supply. The supplier consequently invoiced a repeat invoice quoting the same purchase order. Email validations of duplicated supply were reviewed by Vice Principal and no issue detected.</li> </ol>

				2. Two invoices had been raised against the one purchase order in recognition of a partial delivery on two separate days. Finance administrator confirmed that the total value of the two invoices matched the value of the purchase order in full. No issue detected.
<b>TOTAL</b>	<b>68</b>	<b>Cleared</b>	<b>£0.00</b>	<b>No issues</b>

4.2 As per the table above, examples of payroll “matches” are where an employee is working for two organisations included in the national database or where an employee’s bank details are identical to that of a supplier.

4.3 For Payroll matches, these are ranked. As an example, if an employee is identified as a full time equivalent in one organisation and part time in another, the system would identify this as a matter for investigation and the match rating would be “High”. The logic is that this may identify employees who are being paid whilst sick but are working for another employer or who are “ghost” employees.

4.4 For supplier matches, while the upload of all historic data from the accounts system can render a number of duplicate records in respect of trading name and bank account changes over the years, it is also possible that the College deals with two companies within a group with the two enterprises sharing the same address and / or bank account. As above, these matches were all reviewed during the 24/25 exercise and no potential fraud issues were identified.

4.5 As at current date, the NFI database reflects that all outstanding actions have been completed.

## 5 EXTERNAL AUDIT

5.1 As part of their remit, Audit Scotland, as our external audit provider, must report on the College’s progress re the Initiative. This is done via their report on the annual audit of the College’s financial statements and again mid-year.

## 6 RESOURCE IMPLICATIONS

6.1 The Vice Principal – Finance, Resources & Sustainability worked through matches with HR and Finance to identify any potential issues during 2024/25. The results of their findings were recorded on the NFI database.

6.2 This was a large body of work through which the College invested some time to resolve any outstanding matches. However, the College recognises the value of the exercise in the detection and prevention of fraud and seeks to assure the Board that there were no 23/24 matches found to suggest any malintent or fraud.

## **7 DATA UPLOAD ACCURACY**

7.1 While there has been improvement in the data extraction process at the College since the 2022/23 exercise, the results do still suggest a few instances of data that have been uploaded in error e.g. old and new address details for some suppliers and incorrect FTE equivalent against an employee contract (8.75 hours, not 35 hours).

7.2 The College commits to continuously review the data extraction process from both finance and HR systems with the aim of further reducing matches identified in the future. It is likely that the full implementation of Itrent, the Payroll system, will support with more streamlined data quality for extraction, as well as further development work that is in view for Bluqube, the Finance System.

## **8 EQUALITIES**

8.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **9 RISK AND ASSURANCE**

9.1 There are fraud risks resulting from the failure to satisfactorily complete the NFI exercise every 2 years.

9.2 There are risks to effective corporate governance at the College through failure to report potential fraud issues.

9.3 There are risks to the validity of insurance policies if fraud is found to underpin contractual procedures.

9.4 There are risks to the reputation of the College through failure to identify and respond to fraud issues.

9.5 There are risks to going concern because of poor reputation, reducing the potential pool of students and staff to support its operations.

## **10 RECOMMENDATIONS**

10.1 Members are recommended to:

- note the contents of this report; and
- take assurances from the clearance of matches identified which rendered no potential fraud issues.

### AUDIT AND RISK COMMITTEE MEETING

<b>DATE:</b>	13 May 2025
<b>AGENDA REF:</b>	12
<b>TITLE OF REPORT:</b>	Governance Rolling Review
<b>AUTHOR AND CONTACT DETAILS</b>	Vari Anderson vari.anderson@slc.ac.uk
<b>PURPOSE:</b>	To update the Board on the most up-to-date Rolling Review document and the updates made thereto.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	<p>The Board is recommended to:</p> <ul style="list-style-type: none"> <li>• Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached.</li> <li>• Note the updates provided on the latest document</li> </ul>
<b>RISK</b>	Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as maintaining a dynamic Rolling Review is fully consistent with best practice.
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Highest quality education and support.</li> <li>• Sustainable Behaviors.</li> <li>• Successful Students</li> </ul>
<b>SUMMARY</b>	<ul style="list-style-type: none"> <li>• This report sets out the latest version of the Rolling Governance Review for information and comment.</li> <li>• It focuses on the principles of good governance with subheadings of importance relating to each principle.</li> <li>• It also includes key policies and governance documents which the College is required to keep under review</li> </ul>

## **1. INTRODUCTION**

1.1 This paper sets out the latest version of the Rolling Governance Review.

## **2. BACKGROUND**

2.1 The Governance Improvement Plan was established to address any identified or emerging issues identified in the ongoing review of Governance at South Lanarkshire College. This plan was completed, and the Board of Management agreed that there should now be a "Governance Rolling Review".

## **3. GOVERNANCE ROLLING REVIEW**

3.1 The principles of good governance are:

- Leadership and Strategy
- Quality of the Student Experience
- Accountability
- Effectiveness
- Relationships and Collaboration

3.2 The Governance Rolling Review focuses on these areas, with relevant subheadings of importance.

3.3 The Rolling Review now provides visible audit evidence of the role of the Board in monitoring key Policies and key Governance documents such as the Scheme of Delegation, the Committee Terms of Reference and Standing Orders – all of which the College is obligated to keep under review. The review dates of key policies and procedures has been updated following the discovery that several policies had surpassed the recommended review date. Any policies in this category are in the process of being updated.

3.4 To reflect the implications of the Employment Tribunal ruling, Disciplinary Policies and Recruitment Procedures are to be amended in respect of the Principal and Governance Professional. Updated policies and procedures are to be considered by the Human Resources Committee during this Committee cycle.

3.5 Robust operational systems are already in place, but it is consistent with best practice that the Board has visible oversight of all key matters affecting both governance and management.

3.6 Since the previous rolling review document was presented in February 2025, two amber items have been amended to green (3.6 and 4.3 of the rolling review respectively).

## **4 RISK**

4.1 Governance is recognised as a potential strategic management risk and the Audit & Risk Committee has already requested that the Governance Rolling Review should be a standing item on its agenda.

## **5 EQUALITIES**

5.1 There are no new matters for people with protected characteristics or from areas of

multiple deprivation which arise from consideration of the report.

## **6 RECOMMENDATIONS**

6.1 The Board is recommended to:

- 6.1.1 Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached.
- 6.1.2 Note the updates provided on the latest document.



## ROLLING GOVERNANCE REVIEW DRAFT

The actions to deliver improvement contained in this plan will be developed and implemented to address any previously identified or emerging issues as noted by way of the “Ongoing Review of Governance” at South Lanarkshire College (SLC). This is proceeding following consultation with Board Members and Senior Staff. A RAG system has been used to enable tracking of progress against actions and timescales.

Development Categories	Issue	Action	By Whom and When	Status and Progress Update as at Jan 2025
<b>Leadership &amp; Strategy</b>	1.1 Conduct in Public Life	Training in New Code of Governance to be provided	Governance Professional January 2023 already completed but Governance Professional to ensure that CDN online training completed by December 2024	The new Code was formally adopted by the Board in January 2023 with a Briefing Paper provided by the then Governance Professional.  Induction of all new members was by reference to the new Code and training to Trade Union Observers was likewise based on the new Code. All Board Members should however engage with the online training pack now available via CDN as part of ongoing training. A new training pack has been published and the target date for completion has been extended accordingly <b>October 2024</b> Governance Professional has encouraged all board members to complete the CDN online training course.
	1.2 Vision & Strategy	Involve Trade Unions (TUs) on Board	Governance Professional  March 2024	TU Members have now been appointed to the Board and attached to committees
	1.3 Performance	Refresh paperwork for self-assessment and evaluation and plan for externally facilitated self-assessment review	Governance Professional  December 2024	<b>March 2025</b> Self-Assessment evaluation survey refreshed, and Committee Chair survey created. Externally Facilitated self-assessment review tender issued to CDN.

	1.4 Corporate Social Responsibility	Improve dialogue & communication with all stakeholders	Principal / Chair March 2024	The stakeholder letter has now recommenced.
		Board member involvement in the understanding of learning, teaching and assessment and work of the College. Subject to agreement with teaching staff.	Principal / Vice Principal for Learning and Teaching and the Student Experience.	<p>This is to provide an opportunity for Board members to engage with staff and students. They may do this by:</p> <ul style="list-style-type: none"> <li>• Speaking with curriculum managers or support managers;</li> <li>• Informally (and with agreement and notification) pop into classrooms to speak to lecturers and students where appropriate.</li> <li>• Attending (with prior agreement) team meetings.</li> </ul> <p>In Committee it was recommended that the Board be represented at staff events, where appropriate. GP sends out campus events to board members.</p>
<b>2 Quality of Student Experience</b>	2.1 Relevant High-Quality Learning which meets local, regional and national skills needs.	Board members through strategic planning days to undertake a curriculum review.	Principal and Vice Principal for Learning, Teaching and the Student Experience  Ongoing	<p>At the April Planning Day members participated in a skills planning workshop, with external input.</p> <p>Curriculum reviews are currently ongoing.</p>
	2.2 Student and Engagement and Quality Monitoring & Oversight	Work with the Student Association (SA) and Class Reps to improve Quality Monitoring feedback. Identify mechanisms for recognising and rewarding input of	Vice Principal Learning, Teaching and the Student Experience  Ongoing	<p>Reinstate the Student Parliament with Board members attending where appropriate. Also, through the Board Member Conversations as outlined in 1.4 give members an opportunity to engage with students. The Learning and Teaching Committee oversees progress of the Quality Enhancement Plan presented. Where possible the College would welcome more Board member involvement, and there has been a "Dragons Den" initiative which has been successful.</p>

		student body to support quality		April 2025 – to be taken forward by new VP
<b>3 Accountability</b>	3.1 Accountability & Delegation	Involve staff in discussions on facing challenge	Principal and VP for Finance, Resources and Sustainability  Ongoing	Board Members and management appropriately briefed on Training Day April 2024 All staff receive a key message update after every Board meeting.
	3.2 Risk Management	Connect risk appetite to risk register	Vice Principal Finance, Resources and Sustainability  November 2024	Henderson Loggie, Internal Auditors, hosted a session on risk appetite in November 2024. Prior to the session, Board Members completed the CDN Online course on risk.
	3.3 Audit Committee	Membership to be adjusted in line with New Code	Governance Professional	Implemented.
	3.4 Remuneration Committee	Terms of reference to be revisited.	Governance Professional & Chair	Implemented
	3.5 Financial & Institutional Sustainability	Identify opportunities and address challenges in context of “flat cash” settlement.	Principal and Vice Principals  Ongoing	This is work is in progress and the Board have also had discussions relating to the new strategic priorities.
		Explore options for best use of resources to generate income.		
		Explore options for 3 <sup>rd</sup> sector partnerships.		

	3.6 Staff Governance	Facilitate regular opportunities for Board members to engage with staff and staff representatives	Principal & Governance Professional [Ongoing]	Governance Professional advises Board Members of campus events which they can attend to engage with staff. Such as 'Pastries with a Purpose' and CLIC events.
		Improve information flow to appointed staff representatives	Principal & Governance Professional	Minutes are published in a timely manner on the website and 'key messages' are communicated to all staff through the staffing teams channel.
		Involve appropriately skilled staff by way of attendance at Committee Meetings and also participation in Strategy and Training days	Principal & Governance Professional  Training Day – 30 <sup>th</sup> April 2023	Considerable progress made but always room for discussion on potential for improvement.  Members of SLT attend to present papers at meetings. More support staff to be encouraged to attend meetings, for example, HR Committee to be attended by HR staff, Facilities staff etc.
<b>4.1 Effectiveness</b>	4.2 Board Chair	Plan for appointment of new Chair in 2024	Principal & Governance Professional  June 2024	Implemented
	4.3 Senior Independent Member	Refresh Training & Support	Governance Professional	A new SIM has been appointed. CDN guidance and online training course has been sent to SIM and will be fully supported by the Governance Professional.
	4.5 Board Members	Identify Training needs	Governance Professional  November 2025	<b>January 2025</b> Three new board members have been recruited and will be taking part in induction throughout February.  <b>March 2025</b> Board Members have been requested to update the skills matrix.

	4.6 Principal & Chief Executive	Set objectives and identify any training needs.	Chair June 2025	<p>New remit for Chair's Committee addresses this but some work still to be done.</p> <p><b>October 2024</b> Remuneration Committee considering setting the objectives and training needs.</p> <p><b>January 2025</b> Performance review of Principal will take place in April/May 2025 and objectives set.</p>
	4.7 Governance Professional	Recruit new postholder	Board	Implemented
		Agree overarching policy on resolving issues around grievance, breach of contract and conflict of interest	Governance Professional / Human Resources Director	The new Chairs Committee remit now provides a suitable mechanism.
	4.8 Appointment Induction & Training	New processes in anticipation of TU membership	Governance Professional	SLC has had TU observers at Committees and Board for several months. Formal induction has now taken place.
<b>5 Relationships &amp; Collaboration</b>	4.9 Board Evaluation	Revisit and refresh process and procedure	Governance Professional [Ongoing]	<p>The way forward will be informed by an externally facilitated Self-assessment exercise, but new feedback forms are in place with a view to minimising the impact on Board Member time.</p> <p>April 2025 CDN have been awarded the contract to conduct the externally facilitated review which will commence in this committee cycle.</p>
	5.1 Partnership Working	Build Collaborative initiatives with Regional Partner	Governance Professional and Principal	Projects identified for training & development.

			June 2024	<p>In addition, the Principal of South Lanarkshire College and the New College Lanarkshire Principal have started to meet regularly to consider options.</p> <p>Also, the Skills Led Region Planning sessions facilitated by Colleges Scotland for further collaboration, as well as the College West Partnership.</p> <p>Quarterly meetings are held with South Lanarkshire Council relating to collaboration.</p> <p>January 2025 Just to note that as part of the de-regionalisation process, SLC and NCL will be working in collaboration through working groups etc.</p>
		Community Development	<p>Principal and Vice Principal for Learning Teaching and the Student Experience.</p> <p>[Ongoing]</p>	<p>At the Strategic Planning Day further opportunities for working were discussed for links with the community – including, potentially the Principal and/or the Chairing Member to meet with the new Chief Executive of South Lanarkshire Council.</p> <p>Implemented.</p>
<b>6 Other</b>	6.1 Equalities	Equalities Awareness Training	<p>Governance Professional</p> <p>Ongoing Training</p>	A dedicated training session has already been provided by the former Governance Professional and is available on the Board Portal, but a refresher might usefully be considered at some future point. The Board manual now includes a briefing on this topic.
	6.2 Student Association Support & Recognition	Student Awards Funding	<p>Management</p> <p>Ongoing Support</p>	Senior staff are already supporting the SA in seeking funding from the Educational Foundation but further mechanisms for rewarding student effort are being considered.

Schedule of Key Policies & Procedures		
Policy	Date	Due for review
Anti Bribery Policy	September 2024	September 2027
Dignity at work	July 2023	No Date – in process of being updated
Disciplinary Policy & Procedure	July 2023	June 2024 – in process of being updated
E Signature Policy	June 2024	May 2026
Equality Policy	Nov 2023	No Date – in process of being updated
Fee Waiver Policy	July 2023	July 2025
Fees Policy	June 2024	May 2025
Finance Regulations	June 2024	June 2026
Fraud & Anti Corruption Policy	June 2024	May 2027
Grievance Policy & Procedure	July 2023	June 2024
Lettings Policy	September 2024	September 2027
Procurement Policy	June 2024	June 2025
Safeguarding Policy	June 2024	May 2025
Staff Code of Conduct	Oct 2023	March 2026
Student Discipline Policy & Procedure	April 2023	October 2025
Whistleblowing Policy	July 2023	October 2024 – in process of being updated
<i>Note that this element of the Rolling Review is under ongoing review and further policies may be added at request of Committees</i>		

Schedule of Governance Documentation for Ongoing Review		
Code of Conduct	Reviewed as required by Standards Commission	Up to date
Committee Remits	For review four yearly or as required	Last review 2024
Scheme of Delegation	Ditto	Last review 2024
Standing Orders	Ditto	Last review 2024
Code of Good Governance	Current edition 2022	Adopted

### AUDIT & RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	Cyber Essentials Basic Accreditation
<b>REFERENCE</b>	13.0
<b>AUTHOR AND CONTACT DETAILS</b>	Chris Sumner, Head of MIS <a href="mailto:Chris.sumner@slc.ac.uk">Chris.sumner@slc.ac.uk</a>
<b>PURPOSE:</b>	To update the Committee on the achievement of Cyber Essentials Basic audit and advise of next steps to ensure full accreditation.
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended to: <ul style="list-style-type: none"> <li>• Note the content of this summary and the underlying Certificate.</li> </ul>
<b>RISK</b>	The following risks apply: <ul style="list-style-type: none"> <li>• Breach of legislative requirements;</li> <li>• Impact on employees and third-party organisations;</li> <li>• Cost of resolution to the College; and</li> <li>• Reputational damage for the College.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• The Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• SLC have achieved Cyber Essentials Basic accreditation.</li> <li>• The accreditation is achieved in conjunction with Jisc cyber security team who have guided the SLC IT staff through the new cyber essentials format and challenges</li> <li>• The recognised changes in the accreditation are: <ul style="list-style-type: none"> <li>◦ Better mobile device controls and management</li> <li>◦ SLC must have a good "Bring your own device" (BYOD) configuration and patching and should be able to protect their network from "potential" devices and detail any risky devices.</li> <li>◦ Demonstrate that all operating systems and patches fall within the manufacturers support released e.g. Windows 10 23H2 or later, Ubuntu 22 LTS or later</li> </ul> </li> <li>• Cyber security insurance can also be assured following this accreditation</li> <li>• The accreditation demonstrates SLC strong cyber security posture and should reassure the board of a well-maintained IT infrastructure.</li> </ul>



	<ul style="list-style-type: none"> <li>• The College will now seek to undertake the second part of this accreditation, Cyber Essentials Plus, within the next 3 months in order that the College is fully accredited by the end of July 2025.</li> </ul> <p>Special thanks go to the SLC IT Team for their hard work on this and in particular to Gavin Munro, Depute MIS Manager, who led the review.</p>
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#### Appendix 1: Cyber Essentials Certificate

# Technical Bulletin

## 2025/1

Technical developments and emerging risks from  
January to March 2025



Prepared by Audit Scotland for appointed auditors and audited bodies in all sectors  
31 March 2025

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## Accessibility

Auditors can find out more and read this bulletin using assistive technology on the Audit Scotland website [www.audit.scot/accessibility](http://www.audit.scot/accessibility).

# 1: Introduction

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## Purpose

The purpose of Technical Bulletins from Audit Scotland's Innovation and Quality (I&Q) business group is to provide auditors appointed by the Auditor General for Scotland and Accounts Commission for Scotland with:

- information on the main technical developments in each sector during the quarter
- information on professional matters during the quarter that are expected to have applicability to the public sector
- summaries of responses to any requests from auditors for technical consultations with I&Q.

Appointed auditors are required by the Code of Audit Practice to pay due regard to Technical Bulletins. The information on technical developments is aimed at highlighting the key points that I&Q considers auditors in the Scottish public sector require generally to be aware of. It may still be necessary for auditors to read the source material if greater detail is required in the circumstances of a specific audited body. Source material can be accessed by using the hyperlinks.

Any specific actions that I&Q recommends that auditors take are highlighted in **bold**.

Technical Bulletins are also published on the Audit Scotland [website](#) and therefore are available for audited bodies and other stakeholders to access. However, hyperlinks to source material indicated with an asterisk (\*) link to files on Audit Scotland's [SharePoint\\*](#) and are only accessible by auditors.

## Highlighted items

I&Q highlights in the following table a selection of the items in this Technical Bulletin that are of particular importance:

Highlighted items			
I&Q will soon publish a cross sectoral TGN on the potential misstatements in the 2024/25 accounts	CIPFA has issued a disclosure checklist for the 2024/25 financial statements of local government bodies	I&Q has issued two assurance protocols for auditors	
[paragraph 1]	[paragraph 10]	[paragraph 14]	
CIPFA has issued a consultation draft of an update to Delivering Good Governance in Local Government Framework	Treasury has re-issued the 2024/25 FreM and issued the 2025/26 FreM	The Scottish Government has issued the NHS accounts manual and CAM for 2024/25	
[paragraph 22]	[paragraph 30 and 41]	[paragraph 52 and 60]	

## Consulting with I&Q

Auditors should consult with I&Q by completing an [enquiry form](#) and submitting it to [TechnicalQueries@audit-scotland.gov.uk](mailto:TechnicalQueries@audit-scotland.gov.uk).

## 2: All sectors

### TGN on potential misstatements in 2024/25 annual accounts

1. I&Q will soon publish Technical Guidance Note (TGN) 2025/1 to provide auditors with guidance on potential misstatements in the 2024/25 annual accounts.
2. As a change from previous years, rather than two separate TGNs for central government and local government, I&Q are producing a single cross-sector TGN for 2024/25. The TGN will be accessible by auditors on [SharePoint\\*](#), along with supporting material, and will also be available from the Audit Scotland [website](#).
3. The TGN is intended to inform auditors' professional judgement and promote the exercise of professional scepticism. The TGN supplements the Code of Audit Practice and auditors are expected to pay it due regard and use it as a primary reference source when performing 2024/25 audits. Auditors should advise I&Q of any intended departures from the guidance.
4. The TGN comprises a number of modules as summarised in the following table:

Module	Potential misstatement area	Purpose
<b>Overview</b>	Areas that are pervasive to the financial statements as a whole	Concise explains the appropriate accounting treatment related to each potential misstatement
<b>1-9</b>	Specific classes of transactions, balances and disclosures in the financial statements.	
<b>10A</b>	Audited part of Remuneration Report in Local Government	Explains the requirements and provides guidance on the potential misstatements in the audited part of the Remuneration Report
<b>10B</b>	Audited part of Remuneration and Staff Report in other sectors	
<b>11A</b>	Statutory Other Information in local government (e.g. Management Commentary and Annual Governance Statement)	Sets out the procedures for considering the Statutory Other Information

Module	Potential misstatement area	Purpose
11B	Statutory Other Information in central government (e.g. Performance Report and Governance Statement)	
12	Irregular transactions in central government	Explains the requirements and sets out the action auditors should undertake
13	Integration joint boards	
14	Pension fund accounts	Provides guidance on the application of the above modules to these specific bodies
15	Section 106 charities – Local Government	
16	Charitable NDPBs – Central Government	

5. The guidance on potential misstatements reflects areas of complexity, subjectivity and uncertainty. They have been updated to reflect new requirements which emerged during the 2023/24 audits that remain applicable. A separate note summarises the main changes from 2023/24.

### Consultation on climate change guidance

6. The [Scottish Government](#) has issued a [consultation](#) on guidance related to public bodies' statutory duties on climate change.

7. Responses to the consultation should be submitted via the [online survey](#) before Friday 23 May 2025.

8. The draft guidance sets out:

- public bodies' legislative duty to act to reduce emissions, adapt to climate change, and promote sustainability. Actions should be proportionate to the body's impact, considering its size, assets, function and influence
- the need for public bodies to embed climate considerations in their corporate governance, risk management, and strategic planning decision-making processes
- that collaboration with other bodies is encouraged to share best practices and maximise the impact of climate actions.

9. The guidance is set out in eight sections summarised in the following table:

Sections	Area	Content
<b>1 and 2</b>	Context and strategic framework	The chapter explains climate and sustainability requirements in the broader context of policies including biodiversity, sustainable development, equalities, health and wellbeing and human rights.
<b>3</b>	Equalities	<p>Highlights the need for a comprehensive approach to climate action to address and mitigate social inequalities.</p> <p>Decisions on climate change and sustainability should consider potential equality impacts, with appropriately integrated assessments considering protected characteristics, socio-economic status and health.</p>
<b>4</b>	Putting duties into practice	<p>Guidance for public bodies to meet climate change duties including:</p> <ul style="list-style-type: none"> <li>• a step-by-step model for bodies at different stages of climate action, covering leadership, governance, and recognising that actions should be proportionate to the body's climate impact, size and influence.</li> <li>• a framework and a whole systems approach to demonstrate impact, refine actions, and ensure equity.</li> </ul> <p>Section 4.7 sets out the role of audit highlighting Audit Scotland's strategy for auditing climate change across the public sector. The guidance reflects the role of audit in reviewing and supporting:</p> <ul style="list-style-type: none"> <li>• effective responses to legislative requirements</li> <li>• embedding climate change into organisational decision making, assurance, management and governance systems</li> <li>• transparency of actions and spend, and assessment of the impact and value for money of plans and projects</li> </ul>
<b>5-7</b>	Guidance on specific duties	<p>These sections outline and provide guidance for bodies to tackle the three climate related duties to:</p> <ul style="list-style-type: none"> <li>• reduce emissions</li> <li>• adapt to climate change</li> <li>• deliver sustainable development</li> </ul>
<b>8</b>	Reporting	<p>Explains the mandatory climate change reporting duty with guidance to help public bodies understand and meet the requirements.</p> <p>Emissions reporting has focused primarily on scope 1 and 2, however bodies also need to start to measure, monitor and reduce scope 3 emissions. For most public bodies, scope 3 emissions will be where their greatest climate impact lies.</p> <p>Bodies are expected, as best practice, to include climate change reporting as part of their annual corporate reporting process.</p>



# 3: Local Government Sector

## 2024/25 Disclosure checklist

**10.** The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued a [disclosure checklist\\*](#) for the 2024/25 financial statements. It is intended for use as an aide-memoire to assist in meeting the requirements of the accounting code.

**11.** The checklist is in the form of a series of questions and the implications of the answers are set out in the following table:

Answer	Implication
Yes	The accounting code is being complied with
No	A justification for departing from the accounting code should be given. For example, a legitimate justification may be that the information resulting from a particular disclosure is not material.

**12.** When evaluating whether the accounting code's disclosure requirements have been met, **auditors should:**

- request that the body completes the 2024/25 disclosure checklist
- investigate the reasons for any non-compliance that the checklist highlights
- evaluate whether the body's responses in the checklist are consistent with auditor's knowledge.

**13.** Where the body declines to complete the checklist, **auditors should:**

- establish the alternative arrangements by which it satisfies itself regarding the completeness of disclosures
  - evaluate the adequacy of the arrangements
  - consider completing the checklist as part of their audit procedures, where the body's arrangements are judged not to be adequate.

## Assurance protocols for 2024/25

**14.** I&Q has published two protocols to provide agreed frameworks for auditors to seek and provide certain information from auditors of other public bodies (assurance protocols). The assurance protocols are summarised in the following table:

Protocol subject	Nature of information
<a href="#">Local Government Pension Scheme (LGPS)</a>	<p>LGPS pension fund auditors request information from employer body auditors in respect of pension contributions payable by the employer body to the pension fund.</p> <p>Employer body auditors request information from pension fund auditors in respect of information provided by the pension fund to the actuary in relation to their reports on employer bodies.</p>
<a href="#">Integration joint boards (IJBs)</a>	IJB auditors request information from the auditors of the constituent authorities regarding information not held by the IJB.

**15.** The assurance protocols set out the potential range of information but do not compel any specific information to be sought. It is not expected that any information outwith the specified range will generally be requested but that will be a matter for local agreement in 2024/25.

**16. Auditors should:**

- judge whether it is necessary to request any information from other auditors in 2024/25
- follow the agreed frameworks in each protocol when requesting or providing information.

## Section 106 charities accounts

**17.** Audit Scotland and the [Scottish Charity Regulator](#) (OSCR) have issued a joint [briefing](#) to encourage a reduction in the number of sets of accounts of registered charities that fall within the scope of section 106 of the Local Government (Scotland) Act 1973 (section 106 charities). The briefing provides information on:

- the number of section 106 charities administered by each local authority in 2023/24
- the number of related sets of accounts.

**18.** OSCR offers guidance to councils seeking to reorganise their section 106 charities and has a regulatory interest in charities that are inactive in

terms of not providing public benefit and that may fail to meet the charity test.

**19.** Local authorities continued to administer a total of 149 charities in 2023/24 (a reduction of 16 from 2022/23). In order to reduce the number of section 106 charities further in 2024/25, **auditors should strongly encourage authorities with multiple charities to:**

- **reorganise their charities through merging or winding them up, particularly when they appear to be failing to meet their charitable aims (e.g. by not disbursing funds)**
- **consider appointing an external trustee as this would remove the charity from the scope of section 106.**

**20.** In the meantime, there is scope under the charity regulations for connected charities to prepare a single set of accounts. The definition of connected charities is met for section 106 charities administered by the same local authority even where trustees differ as they meet the condition for ‘unity of administration’. However, in 2023/24:

- Four authorities made only partial use of the connected charities provisions and produced 17 sets of accounts between them
- Four authorities made no use of the provisions and produced 10 sets of accounts.

**21. Auditors should strongly encourage local authorities to make full use of the connected charities provisions in 2024/25.**

### **Consultation on delivering good governance**

**22.** CIPFA issued a [consultation draft](#) of an addendum to the Delivering Good Governance in Local Government Framework (governance framework) intended to apply from 2025/26.

**23.** The governance framework provides guidance on the completion of an annual review of the effectiveness of the body’s system of internal control and the production of an Annual Governance Statement (AGS).

**24.** CIPFA is proposing to update the governance framework by replacing chapter 7 with the addendum to:

- support good governance in the sector
- reflect changes affecting governance in local government bodies since the governance framework was issued in 2016
- encourage robust reviews of governance arrangements
- improve accountability to stakeholders.

**25.** There are changes to emphasise that:

- the AGS is important, not just to finance staff, but to elected members, senior management and all those involved in the annual review of governance
- preparing an AGS is an opportunity to undertake a rigorous annual assessment of governance and consider whether it is fit for purpose.

**26.** The benchmark against which the annual review of governance should be undertaken is the seven principles of good governance set out in the governance framework (which are unchanged). The addendum sets the core arrangements in the context of each of the seven principles and sets out the scope of the annual review.

**27.** The addendum continues to recommend that local authorities adopt a local code of governance which sets out their governance arrangements, but the recommendation has been strengthened. It now requires that the local code should show how governance principles are put into practice.

**28.** Where an authority does not have a local code, the annual review will need to first identify the arrangements in place to meet the governance principles.

**29.** The addendum is clear that the AGS should not include extensive description of the different aspects of the authority's governance arrangements, unless the authority does not have a local code. The addendum sets out elements the AGS should contain, and these are summarised in the following table:

Element	Content
<b>Executive Summary – to pull out main messages</b>	Summary of key conclusions. An overall opinion on whether governance is fit for purpose. Significant changes or areas of improvement the authority will be actioning in the forthcoming year.
<b>Assessment of effectiveness - statement of how the review was conducted and the results</b>	Explicit assurance that each of the core arrangements for the local code are operating effectively. The results of external assurance providers and internal audit's annual conclusion. An explanation of how the overall opinion has been agreed.
<b>Areas for improvement</b>	Any significant gaps in governance arrangements. Significant governance failures that occurred during the year and action taken. Action plans to address weaknesses where necessary.

Element	Content
Improvements in governance arrangements	How governance issues identified in the previous year's AGS have been addressed. Other significant steps to improve governance.
Forward look on governance	Identifying where governance needs to change to meet the future needs of the authority.

# 4: Central Government Sector

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## 2024/25 FReM

**30.** [HM Treasury](#) has issued a revised version of the [2024/25 Government Financial Reporting Manual](#) (the FReM). The main changes are explained in the following paragraphs.

**31.** The temporary amendment in the 2023/24 FReM (see [Technical Bulletin 2024/2](#) paragraph 44) covering cases when pension data was not available in a timely manner has been removed. The previous requirements at paragraphs 6.5.8 d) and 6.5.15 have been reinstated in 2024/25.

**32.** Paragraphs 6.5.8 f) and 6.5.15 g) have been added to require additional disclosure where an individual included in the Remuneration and Staff Report is impacted by the McCloud remedy. The disclosure explains that the calculation of the disclosed pension benefits is based on the terms of the legacy scheme for the remedy period, unless the individual actively elects otherwise.

## 2023/24 GBS account information

**33.** I&Q will obtain information on account balances at 31 March 2025 for central government bodies from the Government Banking Service (GBS) and distribute them to relevant auditors.

**34.** The GBS has confirmed that the arrangements for obtaining 2024/25 account balances are unchanged.

## Amendments to SPFM

**35.** The Scottish Government has issued three Finance Guidance Notes which update sections of the Scottish Public Finance Manual (SPFM).

**36.** [FGN 2025/1](#) amends the [Certificates of Assurance](#) and [Settlement, Severance, Early Retirement and Redundancy](#) sections to clarify the internal control checklist, signpost to relevant material, and clarify existing guidance. An additional question has been added to the checklist regarding reporting and recording cases of fraud.

**37.** [FGN 2025/2](#) updates a number of sections following recommendations from a strategic review. The updates aim to clarify, refresh and standardise the layout to set out relevant legislation and highlight the applicability of each section. Detailed processes and guidance have been relocated to the Scottish Government intranet.



**38.** Key sections amended and the main changes are summarised in the following table:

Section	Amendment
Foreword and Scope	Renamed Background and Applicability chapters with updated links to policies and agreements.
Accountability	Clarifies the principles and expectations related to the Accountable Officer role Explicitly include feasibility as part of value for money tests.
Risk management	Updated to clarify risk management principles.
Subsidy control	Refocused to align the principles more closely with the Subsidy Control Act 2022.

**39.** [FGN 2025/3](#) provides additional guidance on preparing Financial Memoranda for Scottish Government Bills. It outlines the key responsibilities of the Bill Team in preparing and clearing Financial Memoranda before submitting draft Bills for Ministerial approval.

**40.** Further updates are expected to be made to the rest of the SPFM throughout 2025/26.

**2025/26 FreM**

**41.** Treasury has issued the [2025/26 FReM](#). The main changes in 2025/26 are as a result of the:

- Treasury thematic review of non-investment asset valuations
- implementation of IFRS 17 Insurance contracts.

**Non-investment asset valuations**

**42.** The 2025/26 FReM introduces the concept of assets being held for their operational capacity, rather than their service potential. References to specialised and non-specialised assets have been removed. These changes relate to the classification of assets and do not impact on the valuation basis.

**43.** The following adaptations to IAS 16 Property, plant and equipment have been introduced:

- The requirement to revalue an asset when its fair value differs materially from its carrying value has been withdrawn. Bodies can use the following methods to revalue assets:
  - A quinquennial revaluation supplemented by annual indexation in intervening years

- A rolling programme of revaluations over a 5-year cycle, with annual indexation applied to the non-inspected proportion of assets during the four intervening years
- For non-property assets only, the use of appropriate indices.
- Valuations are not required outwith the valuation programme unless there is an indication of impairment.
- Revaluations carried out prior to 2025/26 remain valid throughout the transition period, from 1 April 2025 until the asset is next revalued. The maximum period between revaluations during the transition period must not exceed five years.

**44.** The guidance on accounting for property, plant and equipment in Chapter 10.1 and 10.4 has been updated to reflect these changes. It explains that in rare cases where an index is not available, entities may commission an interim desktop revaluation at year three of their valuation programme.

**45.** The following adaptations have been added to IAS 38 Intangible assets:

- Bodies are no longer permitted to measure intangible assets using the revaluation model. Bodies that have been using the revaluation model should disclose this change in methodology at 1 April 2025
- On transition, the carrying value of intangible assets should be historical cost.

**46.** IAS 8 has been adapted so that bodies do not need a retrospective restatement as a result of the change in accounting policy relating to the valuation of non-investment assets (including intangible assets).

**47.** Treasury has issued [application guidance](#) on the non-investment asset valuation changes.

## **IFRS 17 Insurance contracts**

**48.** IFRS 17 replaces IFRS 4, applying a current value approach to measuring insurance contracts, and can apply to a wider range of contracts than expected.

**49.** The FReM sets out a number of interpretations of IFRS 17 including:

- A contract is an agreement between two or more parties that creates enforceable rights and obligations. Legislation and regulations are not equivalent to insurance contracts as they are not agreements between parties.
- The financial instrument discount rate from PES papers is assumed to be used for discounting IFRS 17 insurance liabilities.



Phase 3 guidance on TCFD

50. HM Treasury has issued [Phase 3 application guidance for TCFD- aligned disclosures](#). The additional disclosure requirements for phase 3 which applies in 2025/26 are set out in the following table:

Area	Proposed disclosures
Principal, new, and emerging risks	<p>Identification and disclosure of principal climate-related risks.</p> <p>Consideration of new and emerging risks that could impact the organisation</p> <p>A description of the climate related risks and opportunities over the short, medium, and long-term time and the impact of those risks and opportunities on strategy and financial planning.</p>
Climate Scenario Analysis	<p>A requirement to conduct and disclose climate scenario analysis using common anchor points (or reference periods) for time horizons and climate scenario pathways</p> <p>Analysis should cover different time horizons and consider various climate scenarios, including a 2°C or lower scenario</p> <p>Scenario analysis should be updated at least every 5 years, or more frequently where the assumptions used no longer apply.</p>

51. The 2024/25 FReM (discussed at paragraph 30) requires compliance with the TCFD aligned disclosures phase 2 (see [Technical Bulletin 2024/1](#) paragraph 63). Scottish Government guidance (see [Technical Bulletin 2024/3](#) paragraph 23) recommends that relevant Scottish public bodies comply with the FReM requirements.

# 5: Health Sector

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## 2024/25 accounts manual

**52.** The Scottish Government has issued the [2024/25 Manual for the Annual Report and Accounts of NHS Boards\\*](#) (accounts manual). The accounts manual complements the guidance contained in the 2024/25 FReM but contains some additional or specific requirements.

**53.** The main changes are set out in the following paragraphs.

### Sustainability and environmental reporting

**54.** Pages 13 and 14 confirm that boards should comply with the relevant sections of the FReM and the Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosures, as set out in application guidance issued by Scottish Government (see [Technical Bulletin 2024/3](#) paragraph 23).

### Remuneration report

**55.** The disclosure requirements on page 28 for accrued pension benefits have been updated to require additional disclosure where an individual has been impacted by the McCloud remedy (explained in the previous article on the 2024/25 FReM at paragraph 30).

**56.** Page 32 has been updated to clarify that where the real increase in an individual's Cash Equivalent Transfer Value is negative, this should be disclosed as a negative figure with a footnote to explain the reason.

**57.** The notes to the fair pay calculation on page 39 have been updated to clarify that directly engaged staff should be excluded from the median calculation.

### Standards issued but not adopted this year

**58.** Disclosures have been added to the table of standards issued but not yet adopted on pages 65 and 66 for IFRS 18 and IFRS 19.

### Related parties

**59.** Additional guidance on the identification and disclosure of related party transactions has been added to page 148.

## 2024/25 CAM

**60.** The Scottish Government has issued the [NHS Scotland Capital Accounting Manual 2024/25\\*](#) (CAM) to interpret the accounting guidance

contained in the 2024/25 FReM on capital accounting issues in the health sector.

**61.** The main changes for 2024/25 are to chapters 8 and 11 which have been amended to remove the transitional requirements of IFRS 16.

# 6: College Sector

## Consultation on 2026 Further Education SoRP

**62.** The British Universities Finance Directors Group (BUFDG) has issued an [exposure draft](#) of the Statement of Recommended Practice (SORP) for Further and Higher Education 2026. The proposed effective date of the revised SORP is for accounting periods beginning on or after 1 January (ie 2026/27).

**63.** Colleges following the SORP are required to apply all requirements under FRS 102, relevant legislation, and the accounts direction. The accounts direction for incorporated colleges in Scotland also requires compliance with the FReM where applicable.

**64.** The draft SORP does not diverge from FRS 102 however it provides interpretations to aid the practical implementation and requires a small number of additional disclosures to ensure consistency.

**65.** The main items for consideration in the invitation to comment are in respect of amendments to FRS102 summarised in the following table:

Area	Guidance
<b>Leases</b>	<p>Section 14 would apply to all leases, including subleases, unless FRS102 requires alternative treatment (e.g. biological assets).</p> <p>A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This may include arrangements that do not take the legal form of a lease.</p> <p>Where the lease payments are significantly below market rents the lessor may have provided the lessee with a government grant or a donation. The lessee should recognise these as part of the cost of the right-of-use asset. Where the contractual payments are not substantive, for example peppercorn or nominal consideration, the arrangement may not meet the definition of a lease.</p> <p>A lessee, may choose not to apply the requirements to:</p> <ul style="list-style-type: none"><li>• short-term leases; and</li><li>• leases for which the underlying asset is of low value.</li></ul> <p>At the commencement date, a lessee recognises a right-of-use asset, measured at cost, and a lease liability measured at the present value of the lease payments.</p>

Area	Guidance
<p><b>Revenue from contracts with customers</b></p> <p>Section 16 would apply to revenue from transactions that have commercial substance such as:</p> <ul style="list-style-type: none"> <li>• tuition fees paid by students, including those paid via the Student Loans Company.</li> <li>• commercial revenue (e.g. conferences, consultancy).</li> </ul> <p>It does not apply to funding for education contracts and broader research grants. However, there may be examples of research contracts which are of commercial substance.</p> <p>The revenue recognition model is a five-step process to:</p> <ul style="list-style-type: none"> <li>• identify the contract</li> <li>• identify the performance obligations in the contract</li> <li>• determine the transaction price</li> <li>• allocate the transaction price to the obligations</li> <li>• recognise revenue when (or as) the obligations are satisfied.</li> </ul>	<p>A lessor classifies leases as either an operating lease or a finance lease based on the risks and rewards incidental to ownership of the underlying asset.</p>
<p><b>Principal or agent</b></p> <p>Paragraphs 16.18 to 16.23 provide guidance on whether a college is acting as principal or as an agent. A college is acting as:</p> <ul style="list-style-type: none"> <li>• principal where it obtains control of a specified good or service before it is transferred to the customer and promises to provide the goods or service itself. A principal recognises revenue as it satisfies its performance obligation</li> <li>• an agent where the performance obligation is to arrange for the provision of the specified good or service by another party. An agent recognises any fee or commission as it satisfies the performance obligation.</li> </ul>	

**66.** Responses to the consultation should be submitted via the online [survey](#) by 30 April 2025.

# 7: Professional matters

## Revised Property Valuation Standards

**67.** The Royal Institution of Chartered Surveyors (RICS) have issued revised [Valuation Global Standards](#) (the red book) which are effective from 31 January 2025. The red book ensures that property valuation assignments are carried out in accordance with International Valuation Standards (IVS), promoting a consistent approach and aiding the understanding of the valuation process and the value reported.

**68.** This edition of the Red Book applies the latest international standards and supplements them with additional requirements and best practice guidance focussing on practical implementation. The Standards are set out in six parts summarised in the following table:

Part	Content
<b>1 and 2</b>	Introduction and Glossary
<b>3 and 4</b>	Cover matters relevant to valuation assignments generally including <ul style="list-style-type: none"><li>• professional and ethical standards</li><li>• terms of engagement</li><li>• valuation approaches and methods</li></ul>
<b>5</b>	Contains advisory material, valuation practice guidance – applications (VPGAs), which include best practice recommendations and optional matters including: <ul style="list-style-type: none"><li>• VGPA 1 which covers valuations for financial reporting purposes</li><li>• VPGA 11 covering the valuers' relationships with auditors</li></ul>
<b>6</b>	This section sets out the full IVS

# 8: Fraud and irregularities

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This chapter provides a synopsis of a statutory report from the Controller of Audit which highlighted weaknesses in internal control at the audited body.

Auditors should consider whether weaknesses in internal control which facilitated the fraud may exist in their bodies and take the appropriate action.

## Council tax refunds

**69.** The Controller of Audit has issued a [report](#) detailing how a former council employee diverted fraudulent payments totalling £1.109 million to their own bank account over a period of 17 years.

### Key features

The perpetrator identified council tax accounts with historical credit balances and used their unsupervised authority to issue refunds and divert the funds to himself.

A lack of segregation of duties and monitoring in relation to council tax refunds allowed the perpetrator to transfer balances between council tax accounts, input bank account details and process refunds without any checks.

The fraud was identified after a member of staff identified an irregular transaction and raised the matter with a Council Tax Manager.

The council has carried out a review of the systems and processes operating around accounts in credit and refunds. Action has been taken to strengthen segregation of duties between processing and approving refunds and inputting bank details. An improvement plan has also been prepared covering council tax refunds and wider banking and supplier payment controls.

The perpetrator pled guilty to criminal charges of embezzlement and received a four-year prison sentence.

The council has reached agreement with the perpetrator to recover funds with the council's insurers expected to cover any remaining loss.

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# Technical Bulletin 2025/1

Technical developments and emerging risks from January to March 2025



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## AUDIT AND RISK COMMITTEE

<b>DATE</b>	6 May 2025
<b>TITLE OF REPORT</b>	Board Member Update
<b>REFERENCE</b>	AOB
<b>AUTHOR AND CONTACT DETAILS</b>	Vari Anderson Vari.anderson@slc.ac.uk
<b>PURPOSE:</b>	To update Board Members on the recent resignation of a non-executive board member
<b>KEY RECOMMENDATIONS/ DECISIONS:</b>	Members are recommended: <ul style="list-style-type: none"> <li>• To note the resignation of a non-executive board member and the implications on the Board and Committee membership</li> <li>• To promote vacant Board Member positions within their networks</li> </ul>
<b>RISK</b>	<ul style="list-style-type: none"> <li>• With insufficient non-executive committee membership, the College will be in breach of section C.7(d) of the Code of Good Governance for Scotland's Colleges.</li> </ul>
<b>RELEVANT STRATEGIC AIM:</b>	<ul style="list-style-type: none"> <li>• Successful Students</li> <li>• Highest Quality Education and Support</li> <li>• Sustainable Behaviours</li> </ul>
<b>SUMMARY OF REPORT:</b>	<ul style="list-style-type: none"> <li>• Notes the resignation of Tom Feely from the Board effective as of 22 April 2025</li> <li>• Notes the implications on the Board and Committee membership</li> </ul>

## **1. INTRODUCTION**

- 1.1 This paper records the resignation of a non-executive board member and the implications on the Board and Committee membership.

## **2. BACKGROUND**

- 2.1 On 22 April 2025, Non-Executive Board Member Tom Feely, notified the Chair of the Board of his intention to resign from the Board of Management due to professional commitments. It was confirmed that this resignation would be effective from 22 April 2025.
- 2.2 In terms of the Further and Higher Education (Scotland) Act 1992, the Board remain compliant, noting that the minimum number of Board Members is 15.
- 2.3 In February 2025, an advert was posted on the South Lanarkshire College website and on LinkedIn to attract new Board members following previous resignations. As of the date of writing, 28 April 2025, no applications have been received for the vacant Board Member roles. The closing date has been removed from the vacancy advertisement and the application pack will remain available on the SLC website. Board Members are encouraged to share this vacancy with their networks.

## **3. IMPLICATIONS**

- 3.1 Tom Feely was a member of the Audit and Risk Committee which will remain quorate and with a voting majority. It should be noted that over the summer period, committee membership may be refreshed.

## **4. RISK**

- 4.1 With insufficient non-executive committee membership, the College will be in breach of section C.7(d) of the Code of Good Governance for Scotland's Colleges

## **5. EQUALITIES**

- 5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

## **6. RECOMMENDATIONS**

- 6.1 The Committee is recommended to:
- To note the resignation of a non-executive board member and the implications on the Board and Committee membership; and
  - To promote vacant Board Member positions within their networks