

## AGENDA

---

### AUDIT AND RISK COMMITTEE

A meeting of the Audit and Risk Committee will be held on Wednesday 3 June 2020 at 3.30pm. Please join via Microsoft Teams.

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

No	Item	Action	Lead	Pages
1	Welcome, Apologies and Declarations of Interests	Note	SM	N/A
2	Minutes of the Previous Meeting: 12 March 2020	Approve	SM	
3	Matters Arising / Actions Outstanding	Note	SM	2-2
4	Internal Audit:			
	4.1 Update on Internal Audit Actions: Exception Report	Note	IA	
	4.2 Workforce Planning	Note	IA	
	4.3 Virtual Learning Environment	Note	IA	
	4.4 Internal Audit Plan 2020-21	Approve	IA	
5	External Audit Plan and Fee	Approve	EA	
6	Accounting Policies	Approve	SD	
7	Strategic Risk Register 2019-20	Note	SD	3-10
8	Review of Remit and Self-Evaluation	Discuss	SM	11-21
9	Date of Next Meeting Thursday 10 September 2020 at 3.30pm Boardroom, Dunfermline	Note	SM	N/A



## Board of Governors: Audit and Risk Committee

### Actions Outstanding / Progress Made

**Key:**

	Outstanding and deadline passed
	Progressing and on target
	Complete

	Date of Meeting	Action	Responsibility	Deadline	Status	Comments
1	12.03.20	To remove the word “significant” from risk 12.	M Philp	03.06.20		Complete
2	12.03.20	To add Coronavirus to the Strategic Risk Register.	S Dunsmuir	ASAP		Complete
3	12.03.20	To provide an update to the Committee on the Assurance Framework in March 2021.	S Dunsmuir	March 2021		Complete. This has been added to the calendar of indicative items
4	12.03.20	To share the Assurance Framework with the full Board for information	M Philp	25.03.20		Complete. Included in Committee update to Board in May 2020 and added to Board induction paperwork
5	12.03.20	To discuss with others in the sector what they are doing by way of assurance mapping and share documentation if useful.	M Philp	03.06.20		Complete. Circulated to Board Secretary Network. Some have shared frameworks, others still developing.



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

<b>Strategic Risk Register 2019-20</b>	
<b>Date of Meeting:</b>	Wednesday 3 June 2020
<b>Purpose:</b>	To present to the Audit and Risk Committee the updated Strategic Risk Register 2019-20.
<b>Intended Outcome:</b>	Audit and Risk Committee members are invited to review the controls in place for the top risks and give assurance to the Board of Governors that the risks are being appropriately controlled by management.
<b>Paper Submitted by:</b>	Susan Dunsmuir, Chief Financial Officer
<b>Prior Committee Approvals:</b>	N/A
<b>Financial Implications:</b>	N/A
<b>Equality and Diversity Implications:</b>	N/A
<b>Risks Assessed:</b>	N/A
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Susan Dunsmuir ( <a href="mailto:susandunsmuir@fife.ac.uk">susandunsmuir@fife.ac.uk</a> ) 01383 845 243
<b>Date of Production:</b>	18 May 2020

## BOARD OF GOVERNORS OF FIFE COLLEGE

### Audit and Risk Committee

#### Strategic Risk Register 2019-20

#### 1 Introduction

The Strategic Risk Register is required to be monitored and reviewed on a quarterly basis by the Executive Team, in order to give assurances to the Board of Governors, via the Audit and Risk Committee, that the risks are being appropriately controlled by Management.

#### 2 Considerations of Executive Team

A review of the Strategic Risk Register has been carried out to reflect the situation as at Quarter 4 (May - July 2020) and an updated version of the overall Risk Register has been included within this paper (Appendix 1). The summary below details those risks where significant changes have been made, however all individual risk sheets, including those where minor or no changes have been made, can be accessed via the following link: [Risk and Opportunities Register 2019-20](#).

The Executive Team considers the Strategic Risk Register to be a live document, therefore will continue to review and update the risks each quarter to reflect the current position. Regular updates will continue to be provided to the Audit and Risk Committee and Board of Governors where appropriate.

All risks have been reviewed to take into account the current situation surrounding Covid-19. Specific changes to highlight to the Audit and Risk Committee today are:

##### **COVID-19 Risk**

The coronavirus impacts all operations and strategic risks of Fife College as staff, students, customers and wider stakeholders adhere to Government guidance in dealing with the response to the virus, through lockdown, halt of face to face teaching, social distancing, closure of campuses, cancellation/postponement of all business interactions and training. Due to the impact of this outbreak, it was deemed necessary to add this to the Strategic Risk Register for continual review.

Without any mitigating actions having been taken the total gross risk score remains 25 with a status of severe. Furthermore, with additional control measures in place, the net risk likelihood and impact scores have decreased, the overall net risk score reducing from 25 to 20 and the overall status remaining severe.

##### **Risk 1 – Failure to implement effective financial planning and control regarding estates and deliver outcomes for the College.**

Risk 1 has been updated and additions made to reflect the impact of Covid-19. The most immediate impacts of the outbreak is the College potentially being unable to complete the Rosyth exit as planned and have ongoing rental and maintenance costs associated with this and our ability to carry out maintenance and repair work planned for the start of the academic year. An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included, starting

negotiations regarding the extension of lease at Rosyth, maintaining engagement with contractors on ability to commence works when College is accessible, changes made to the estate to ensure that social distancing measures can be achieved and student experience maintained.

Without any mitigating actions having been taken the likelihood of this risk has changed from 3 to 4, increasing the total gross risk score to 16 albeit the status remains high. Furthermore, with additional control measures in place, the net risk score has increased, the overall net risk score rising from 9 to 12 and the overall status changing from moderate to high.

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

Risk 2 has been updated to reflect the impact of how the Covid-19 crisis will significantly exacerbate an already very difficult financial and operating environment for the College. Without any mitigating actions having been taken the likelihood of this risk has changed from 3 to 5, increasing the gross risk score to 20 and resulting in the status changing to severe. Furthermore, with additional control measures in place, the net risk likelihood and impact scores have increased, the overall net risk score rising from 9 to 16 and the overall status from moderate to high.

**Risk 3 – Failure to make use of current and emerging technology and to be in a position to continuously enhance digital capability to offer the flexible and innovative learning and teaching delivery modes expected by learners and all stakeholders.**

Risk 3 has been updated and additions made to reflect the impact of Covid-19 with regard to digital capabilities/enhancements and engagement of remote learning and teaching.

Without any mitigating actions having been taken the likelihood of this risk has changed from 3 to 4, increasing the total gross risk score to 16 albeit the status remains high.

No change to the net risk scoring was considered necessary.

**Risk 4 – Failure to focus on wider wellbeing of staff and students.**

An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included the BCP group looking at cross college activity to co-ordinate activity to ensure we can operate within safety guidelines, continuation of Organisational Development themes which includes wellbeing, ensuring PPE is available as appropriate and additional cleaning of the estate.

No change to the risk scoring was considered necessary.

**Risk 5 – Failure to achieve student recruitment targets across GIA and Non-GIA income activity and to deliver relevant, inclusive and sustainable regional curriculum, including ensuring successful outcomes for all students.**

Risk 5 has been updated and additions made to reflect the impact of Covid-19 with regard to College closure and inability to fully deliver planned curriculum activity.

Without any mitigating actions having been taken the likelihood of this risk has changed from 3 to 4, increasing the total gross risk score to 16 albeit the status remains high.

Furthermore, with additional control measures in place, the net risk likelihood and impact scores have increased, the overall net risk score rising from 9 to 12 and the overall status from moderate to high.

**Risk 6 – Failure to develop capacity and skills mix that fits the strategy.**

An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included the PDR process being developed online to facilitate the process being undertaken remotely, curriculum planning discussions continuing to take place based on what is currently known and new content being added to the working from home area of the Gateway to support staff development whilst not College.

No change to the risk scoring was considered necessary.

**Risk 7 – Risk of external political/funding/regulatory changes.**

Risk 7 has been updated and additions made to reflect the negative impact of Covid-19 on Colleges as a result of restrictions in place, temporary changes in guidance and or lack thereof.

Without any mitigating actions having been taken the likelihood of this risk has changed from to 4 to 5, increasing the total gross risk score to 20 and resulting in the risk status changing to severe. Furthermore, with additional control measures in place, the net risk likelihood and impact scores have increased, the overall net risk score rising from 9 to 12 and the overall status from moderate to high.

**Risk 8 – Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans.**

Risk 8 has been updated and additions made to reflect the recent College closure and inability to fully deliver planned commercial activity.

Without any mitigating actions having been taken the likelihood of this risk has changed from to 4 to 5, increasing the total gross risk score to 20 and resulting in the risk status changing to severe. Furthermore, with additional control measures in place, the net risk likelihood and impact scores have increased, the overall net risk score rising from 9 to 16 and the overall status from moderate to high.

**Risk 9 – Failure to achieve cohesive culture.**

An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included delivery mechanisms having been altered through the use of teams and zoom to keep in contact with colleagues and the Trade Unions, CLPL content now online and the Employee Engagement survey having been conducted and results carefully communicated to managers and colleagues through the online communication methods now in place.

No change to the risk scoring was considered necessary.

**Risk 10 – Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environment for progressive learner journey.**

Risk 10 has been updated and additions made to reflect the possible impact on the curriculum portfolio next academic session.

An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included collaboration with awarding bodies and external stakeholders to ensure continuity based on alternative arrangements and sustain support to/communication with students, staff and stakeholders who enable transitions.

Without any mitigating actions having been taken the likelihood of this risk has changed from 3 to 4, increasing the total gross risk score to 16 albeit the risk status remains high. Furthermore, with additional control measures in place, the net risk likelihood and impact scores have increased, the overall net risk score rising from 9 to 12 and the overall status from moderate to high.

**Risk 12 – Failure to fully comply with statutory or regulatory requirements leading to a breach of legislation, resulting in legal action, a fine or another penalty against the College.**

An update on some of the control measures put in place to reduce the likelihood and impact of the risk was noted. This included additional guidance prepared for staff on how to process personal data whilst working from home, information on CyberSecurity risks regularly posted on staff Gateway and antivirus software rolled out with all College devices issued for remote working.

No change to the risk scoring was considered necessary.

**Risk 13 – Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College.**

Risk 13 has been updated to note that technical advisors have been appointed to development the joint masterplan due to be completed early July 2020 and a site evaluation scenario options appraisal being submitted to the DFM in April 2020.

No change to the risk scoring was considered necessary.

**3 Recommendation**

The Strategic Risk Register has been updated based upon the above and is presented to the Audit and Risk Committee for approval. The Audit and Risk Committee is asked to consider the following:

- The risks included in the register;
- The revised risk score of the risks noted above;
- Whether any other risks should be considered for removal; and
- Whether any new risks should be considered for inclusion.

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

RISKS 2019-20							RISK MANAGEMENT					ACCOUNTABILITY						
RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	GROSS IMPACT ANALYSIS				CURRENT RISK MANAGEMENT STRATEGY (what already happens now)	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Further Action Required	Risk Owner & Timetable	Assurances Available	Changes processed since last risk register	Risk Status	
			Impact	Likelihood	Gross Risk Score	Gross Risk			Impact	Likelihood	Net Risk Score							
COVID-19	Operations	The coronavirus impacts all operations and strategic risks of Fife College as staff, students, customers and wider stakeholders adhere to Government guidance in dealing with the response to the virus, through lockdown, halt of face to face teaching, social distancing, closure of campuses, cancellation/ postponement of business interactions and training. The length of this position is currently unknown.	5	5	25	Severe	<ul style="list-style-type: none"> <li>In response to the steps taken to support the fight against the coronavirus the College has taken the following action to ensure the Health and Wellbeing of our staff and students, maintain our business operations and support our students to continue with their learning and achievements:</li> <li>Closure of College Campuses and halt of face to face teaching and interactions</li> <li>Preparations and move to online delivery</li> <li>Preparations and move to for remote working</li> <li>Mobilisation of business continuity team in response to COVID19 - overall return to campus plan being created as well as individual directorate plans incorporating specific needs</li> <li>Dedicated COVID19 website for information and support to staff and students</li> <li>Ongoing communications to staff and students at all level</li> <li>Issuing of devices to staff and students to support remote working - over 500 devices have been issued</li> <li>Working from home online support to staff and students</li> <li>Engagement at a sector level across all areas of the business to co-ordinate response and gain assurance and interaction with Scottish Government and executive agencies</li> <li>Recut of 2019/20 forecast to return small deficit, agreement to access CJRS to support deficit position.</li> <li>2020/21 scenario planning incorporating assumptions on COVID-19 income impacts and possible mitigating actions to support financial sustainability.</li> <li>Curriculum teams completing online delivery and student engagement.</li> <li>Examinations cancelled and therefore curriculum teams planning for alternative assessment models to support students gaining qualifications</li> <li>FCSA student engagement activity ongoing</li> <li>Engagement at a sector level with SFC on financial planning assumptions to support college financial sustainability.</li> <li>Continued engagement with employers and wider community to provide appropriate support.</li> </ul>	S	4	5	20	Severe	<ul style="list-style-type: none"> <li>Ongoing monitoring of the situation.</li> <li>Adapting as guidance and advice from the Government is released.</li> <li>Providing ongoing support to staff and students to support their Health and Wellbeing</li> <li>Continue College business continuity group, to react and respond to emerging issues.</li> <li>Continue engagement at sector and SG level</li> </ul>	Executive Team & Senior Leadership Team				
1	Estates	Failure to implement effective financial planning and control regarding estates and deliver outcomes for the College	4	4	16	High	<ul style="list-style-type: none"> <li>Current estates strategy to be re-written.</li> <li>Submission of business plan for Glenrothes revamp to be submitted April 2020.</li> <li>Backlog maintenance additional funds spent by July 2020.</li> <li>Start negotiations re extension of lease at Rosyth, maintain engagement with contractors on ability to commence works when College accessible.</li> <li>Work with colleagues across college to understand who needs to be in the premises and continually evolve, to ensure estates adjustments are made as required.</li> <li>Changes to the estate to ensure that social distancing measures can be achieved and student experience maintained.</li> </ul>	S	3	4	12	High	<ul style="list-style-type: none"> <li>Refresh of Estates Strategy review to be completed by May 2020. To continue to lobby SFC for additional backlog maintenance funding. Funding proposal to improve Glenrothes campus to be submitted early 2020. To have plans in place which assumes that we would not have the same access to contractors and not have the expected level of spend to permit us to carry out work as planned.</li> </ul>	S Reekie	Vacating Rosyth to be completed August 2020. Viewfield disposal in active negotiation.			
2	Finance	Failure to achieve annual financial targets in line with the five year financial forecast plan.	4	5	20	Severe	<ul style="list-style-type: none"> <li>The impact of the Covid-19 crisis will significantly exacerbate an already very difficult financial and operating environment for the College.</li> <li>Within the short terms to the end of 2019/20 we have reviewed our financial position and spending plans to minimise the deficit faced by the College for this year end.</li> <li>To now arrive at the underlying deficit of £(198k) for 2019/20 we are incorporating a projected income shortfall between April and July 2020 of £2,094k, which has been offset were possible by the removing restructuring costs, staff savings from our voluntary severance scheme, a reduction in spend in temporary teaching and removal of planned non staff spend on resource investments.</li> <li>Following updated guidance from SFC the College is now also pursuing an application to the CJRS and therefore, this should support the deficit position projected to the end of July 2020.</li> <li>The financial impacts of Covid-19 on the medium to longer term exacerbate an already challenging environment. In support of this we are currently preparing our draft budget for the coming year 2020/21, where we are considering a number of different scenarios, in what is a very uncertain financial environment. We are currently planning on anything from break even to an operating deficit next year of up to £4million.</li> <li>We are working closely and constructively with the SFC to support firming up on scenarios to try and get more of a steer and more clarity on the imponderables on setting a budget for 2020/21.</li> <li>We are also seeking assurance from SFC a number of fronts including; guarantee of full core funding in 2020/21 even if targets not met; cash support guarantee and how long will SFC support this; position of producing a deficit budget; will SFC permit colleges to utilise ring-fenced backlog maintenance funding for other purposes; will SFC take a tertiary wide view of students and financial viability and implement additional controls on fees only/EU students to prevent universities increasing their intake of home students at the expense of college recruitment.</li> <li>The above will continue to be supported by the following regular controls within College planning processes including; <ul style="list-style-type: none"> <li>review of staffing structures and cost base;</li> <li>Rigorous budgeting and forecasting;</li> <li>Ongoing drive for efficiencies and realisation of "invest to save";</li> <li>Researching alternative delivery approaches;</li> <li>Effective planning and recruitment processes.</li> <li>Customer/Client engagement</li> <li>Targeted marketing and sales plans.</li> <li>Engagement with SFC/SG on the funding requirements for the New Build project</li> </ul> </li> </ul>	M	4	4	16	High	<ul style="list-style-type: none"> <li>Continuing review of processes and systems for further efficiencies. The 5 year financial forecast submitted to SFC on the 27th of September 2019, will need to be reviewed. Continued engagement with SFC and other Government agencies. Ensure as part of the New Build business case completion the College Finance team play a key role in reviewing the financing arrangements of the project costs and the ongoing financing model for the build once complete.</li> </ul>	S Dunsmuir	Monthly budget/performance meetings.			
3	Curriculum Design and Development	Failure to make use of current and emerging technology and to be in a position to continuously enhance digital capability to offer the flexible and innovative learning and teaching delivery modes expected by learners and all stakeholders.	4	4	16	High	<ul style="list-style-type: none"> <li>Enhancement of Digital Capability through targeted investment in physical and human resources. Issuing of equipment and guidance to staff and students. Collaboration with internal and external stakeholders / production of guidelines on alternative arrangements. Communication strategy and continued support and monitoring arrangements at college, faculty and team level.</li> </ul>	M	3	3	9	Moderate	<ul style="list-style-type: none"> <li>Continued investment in physical and human resources.</li> <li>Implementation of dedicated Digital Learning Development across College role. Continued agreed financial flexibility for appropriate variation / replacement of equipment.</li> <li>Implementation and monitoring of agreed College minimum standard of requirement for Digital Skills as part of the Leadership Framework.</li> </ul>	D Leslie	Student and external Stakeholders feedback.			

RISKS 2019-20							RISK MANAGEMENT					ACCOUNTABILITY					
RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	GROSS IMPACT ANALYSIS				CURRENT RISK MANAGEMENT STRATEGY (what already happens now)	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Further Action Required	Risk Owner & Timetable	Assurances Available	Changes processed since last risk register	Risk Status
			Impact	Likelihood	Gross Risk Score	Gross Risk			Impact	Likelihood	Net Risk Score						
4	Health and Safety	Failure to focus on wider wellbeing of staff and students.	4	3	12	High	Ongoing engagement with staff and student body. Always giving Health & Safety agenda priority. BCP group looking at cross college activity to co-ordinate activity to ensure we can operate within safety guidelines during covid-19 crisis. In addition to consider how best to protect staff, students and their families, if they fall within the vulnerable category. Ensure PPE is available as appropriate, additional cleaning of estate and hand sanitisers are available around the campus	S	3	2	6	Moderate	Improved uptake of Near Miss reporting. Review Health & Safety Committee Structure. Roll out of Workshop PPE Signage. External H&S audit now completed with recommendations from the audit now being implemented.	S Reekie	Continuing safety inspections. Involvement of student representatives on Health and Safety and Wellbeing Action Group.		➔
5	Curriculum Design and Development	Failure to achieve student recruitment targets across GIA and Non-GIA income activity and to deliver relevant, inclusive and sustainable regional curriculum, including ensuring successful outcomes for all students.	4	4	16	High	Robust curriculum planning and cross reference to Outcome Agreement. Equal priority given to GIA and commercial income. Effective strategic collaboration with employers and with partner organisations. Realistic target setting and constant monitoring of recruitment against target. Integration of full cost and GIA activity with alignment of curriculum offering. Collaboration with external stakeholders, including commercial clients and agreed alternative arrangements. Collaboration with funding and awarding bodies and agreed alternative arrangements. Review of progression and recruitment processes as appropriate. Scenario planning in collaboration with funding and awarding bodies. Scenario planning and introduction of new models in collaboration with external partners e.g. schools.	M	3	4	12	High	Strategic curriculum planning tied to Regional Outcome Agreement. Effective sharing and utilisation of resources at regional level, including with external partners. Increased flexibility in design and delivery to allow for variety of flexible learning and training opportunities. Effective planning and recruitment processes. Integrated marketing plans with curriculum and business development teams.	D Leslie	Student and external Stakeholders feedback Achievement of KPIs		↗
6	Staff	Failure to develop capacity and skills mix that fits the strategy.	4	3	12	High	Curriculum planning cross referenced to staffing and estates requirements. The PDR is being developed on line to facilitate the process being undertaken remotely. Curriculum planning discussions are still taking place based on what is currently known. There is new content being added to the working from home area of the Gateway to support people's development whilst not in College. This on line. The procurement process for a new CLPL platform continues.	M	2	2	4	Low	Work on developing a leadership and career pathway framework is continuing with procurement process underway to link with the requirements of the career pathways and leadership framework. This will then support development of the CLPL platform.	Z Franklin-Hills	Annual PDR process in place with a refreshed on line version to be introduced. Progress of actions within the HR Strategy and Workforce Plan 2018 - 2023.		➔
7	Finance	Risk of external political/funding/regulatory changes.	4	5	20	Severe	<ul style="list-style-type: none"> <li>Take account of any foreseen changes/cuts in budget planning and spending plans.</li> <li>Ongoing participation within sector groups across the College.</li> <li>Reverting to online delivery and home working to maintain college services and processes.</li> <li>Adapt and make adjustments to College processes and procedures to maintain service operations.</li> <li>Provide relevant support to students and staff on resources, guides, health and wellbeing to enable ongoing learning and teaching and support services.</li> <li>Remain abreast of sectoral/governmental developments, liaising with auditors and response to SFC circulars.</li> <li>Remain abreast with developments on the New Build campus funding model and financing arrangements agreed with SFC/SG.</li> <li>Principal sector lead on College financial position following Covid-19 supported by CFO and 4 other sector FDs</li> <li>Actively engaging with SFC and SG on financial implications for the College sector. Providing support and recommendations on system changes and flexibilities required to support the financial sustainability of the sector.</li> <li>Actively engaging with other government agencies such as SQA, SDS and other awarding bodies to support student achievement.</li> </ul>	M	3	4	12	High	Prepare scenario planning for 2020/21 budget following impact of Covid-19. Close engagement with SFC and sector Colleagues on budget assumptions to support a sector wide position. Move to longer-term planning horizon and review the 5 year financial forecast following impact of COVID-19.	S Dunsmuir	Maintain ongoing dialogue with SFC/auditors/Finance Community of Practice.		↗
8	Commercial Income	Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans.	4	5	20	Severe	<ul style="list-style-type: none"> <li>Remain abreast with client positions following restrictions of Covid-19 and impact thereof.</li> <li>Engage with SFC to continue to secure funding allocated to clients training now postponed.</li> <li>Revert training offering to remote or online delivery.</li> <li>Engagement for SFC and SDS on proposals to support ongoing achievement of MA/VQ qualifications.</li> <li>Review product offering and adjust to support changing needs of clients.</li> <li>Engagement with SPS on supplier relief to ensure continued payment of fixed costs on the contract. Providing ongoing support and services to SPS and working with them to review the offering as restrictions on COVID-19 change.</li> <li>Review target/budget setting.</li> <li>Adjust marketing as required.</li> <li>Review complete curriculum and commercial offering for 2020/21 to make adjustments to offering and delivery models.</li> <li>Working closely with clients on requirements.</li> <li>Engagement with SFC to direct funding underspends to support clients in maintaining their essential/mandatory training needs to resume operations following ease of COVID-19 restrictions.</li> <li>Work with SDS to create pre-apprenticeship programmes to maintain the MA pipeline and activity as business recover.</li> <li>Constant review of KPI's.</li> <li>Monitor return on investment.</li> <li>Constant review of delivery options.</li> <li>Departmental restructure/more integrated planning/workforce.</li> <li>Creation of sales plans per faculty area directing focus on target markets.</li> <li>Ensure estates team are kept abreast with estates related enhancements/changes required to support delivery.</li> </ul>	M	4	4	16	High	Integration of full cost and GIA activity. Creation of sales plans per faculty area directing focus on target markets.	S Dunsmuir	Targets achieved.		↗
9	Staff	Failure to achieve cohesive culture.	4	4	16	High	Development of culture through the refreshed vision and values and adhering to the Fair Work Convention. Delivery mechanisms have altered through the use of teams and zoom to keep in contact with colleagues and the Trade Unions. CLPL content is now through online content and the PDR will be conducted online too. The Employee Engagement survey has been conducted and results will be carefully communicated to managers and colleagues through the online communication methods now in place.	M	2	3	6	Moderate	Continue to improve communications. The Employee Engagement survey has been conducted and results will be carefully communicated to managers and colleagues through the online communication methods now in place.	Z Franklin-Hills	Effective relationships with the recognised Trade Unions.		➔
10	Curriculum Design and Development	Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environment for progressive learner journey.	4	4	16	High	Maintain a relevant and future focused regional curriculum based on up to date LMI and active, collegiate relationships with partner organisations to ensure streamlined learner journeys and increase successful outcomes for all students. Collaboration with awarding bodies and external stakeholders to ensure continuity, based on alternative arrangements. Sustained support to / communication with student, staff and stakeholders to enable transitions. Scenario planning to adapt future delivery as appropriate.	M	3	4	12	High	Further develop efficient and effective curriculum pathways at College and regional levels. Introduce flexibility in building design to support variety of learning and teaching contexts and approaches to increase accessibility.	D Leslie	External stakeholders feedback.		↗

RISKS 2019-20							RISK MANAGEMENT					ACCOUNTABILITY					
RISK REFERENCE	STRATEGIC OBJECTIVE	RISK DESCRIPTION	GROSS IMPACT ANALYSIS				CURRENT RISK MANAGEMENT STRATEGY (what already happens now)	Strength (S,M,W)	NET IMPACT ANALYSIS			Net Risk	Further Action Required	Risk Owner & Timetable	Assurances Available	Changes processed since last risk register	Risk Status
			Impact	Likelihood	Gross Risk Score	Gross Risk			Impact	Likelihood	Net Risk Score						
11	Information Technology	Failure to take steps to maintain reliable IT infrastructure and to protect systems from attacks and misuse, possibly remotely over the internet. Steps may be technical or procedural in nature. Technical steps more easily addressed than procedural steps which require buy in from staff and learners across the College.	5	4	20	Severe	Digital Strategy specifically highlights Cyber Resilience and Digital Capabilities. Accordingly a programme of outreach to staff and learners is in place to highlight risks and train staff to minimise their exposure.  Technical measures are a core part of the Infrastructure Team's remit and ongoing monitoring activities are in place to identify and respond to incidents when they are detected.	M	3	2	6	Moderate	Periodic Phishing/Cyber Awareness testing programme in place. These will be backed by KPIs identifying completion rates and the incidence of cyber breaches. Development of playbooks / response plans to cover common Cyber or IT incidents are dealt with correctly.	K Getchell	Targets achieved.		→
12	Governance	Failure to fully comply with statutory or regulatory requirements leading to a breach of legislation, resulting in legal action, a fine or another penalty against the College.	5	5	25	Severe	Mandatory Training in place for all staff, relevant policies and procedures in place with updates communicated with staff regularly. CPD and staff workshops. Access by key staff to seek advice as required (eg College solicitors, insurers, police, H&S Executive, Scottish Information Commissioner's Office, Information Commissioner's Office, UK Visa and Immigration Office). <b>Additional guidance prepared for staff on how to process personal data whilst working from home. Information on CyberSecurity risks regularly posted on Gateway. Statutory timescales for FOI(S)A requests for information has been temporarily increased from 20 to 60 working days. Antivirus software rolled out with all College devices issued for remote working.</b>	M	4	2	8	Moderate	Regular H&S and DP audits and briefings to be undertaken. Ongoing reviews of policies, procedures and arrangements to ensure compliance / learn from experiences/good practice. Publish initial Accessibility Statement on College website by September 2020.	Executive Team (S Reekie, D Leslie, S Dunsmuir, K Getchell, M Philp)	Main policies and procedures approved. Agreements re data sharing/processing being put in place. Internal Audits cover all key areas of strategic risk on a rolling basis		→
13	Estates	Failure to deliver new appropriate accommodation in Dunfermline and deliver outcomes for the College.	5	2	10	High	Progress New Halbeath Campus as part of Integrated Campus with Fife Council/University.	M	3	2	6	Moderate	Capital grant funding for new Dunfermline Campus agreed, subject to successful delivery of outline business case (summer 2020) followed by full business case (early 2021). <b>Advisors appointed to develop joint masterplan, ready early July. Site Evaluation and scenario options appraisal submitted to DFM. Focus on 2 scenarios.</b>	S Reekie	Integrated Campus Masterplan commenced. Governance model with all stakeholders put in place.		→



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

<b>Review of Remit and Self-Evaluation</b>	
<b>Date of Meeting:</b>	3 June 2020
<b>Purpose:</b>	To undertake a review of the remit and self-evaluation of the Audit and Risk Committee for academic year 2019-20
<b>Intended Outcome:</b>	To agree any changes to the remit that may be required, and any improvements that can be made to the work of the Committee, and to undertake an assessment of the performance and effectiveness of the work of the Committee
<b>Paper Submitted by:</b>	Marianne Philp, Director: Governance and Compliance
<b>Prior Committee Approvals:</b>	N/A
<b>Financial Implications:</b>	None
<b>Equality and Diversity Implications:</b>	None
<b>Risks Assessed:</b>	None
<b>Publicly Available:</b>	Yes
<b>Author Contact Details:</b>	Marianne Philp; <a href="mailto:mariannephilp@fife.ac.uk">mariannephilp@fife.ac.uk</a> ; 01383 845009
<b>Date of Production:</b>	21 May 2020

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

### **Audit and Risk Committee**

#### **Evaluation of Committee Structure**

##### **1 Introduction**

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

##### **2 Feedback**

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

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

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

##### **3 Remit**

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

##### **4 Effectiveness of the Audit and Risk Committee**

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



## **BOARD OF GOVERNORS**

### **Remit of Audit and Risk Committee**

#### **1.0 Composition**

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

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

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

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

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

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

#### **2.0 Overall Purpose**

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



### **3.0 Remit and Duties**

#### **3.1 Probity**

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

#### **3.2 Risk Management**

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



### **3.3 Performance**

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

### **3.4 Other Matters**

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

### **3.5 Reports from the Committee**

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

**BOARD OF GOVERNORS OF FIFE COLLEGE**

**Audit and Risk Committee**

**Performance and Effectiveness Review**

<b>Role and remit</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee have written terms of reference?		
Do the terms of reference cover the core functions of an audit committee as identified in the <i>SG Audit Committee Handbook</i> ?		
Are the terms of reference approved by the committee and reviewed periodically?		
Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?		
Does the body's governance statement mention the committee's establishment and its broad purpose?		
Does the committee periodically assess its own effectiveness?		
<b>Membership, induction and training</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Has the membership of the committee been formally agreed by the board of governors and has a quorum been set?		
Are members appointed for a fixed term?		
Does at least one of the committee members have a financial background?		
Are all members, including the chair, independent of the executive function?		
Are new committee members provided with an appropriate induction?		
Has each member formally declared his or her business interests?		

Are members sufficiently independent of the other key committees of the Board?		
Has the committee considered the arrangements for assessing the attendance and performance of each member?		
<b>Meetings</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee meet regularly, at least four times a year?		
Do the terms of reference set out the frequency and broad timing of meetings?		
Does the committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?		
Are members attending meetings on a regular basis and if not, is appropriate action taken?		
Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?		
Does the committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?		
<b>Internal control</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?		
Does the committee consider the findings of reviews on the effectiveness of the system of internal control?		
Does the committee have responsibility for review of the draft governance statement and does it consider it separately from the accounts?		
Does the committee consider how accurate and meaningful the governance statement is?		

Does the committee satisfy itself that the arrangements for risk management, control and governance have operated effectively throughout the reporting period?		
Has the committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?		
Has the committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?		
Has the committee been made aware of the role of risk management in the preparation of the internal audit plan?		
Does the committee's terms of reference include oversight of the risk management process?		
Does the committee consider assurances provided by senior staff?		
Does the committee receive/ consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?		
<b>Financial reporting and regulatory matters</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Is the committee's role in the consideration of the annual accounts clearly defined?		
Does the committee consider, as appropriate:		
· the suitability of accounting policies and treatments		
· major judgements made		
· large write-offs		
· changes in accounting treatment		
· the reasonableness of accounting estimates		
· the narrative aspects of reporting?		

Is a committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?		
Does the committee review management's letter of representation?		
Does the committee gain an understanding of management's procedures for preparing the body's annual accounts?		
Does the committee have a mechanism to keep it aware of topical legal and regulatory issues?		
<b>Internal audit</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the Internal Auditor representative attend meetings of the committee?		
Does the committee approve, annually and in detail, the internal audit plan including consideration of whether the scope of internal audit work addresses the body's significant risks?		
Does internal audit have a direct reporting line, if required, to the committee?		
As well as an annual report from the Internal Audit representatives, does the committee receive progress reports from the internal audit service?		
Are outputs from follow-up audits by internal audit monitored by the committee and does the committee consider the adequacy of implementation of recommendations?		
If considered necessary, is the committee chair able to hold private discussions with the Internal Audit representative?		
Is there appropriate co-operation between the internal and external auditors?		

Does the committee review the adequacy of internal audit staffing and other resources?		
Are internal audit performance measures monitored by the committee?		
Has the committee considered the information it wishes to receive from internal audit?		
Has the committee considered formal terms of reference defining internal audit's objectives, responsibilities, authority and reporting lines?		
<b>External audit</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the external audit representative attend meetings of the committee?		
Do the external auditors present and discuss their audit plans and strategy with the committee (recognising the statutory duties of external audit)?		
Does the committee chair hold periodic private discussions with the external auditor?		
Does the committee review the external auditor's annual report to those charged with governance?		
Does the committee ensure that officials are monitoring action taken to implement external audit recommendations?		
Are reports on the work of external audit presented to the committee?		
Does the committee assess the performance of external audit?		
Does the committee consider the external audit fee?		
<b>Administration</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee have a designated secretariat?		

Are agenda papers circulated in advance of meetings to allow adequate preparation by committee members and attendees?		
Do reports to the committee communicate relevant information at the right frequency, time, and in a format that is effective?		
Does the committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?		
Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?		
Is a report on matters arising presented or does the chair raise them at the committee's next meeting?		
Do action points indicate who is to perform what and by when?		
Does the committee provide an effective annual report on its own activities?		
<b>Overall</b>	<b>Yes/No/NA</b>	<b>Comments/Action</b>
Does the committee effectively contribute to the overall control environment of the organisation?		
Are there any areas where the committee could improve upon its current level of effectiveness?		
Does the committee seek feedback on its performance from the Board and Accountable Officer?		