

AGENDA

PRIVATE PRE-MEETING WITH EXTERNAL AND INTERNAL AUDITORS (NON EXECUTIVE BOARD MEMBERS AND AUDITORS ONLY)

A private pre-meeting with auditors and non-executive Board members will be held on Thursday 18 November 2021 from 1.45pm to 2.05pm. 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	External / Internal Audit Process	Discuss	SM	2-2

AUDIT AND RISK COMMITTEE

A meeting of the Audit and Risk Committee will be held on Thursday 18 November 2021 from 2.15pm to 3.15pm. Please join via Microsoft Teams.

No	Item	Action	Lead	Pages
1	Welcome, Apologies and Declarations of Interests	Note	SM	N/A
2	Minutes of the Previous Meeting: 9 September 2021	Approve	SM	
3	Matters Arising / Actions Outstanding	Note	SM	3-3
4	Any Emerging Themes	Discuss	All	N/A
5	Risk Register Update	Note	SD	4-8
6	Internal Audit:			
	6.1 Update on Internal Audit Actions: Exception Report	Note	IA	
	6.2 Credits Return 2020-21	Note	IA	
	6.3 Student Support Funds 2020-21	Note	IA	
	6.4 Freedom of Information & Complaints Management	Note	IA	
7	Draft Audit Committee Annual Report to the Board of Governors	Approve	SD	
8	Requests for Information: Annual Summary	Note	MP	9-11
9	Review of Meeting	Discuss	All	N/A
10	Date of Next Meeting Thursday 3 March 2022 at 3.30pm	Note	SM	N/A

BOARD OF GOVERNORS OF FIFE COLLEGE**Audit and Risk Committee: Private Pre-Meeting with External and Internal Auditors****External / Internal Audit Process****1 Introduction**

It is considered good practice for Audit Committees to meet auditors (in particular External Auditors) in a private session without management present. The purpose of this is to allow the Committee to ask questions on matters that might not have been specifically addressed as part of the audit.

This arrangement does not remove or replace the right of the auditors to request a private meeting with the Audit and Risk Committee at any time should concerns arise that they wish to raise.

2 Extract from “Audit Committees – a Framework for Assessment”

The purpose of the meeting is to:

- “Enquire whether any members of executive management are frustrating audit enquiries
- Identify and understand differences of opinion between management and the external auditor, facilitating their resolution and monitoring implementation of the agreed solution
- Enquire whether there are aspects of management’s attitude towards control and financial governance which could be improved
- Consider any request by the external auditor to resign
- Discuss feedback on the external auditors’ overall performance.”

3 Some Potential Areas for Discussion

- Attitudes – management’s attitude towards financial reporting, internal controls and the auditor
- Resources – the adequacy of people and other resources in the financial management area and the internal audit function
- Relationships – the nature of the relationship between the auditors and management
- Other Issues – other issues of concern to the Audit and Risk Committee or the Auditor

4 Recommendations

- Members of the Committee are invited to discuss any issues not specifically addressed as part of the audit.
- The Chair is invited to feedback the outcome of any discussions, in particular action points and recommendations, to the Principal.

Actions Outstanding / Progress Made

Key:	
	Outstanding and deadline passed
	Progressing and on target
	Complete

	Date of Meeting	Action	Responsibility	Deadline	Comments
1	09.09.21	To approve the letter to the external auditor subject to the proposed change and arrange for it to be signed by the Chair of the Committee and sent to the external auditor.	M Philp	17.09.21	Complete
2	09.09.21	To recommend the Strategic Risk Register 2021-22 to the Board of Governors for approval.	S Dunsmuir	29.09.21	Complete
3	09.09.21	To circulate the paper submitted to the Finance, Commercial and Estates Committee giving an update on Business Development to Audit and Risk Committee members for information.	S Dunsmuir	29.09.21	Complete
4	09.09.21	To give further thought to whether risk event logs would be beneficial.	S Dunsmuir	08.03.22	This is being taken forward and the format is currently being considered. ARC will be updated as this progresses and when required.
5	09.09.21	To approve the Annual Report for submission to the Board of Governors.	M Philp	29.09.21	Complete
6	06.09.21	To arrange a separate meeting to discuss the performance and effectiveness review feedback.	S Mitchell	18.11.21	Complete



COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Strategic Risk Register 2021-22	
Date of Meeting:	Thursday 18 November 2021
Purpose:	To present to the Audit and Risk Committee the updated Strategic Risk Register 2021-22.
Intended Outcome:	Audit and Risk Committee members are invited to review the controls in place for the top risks and give assurance to the Board that the risks are being appropriately controlled by management.
Paper Submitted by:	Susan Dunsmuir, Chief Financial Officer
Prior Committee Approvals:	N/A
Board Impact from Decision:	Confirmation that the College's approach to risk assessment and management remains robust and effective and that all reasonable steps appear to have been taken by management to eliminate, reduce and remove risks as appropriate, in line with our overall risk management policy.
Financial Health Implications:	N/A
Learner Implications:	N/A
Equality and Diversity Implications:	N/A
Risks Assessed:	N/A
Publicly Available:	Yes
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Date of Production:	8 November 2021

BOARD OF GOVERNORS OF FIFE COLLEGE

Audit and Risk Committee

Strategic Risk Register 2021-22

Introduction

1. The Strategic Risk Register is 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 risks are being controlled appropriately. This paper provides the latest update for comment.

Changes to the Risk Environment

2. The Strategic Risk Register has been reviewed as at end October 2021. Attached is a dashboard report summarising where the risks are sitting, if there has been any movement since the previous report, and if we have any risks out with their tolerance level.
3. The summary below details where significant changes have been made however all individual risk sheets, including those where minor or no changes have been made, can be accessed via the following link: [Risk and Opportunities Register 2021-22](#).
4. Specific changes to highlight to the Audit and Risk Committee are:

4.1 Change in risks since previous version

New Risks

No new risks have been added to the register.

Risk Descriptions

There have been no changes made.

Risks Removed

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

4.2 Change in Net Risk Scores since previous version

Increased Net Risks

No net risk scores have increased during the period.

Decreased Net Risks

One net risk score has decreased during the period.

Risk (7) – The risk of external political/funding/regulatory.

- The net risk likelihood score has been reduced to 3, from 4, bringing the risk back in line with tolerance. As noted at the last review we had left this risk out of tolerance due to the early stage of the academic year and implementation of the reduced restrictions.

As restrictions have not increased and we continue to plan for increased on campus activity, with a continued focus on health and safety, we are proposing to reduce this risk. This is an evolving situation and will continue to be closely monitored.

Risk Scores out with Tolerance Level

One risk remains out with tolerance.

Risk (11) – The risk that we fail 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.

- Gross and net impact scores remain unchanged in recognition of the increased activity being undertaken to continue to manage threats, examples include strengthened vulnerability and change management policies designed to specifically improve our ability to manage these risks and deployment of technical solutions such as next generation firewalls and multi-factor authentication.

Likelihood scoring is a function of cyber activity, with increased targeting the education space results in an increased likelihood of compromise. As such, efforts to bring the net risks within tolerance are focused on improving impact scoring. In this regard new activities are underway within Digital Services and it is anticipated that impact scoring will be reduced (and thus net risk returned within tolerance) by December 2021, with a further improvement activity also being scoped.

Activity scheduled to deliver improvements by December 2021 include:

- Additional technical activity is planned to reduce the impact of a successful cyber attack breaching the College's digital operating environment including air-gapping of systems and tightened controls preventing lateral movement within the environment. These changes will be in place by December 2021.
- Additional non-technical activity is planned to strengthen our training programmes targeted at staff and students to improve cyber hygiene amongst end users, with key training being marked as mandatory in recognition of the increased role that user behaviours play in maintaining a safe and secure environment.

Further activity scheduled to deliver improvements by March 2022 include:

- The feasibility of providing provide end users with an enterprise password management solution is being investigated. This would support efforts to air gap systems and encourage the use of more complex passwords and reduce the incidence of password reuse between systems. This work is at an early stage, but is scheduled to report in December 2021, with an implementation (if deemed appropriate) targeted to be in place by March 2022.

Recommendation

5. The Strategic Risk Register has been updated based on the above and is presented to the Audit and Risk Committee for approval. Members of the Audit and Risk Committee are invited to:

- Comment on the strategic risks and whether any should be considered for removal/adjustment
- Consider whether any new risks should be considered for inclusion.

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

STRATEGIC RISK REGISTER

November 2021

Overview

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

RED Score

↔ (11) Failure to take steps to maintain reliable IT infrastructure and to protect systems from attacks and misuse, possibly remotely over the internet. Steps may be technical or procedural in nature. Technical steps more easily addressed than procedural steps which require buy in from staff and learners across the College

AMBER Score

↔ (1) Failure to implement effective financial planning and control regarding estates and achieve the estate strategy objectives in support of the strategic plan

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

↔ (3) Failure to make use of current and emerging technology effectively and to be in a position to continuously enhance digital capability and confidence to offer hybrid learning and teaching delivery modes expected by learners and all stakeholders and necessary to support sustained delivery

↔ (4) Failure to focus on wider wellbeing of staff and students

↔ (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

↓ (7) Risk of external political/ funding/regulatory changes

↔ (8) Risk that we fail to achieve and grow commercial income in line with the five year financial forecast plans

↔ (9) Failure to achieve cohesive culture

↔ (10) Failure to achieve positive and sustained transitions for students and to create attractive and motivating learning environment and conditions for progressive learner journeys

↔ (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

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

GREEN Score

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

RAG Key

↔ No score movement from last quarter

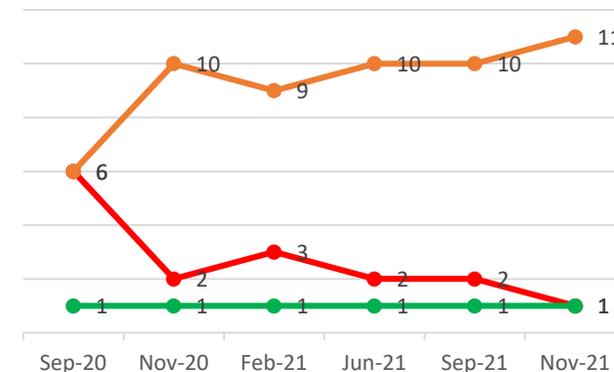
↑ Residual (Net) score increase from last quarter. Colour of arrow denotes the previous score colour

↓ Residual (Net) score decrease from last quarter. Colour of arrow denotes the previous score colour

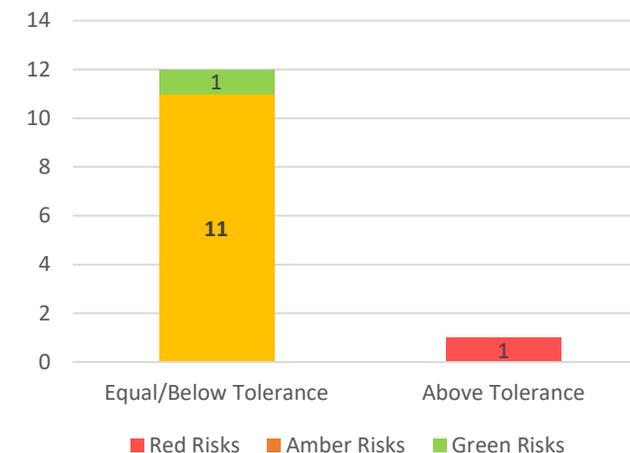
▪ New Risk

↑↓ Combination of previously separate risks within the top risk register

Risk Movement



Risk Tolerance Summary





COVER SHEET FOR PAPERS TO BE CONSIDERED BY THE BOARD

Requests for Information: Annual Summary as at December 2020	
Date of Meeting:	19 November 2021
Purpose:	To provide with an update on the number of requests for information received by the College during academic year 2020
Intended Outcome:	To note the update
Paper Submitted by:	Marianne Philp, Director: Governance and Compliance
Prior Committee Approvals:	N/A
Board Impact from Decision:	Assurance that the College is responding timeously to requests for information and is aware of any aspects of non compliance with legislation in this regard
Financial Health Implications:	N/A
Learner Implications:	N/A
Equality and Diversity Implications:	N/A
Risks Assessed:	N/A
Publicly Available:	Yes
Author Contact Details:	Marianne Philp; mariannephilp@fife.ac.uk ; 01383 845009
Date of Production:	9 November 2021

BOARD OF GOVERNORS OF FIFE COLLEGE

Requests for Information: Annual Summary as at December 2020

1 Introduction

Fife College is required to respond to

- Requests for Information (Freedom of Information (Scotland) Act 2002) (FOI)
- Environmental Information Requests (Environmental Information (Scotland) Regulations 2004) (EIR)
- Subject Access Requests (Data Protection Act 2018) (DPA)

A recent Internal Audit report recommended that a summary report on Freedom of Information requests be provided to the Audit and Risk Committee on an annual basis. The report has been extended to summarise all requests received by the College for completeness. This report covers the period to December 2020, and an annual update will thereafter be prepared for the first Audit and Risk Committee each calendar year which will cover the calendar year just ended.

2 Requests Received

The College does not receive a high number of information requests, although the total number has been reducing year on year.

Requests	2020	2019	2018
FOI	17	44	52
EIR	0	0	0
DPA	48	3	2

The number of FOI requests in 2020 is lower than normal, perhaps due to the pandemic situation. As 28 FOI requests have been received to date in 2021 it is anticipated figures may return closer to previous levels in 2022 and beyond.

DPA subject access requests increased in 2020. This was due to alternative arrangements being in place for students where lecturers were estimating grades instead of exams being sat by students. A number of students requested information on estimated grades provided by their lecturers in order to inform their decision on whether or not to appeal.

3 Statutory Timescales

Timescales for response are set within the legislation as follows:

- FOI/EIR: 20 working days
- DPA: one calendar month

All requests have been responded to within the statutory timescales, with the exception of 5 FOI requests during 2018. There was a technical issue over a period of a few months where requests made via whatdotheyknow.com were filtered into our spam folders and not received. As soon as the issue was known to us, steps were taken to resolve the issue and the 5 requests were responded to in less than a week, albeit this meant they were still outwith the statutory time period.

4 Responses to FOIs

FOI	2020	2019	2018
All information provided	11	29	39
Some information provided	5	11	12
No information held	1	2	1
Refuse to confirm or deny if information held	0	2	0

5 Request for a Review

Under FOI legislation, individuals can request a review of the decision taken if they are unhappy with the response.

FOI	2020	2019	2018
Requests received	1	2	0
Number where original decision was upheld	1	2	N/A
Response sent on time	1	2	N/A

If the individual remains unhappy with the review decision, an appeal can be made to the Scottish Information Commissioner. In 2019, one such appeal was made and the Scottish Information Commissioner also upheld the College's original decision.

6 Recommendation

Committee members are invited to note the content of the report, and to provide feedback on what information would be most useful in future reports.