

AUDIT & RISK ASSURANCE COMMITTEE

AGENDA

A meeting of the Audit & Risk Assurance Committee will be held at 15:00 hours on Tuesday 22 November 2022 via Microsoft Teams.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING <i>for approval</i>	Chair	A
4	MATTERS ARISING REPORT		
4.1	Matters Arising Update	Chair	B
4.2	Business Committees of the Board Update		
	<ul style="list-style-type: none"> • Policy & Resources Committee • Learning, Teaching & Student Experience Committee 	Chair M Walker	Verbal Verbal
5	INTERNAL AUDIT REPORTS		
5.1	Internal Audit Report: FES Return 2021/22	BDO	C
5.2	Internal Audit Report: EMA Audit	BDO	D
5.3	Internal Audit Report: Student Support Funds	BDO	E
5.4	Internal Audit Report: Complaints Management	BDO	F
6	RISK ASSURANCE REPORT	N Croft	G
7	ANNUAL REPORT AND FINANCIAL STATEMENTS		
7.1	Draft Annual Report and Financial Statements for the Period Ended 31 July 2022 <i>for approval</i>	A Williamson	H
7.2	Draft Independent Auditor's Report and Letter of Representation <i>for approval</i>	Audit Scotland	I
7.3	2021/22 Draft Annual Audit Report	Audit Scotland	J
8	DRAFT AUDIT & RISK ASSURANCE COMMITTEE ANNUAL REPORT TO THE BOARD 2021/22	Chair	K
9	ANY OTHER COMPETENT BUSINESS		
9.1	Evaluation of Internal Audit 2021/22	Chair	L
9.2	Internal Audit Procurement	A Williamson	Verbal
10	FOR INFORMATION		

10.1	Summary of Audit Recommendations Update	M
10.2	Internal Audit Progress Report	N
10.3	Data Breach Incidents and Cyber Attacks Update	O
10.4	Audit & Risk Assurance Committee Business Planner 2022/23	P

11 DATE OF NEXT MEETING: 22 February 2023

N.B: The minutes of the Audit & Risk Assurance Committee are reported directly to the Board of Management, with an accompany commentary from the Committee Chair.



Title	Risk Management Update
Appendices	Appendix 1: Top level Risk Register Infographic Oct 2022 Appendix 2: Top Level Risk Register Oct 2022
Disclosable under FOISA	Yes
Primary Contact	Nick Croft, Director of Communications, Policy & Research
Date of Production	08.11.2022
Action Required	Information / Discussion

1. RECOMMENDATIONS

The Board/committee are asked to note the changes to the top-level college risks agreed by the Risk Management and Assurance Group (RMAG).

2. PURPOSE OF REPORT

This paper provides an update on matters relating to risk management and business continuity at the College

3. DETAIL

At its most recent meeting on 4th November 2022, the RMAG discussed the following:

Business Continuity Management

The following dates have been scheduled to conduct BCM Plan rehearsals:

- 8th December 2022 – Loss of Site
- 9th February 2023 – Terrorist Threat/Attack

Top Risk Register

The RMAG agreed that the current top risks for the college are:

- (1) NATIONAL BARGAINING IMPACT ON COLLEGE OPERATIONS
- (33) FINANCIAL SUSTAINABILITY (INSUFFICIENT BUDGET / FUNDING TO COVER COST OF LIVING, JOB EVALUATION, EMPLOYER PENSION CONTRIBUTION INCREASES)
- (2) STUDENT RETENTION AND ATTAINMENT
- (24) CYBER SECURITY BREACHES WITHIN THE COLLEGE

The RMAG agreed that due to substantial investment in updating its IT infrastructure the risk (34) COLLEGE IT INFRASTRUCTURE AND AVAILABLE RESOURCES AGEING AND NOT MEETING FUTURE NEEDS OF BUSINESS, STAFF/STUDENTS no longer required strategic oversight and should be moved to the operational IT risk register to manage moving forward.

Operational risk registers

Estates – The department Managers advised the RMAG that the top three risks for this department include:

- Top risk** Death, serious illness, or major injury due to an accident, incident, or illness (including fire).

- 2nd risk** Inadequate investment planning and maintenance of estates / facilities.
- 3rd risk** Failure of heating – (long term i.e., in excess of one week) and specifically during autumn/winter.

Information Technology – The department Managers advised the RMAG that a further deep dive review of the operational risk register would be conducted and at present the top three risks for this department include:

- Top risk** Failure to control change to complex systems.
- 2nd risk** A critical college business application is offline for more than five days
- 3rd risk** Loss of access—for an unacceptable period—to a cloud-hosted or shared service system.

Finance – The acting department Director advised the RMAG that the top three risks for this department include:

- Top risk** Annual budgeting, year-end and 5-year forecasting for income and expenditure and cashflows may not be robust. Inaccurate accounting. Lack of credibility of Finance Department.
- 2nd risk** Failure of internal financial controls. Increased likelihood of material error or financial fraud resulting in loss of funds.
- 3rd risk** Failure of Finance operational systems preventing normal business operations e.g. Bursary payments, payments of employees and suppliers, Direct Debit, Reliance on key staff member.

4. IMPACT AND IMPLICATIONS

The development and management of the College’s Risk Management Framework and Business Continuity Management Framework improves the College’s capacity to:

- Identify, mitigate, and monitor college risks and possible major disruptions.
- Develop business continuity and recovery plans for major disruptions.
- Devise action plans to minimise high level adverse risk.
- Identify the colleges risk tolerance and risk appetite for each strategic aim.
- Improve academic and support services to deliver an excellent student experience.
- Address specific financial shortfalls to safeguard future financial sustainability.
- Invest in the workforce through an impactful people strategy.
- Maintain good College governance.

5. LINKS TO STRATEGIC PLAN AND KPIS

The successful management of the College’s Risk Management Framework and Business Continuity Management Framework is central to good governance and enables the College to deliver its Strategic Aims and Key Performance Indicators.

TOP LEVEL RISK REGISTER

October 2022



Overview

The following have been identified as the top strategic risks of Edinburgh College for the reporting period starting October 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

- ↔ (1) National bargaining impact on college operations
- ↔ (33) Financial Sustainability (Insufficient budget / funding to cover cost of living, job evaluation, employer pension contribution increases)
- ↔ (2) Student retention and attainment
- ↔ (24) Cyber security breaches within the college

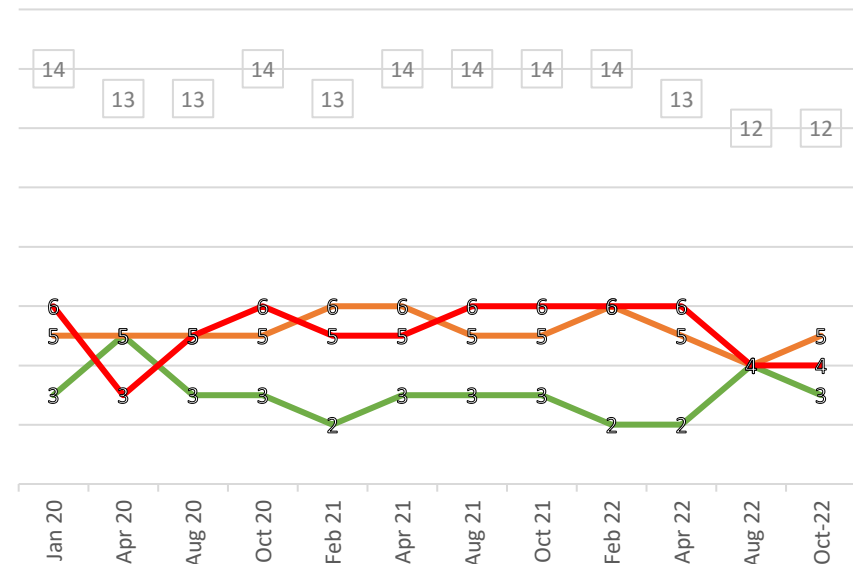
AMBER Score

- ↔ (25) Finable breach of the GDPR or PECR
- ↔ (34) College IT infrastructure and available resources ageing and not meeting future needs of business, staff/students
- ↔ (28) College estate infrastructure not aligned to meet business need
- ↔ (3) Shortfall in commercial income
- ↑ (32) Failure to meet SFC funded activity targets and fees (recruitment, credit, SAAS and fee income)

GREEN Score

- ↔ (35) Public health risk
- ↔ (27) Workforce planning and development
- ↔ (15) Health & safety non-compliance

Risk Movement



RAG Key

- ↔ No score movement from last reporting period
- ↑ Residual (Net) score increase from last reporting period. Colour of arrow denotes the risks previous RAG score
- ↓ Residual (Net) score decrease from last reporting period. Colour of arrow denotes the risks previous RAG score
- New Risk
- ⚡ Combination of previously separate risks within the top risk register



For the future you want

EDINBURGH COLLEGE TOP LEVEL STRATEGIC RISK REGISTER FOR REPORTING PERIOD UP TO OCTOBER 2022

LEAD: Chief Operating Officer

RESPONSIBLE: Head of Communication Policy and Research

RAG KEY:

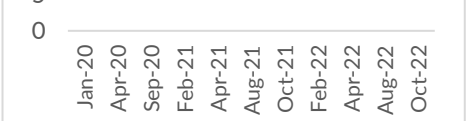
COLOUR KEY	DESCRIPTION
16 – 25 High Risk	At Risk or Late – Not Under Management Control – Action Required When Red , significant concerns over the adequacy/effectiveness of the controls in place and assurances obtained in proportion to the risk
11 – 15 Moderate Risk	At Risk or Late – Under Management Control When Amber , some areas of concern over the adequacy/effectiveness of the controls in place and assurances obtained in proportion to the risk
0 – 10 Low Risk	On Target and Under Management Control When Green , controls and assurances are adequate/effective in proportion to the risk
Yellow or Blank	Insufficient information at present to judge the adequacy/effectiveness of the controls and assurances


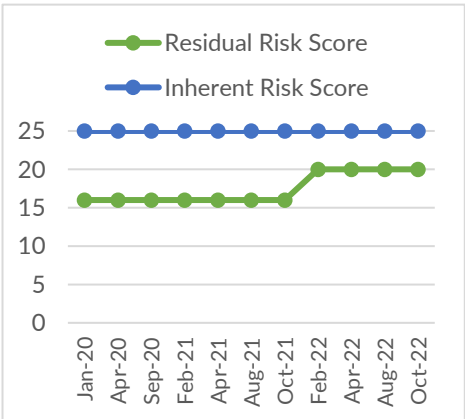
APPETITE KEY:

COLLEGE STRATEGIC AIMS	LOW										MODERATE					HIGH									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1. Delivering a Superb Student Experience											<				>										
2. Providing an Excellent Curriculum												<					>								
3. Supporting and Inspiring our People					<										>										
4. Valued in Partnership and by Communities													<									>			
5. An Effective and Efficient College								<						>											


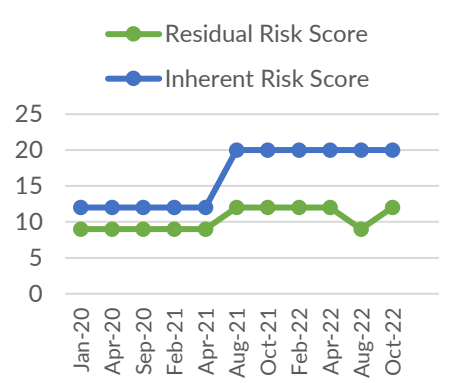
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<p>(1) NATIONAL BARGAINING IMPACT ON COLLEGE OPERATIONS</p> <p>Management Lead: Director of HR & OD</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: Supporting and inspiring our staff</p> <p>An effective and efficient college</p>	<table border="1"> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <td><i>Probability</i></td> <td><i>Impact</i></td> <td><i>Score</i></td> </tr> <tr> <td>5</td> <td>5</td> <td style="background-color: red;">25</td> </tr> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <td><i>Probability</i></td> <td><i>Impact</i></td> <td><i>Score</i></td> </tr> <tr> <td>5</td> <td>5</td> <td style="background-color: red;">25</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </table>	Inherent (Gross) Risk			<i>Probability</i>	<i>Impact</i>	<i>Score</i>	5	5	25	Residual (Net) Risk			<i>Probability</i>	<i>Impact</i>	<i>Score</i>	5	5	25	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Senior staff present on national work and bargaining groups to influence future direction <p>Remedial (Impact):</p> <ul style="list-style-type: none"> HR regularly review national circulars and determines national impact on college <p>Both:</p> <ul style="list-style-type: none"> Strong partnership working between management and unions 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Senior staff present on nation work and bargaining groups to influence future direction Regular internal HR/Executive meeting to review national initiatives and determine college actions Head attend ET meeting to update ET and to assess impact of national decisions on the college HR work with Heads to discuss impact in their areas General discussions with Finance regarding financial impacts Monthly meetings between COO and HRD <p>2nd line of defence:</p> <ul style="list-style-type: none"> Policy and Resources Committee discussions and reports Audit and Risk Assurance Committee review of top-level risk register – which includes industrial relations risk 	<ul style="list-style-type: none"> Focused management and oversight of situation by Executive, and senior management teams 	
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			<ul style="list-style-type: none"> Executive Team and SMT meetings + reports – industrial relations matters <p>3rd line of defence:</p> <ul style="list-style-type: none"> Local Negotiation Committees – COO chairs LNC with Unison and Vice Principal with EIS (HRD attends both) - National issues are discussed with a view to determine college actions 																				
<p>(33) FINANCIAL SUSTAINABILITY (INSUFFICIENT BUDGET / FUNDING TO COVER COST OF LIVING, JOB EVALUATION, EMPLOYER PENSION CONTRIBUTION INCREASES)</p> <p>Management Lead: Director of Finance Director of HR & OD</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: Supporting and inspiring our staff</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>5</td> <td>25</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>5</td> <td>25</td> </tr> </tbody> </table> <p style="text-align: center;">Movement ↔</p> <p>The graph plots two risk scores over time from Sep-20 to Oct-22. The Inherent Risk Score (blue line) remains constant at 25. The Residual Risk Score (green line) also remains at 25, with a notable dip to 20 in Feb-22, indicating a temporary reduction in risk.</p>	Inherent (Gross) Risk			Probability	Impact	Score	5	5	25	Residual (Net) Risk			Probability	Impact	Score	5	5	25	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Active engagement at national level via Principal, COO and Director of HR / OD Develop a more unified response with other colleges through HR and Finance networks Improved involvement with the NJNC via Director of HR&OD Increase volume of lobbying with MSPs to promote needs of college Financial Forecasting and sensitivity analysis in place taking account of additional financial requirements and cost savings Together with other affected public sector organisations engage with bodies setting SPPA and LPF employer pension rates Better workforce planning to ensure that staffing costs are contained, Led by COO and SMT Efforts to reduce costs ongoing – regular meetings with dept heads to review operational costs <p>Remedial (Impact):</p> <ul style="list-style-type: none"> 6% contribution (Middle Managers 3%) to Job Evaluation awarded from the SFC SFC have funded increase in employer lecturer pension costs SFC have provided a minimal increase for 2022/23 and therefore there will be a shortfall on funding for cost of living increases. We have been told to expect fat cash funding for future years. Additional VS scheme may go ahead in 2022/23 as an action to align budget and make savings for future years Ensure all costs associated with reduced income are removed where possible. Recruitment freeze may need to be actioned in 2022/23 SMT to develop a savings plan <p>Both:</p> <ul style="list-style-type: none"> Total impact fully disclosed to BoM Cost of Living increases included 2022/23 at an estimate of Public Sector Pay Policy. No agreement with Unions, consultation will be ongoing until agreed. Working with national employer's association to request additional Grant funding 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Ensure EC has the latest information available on future pension rate movements (review all published information) Annual budget setting with each AP/Director, included in operational plans Monthly management accounts meetings with each AP/Director Monthly meetings between COO and Director of Finance & Estates Infrastructure Annual assurance statements including financial control, references Maintaining up to date financial regulations as well as policies and procedures Annual Accounts scrutinised by the Executive Team. Regular Cash flow forecast prepared and reviewed SFC Cash flows prepared, reviewed, and sent monthly Regular joint reviews by Directors of HR/OD & Finance & Estates Infrastructure of budget aligned to establishment SMT meeting regularly <p>2nd line of defence:</p> <ul style="list-style-type: none"> Senior Management and Executive Team reviews of financial controls, cash management, management accounts and performance. Quarterly reports to Policy and Resources Committee and the Board. Budget and 5-year forecast process and papers to committees and board. Finance Report (including management accounts) reviewed by P&R Committee & Board. Regional Procurement Strategy approved by P&R Committee annually <p>3rd line of defence:</p> <ul style="list-style-type: none"> Full impact disclosed to BoM External Audit of finance including cash flow & management, payroll & expenses, purchasing & creditors and procurement as well as annual internal audit of EMA, bursaries and other student support funds Annual Accounts signed off by External auditors and laid before the Scottish Parliament. 	<ul style="list-style-type: none"> Seek further income from external revenue streams Impose a moratorium on expenditure Reduction in staff costs through restriction on filling vacancies. National lobby on ability to create further revenue for the college 	
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<p>(2) STUDENT RETENTION AND ATTAINMENT</p> <p>Management Lead: VP Innovation Planning & Performance</p> <p>VP Education & Skills</p> <p>AP Quality & Improvement</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: Delivering a superb student experience</p> <p>An effective and efficient college Providing an excellent curriculum</p>	<table border="1" data-bbox="341 294 780 546"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>5</td> <td>25</td> </tr> </tbody> </table> <table border="1" data-bbox="341 550 780 802"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>5</td> <td>20</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </tbody> </table> 	Inherent (Gross) Risk			Probability	Impact	Score	5	5	25	Residual (Net) Risk			Probability	Impact	Score	4	5	20	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> New implemented curriculum management structure has re-designated 50 staff to management roles. This will create smaller curriculum teams and enable a greater focus on the quality of learning and teaching and help lead to improvements in both retention and attainment MIS email staff proactively around student with cause for attendance concerns (targeting support before course starts) Use of predictive analytics Curriculum planning tool in use (Curriculum review) Planning matrix including impacts and accountability Introduce and adhere to curriculum planning cycle Improved business intelligence (SFC/SDS/other data) Improved course information and pre-course guidance Continued use of application window Continued training and joint working of curriculum and student support teams Collegiate student focus / retention friendly timetabling Ensuring all funding in place before start dates Positive behaviour and anti-bullying and harassment policy and procedure in place Counselling and wellbeing support in place (inc free sanitary products across all campuses) Student communications to inform and build engaged student community Career Coach in place and upgraded to latest version Course remediation process in place for courses with low PI's to ensure course is still relevant to continue Attendance and retention policy in use Online withdrawals form replaced old paper-based withdrawals, which allows a more streamlined (monitored) process and more accurate withdrawal data within college Single central record project (pro-monitor) ROA Action plans outlined in Operational plans New automation of pathways for progressing students (don't have to go through application process again) 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Student focused timetabling – RONSEAL group e.g., application process review CM forum Assessment board meetings LDTs attend course teams meeting Weekly AP meeting EREP report discussed at SMT meetings (standing item on agenda) HOF led performance reviews between HOF, CM, CL, Lecturers (in addition 3 x per year to Exec lead performance reviews with HOF and CM) using operational plan targets Quality team meetings with CM's and CL's Team meetings focused on self-evaluation Annual ongoing curriculum review Fortnightly ECSA meeting with AP QI <p>2nd line of defence:</p> <ul style="list-style-type: none"> Regular reporting to Executive Team and Senior Management Team Regular reporting to Academic Council Deep Dives led by Audit and Risk Assurance Committee ROA reporting to the Board of Management Performance against ROA targets report to Academic Council Student destination survey reports to Academic Council ECSA reporting of student satisfaction to Academic council and Board of Management <p>3rd line of defence:</p> <ul style="list-style-type: none"> Annual framework audit ROA reporting to the SFC Annual internal FES audit (also reported to Audit and Risk Assurance Committee) and FES submission to SFC Close partnership with external partners and industry 	<ul style="list-style-type: none"> Implement enhanced EREP (action plan) 	
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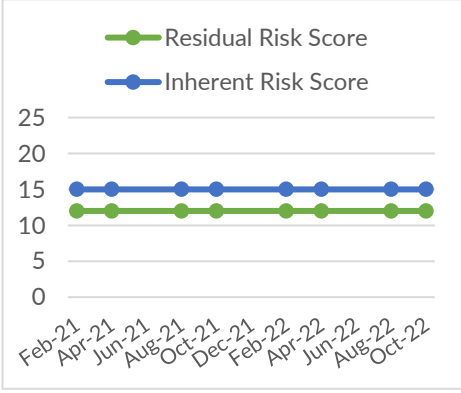
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		<ul style="list-style-type: none"> • Close working between CM's and SRA's (right student, right course) • Monitoring and tracking shared with Schools for SCP. Internal group supports younger students in partnership with local authority and SDS. • LEAN project to further refine application process <p>Remedial (Impact): NA</p> <p>Both:</p> <ul style="list-style-type: none"> • MIS control processes in place – more stringent control around marking of registers <p>Retention working group established and focused on specific areas e.g., full time FE containing national recognised qualifications</p>																					
<p>(24) CYBER SECURITY BREACHES WITHIN THE COLLEGE</p> <p>Management Lead: Chief Operating Officer Digital Infrastructure Service Lead</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>5</td> <td>25</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>5</td> <td>20</td> </tr> </tbody> </table> <p style="text-align: center;">Movement </p> 	Inherent (Gross) Risk			Probability	Impact	Score	5	5	25	Residual (Net) Risk			Probability	Impact	Score	4	5	20	<p>Preventative (Probability):</p> <p>Technical</p> <ul style="list-style-type: none"> • Overall secure configurations of college systems. • Software restrictions controlling which applications can be used on endpoints. • Vulnerability management and penetration testing e.g., application scanning. • Control of IT, MIS Development privileged accounts. • Patch management and data access control. • Boundary intrusion detection defences (firewalls), network inspection, activity, and event monitoring. • MIS application security improvement – ad hoc code reviews, Capita provide 6 monthly updates via web services <p>Organisational</p> <ul style="list-style-type: none"> • Information Security programme launched, College to maintain cyber essentials plus accreditation. • UCSS InfoSec membership - Extra resource supplied by HEFESTIS CISO-Share. • Participation in CiSP/SCiNET. • Develop data breach response testing and business continuity readiness. Communication plans. • IT policies and IT asset registers. <p>Behavioural</p> <ul style="list-style-type: none"> • Staff awareness training and being vigilant. • Staff are content to report issues. • Procurement policy and selection of suppliers. <p>Remedial (Impact):</p> <ul style="list-style-type: none"> • Incident response planning. • Data recovery systems prioritised (backups) and data recovery if breach occurs. 	<p>1st line of defence:</p> <ul style="list-style-type: none"> • IT management team meetings which cover cyber security and internal controls related to preventative remedial actions. • Information management meetings to establish data risk. • Policies and Procedures. <p>2nd line of defence:</p> <ul style="list-style-type: none"> • Audit and Risk Assurance Committee meetings + 'deep dives' to discuss cyber security and information management audit and compliance reports. <p>3rd line of defence:</p> <ul style="list-style-type: none"> • External and Internal audits on cyber security. • Internal audits on data protection. • Cyber Essentials Plus assessment process- College passed 2020. • CISO and DPO shared service in place to provide support. 	<ul style="list-style-type: none"> • Use of overtime budgets for out of hours cover. • Data/information insurance in place. • Escalation to SMT and Executive Team to approve budget for incident containment (e.g., external expertise). • Cyber Security Attack Business Continuity Management plan. • Security Operations Centre assistance available to contain incidents. 	<p>Comments from Digital infrastructure Lead -</p> <p>The Security Operations Centre (SOC) has been up and running for a few months now. Efforts continue to improve our cyber-incident detection capabilities across the whole IT estate.</p>
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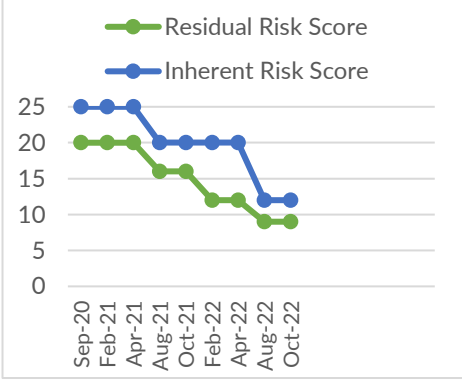
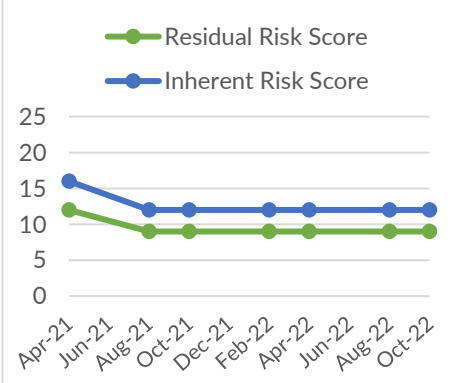
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		<p>Both:</p> <ul style="list-style-type: none"> Inventory of college systems maintained (dynamic asset management) and preventative controls. Penetration testing undertaken annually. Managed Security Operations Centre (SOC) BCM and disaster recovery discussions being help with key system leads throughout college to determine plans in place to continue business and recovery system in the event of a major stoppage due to a cyber-attack. 																																																									
<p>(3) SHORTFALL IN COMMERCIAL INCOME</p> <p>Management Lead: VP Corporate Development</p> <p>Director of Enterprise and Knowledge Exchange</p> <p>Lead Committee: External Engagement/ Policy & Resources</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>5</td> <td>20</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>5</td> <td>15</td> </tr> </tbody> </table> <p style="text-align: center;">Movement ⇄</p> <table border="1"> <caption>Risk Score Data</caption> <thead> <tr> <th>Month</th> <th>Inherent Risk Score</th> <th>Residual Risk Score</th> </tr> </thead> <tbody> <tr><td>Jan-20</td><td>20</td><td>15</td></tr> <tr><td>Apr-20</td><td>20</td><td>20</td></tr> <tr><td>Sep-20</td><td>20</td><td>20</td></tr> <tr><td>Feb-21</td><td>20</td><td>20</td></tr> <tr><td>Apr-21</td><td>20</td><td>15</td></tr> <tr><td>Aug-21</td><td>20</td><td>15</td></tr> <tr><td>Oct-21</td><td>20</td><td>20</td></tr> <tr><td>Feb-22</td><td>20</td><td>20</td></tr> <tr><td>Apr-22</td><td>20</td><td>15</td></tr> <tr><td>Aug-22</td><td>20</td><td>15</td></tr> <tr><td>Oct-22</td><td>20</td><td>15</td></tr> </tbody> </table>	Inherent (Gross) Risk			Probability	Impact	Score	4	5	20	Residual (Net) Risk			Probability	Impact	Score	3	5	15	Month	Inherent Risk Score	Residual Risk Score	Jan-20	20	15	Apr-20	20	20	Sep-20	20	20	Feb-21	20	20	Apr-21	20	15	Aug-21	20	15	Oct-21	20	20	Feb-22	20	20	Apr-22	20	15	Aug-22	20	15	Oct-22	20	15	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Robust sales model (people, product, and systems) in place to achieve income targets New products in development/research phase to anticipate and meet market demand Enhanced utilisation of business intelligence and sector networks to create new opportunities Communication and Marketing teams provide support to commercial team to promote services and partnerships for further income generation Joint ownership of target setting, review processes and increased income streams VP of Corporate Development and Head of Commercial Development roles charged with imprinting new commercial culture across relevant curriculum and support areas of college Better monthly forecast procedures incorporated which allow for higher degree of proactiveness <p>Remedial (Impact):</p> <ul style="list-style-type: none"> FWDF – The College's ability to plan financially is not helped by the lack of information on funding and in-year allocation. The FWDF Year 6 allocation has yet to be announced. The later the announcement, the greater the likelihood of negative impact in terms of workload and pressure on the team. Director of Enterprise and Knowledge Exchange recently in post and has agreed to support a further review of all income streams, costing models and forecasting processes to improve transparency and create a forensic approach to income review <p>Both:</p> <ul style="list-style-type: none"> Partnerships with business, colleges and universities strengthened to build sustainable income platforms Diversified income streams to minimise reliance on any single source 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Commercial income targets set annually as part of budget setting process Commercial income targets monitored and reported 6 monthly by Head of Commercial and VP Corporate Development. Finance and head of Commercial perform monthly update. Procurement Team oversee compliance with policies and procedures <p>2nd line of defence:</p> <ul style="list-style-type: none"> 6 monthly reporting of commercial income and forecast figures to Senior Management Team, Executive Team and Corporate Development committee Corporate Development Committee oversight of international contracts VP of Corporate Development leads working group set up to workshop ideas and push college to more agile/proactive with commercially driven opportunities <p>3rd line of defence:</p> <ul style="list-style-type: none"> Internal audit report on commercial activity. Scottish Government Procurement Capability Assessment self-evaluation process. 	<ul style="list-style-type: none"> Longer term forecast and targeted approach to setting commercial focus External training associate's costs used to partly service income Actions to reduce costs associated with any reductions in Commercial Income A range of Program for Government funded recovery programmes are under design and we expect to be able to deliver some of these, which is an alternative source of income. These are being actively pursued. CRM live and ongoing use development Innovation funding alternative funding streams being pursued. Development of new Commercial strategy to ensure contingency plans in place to deal with risk occurrence. Associated UK/International/Apprentice action plans to be incorporated to ensure focus and achievement of targets to be introduced for 2022-2025. SFC review will impact on planning and budgeting for alternative funding activities. 	<ul style="list-style-type: none"> Facilities Hire and Club/Accommodation - limited numbers due to COVID restrictions Programme for gov funding has come in form of credits not revenue therefore will not assist with commercial income There seems to be some doubt cast on the guarantee of continued FWDF funding, this will become clearer as budget confirmed.
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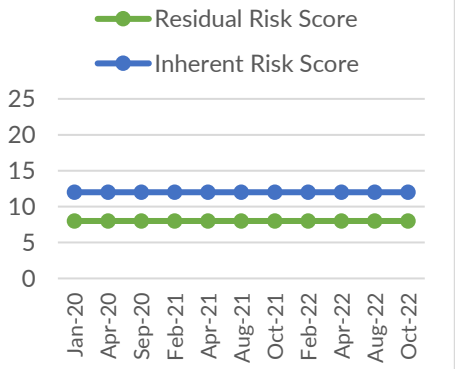
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		<ul style="list-style-type: none"> Flexible delivery model to ensure capacity (use of both in-house and external training associates) Marketing strategy for new commercial income in development – VP of Corporate Development now chairing curriculum meetings to oversee progress with scheduled activity New performance review meeting held every six weeks, chaired by VP Corporate Development and reporting to SMT and ET – alternative funding performance review, joint faculty and commercial team to review current targets Costing review project which will highlight any contractual concerns – SLA review underway: Direct SDS contract and engine dept. other faculty to be completed end Oct/start Nov 2019. Deep dive session in new year with corporate development committee (BOM) to discuss SLA costing review 																					
<p>(32) FAILURE TO MEET SFC FUNDED ACTIVITY TARGETS AND FEES (RECRUITMENT, CREDITS, SAAS AND FEE INCOME)</p> <p>Management Lead: VP Education & Skills</p> <p>VP Innovation Planning & Performance</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>5</td> <td>20</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> </tbody> </table> <p style="text-align: center;">Movement </p> 	Inherent (Gross) Risk			Probability	Impact	Score	4	5	20	Residual (Net) Risk			Probability	Impact	Score	3	4	12	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Performance Monitoring cycle – encapsulating ROA targets Active engagement at national level via Principal and Chair Develop a more unified response with other colleges using College Scotland Increase volume of lobbying with MSPs to promote needs of college. Maintaining up to date financial regulations as well as policies and procedures. <p>Remedial (Impact):</p> <ul style="list-style-type: none"> More detailed budgeting and reporting now in place to align staff and overhead budgets to prioritised services Monthly focus on cost control with regular, clear communications with all staff on financial position seeking support in reconciling adverse position Financial systems, processes and procedures updated in areas where SFC guidance has had an effect, eg, budgeting and forecasting Reconciliation of SFC guidance changes and allocation letters with monthly SFC Returns and Cash Flow Forecasts Wider acceptance of financial targets across the SMT, to ensure focus remains on achieving financial targets including alternative income streams if targets not forecast to be achieved Further guidance from SFC has provided more flexibility around the allocation of credits <p>Both:</p> <ul style="list-style-type: none"> Analysis of short-term contracts that lead to break-even/negative funding for the college 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Heads of Faculty, VP, CM and CL (invited) conduct 6wkly performance to monitor targets Faculty Operational Plans include ROA and credit targets. Monthly meetings between COO and Head of Finance. Annual assurance statements including financial control, references. Regular meetings with regional outcome agreement manager Regular meetings with Education Scotland <p>2nd line of defence:</p> <ul style="list-style-type: none"> MIS quality checks on credit delivery. VP Education and Skills meetings with all Heads of Faculty to review ROA + credit delivery. Faculty Operational Plan performance meetings. VP Education and Skills reports to Policy and Resources Committee on credit delivery ROA and SFC target reporting presented to SMT and Academic Council Tri-partite engagement with SFC/Education Scotland Monitoring by Education Scotland of progress against actions agreed in the Edinburgh College Enhancement Plan SFC guidance for the development of College Outcome Agreements 2018-19 to 2020-2021 to be implemented <p>3rd line of defence:</p> <ul style="list-style-type: none"> Annual internal FES audit (also reported to Audit and Risk Assurance Committee) and FES submission to SFC. 	<ul style="list-style-type: none"> Monitor effect of activity on funding and assess exposure <p>Action planning and remedial quality assurance and enhancement</p>	<p>Score increased due poor recruitment of full-time students</p>
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		<ul style="list-style-type: none"> • Closer working between Finance/HR /Procurement and Department Heads including training sessions and regular meetings • New self-evaluation procedures launched in June 2018, performance against attainment data as key ROA measure and supports staff to consider planning at operational level to improve this <p>Marketing targeted to demographics highlighted in ROA</p>	<ul style="list-style-type: none"> • Scottish Government CPA self-evaluation process. 																																																					
<p>(25) FINEABLE BREACH OF THE G.D.P.R OR P.E.C.R</p> <p>Management Lead: VP of Corporate Development</p> <p>Director of Communication Policy & Research</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>5</td> <td>20</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> </tbody> </table> <p style="text-align: center;">Movement ⇄</p> <table border="1"> <caption>Risk Score History</caption> <thead> <tr> <th>Date</th> <th>Inherent Risk Score</th> <th>Residual Risk Score</th> </tr> </thead> <tbody> <tr><td>Apr-20</td><td>20</td><td>12</td></tr> <tr><td>Sep-20</td><td>20</td><td>12</td></tr> <tr><td>Feb-21</td><td>20</td><td>12</td></tr> <tr><td>Apr-21</td><td>20</td><td>12</td></tr> <tr><td>Aug-21</td><td>20</td><td>12</td></tr> <tr><td>Oct-21</td><td>20</td><td>12</td></tr> <tr><td>Feb-22</td><td>20</td><td>12</td></tr> <tr><td>Apr-22</td><td>20</td><td>12</td></tr> <tr><td>Aug-22</td><td>20</td><td>12</td></tr> <tr><td>Oct-22</td><td>20</td><td>12</td></tr> </tbody> </table>	Inherent (Gross) Risk			Probability	Impact	Score	4	5	20	Residual (Net) Risk			Probability	Impact	Score	3	4	12	Date	Inherent Risk Score	Residual Risk Score	Apr-20	20	12	Sep-20	20	12	Feb-21	20	12	Apr-21	20	12	Aug-21	20	12	Oct-21	20	12	Feb-22	20	12	Apr-22	20	12	Aug-22	20	12	Oct-22	20	12	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> • Data Protection Handbook published college-wide February 2021 containing guidance on data sharing, verifying ID, secure send via email, & referral of legal data protection requests to DP Team. • EC laptop encryption complete on all known devices. • Data Protection Policy co-designed with DPO; published on internet, intranet and embedded in mandatory staff data protection training. • Mandatory staff GDPR training on Moodle Staff zone • 'Tech Tuesdays' Cyber Security essentials training modules issued to all staff each Tuesday to improve cyber security awareness. • Full information asset audit completed January 2020 – SMT assigned ownership of EC Info Assets & providing security classifications Nov 2020 onwards. • DPO delivered data protection impact assessment training to middle managers (via OD) three times – now a mandatory training session. • Dedicated data protection inbox created for staff - single point of reporting/email address for data protection issues. • All BDO GDPR audit actions closed October 2021. • College has embedded GDPR-standard student privacy notices; and PECR-standard direct marketing consents, within application & enrolment process. • College has deployed employee, and job applicant, privacy notices on college website privacy page. • Data capture on website is compliant • Participation within FE GDPR collaborative group (SCIGG) to share college sector approaches to GDPR compliance: 	<p>1st line of defence:</p> <ul style="list-style-type: none"> • Dedicated Information Management manager in post to monitor compliance • Information Governance Group established: DPO and CISO are members. • OD monthly reports to managers on GDPR training uptake • Co-Sharing of common documentation by Scottish College through SCIGG <p>2nd line of defence:</p> <ul style="list-style-type: none"> • Data Protection Officer in post via HEFESTIS Shared Service: reviewing and actively contributing to college GDPR work and provides independent internal audit and advisory role • GDPR update to SMT on by-request basis <p>3rd line of defence:</p> <ul style="list-style-type: none"> • Internal audit on GDPR compliance (BDO) 	<p>Breach escalation to Director of Communication Policy and Research for assessment and determination of further escalation to Executive team for strategic level oversight</p>	<p>Risk score reviewed by information manager and confirmed to be accurate</p> <p>Reference added to all-staff Tech Tuesdays cyber security training modules.</p> <p>Mandatory staff GDPR training on Moodle Staff zone (75% as at Oct 2022)</p> <p>Implementing automated reminders from iTrent when courses are due to expire</p>
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		<ul style="list-style-type: none"> College website cookie permissions updated to GDPR and E-Privacy Regulation compliant standard Updated staff contracts issued August 2018 containing DPO-approved GDPR/data protection clauses. Contracted/part-time workers provided statutory compliance information booklet, which includes key data protection instructions/guidance <p>Remedial (Impact):</p> <ul style="list-style-type: none"> Single point of reporting/email address for data protection and data breach issues: weekend out-of-hours breach reporting cover provided by Information Manager. Data Protection Officer support available out of hours via HEFESTIS shared DPO service <p>Both:</p> <ul style="list-style-type: none"> Integrated Action Plan encompassing outstanding data protection, information security and records management compliance requirements developed and being monitored by EC Information Governance Group (IGG). Data Sharing Agreements being developed with key external partners to reduce likelihood of breach and to reduce fines in event of breach involving 3rd parties Formal Data Breach Reporting Procedure approved by SMT and issued to staff via College Update/available on college website privacy page. 																																																									
<p>(34) COLLEGE IT INFRASTRUCTURE AND AVAILABLE RESOURCES AGEING AND NOT MEETING FUTURE NEEDS OF BUSINESS, STAFF/STUDENTS</p> <p>Management Lead: Chief Operating Officer Digital Infrastructure Service Lead</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>5</td> <td>15</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> </tbody> </table> <p>Movement \longleftrightarrow</p> <table border="1"> <caption>Risk Score Data</caption> <thead> <tr> <th>Month</th> <th>Inherent Risk Score</th> <th>Residual Risk Score</th> </tr> </thead> <tbody> <tr><td>Jan-20</td><td>15</td><td>12</td></tr> <tr><td>Apr-20</td><td>15</td><td>12</td></tr> <tr><td>Sep-20</td><td>15</td><td>12</td></tr> <tr><td>Feb-21</td><td>15</td><td>12</td></tr> <tr><td>Apr-21</td><td>15</td><td>12</td></tr> <tr><td>Aug-21</td><td>15</td><td>12</td></tr> <tr><td>Oct-21</td><td>15</td><td>12</td></tr> <tr><td>Feb-22</td><td>15</td><td>12</td></tr> <tr><td>Apr-22</td><td>15</td><td>12</td></tr> <tr><td>Aug-22</td><td>15</td><td>12</td></tr> <tr><td>Oct-22</td><td>15</td><td>12</td></tr> </tbody> </table>	Inherent (Gross) Risk			Probability	Impact	Score	3	5	15	Residual (Net) Risk			Probability	Impact	Score	3	4	12	Month	Inherent Risk Score	Residual Risk Score	Jan-20	15	12	Apr-20	15	12	Sep-20	15	12	Feb-21	15	12	Apr-21	15	12	Aug-21	15	12	Oct-21	15	12	Feb-22	15	12	Apr-22	15	12	Aug-22	15	12	Oct-22	15	12	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Curriculum review to take account of IT capabilities and funding to make significant changes IT: continue to develop in-house installation flexibly to accommodate future change Investments made – Moodle, New servers purchased. Total £30k investment made for online/remote working infrastructure in response to COVID-19 shutdown Milton network upgrade underway <p>Remedial (Impact):</p> <ul style="list-style-type: none"> Unified Communications funding identified and tender successful. Implementation due by end 2020/early 2021. Further investment potential in cloud solutions progressing. <p>Both:</p> <ul style="list-style-type: none"> 2017 IT Infrastructure project addressed some redundant networking issues. Annual review of high priority requirements to separately identify funding. 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Discussion of IT infrastructure priorities between COO and IT managers <p>2nd line of defence:</p> <ul style="list-style-type: none"> Audit and Risk Assurance Committee meetings + 'deep dives' to discuss digital + IT capability SMT discussions and actions on digital and IT capability <p>3rd line of defence:</p>	<ul style="list-style-type: none"> Align decisions on future curriculum to enable IT to review requirements and plan for necessary changes as part of the connect groups 	<p>Comments from Digital infrastructure Lead:</p> <p>The college has made substantial investment in updating its IT infrastructure. The following have all recently been refreshed and enhanced: gateway firewalls, server virtualisation infrastructure, wireless networks, remote desktop infrastructure, telephony systems, network storage arrays, cyber-security and monitoring.</p> <p>Further recent investment in the Milton Road and Sighthill networks will come online in 2022/23 and bring automation, capacity, and security improvements for all campuses with it.</p> <p>RMAG to review risk oversight level.</p>
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<p>(28) COLLEGE ESTATE INFRASTRUCTURE NOT ALIGNED TO MEET BUSINESS NEED</p> <p>Management Lead: Estates Managers</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: An effective and efficient college</p> <p>Providing an excellent curriculum</p> <p>Delivering a superb student experience</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>5</td> <td>15</td> </tr> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </tbody> </table> 	Inherent (Gross) Risk			Probability	Impact	Score	3	5	15	Residual (Net) Risk			Probability	Impact	Score	3	4	12	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Planned maintenance programme in place for statutory compliance Curriculum review to take account of Estates requirements and lack of funding to make significant changes Future planning for Motor Vehicle facilities at Sighthill/Midlothian; and Construction facilities to replace Forthside. <p>Remedial (Impact):</p> <ul style="list-style-type: none"> In-house maintenance team carry out reactive maintenance where possible. Register in place to monitor works and log what works are not completed and prioritised Loss of catering provision to staff and students with long lead time if retender required <p>Both:</p> <ul style="list-style-type: none"> BTP Estates Review completed – focus on Forthside construction and Sighthill Automotive. Flexible approach being taken to reconfiguring classrooms where budget permits 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Critical works register in place to monitor outstanding works and monthly maintenance register to monitor works progress against budget availability KPI's in operational plans for Estates Staff roles designed to manage Estate's compliance. Estate's strategy and capital funding allocation prioritised and agreed by the SMT. Estate's condition reviewed six monthly + monthly review of estates critical works register. Estate Services Mangers and H&S Manager meets three weekly with COO. H&S + Sustainability + Facilities + Security + Porterage + Print Services + Vehicles + TFM + Catering Contract + Budget issues discussed ISS contract management meetings G+G monthly contract meetings for catering contract with Finance and Procurement Monthly utility monitoring <p>2nd line of defence:</p> <ul style="list-style-type: none"> SMT + Executive Team discussions on estates. Policy and Resources Committee papers and discussions on estates matters. Estates management matters are also included also in the Health and Safety Report to Health and Safety Committee. <p>3rd line of defence:</p> <ul style="list-style-type: none"> NQA Auditor process. Internal audit on estates management. Care Inspectorate inspections of the nursery. 	<ul style="list-style-type: none"> Align decisions on future curriculum to enable estates to review requirements and plan for necessary changes as part of the connect groups Estate's incident management process and business continuity plans G&G contract now reduced to minimal service 	
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<p>(35) PUBLIC HEALTH RISKS</p> <p>Management Lead: Health & Safety</p> <p>Director of Communication Policy & Research</p>	<table border="1"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>4</td> <td>16</td> </tr> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> <tr> <td>3</td> <td>3</td> <td>9</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </tbody> </table>	Inherent (Gross) Risk			Probability	Impact	Score	4	4	16	Residual (Net) Risk			Probability	Impact	Score	3	3	9	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Health and safety along with public health colleagues will continue to monitor risk: Monkey pox, meningitis, COVID-19, flu, Noro virus, etc Occupational health nurse working closely with ECSA on public health campaigns Personal health assessment can be utilised if/when required 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Risk Management and Assurance Group monitor risk and overall college response actions Critical Incident Team to manage major events <p>2nd line of defence:</p> <ul style="list-style-type: none"> Health and Safety committee Regular Public health team briefs SMT fortnightly meetings 	<ul style="list-style-type: none"> BCM plans and procedures/guidance for communicable diseases Full campus closure – all activity on-line College has regular contact with public health to manage any potential outbreak in student population 	
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<p>Lead Committee: External Engagement/ Policy & Resources</p> <p>Aligned to Strategic Aim: An effective and efficient college</p>		<ul style="list-style-type: none"> Hand hygiene and ventilation procedures in place <p>Remedial (Impact):</p> <ul style="list-style-type: none"> Alternative working arrangements in place for staff when required Blended learning default position for classes when required College and ECSA maintain engagement with students via various digital and social media platforms and to provide information about keeping well and safe. <p>Both:</p> <ul style="list-style-type: none"> Staff communications to provide updates on situation and risk levels – Staff update email, intranet, website, etc 	<p>3rd line of defence:</p> <ul style="list-style-type: none"> Scottish Government Health Protection Scotland Internal and external audits Trade union feedback 																							
<p>(27) WORKFORCE PLANNING AND DEVELOPMENT</p> <p>Management Lead: Director of HR & OD (HRD)</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim: Supporting and inspiring our staff</p>	<table border="1" data-bbox="341 661 771 913"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> </tbody> </table> <table border="1" data-bbox="341 913 771 1018"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>3</td> <td>9</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </tbody> </table> 	Inherent (Gross) Risk			Probability	Impact	Score	3	4	12	Residual (Net) Risk			Probability	Impact	Score	3	3	9	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Workforce development plan now active Monthly meetings with managers by HR Advisors BP's to review key employee management information including retirements, vacancies, turnover, absence (16) <p>Remedial (Impact):</p> <p>Both:</p> <ul style="list-style-type: none"> Greater scrutiny of vacancy control and staff deployment has been implemented Robust process and procedures in place to track vacancies against budget 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Staff analytics monthly reports to Heads Management of establishment against budget Regular reviews of progress against operational plan objectives for OD team with HRD. Monthly meeting between HR advisors and Middle managers (curriculum and support staff) to review establishment vacancy, workforce planning, staff wellbeing and OD Joint LNC meetings to develop employment policies <p>2nd line of defence:</p> <ul style="list-style-type: none"> Regular reviews with progress and issues in HR & OD between COO and HRD. SMT and Executive Team discussions and reports on workforce planning, OD, and staff wellbeing. HR reports to Policy and Resources Committee and SMT on workforce planning. <p>3rd line of defence:</p> <ul style="list-style-type: none"> Internal audit: Workforce & Establishment Management was carried out in 2022 and some actions for improvement were noted. 	<ul style="list-style-type: none"> Consider development of policy on retraining displaced staff rather than recruiting new staff Consider alternative employment models where feasible – currently in development 2021 	<p>WF Plan being updated to take account of £3.6m-£5.7m savings to be made currently under review by COO and Exec as part of EC People launch</p> <p>Draft people strategy being reviewed in line with new College Strategic Aims and launch of EC People campaign</p>
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<p>(15) HEALTH & SAFETY NON-COMPLIANCE</p> <p>Management Lead: Chief Operating Officer</p> <p>H&S Manager</p> <p>Lead Committee: Policy and Resources Committee</p> <p>Aligned to Strategic Aim:</p>	<table border="1" data-bbox="341 1495 771 1747"> <thead> <tr> <th colspan="3">Inherent (Gross) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>4</td> <td>12</td> </tr> </tbody> </table> <table border="1" data-bbox="341 1747 771 1852"> <thead> <tr> <th colspan="3">Residual (Net) Risk</th> </tr> <tr> <th>Probability</th> <th>Impact</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>4</td> <td>8</td> </tr> <tr> <td colspan="2">Movement</td> <td>↔</td> </tr> </tbody> </table>	Inherent (Gross) Risk			Probability	Impact	Score	3	4	12	Residual (Net) Risk			Probability	Impact	Score	2	4	8	Movement		↔	<p>Preventative (Probability):</p> <ul style="list-style-type: none"> Corporate policies and procedures in place. Document control tracker maintained Mandatory training requirements in place for all staff Communications support to ensure staff understand compliance responsibilities H&S documentation to be implemented and maintained by Faculty/Function heads or nominated managers <p>Remedial (Impact):</p> <ul style="list-style-type: none"> Early detection of risk/s and resolve quickly and efficiently. 	<p>1st line of defence:</p> <ul style="list-style-type: none"> Reactive date (e.g., accident/incident reports) monitored to identify and correct procedural deficiencies Operational planning Annual review of H&S policy; maximum review timeframe for procedures is 3 years All new or significantly altered policies and procedures sent for consultation (H&S Committee, management, relevant staff) and all feedback recorded H&S Committee in place with engagement of staff and unions <p>2nd line of defence:</p>	<ul style="list-style-type: none"> Enforcement of H&S management systems and procedures for area/department. Immediate implementation of any required local or organisation-wide deviation from procedure as short-term control Formal review and consultation on need for procedural change/update. Dependent on outcome, implement corrective actions 	
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Supporting and inspiring our staff Delivering a superb student experience An effective and efficient college	 <table border="1" data-bbox="350 300 774 644"> <caption>Risk Scoring Data</caption> <thead> <tr> <th>Period</th> <th>Inherent Risk Score</th> <th>Residual Risk Score</th> </tr> </thead> <tbody> <tr><td>Jan-20</td><td>12</td><td>8</td></tr> <tr><td>Apr-20</td><td>12</td><td>8</td></tr> <tr><td>Sep-20</td><td>12</td><td>8</td></tr> <tr><td>Feb-21</td><td>12</td><td>8</td></tr> <tr><td>Apr-21</td><td>12</td><td>8</td></tr> <tr><td>Aug-21</td><td>12</td><td>8</td></tr> <tr><td>Oct-21</td><td>12</td><td>8</td></tr> <tr><td>Feb-22</td><td>12</td><td>8</td></tr> <tr><td>Apr-22</td><td>12</td><td>8</td></tr> <tr><td>Aug-22</td><td>12</td><td>8</td></tr> <tr><td>Oct-22</td><td>12</td><td>8</td></tr> </tbody> </table>	Period	Inherent Risk Score	Residual Risk Score	Jan-20	12	8	Apr-20	12	8	Sep-20	12	8	Feb-21	12	8	Apr-21	12	8	Aug-21	12	8	Oct-21	12	8	Feb-22	12	8	Apr-22	12	8	Aug-22	12	8	Oct-22	12	8	Both:	<ul style="list-style-type: none"> Ongoing monitoring of budget availability to carry out reactive work with H&S implications and reporting to SMG/Executive 3rd line of defence: <ul style="list-style-type: none"> Programme of internal and external audits in place 		
Period	Inherent Risk Score	Residual Risk Score																																							
Jan-20	12	8																																							
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Title	Summary of Audit Recommendations Update
Appendices	None
Disclosable under FOISA	Yes
Primary Contact	Alan Williamson, Chief Operating Officer
Date of Production	09.11.22
Action Required	Information

1. RECOMMENDATIONS

Board Members are asked to note the information provided, prior to a full update being presented to the Committee on 22 February 2023.

2. PURPOSE OF REPORT

This report provides an overview of progress made against the College’s internal auditors recommendations previously reported to the Audit & Risk Assurance Committee in 2018/19, 2019/20, 2020/21 and 2021/22.

3. DETAIL

3.1 Context

An Operational Internal Audit Plan is agreed by the Audit & Risk Assurance Committee in advance of each academic year. These audits are undertaken to provide management, the A&RA committee, and our Board with assurance that the College has in place satisfactory internal controls. Following each audit, the College’s Internal Auditors provide management with their findings and associated recommendations which are designed to improve the College’s internal control processes and procedures. These recommendations are then considered by management and timescales for implementation agreed accordingly.

3.2 Update

The Committee reviewed audit recommendations on 12 October 2022 and will review all actions again on 22 February 2023. Progress is continuing in addressing the outstanding recommendations.

4. IMPACT AND IMPLICATIONS

Failure of having in place good systems of internal controls could result in:

- Loss of assets due to theft or unintentional errors.
- Unreliable financial or operational reports resulting in poor decision-making by management.

- Non-compliance with laws, rules or regulations resulting in financial penalties and/or damage to the College's reputation.
- Customer/Student dissatisfaction due to ineffective operations resulting in low student numbers, loss of income and/or negative publicity.
- Resources are used in-efficiently or in-effectively resulting in shortages of funds or overspend in expenditure and failure to meet objectives.

5. LINKS TO STRATEGIC PLAN AND KPIS

Internal Audit's role is strategically important as it aligns its contributions with the College's operational objectives and strategy. Internal audit must strike the right balance between meeting its compliance responsibilities and accomplishing business improvement duties.

The activities and key priorities described in this report are linked to the following strategic aims and key performance indicators:

Strategic Aims:

- Delivering a Superb Student Experience
- Supporting and Inspiring Our People
- Valued in Partnership and by Communities
- An Effective and Efficient College
- Providing an Excellent Curriculum.

Key Performance Indicators:

- Commercial Income
- Total Credits
- Achievement and Retention
- Financial Adjusted Operating Position
- Gross Carbon Footprint
- Staff Costs as a Percentage of Income.

AUDIT & RISK ASSURANCE COMMITTEE
22 NOVEMBER 2022
PAPER N



For the future you want

Title	Internal Audit Progress Report
Appendices	Appendix 1: Internal Audit Progress Report – November 2022
Disclosable under FOISA	No
Primary Contact	Chloe Main, BDO
Date of Production	15.11.22
Action Required	Information

1. RECOMMENDATIONS

The Audit & Risk Assurance Committee are asked to note the attached Internal Audit Progress Report.

2. PURPOSE OF REPORT

This paper provides a summary of internal audit activity during the year to date. It also confirmed the reviews planned for the coming quarter, identifying any changes to the original annual plan, where relevant.

3. DETAIL

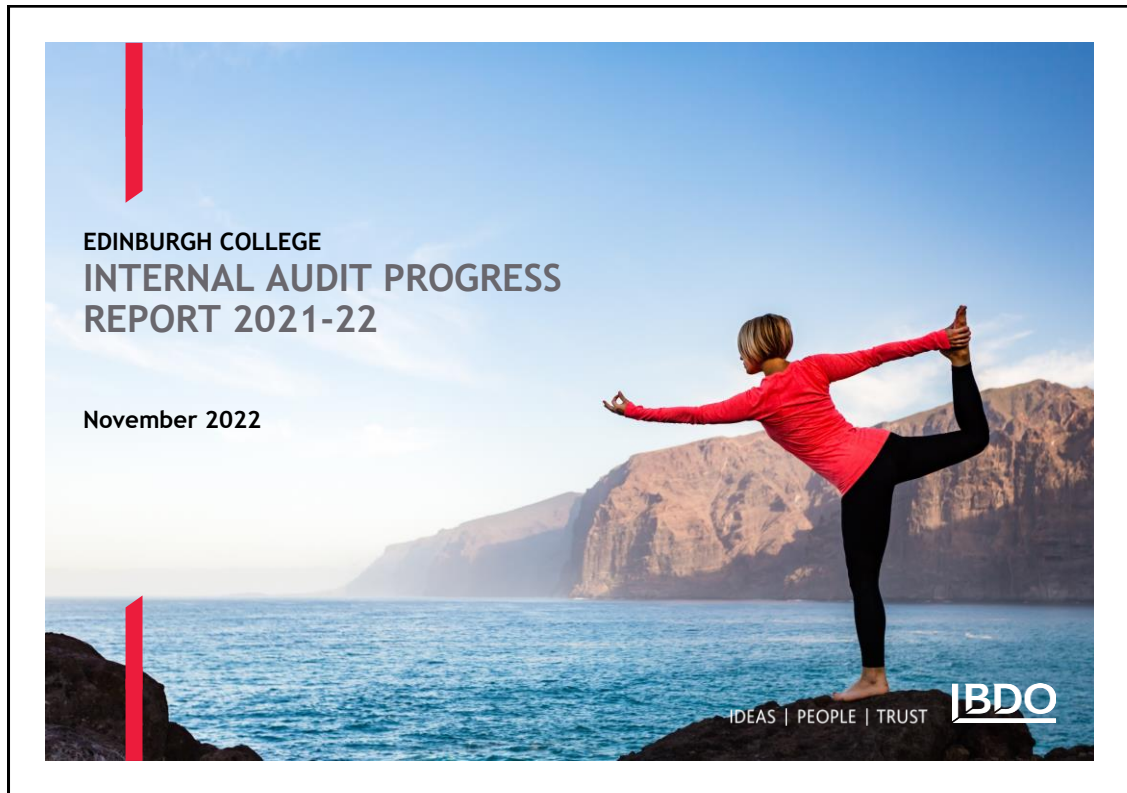
The Internal Audit Progress Report is attached as Appendix 1.

4. IMPACT AND IMPLICATIONS

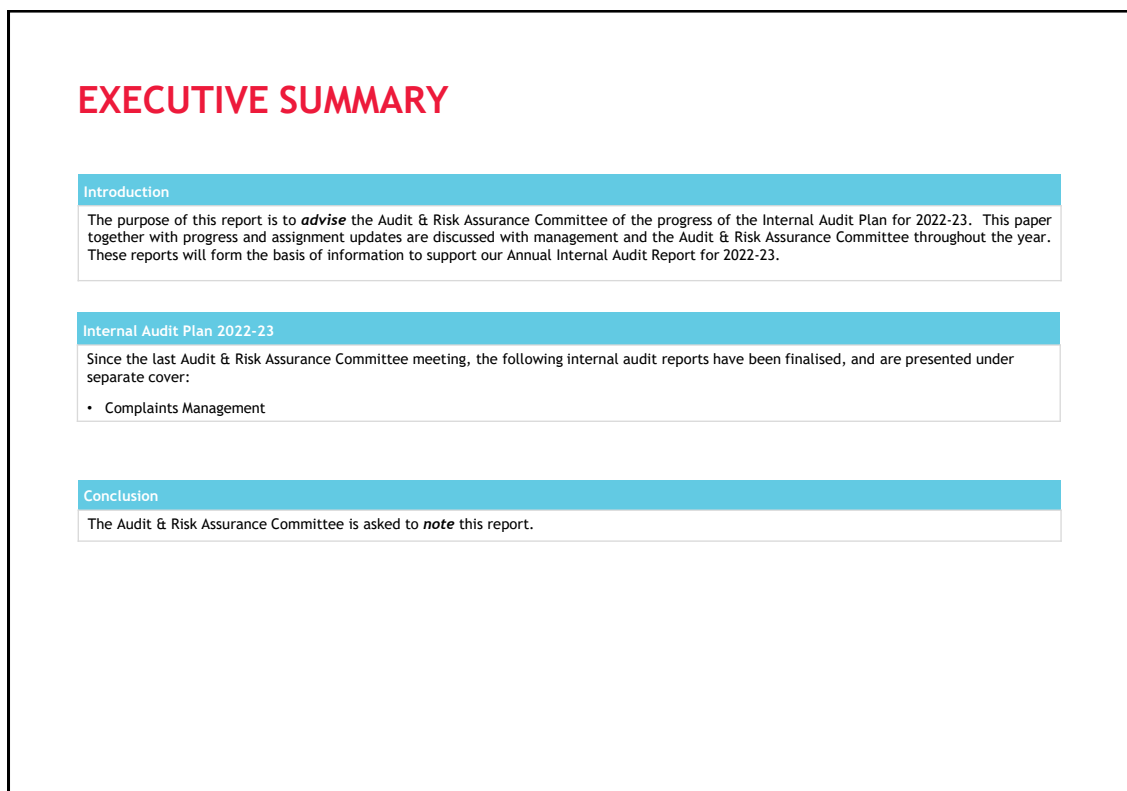
The Audit & Risk Assurance Committee, on behalf of the Board, is required to ensure that effective internal controls are in place.

5. LINKS TO STRATEGIC PLAN AND KPIS

The activities and key priorities described in Appendix 1 are linked to the full range of strategic aims and key performance indicators agreed by the Board of Management.






1



2

WORK COMPLETED

Reports Issued	Overall Report Conclusions - see appendix I				
				Design	Operational Effectiveness
Complaints Management	0	2	2	Moderate	Moderate

3

PERFORMANCE AGAINST OPERATIONAL PLAN

Visit	Date of visit	Proposed Audit	Planned Days	Actual Days	Status
1	September 2022	Complaints Management	6	6	Complete
2		Freedom of Information	5	-	Scheduled November 2022
3		Sustainability	5	-	Scheduled January 2023
4		Staff Wellbeing	5	-	Scheduled December 2022
5		Cyber Review	15	-	Block 3: Feb - April 2023
6		Fraud Strategy	6	-	Scheduled May 2023
7		Follow Up	3	-	Scheduled July 2023
		Indirect Audit Activity	7	1	
TOTAL			52	7	

4

AUDIT PERFORMANCE

AUDIT	COMPLETION OF FIELDWORK	DRAFT REPORT	FINAL MANAGEMENT RESPONSES	FINAL REPORT
Complaints Management	27 October 2022	1 November 2022	15 November 2022	16 November 2022








On average:

- All reports were issued in draft within 10 working days of completion of our fieldwork and a debrief meeting with management.
- Final reports were issued within 1 working day of final management responses being received.

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5

APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.
Recommendation Significance				
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			

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Title	Data Breach Incident and Cyber Attack Update - November 2022
Appendices	None
Disclosable under FOISA	Yes
Primary Contact	Nick Croft, Director of Communication, Policy & Research
Date of Production	09.11.22
Action Required	Information

1. RECOMMENDATIONS

The Audit & Risk Assurance Committee are asked to note the update provided.

2. PURPOSE OF REPORT

This report provides a summary of *reportable* data breach incidents within Edinburgh College for the reporting period from 1 August 2022 to 31 October 2022 (Quarter 1).

3. INCIDENTS

There were no reportable data breach incidents in this reporting period (reportable data breach incidents being defined as personal data breaches of sufficient seriousness to require notification of the Information Commissioner's Office).

4. IMPACT AND IMPLICATIONS

To monitor any trends that may occur and assess (where possible) areas of potential risk. Further to this, the report for remedial actions to be implemented to ensure the college meets legal compliance.

Monitoring and carrying out investigations ensures that the college is operating in compliance with data protection legislation.

5. LINKS TO STRATEGIC PLAN AND KPIS

The activities and key priorities described in this report are linked to the strategic aim to be 'An Effective and Efficient College'.