

AUDIT & RISK ASSURANCE COMMITTEE

AGENDA

A meeting of the Audit & Risk Assurance Committee will be held at 15:00 hours on 22 November 2023, Milton Road Campus (Room 4.02).

		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"> • Planning & Resources Committee • Learning, Teaching & Student Experience Committee 	Chair M Walker	Verbal Verbal
5	INTERNAL AUDIT REPORTS		
5.1	Summary of Audit Recommendations Update	A Williamson	C
5.2	Internal Audit Report: Credit / FES Return	I Deed	D
5.3	Internal Audit: Student Support Fund	I Deed	E
6	RISK ASSURANCE		
6.1	Risk Management Update	A Williamson	Verbal
6.2	Risk Appetite Statements	A Williamson	F
6.3	National Fraud Initiative Update	I Deed	G
7	END OF YEAR ACCOUNTS		
7.1	Draft Annual Report and Financial Statements to July 2023 <i>for approval</i>	I Deed	H
7.2	External Audit Report	Mazars	I
7.3	Draft Letter of Representation	Mazars	J
8	DRAFT AUDIT & RISK ASSURANCE COMMITTEE ANNUAL REPORT 2023 <i>for approval</i>	Chair	K
9	ANY OTHER COMPETENT BUSINESS		
9.1	Horizon Scanning Update	Mazars / BDO	Verbal
9.2	Evaluation of Internal Audit Function 2023	Chair	L
10	FOR INFORMATION		

10.1 Audit & Risk Assurance Committee Business
Planner 2024/25

M

11 DATE OF NEXT MEETING: 6 March 2024

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	National Fraud Initiative
Appendices	Appendix 1: NFI Results 2023
Disclosable under FOISA	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>
Primary Contact	Ian Deed, Director of Finance & Infrastructure
Date of Production	20.07.23
Action Required	For Approval <input type="checkbox"/> / For Discussion <input checked="" type="checkbox"/> / For Information <input checked="" type="checkbox"/>
Aligned to Strategic Risk	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/> <i>(If 'yes' please complete Section 5.3)</i>

1. RECOMMENDATIONS

The Committee is asked to NOTE the details of Edinburgh College's participation in the National Fraud Initiative and DISCUSS any specific points of interest.

2. PURPOSE OF REPORT

The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland and overseen by the Cabinet Office for the UK. It uses computerised techniques to compare information about individuals and suppliers held by different public bodies, and on different financial systems that might suggest the existence of fraud or error. It means that public bodies can act if any fraud or error has taken place, and it allows auditors to assess fraud prevention arrangements which those bodies have in place.

3. KEY INSIGHTS

The results (as outlined in Appendix 1) identified 304 cases of mis-matched data, all of which were examined and closed due to no action being required. No fraudulent cases were identified and only one minor error related to overpayment of VAT was recorded.

4. IMPACT AND IMPLICATIONS

The Board is responsible for the financial sustainability of the College, and it is considered good practice to monitor all areas of performance that can impact on the College's viability.

Through its participation in the NFI the College seeks to reduce its risk exposure to financial fraud.

5. ALIGNMENT TO STRATEGIC PLAN / KPIs / RISK REGISTER

5.1 Alignment to Edinburgh College Strategic Pillars [Indicate with an 'X' which Strategic Pillar this paper supports]:

Curriculum Strategy	<input type="checkbox"/>	Finance Strategy	<input checked="" type="checkbox"/>	People Strategy	<input type="checkbox"/>
Commercial Strategy	<input type="checkbox"/>	Digital Strategy	<input type="checkbox"/>	Other	<input type="checkbox"/>

5.2 Relevant Key Performance Indicators [Indicate with an 'X' which performance indicators this paper supports]:

Student Success	<input type="checkbox"/>	Credit Target	<input type="checkbox"/>	Equality, Diversity & Inclusion	<input type="checkbox"/>
Student Satisfaction	<input type="checkbox"/>	Adjusted Operating Position (AOP)	<input checked="" type="checkbox"/>	Staff Costs	<input type="checkbox"/>
Student Retention	<input type="checkbox"/>	Non-SFC Income	<input checked="" type="checkbox"/>	Staff Engagement	<input type="checkbox"/>
Student Enrolments	<input type="checkbox"/>	Gross Carbon Footprint	<input type="checkbox"/>	Partner Engagement	<input type="checkbox"/>

5.3 Alignment to the Top-Level Risk Register [Strategic risk information should be copied directly from the most recent TLRR]:

Strategic Risk(s)	Risk Score*		
(33) Financial sustainability (insufficient budget / funding) Executive Lead: Chief Operating Officer Lead Committee: Planning and Resources Committee	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 (since last review)		↔

*Risk Score Key: 0-10 Low Risk; 11-15 Moderate Risk; 16-25 High Risk. [Further information on risk scoring can be found in the [EC Risk Management Policy & Procedure](#)]

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The NFI is an exercise that matches electronic data within and between public and private bodies to prevent and detect fraud.

ID	REPORT TITLE	TOTAL ALL	STATUS	PROCESSED	IN PROGRESS	FRAUDS	ERRORS	OUTCOME	CO ESTIMATES	OVERALL TOTAL	QUALITY
66	Payroll to Payroll	6	Closed	6	0	0	0	£0.00	£0.00	£0.00	High
80	Payroll to Creditors	1	Closed	1	0	0	0	£0.00	£0.00	£0.00	High
81	Payroll to Creditors	2	Closed	2	0	0	0	£0.00	£0.00	£0.00	Address
700	Duplicate creditors by creditor reference	1	Closed	1	0	0	0	£0.00	£0.00	£0.00	High
702	Duplicate creditors by address detail	3	Closed	3	0	0	0	£0.00	£0.00	£0.00	High
703	Duplicate creditors by bank account number	1	Closed	1	0	0	0	£0.00	£0.00	£0.00	High
708	Duplicate records by amount and creditor reference	276	Closed	276	0	0	0	£0.00	£0.00	£0.00	High
709	VAT overpaid	2	Closed	2	0	0	1	£11.99	£0.00	£11.99	High
711	Duplicate records by invoice number and amount but different creditor reference and name	10	Closed	10	0	0	0	£0.00	£0.00	£0.00	High
750	Procurement - Payroll to Companies House (Director)	1	Closed	1	0	0	0	£0.00	£0.00	£0.00	High
752	Procurement - Payroll to Companies House (Director)	1	Closed	1	0	0	0	£0.00	£0.00	£0.00	Address
TOTAL		304		304	0	0	1	£11.99	£0.00	£11.99	

Results for Edinburgh College are as above – Total of 304 cases flagged which were reviewed and closed with no cases of fraud identified. Minor VAT overpayment identified due to system error.