

**Audit & Risk Committee - Action and Decision Log**  
**Meeting No 39 – 14 March 2023**

(Paper 1a)

| Meeting Date | Agenda Item                                                  | Reference  | Details                                                                                                                                                                                                            | Action Owner         | Due Date   | Action Decision | Open Complete Approved Declined |
|--------------|--------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------|-----------------|---------------------------------|
| 13/09/2022   | Internal Audit rolling Action Plan as at September 2022      | ARC37: A02 | Rationale to support closure of action related to 'Schools and Community Provision' as detailed in the Internal Audit rolling action plan report at September 2022 to be documented and presented at next meeting. | J Thomson            | 22/11/2022 | Action          | Complete                        |
| 22/11/2022   | 2021-22 Internal Audit Follow-up Report                      | ARC38: A01 | The 2021-22 Internal Audit Follow-up Report to be updated by BDO to show full implementation of the recommendations and the amendment to the job title on page 6.                                                  | J Thomson / BDO      | 23/11/2022 | Action          | Complete                        |
| 22/11/2022   | 2021-22 Internal Audit Annual Report                         | ARC38: A02 | S Morrison to confirm the stance of BDO in benchmarking as part of the audit process and provide further details to the Principal.                                                                                 | J Thomson / BDO      | 23/11/2022 | Action          |                                 |
| 22/11/2022   |                                                              | ARC38: D01 | The Committee recommended the 2021-22 Internal Annual Audit Report for approval by the Board on 8 December 2022.                                                                                                   | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | BOM Report & Financial Statements 2021-22                    | ARC38: D02 | The Committee recommended the BOM Report & Financial Statements 2021-22 for approval by the Board on 8 December 2022.                                                                                              | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | Annual Audit Report to the BOM and Auditor General           | ARC38: D03 | The Committee recommended the Annual Audit Report to the Board of Management and the Auditor General for Scotland year ended 31 July 2022 for approval by the Board on 8 December 2022.                            | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | Letter of Representation 2021-22                             | ARC38: D04 | The Committee recommended the Letter of Representation for approval by the Board on 8 December 2022.                                                                                                               | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | 2021-22 Audit and Risk Committee Chair's Draft Annual Report | ARC38: D05 | The Committee recommended the 2021-22 Audit and Risk Committee Chair's Draft Annual Report for approval by the Board on 8 December 2022.                                                                           | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | 2022-23 Business Continuity Plan (November 2022)             | ARC38: D06 | The Committee approved the proposal for reporting of the Business Continuity Plan to be moved to a 2-year cycle.                                                                                                   | NA                   | NA         | Decision        | Approved                        |
| 22/11/2022   | Internal Audit rolling Action Plan as at 18 October 2022     | ARC38: A03 | The action related to 'Schools and Community Provision' be closed off and the 2021-22 Internal Audit Annual report be updated accordingly.                                                                         | P Donald / J Thomson | 23/11/2022 | Action          | Complete                        |
| 22/11/2022   | 2022-23 Corporate Risk Register (V2) as                      | ARC38: A04 | The Committee approved the deletion of BOM1 from the Corporate Risk Register.                                                                                                                                      | J Thomson            | 23/11/2022 | Action          | Complete                        |

| Meeting Date | Agenda Item        | Reference  | Details                                                                                                               | Action Owner | Due Date | Action Decision | Open Complete Approved Declined |
|--------------|--------------------|------------|-----------------------------------------------------------------------------------------------------------------------|--------------|----------|-----------------|---------------------------------|
| 22/11/2022   | at 18 October 2022 | ARC38: D07 | The Committee recommended AY2022-23 Ayrshire College Risk Register (V2) as at 18 October 2022 the Board for approval. | NA           | NA       | Decision        | Approved                        |

Ayrshire College # 484082  
08/03/2023 11:22:57



# Ayrshire College

External Audit Strategy 2022/23

March 2023





# Table of Contents

|                       |    |
|-----------------------|----|
| Introduction          | 3  |
| Your Azets audit team | 4  |
| Our responsibilities  | 7  |
| Audit strategy        | 10 |

Ayrshire College # 484082  
08/03/2023 11:22:57

# Introduction

Azets have been appointed by Audit Scotland as the external auditor to Ayrshire College for the period 2022/23 to 2026/27.

This document provides an introduction to our audit team and sets out our audit strategy for 2022/23.

We expect that our audit will have a similar underlying approach to that of your previous external auditor, Mazars, although there are some changes to the Code of Audit Practice and auditing standards that come into effect for the first time in 2022/23. These are reflected in this document.

We firmly believe that the best and most effective audits are underpinned by strong, professional working relationships with key client contacts right from the outset and this will be our key aim over the duration of our appointment. The benefits of our audit approach include:

- Full compliance with the Audit Scotland Code of Audit Practice
- Sector expertise from dedicated public sector external audit specialists
- Proactive, open and constructive planning and communication
- A risk-based audit approach tailored to Ayrshire College
- Clear and concise reporting
- Proactive liaison with internal audit
- Responsiveness and independence of thought.

## Adding value

All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We aim to add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help you promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated

Ayrshire College #484082  
08/03/2023 11:22:57

# Your Azets audit team

The Ayrshire College external audit team will be led by David Eardley and managed by Adrian Kolodziej. We will draw upon the expertise of our wider public sector management team during the course of our audit appointment.

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## David Eardley: Engagement Lead

david.eardley@azets.co.uk

David has over a decade and a half of experience and specialises in external and internal audit of public sector clients. David's primary area of focus and expertise is in the health and education sectors.

David works with a range of public sector clients including the NHS, education and central government, from £1.5billion health boards to specialist governing entities. David has a wealth of technical accounting expertise, coupled with strong interpersonal skills and client relationship skills.

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## Adrian Kolodziej: Engagement Manager

adrian.kolodziej@azets.co.uk

Adrian will manage the delivery of the onsite work and work alongside David to deliver the audit engagement. Adrian has over 14 years of public sector experience performing the external audits of further education, local authorities and central government bodies.



Ayrshire College # 484082  
08/03/2023 11:22:57

## Our experience

Our portfolio of new and previous Audit Scotland appointments is set out below.

### New Audit Scotland appointments (2023-27)

| Local Government                      | NHS                           | Further Education                                            |
|---------------------------------------|-------------------------------|--------------------------------------------------------------|
| Clydeplan                             | NHS Fife                      | Ayrshire College                                             |
| Fife Council                          | Public Health Scotland        | Borders College<br>(continuing appointment)                  |
| Fife Integration Joint Board          | Scottish Ambulance<br>Service | Dumfries and Galloway<br>College<br>(continuing appointment) |
| Fife Pension Fund                     |                               | West College Scotland                                        |
| Lothian Pension Fund                  |                               |                                                              |
| Renfrewshire Council                  |                               |                                                              |
| Renfrewshire Valuation<br>Joint Board |                               |                                                              |
| Scotland Excel                        |                               |                                                              |

Ayrshire College # 484082  
08/03/2023 11:22:57

Previous Audit Scotland appointments

| Local Government                                        | NHS                                    | Further Education               | Central Government                           |
|---------------------------------------------------------|----------------------------------------|---------------------------------|----------------------------------------------|
| City of Edinburgh Council                               | NHS Lothian                            | City of Glasgow College         | Disclosure Scotland                          |
| Lothian Pension Fund                                    | Mental Welfare Commission for Scotland | Glasgow Kelvin College          | Scottish Housing Regulator                   |
| Edinburgh Integration Joint Board                       | NHS 24                                 | Glasgow Colleges Regional Board | Police Investigation and Review Commissioner |
| Lothian Valuation Joint Board                           | National Waiting Times Centre Board    | Glasgow Clyde College           | Scottish Courts Service                      |
| SESTRAN                                                 | The State Hospitals Board for Scotland | Dumfries and Galloway College   | Scottish Prison Service                      |
| Strathclyde Partnership for Transport                   |                                        | Borders College                 | Scottish Road Works Commissioner             |
| Strathclyde Concessionary Travel Scheme Joint Committee |                                        |                                 |                                              |

Ayrshire College # 484082  
08/03/2023 11:22:57

# Our responsibilities

## The Auditor General and Audit Scotland

The Auditor General for Scotland is a Crown appointment and independent of the Scottish Government and Parliament.

Audit Scotland is an independent statutory body that co-ordinates and supports the delivery of high-quality public sector audit in Scotland. Audit Scotland oversees the appointment and performance of auditors, provides technical support, delivers performance audit and Best Value work programmes and undertakes financial audits of public bodies.

The Auditor General appointed Azets as external auditor of Ayrshire College for the five year period commencing 2022/23.

## Auditor responsibilities

### Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The 2021 Code replaces the Code issued in 2016 and came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General for Scotland and it is a condition of our appointment that we follow it.

### Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the College and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Ayrshire College #484082  
08/03/2023 11:22:57

## Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.



## Financial management

Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

### Auditor considerations

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.



## Financial sustainability

Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

### Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

Ayrshire College # 484082  
08/03/2023 11:22:57



## Vision, leadership and governance

Audited bodies must have a clear vision and strategy, and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

### Auditor considerations

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

## Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

### Auditor considerations

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvements in priority services.



## Audit quality

The Auditor General require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. The audit quality arrangements recognise the importance of audit quality to the Auditor General and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122).

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122>

Ayrshire College  
08/03/2023 11:22:57 484082

# Audit strategy

## Risk-based audit approach

We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the College. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

|                                                        |                                                               |                                                                        |
|--------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------|
| Discussions with senior officers                       | Our understanding of the sector, its key priorities and risks | Attendance at the Audit and Risk Committee                             |
| Guidance from Audit Scotland                           | Discussions with Audit Scotland and other College auditors    | Discussions with internal audit and reviews of their plans and reports |
| Review of the College's corporate strategies and plans | Review of the College's corporate risk register               | Consideration of the work of other inspection bodies                   |

Planning is a continuous process and our audit plans are updated during the course of our audit to take account of developments as they arise.

## Professional standards and guidance

We perform our audit of the financial statements in accordance with International Standards on Auditing UK (ISAs (UK)), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting College (FRC).

## Partnership working

We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

### Audit Scotland

Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps identify common priorities and risks, treat issues consistently across the sector, and improve audit quality and efficiency. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Audit Scotland undertakes national performance audits on issues affecting the public sector. We may review the College's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We also consider the extent to which the College uses the national performance reports as a means to help improve performance at the local level.

During the year we may also be required to provide information to Audit Scotland to support the national performance audits.

### Internal Audit

As part of our audit, we consider the scope and nature of internal audit work and look to minimise duplication of effort, to ensure the total audit resource to the College is used as efficiently and effectively as possible.

Ayrshire College # 484082  
08/03/2023 11:22:57

## Delivering the audit – post pandemic

### Hybrid audit approach

We intend to adopt a hybrid approach to our audit which combines on-site visits with remote working; learning from the better practices developed during the pandemic.

All of our people have the equipment, technology and systems to allow them to work remotely or on-site, including secure access to all necessary data and information.

All of our staff are fully contactable by email, phone call and video-conferencing.

Meetings can be held over Skype, Microsoft Teams or by telephone.

We employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

### Secure sharing of information

We use a cloud-based file sharing service that enables users to easily and securely exchange documents and provides a single repository for audit evidence.

### Regular contact

During the 'fieldwork' phases of our audit, we will arrange regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

### Signing annual accounts

Audit Scotland recommends the electronic signing of annual accounts and currently uses a system called DocuSign.

Electronic signatures simplify the process of signing the accounts and are acceptable for laying in Parliament. Accounts can be signed using any device from any location. There is no longer a need for duplicate copies to be signed, thus reducing the risk of missing a signature and all signatories have immediate access to a high-quality PDF version of the accounts.

## Key audit developments in 2022/23

Revised auditing standards<sup>1</sup>, which come into effect from the current year, will have a significant impact on the way we perform our audit, particularly how we assess the risk of material misstatement, our approach to the audit of fraud, and the ways we ensure our audits are performed in line with regulatory requirements and to a high standard. The depth nature of these additional procedures, as well as updated tools and techniques that may come into scope, will also offer additional opportunity to provide insights and

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<sup>1</sup> Revisions to ISA (UK) 315 on auditors' responsibility to identify and assess the risks of material misstatement in the financial statements and ISA (UK) 240 on material misstatements caused by fraud came into effect for audits of financial statements with periods commencing on or after 15 December 2021.

constructive feedback on the way the College manages risks. The table below provides further detail on the implications of these new requirements.

| Key change                                                                                                       | Potential impact on the College & our approach                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enhanced risk identification and assessment, promoting more focused auditor responses to identified risks</b> | <p>Management and those charged with governance may receive more up-front questions as we plan the audit and identify and assess risks of material misstatement.</p> <p>We may conduct planning and risk assessment procedures at a different time to ensure that our understanding is comprehensive, and that information is leveraged effectively and efficiently.</p> <p>To facilitate a more robust risk-assessment, we may request additional information to enhance our understanding of systems, processes and controls. For example, we may request:</p> <ul style="list-style-type: none"><li>• a better understanding of the College’s structure and operations and how it integrates information technology (IT)</li><li>• more information about the College’s processes for assessing risk and monitoring its system of internal control</li><li>• more detailed narratives about how transactions are initiated, recorded, processed and reported</li><li>• policies and procedure manuals, flowcharts and other supporting documentation to validate our understanding of the information systems relevant to the preparation of the financial statements</li><li>• more information to support our inherent risk assessment.</li></ul> <p>This information not only informs our risk assessment but also assists us in determining an appropriate response to risks identified, including any new significant risks which require a different response.</p> |

Ayrshire College # 484082  
08/03/2023 11:22:57

| Potential impact on the College & our approach              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key change</b>                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Understanding and acting on risks associated with IT</b> | <p>We will be asking tailored questions and making information requests to understand the IT environment, including:</p> <ul style="list-style-type: none"><li>• IT applications</li><li>• supporting IT infrastructure</li><li>• IT processes</li><li>• personnel involved in the IT processes.</li></ul> <p>Combined with the controls that may be needed to address the identified and assessed risks of material misstatement, this understanding may also identify existing and new risks arising from the use of IT. Therefore, we will be asking more focused questions and requesting additional information to understand the general IT controls that address such risks. For example, we may have questions in relation to general IT controls over journal entries (e.g., segregation of duties related to preparing and posting entries) to address risks arising from the use of IT.</p> <p>Depending on our assessment of the complexity of systems and associated risks, we may also involve additional team members, such as IT specialists.</p>                                                                                                                                                                                                                                               |
| <b>Enhanced procedures in connection with fraud</b>         | <p>We will be asking targeted questions as part of an enhanced approach to fraud, including discussing with the College:</p> <ul style="list-style-type: none"><li>• any allegations of fraud raised by employees or related parties</li><li>• the risks of material fraud, including those specific to the further education sector.</li></ul> <p>Combined with other information, and any inconsistencies in responses from those charged with governance and management, we determine implications for further audit procedures. Work in connection with fraud may also now include the use of audit data analytics, or the inclusion of specialists in our engagement team to ensure we obtain sufficient appropriate audit evidence to conclude whether the financial statements are materially misstated as a result of fraud.</p> <p>In addition to existing communication and reporting requirements relating to irregularities and fraud, there may be further matters we report in connection with management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud.</p> <p>These enhanced requirements may assist in the prevention and detection of material fraud, though do not provide absolute</p> |

| Key change                                                            | Potential impact on the College & our approach                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                       | assurance that all fraud is detected or alter the fact that the primary responsibility for preventing and detecting fraud rests with the College and management.                                                                                                                                                                                                                                                                                                                    |
| <b>Enhanced requirements for exercising professional scepticism</b>   | Challenge, scepticism and the application of appropriate professional judgement are key components of our audit approach. You may receive additional inquiries if information is found that contradicts what our team has already learned in the audit or in instances where records or documents seen in the course of the audit appear to have been tampered with, or to not be authentic.                                                                                        |
| <b>Using the right resources, in the right way, at the right time</b> | <p>One of our new strategic quality objectives sets out that we will strive to use the right resource, in the right way, at the right time. This may mean increasing the use of specialists (for example in relation to general IT controls) or changing the shape of the audit engagement team to ensure that we are able to provide appropriate challenge and feedback in specialist areas.</p> <p>This will include appropriate use of technology, including data analytics.</p> |

### Communication with those charged with governance

Auditing standards require us to make certain communications throughout the audit to those charged with governance. We have agreed with the College that these communications will be through the Audit and Risk Committee.

Ayrshire College # 484082  
08/03/2023 11:22:57

## Audit timetable

The submission date for further education accounts is set at 31 December by the Scottish Funding Council.

We have set out below target months which align to the College’s schedule of Audit Committee meetings. We will aim to meet these scheduled meetings however this will be monitored during the audit process and may require to be revised to reflect emerging issues. These dates will be confirmed and reported per our External Audit Strategy and Plan 2022/23 to the June ARC.

| Audit work/output                    | Description                                                                                                                                                                           | Target month | Audit and Risk Committee | Deadline         |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------|------------------|
| Audit strategy                       | Onboarding and initial engagement, introductory meetings and presentation of audit strategy.                                                                                          | March        | 14 March 2023            | N/A              |
| Audit plan                           | Planning meetings, understanding the entity, risk assessment.<br><br>Audit plan setting out the scope of our audit, including key audit risks, presented to Audit and Risk Committee. | March-May    | 6 June 2023              | June 2023        |
| Final audit                          | Accounts presented for audit and final audit visit begins                                                                                                                             | October      | N/A                      | N/A              |
| Independent Auditor’s Report         | This report will contain our opinion on the financial statements, the audited part of the remuneration and staff report, annual governance statement and performance report.          | November     | November 2023            | 31 December 2023 |
| Annual Report to the College and the | At the conclusion of each year’s audit we issue an annual report setting out the nature and extent of                                                                                 | November     | November 2023            | 31 December 2023 |



| Audit work/<br>output | Description                                                                                                                       | Target<br>month | Audit and<br>Risk<br>Committee | Deadline |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------|----------|
| Auditor<br>General.   | our audit work for the year<br>and summarise our<br>opinions, conclusions and<br>the significant issues<br>arising from our work. |                 |                                |          |

Ayrshire College # 484082  
08/03/2023 11:22:57



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# Ayrshire College

## Internal Audit 2022-23

Overall Financial Controls  
February 2023

Overall Conclusion

Strong

# TABLE OF CONTENTS

| Section                    | Page        |
|----------------------------|-------------|
| 1 EXECUTIVE SUMMARY .....  | 2           |
| 2 BENCHMARKING .....       | 10          |
| 3 AUDIT ARRANGEMENTS ..... | 11          |
| 4 KEY PERSONNEL .....      | 12          |
| <b>Appendix</b>            | <b>Page</b> |
| A GRADING STRUCTURE .....  | 14          |
| B ASSIGNMENT PLAN .....    | 16          |

*The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.*

*This report has been prepared solely for Ayrshire College's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.*

*We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.*

## Overview

### Purpose of review

This review considered the financial controls in place at the College to ensure these are adequate, performing as expected and are being adhered to by staff. We performed a high level controls review across all key financial controls systems. This included a review of processes relating to purchasing, income, cash and banking, payroll, and fixed assets.

This Assignment forms part of our 2022/2023 Internal Audit Annual Plan.

### Scope of review

Our objectives for this review were to ensure:

- Efficient and effective procedures and controls are in place for key finance processes.
- Adequate segregation of duties are in place.
- There is adequate management oversight of finance processes.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

### Limitation of scope

There was no limitation of scope.

## Background Information

### Policies and Procedures

The College has a robust Financial Regulations document that was last approved in December 2022 as well as a Financial Procedures Manual to provide guidance to staff. The documents provide its users and staff with extensive information surrounding the College's financial arrangements.

### Finance Team Structure

The College's Finance Team is made up of the following staff members:

- Head of Financial Services;
- Procurement Manager;
- 2 x Financial Team Leaders;
- 2 x Financial Accountants; and
- 8 x Finance Assistants.

We note that the College previously had an Assistant Principal of Finance, Student Funding & Estates in place, however, the previous VP-Finance left their position in November 2022. As such, the Assistant Principal is now acting as Interim VP – Finance and the Assistant Principal post has not been back filled. We note that the Financial Regulations have been updated to reflect these changes.

### Roles and responsibilities

The Board of Management assumes the overall responsibility for financial controls at the College, as they aim to ensure the best possible education and learning environments for the students. The Board of Management make the appointment of the Principal and set the scheme of delegation for them. They also ensure that financial, planning, and other controls are applied effectively throughout the College.

# 1 EXECUTIVE SUMMARY

The College Principal is responsible for the financial administration of the College's affairs within the Scheme of Delegation. The Principal must also ensure that annual budgets of income and expenditure are prepared for consideration and approval and that the annual budget is presented to the Board of Management for approval. The College Principal also must sign the annual statutory financial statements in accordance with their responsibilities.

The Vice-Principal – Finance is accountable for the day-to-day financial administration of the College. The VP-Finance is responsible for preparing annual capital, revenue budgets and financial plans. The VP- Finance will also prepare Management Accounts and analysis relating to the accounts, as well as control the income and expenditure against budgets. The VP- Finance is supported in the day-to-day running by the Head of Financial Services.

Budget Holders are designated leaders for specific budgets within the College budget. Budget Holders are responsible for establishing and maintaining lines of reporting and accountability within the area of the College that they are responsible for. The Budget Holders will provide the VP – Finance with the information required to compile the College's annual statutory financial statements and financial planning.

All staff members should be aware and understand their responsibility for the security of the College's finances. Staff should also be aware of who to notify if matters arise that relate to irregularities of financial information at the College.

## Management Reporting

The College's Finance Team prepare monthly management accounts, this includes:

- Income & Expenditure Report;
- Balance Sheet; and
- Salary Analysis.

Detail is provided for the Income and Expenditure report and variances are highlighted in both narrative and numerical formats.

## Finance Systems and Software

The College utilise Open Accounts as the primary finance system. Other systems used by the College include:

- iTrent for the processing of payroll;
- Unit E for the storing of student records; and
- EBIS is used for the College's workflow.

From our review we can confirm that appropriate controls are in place to effectively manage user access to the above systems.

## Income

The processing of Income is the duty of the Finance Assistants, supervised by the Finance Team Leaders. Receipts are identified and recorded onto the ACRS Database, once checked the relevant receipt will be issued to the customer. Issued receipts will be posted to Open Accounts daily. Receipts received via BACS are processed weekly from the bank statements and are not recorded onto the ACRS Database.

The main sources of income for the College are from SFC. The receipt of these payments is monitored directly by the Financial Accountants who monitor and record the income from the SFC to ensure that it matches the amount detailed in the funding agreement.

## Payroll Processing

The College utilises iTrent as its central system for managing Payroll. Payroll is processed once during the month. Payroll reports are run from the system and subsequently sorted by cost centre. From the reports the appropriate cost centres are debited and the creditor accounts credited.

## Fixed Assets

The College maintains two fixed asset registers, one for land & buildings and the other for all other equipment. The College outlines within its Financial Procedures Manual criteria for assets to be considered for capitalisation. If the asset meets this a capital expenditure request form can be submitted. Once authorised this is added to the appropriate register and assigned a unique capital expenditure number.

## Purchases & Credit Cards

Credit card holders are permitted to make purchases with their card within the authorised limits. Approval must be provided by the appropriate budget holder prior to purchases being made. Payments from the College will only be made subject to budget holder approval of a purchase requisition and matching receipt. Approval of an invoice or receipting of an electronic order will confirm to the College:

- the goods have been received, examined, and approved with regard to quality and quantity, or that services rendered, or work done is satisfactory;
- where appropriate, it is matched to the order;
- invoice details (quantity, price discount etc.) are correct;
- the invoice is arithmetically correct;
- the invoice has not previously been passed for payment;
- where appropriate, an entry has been made on a stores record; and
- an appropriate cost centre is quoted (this must be one of the cost centre codes included in the Budget Holder's areas of responsibility and must correspond with the type of goods or service described on the invoice).

## Petty Cash

Petty cash is only used at the College for expenses under £50. Relevant receipts or supporting documentation must be provided and passed to the budget holder for approval. Once approved these are processed by the Finance Assistants. The College maintains a petty cash spreadsheet where all requests are recorded, this is stored within the Finance Drive.

## Work Undertaken

Our work undertaken for this review included the following:

### **Objective 1. Efficient and effective procedures and controls are in place for key finance processes.**

- We reviewed the College's Financial Regulations and procedures to ensure these were robust and cover all areas we would expect.
- We reviewed the key systems used by the College.
- We completed walkthrough and sample testing of the key financial processes in place at the College, the following areas were tested:
  - Petty Cash (sample of 10);
  - Purchases and Credit Cards (sample of 10);
  - Fixed Assets (sample of 5);
  - Payroll (sample of 3 months);
  - Income (sample of 3 months of SFC, SSF and EMA income); and
  - Bank (3 months of reconciliations).

### **Objective 2. Adequate segregation of duties is in place.**

- We reviewed the College's Finance Department Structure and confirmed that segregation of duties was in practice during our walkthrough testing.
- We reviewed the College's authority limits.

### **Objective 3. There is adequate management oversight of finance processes.**

- We reviewed the College's Management Accounts for December 2022.
- We reviewed the management oversight of the finance processes to ensure they are appropriate.

# 1 EXECUTIVE SUMMARY

## Conclusion

### Overall conclusion

#### Overall Conclusion: Strong

Following our review and testing, we are able to provide a strong level of assurance as to the financial controls in place at the College. This is highlighted by a number of areas of good practice, which are listed in the Executive Summary.

### Summary of recommendations

#### Grading of recommendations

|                            | High | Medium | Low | Total |
|----------------------------|------|--------|-----|-------|
| Overall Financial Controls | 0    | 0      | 0   | 0     |

As can be seen from the above table there were no recommendations made.

# 1 EXECUTIVE SUMMARY

## Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

|    |                                                                                                                                                                                                                                                                         |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Detailed Management Accounts are provided on a monthly basis by the College's Finance Staff.                                                                                                                                                                            |
| 2. | Roles and responsibilities are clearly defined and there is appropriate segregation of duties at the College.                                                                                                                                                           |
| 3. | The College has a robust set of Financial Regulations in place which outline the structures in place at the College and provide guidance to staff. The Financial Regulations were last approved by the Board of Management in December 2022.                            |
| 4. | We undertook walkthrough tests to confirm financial systems and controls are in place; the results of this showed that the College has effective procedures in place for its financial processes.                                                                       |
| 5. | The College utilise Open Accounts as their main finance system and iTrent for payroll. From our review we can confirm that the Finance System is being appropriately used by College staff, allowing for key finance activities to be processed in an efficient manner. |
| 6. | Our sample testing of bank reconciliations, petty cash, fixed assets, income, purchases and credit cards showed that all were processed and approved in line with the College's procedures.                                                                             |

## 2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year. This covered 15 education clients across the UK.

### Overall Financial Controls

| Benchmarking                                        |      |        |     |       |
|-----------------------------------------------------|------|--------|-----|-------|
|                                                     | High | Medium | Low | Total |
| Average number of recommendations in similar audits | 0    | 1      | 2   | 3     |
| Number of recommendations at Ayrshire College       | 0    | 0      | 0   | 0     |

From the table above it can be seen that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

### 3 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

| Audit stage                     | Date             |
|---------------------------------|------------------|
| Fieldwork start                 | 30 January 2023  |
| Closing meeting                 | 6 February 2023  |
| Draft report issued             | 15 February 2023 |
| Receipt of management responses | 28 February 2023 |
| Final report issued             | 1 March 2023     |
| Audit Committee                 | 14 March 2023    |
| Number of audit days            | 6                |

## 4 KEY PERSONNEL

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

| Wylie & Bisset LLP |                  |                            |                                  |
|--------------------|------------------|----------------------------|----------------------------------|
| Partner            | Graham Gillespie | Partner                    | graham.gillespie@wyliebisset.com |
| Director           | Stephen Pringle  | Director of Internal Audit | stephen.pringle@wyliebisset.com  |
| Senior             | Neil Hamilton    | Internal Audit Senior      | neil.hamilton@wyliebisset.com    |
| Auditor            | Kyle McGuiness   | Internal Auditor           | kyle.mcguiness@wyliebisset.com   |

| Ayrshire College                                                                                                                                                |            |                            |                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------|---------------------------|
| Key Contact                                                                                                                                                     | Liz Walker | Head of Financial Services | liz.walker@ayrshire.ac.uk |
| Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation. |            |                            |                           |

## APPENDICES

Ayrshire College # 484082  
08/03/2023 11:22:57

# A GRADING STRUCTURE

For each area of review, we assign a level of assurance in accordance with the following classification:

| Assurance   | Classification                                                                                                                                          |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strong      | Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.                                                          |
| Substantial | Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.                                                |
| Weak        | Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.                                               |
| No          | No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately. |

Ayrshire College # 484082  
08/03/2023 11:22:57

# A GRADING STRUCTURE

For each recommendation, we assign a grading either as High, Medium or Low priority depending on the degree of risk assessed as outlined below:

| Grading | Classification                                                                                                                                                        |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High    | Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by Senior Management of the College as a matter of urgency. |
| Medium  | Significant issue or weakness which should be addressed by the organisation as soon as possible.                                                                      |
| Low     | Minor issue or weakness reported where management may wish to consider our recommendation.                                                                            |

Ayrshire College # 484082  
08/03/2023 11:22:57

### Purpose of review

This review will consider the financial controls in place at the College to ensure these are adequate, performing as expected and are being adhered to by staff. We will perform a high level controls review across all key financial controls systems. This will include a review of processes relating to purchasing, income, cash and banking, payroll and fixed assets.

This Assignment forms part of our 2022/2023 Internal Audit Annual Plan.

### Scope of review

Our objectives for this review are to ensure:

- Efficient and effective procedures and controls are in place for key finance processes.
- Adequate segregation of duties are in place.
- There is adequate management oversight of finance processes.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

### Limitation of scope

There is no limitation of scope.

### Audit approach

Our approach to the review will be:

## B ASSIGNMENT PLAN

- Review the Financial Regulations in place within the College to confirm that these are complete, appropriately reviewed, and comply with regulatory requirements.
- Review accompanying financial procedures to ensure that they are in line with the regulations and effectively outline how financial data is processed within the College.
- Conduct walkthrough testing of key financial areas, these being: cash and bank; purchasing and payments; income; and credit cards.
- Sample testing key controls in place for the financial areas above to verify the effectiveness of each control.
- Review level of integration of key systems to assess for level of efficiency.
- Review segregation of duties in place and confirm that these cover all finance processes.
- Review the level of financial reporting in place and consider whether the reporting arrangements are robust.
- Review month end process to confirm that there is a clear process in place which is being adhered to.
- Sample test month-end reconciliations to ensure completeness and appropriately reviewed.

### Potential key risks

The potential key risks associated with the area under review are:

- Ineffective or inefficient procedures and controls may be in place for key finance processes.
- Inadequate segregation of duties may compromise the control environment in relation to key finance processes.

## B ASSIGNMENT PLAN

Ayrshire College  
Overall Financial Controls

- Inadequate management oversight of financial processes compromises control effectiveness.

Ayrshire College # 484082  
08/03/2023 11:22:57

# Ayrshire College

## Internal Audit 2022-23

Safeguarding & Child Protection  
February 2023

Overall Conclusion

Strong

# TABLE OF CONTENTS

| Section                    | Page        |
|----------------------------|-------------|
| 1 EXECUTIVE SUMMARY .....  | 2           |
| 2 BENCHMARKING .....       | 13          |
| 3 AUDIT ARRANGEMENTS ..... | 14          |
| 4 KEY PERSONNEL .....      | 15          |
| <b>Appendix</b>            | <b>Page</b> |
| A GRADING STRUCTURE .....  | 17          |
| B ASSIGNMENT PLAN .....    | 19          |

*The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.*

*This report has been prepared solely for Ayrshire College's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.*

*We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.*

## Overview

### Purpose of review

The purpose of this review was to assess whether the College's systems and procedures for safeguarding, and child protection are fully compliant with legislation and the College are taking all necessary steps to protect its students. This review sought to provide assurance to the Audit Committee, that the safeguarding arrangements are adequate.

This Assignment forms part of our 2022/2023 Internal Audit Annual Plan.

### Scope of review

Our objectives for this review were to ensure:

- The College keeps up to date with legal requirements and ensures that policies and procedures are revised accordingly, including regular updates of the Single Central Record.
- There are clear responsibilities and accountabilities for safeguarding arrangements at senior level.
- The College self-assessment processes ensure that the impact of safeguarding provision is measured effectively.
- Quality training results in a workforce that is confident and well equipped to promote safeguarding in a sensible and proportionate way.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

### Limitation of scope

There was no limitation of scope.

## Background Information

### Policies and Procedures

The College has a legal obligation to ensure that students are safeguarded under Child Protection and Safeguarding Legislation. The College also adheres to The National Guidance for Child Protection in Scotland (2021) and guidance set out in Education Scotland's Child Protection and Safeguarding Policy (2021).

To facilitate this provision across the College, there is a designated team of staff to oversee and manage any safeguarding issues.

The College has an extensive Safeguarding Policy that effectively identifies their compliance with the above guidance.

The Safeguarding Policy was last updated in April 2022, and is next due to be reviewed in March 2023. The Policy outlines the following key principles:

- The College is committed to providing all students with a safe and supportive environment in which they can develop and are protected from harm, abuse, and exploitation. To do this the College will PROTECT, PREVENT AND PARENT.
- The duty of care that the College has towards all of its students is of paramount importance. The measures and approaches detailed in the Policy exist in addition to core welfare and support measures that are provided to students.
- All reasonable steps will be taken to prevent foreseeable harm, including radicalisation, and to promote the interests of all students including Care Experienced students and other priority student groups.
- The College recognises and complies with its legal and statutory obligations that arise from legislation including the Protection of Children (Scotland) Act 2003, the Adult Support and Protection (Scotland) Act 2007, the Counter- Terrorism and Security Act 2015, the Children and Young People (Scotland) Act 2014 and other relevant guidance and regulations.

The Policy also includes appendices that outline the Safeguarding Procedures, the composition of the Safeguarding Steering Group and links to the Safeguarding Action/Concern Form.

# 1 EXECUTIVE SUMMARY

## Prevent

Under the Counter-Terrorism and Security Act 2015, the Government has issued statutory guidance on “Prevent”, its strategy “to stop people becoming or supporting terrorists by challenging the spread of terrorist ideology, supporting vulnerable individuals, and working in key sectors and institutions”. The guidance includes sector specific duties, and education is one of the specified sectors. Those duties are monitored through Education Scotland.

The College are committed to supporting vulnerable students through its safeguarding policies and procedures and recognises that this can support the College’s contribution to the Prevent duty. Specifically, the College’s Safeguarding Policy outlines their commitment and practices to ensure that students at risk are efficiently identified.

## Roles and Responsibilities

All staff members at the College are responsible for safeguarding at the College. All staff at the College must adhere to the Safeguarding Policy and Procedure and complete refresher safeguarding training appropriate to their role.

The Safeguarding Steering Group has overall responsibility for the development, implementation and monitoring of the College’s Safeguarding Policy. The Group meets on a quarterly basis, and is made up of the following staff members:

- Head of Student Experience;
- Student Experience Co-ordinator;
- Student Experience Team Leaders;
- HR Manager;
- Equality and Inclusion Advisor;
- Student President;
- Student Association Advisor;
- Head of Essential Skills;
- 2 x Curriculum Heads;
- Health and Safety and Wellbeing Manager;

# 1 EXECUTIVE SUMMARY

- Hive Team Leader;
- Front of House Team Leader;
- Campus Liaison Officer;
- Alcohol and Drug Liaison Officer; and
- Mental Health Liaison Officer.

The Head of Student Experience chairs the Safeguarding Steering Group and provides support to the Safeguarding Team where required.

The Safeguarding Team at the College is made up of the following:

- Student Experience Coordinator;
- 3 x Student Experience Team Leaders (one on each campus);
- 4 x Student Services Advisors;
- Inclusive Learning Assistants (3 on each campus); and
- Inclusive Learning Officer (2 on each campus).

The Safeguarding Team will offer on campus and remote support to students. The Team also provides guidance and support to staff on safeguarding issues. The Team ensures appropriate reporting and follow up on any safeguarding issues which come to the attention of staff.

## **Systems in Place**

The College utilises a system called FormStack. FormStack allows staff to report either 'Safeguarding Action' or 'Safeguarding Concern'. Safeguarding Action would be an issue that immediate action is required, whereas a Safeguarding Concern is where it should be monitored, but it is not yet urgent.

# 1 EXECUTIVE SUMMARY

When referring, staff are required to identify the following:

- Time and Date;
- Safeguarding Action or Concern;
- Full name of person reporting and role in Ayrshire College;
- Have you contacted a member of the Safeguarding Team regarding this?;
- Type of Disclosure requiring immediate action.
- Student's details; and
- Further information relating to the case.

At the time of our audit, there have been 61 Action cases in 2022/23 and 143 Concern cases. Of the 61 Action Cases, 6 were currently deemed as 'Open' at the time of our review. 'Concern' Cases are not deemed as open or closed, and are instead monitored to ensure that further action is not required.

## **Staff Recruitment Process**

At the College, the HR Team are responsible for ensuring that the College's recruitment and selection procedures are conducted appropriately, ensuring that all the appropriate vetting is completed prior to employment, including both Disclosure Scotland checks and provision of references prior to employment. These are carried out for all staff at the College.

## **Website**

The College has a section on their website called Report and Support. This section allows students and staff at the College to submit a report, anonymously, if necessary, about something that has happened to them or someone they know. The Safeguarding Policy and Procedure is also available in this section of the website.

# 1 EXECUTIVE SUMMARY

## Training

Staff at the College need to undertake mandatory training, which is tracked on a dashboard by the Safeguarding Team to ensure it is completed by all staff.

The Scenario Training outlines the following:

- What is Safeguarding?;
- The Do's and Dont's of safeguarding;
- Safeguarding Scenarios Part 1;
- Asking the Question;
- Safeguarding Scenarios Part 2;
- Breakout Activity/Feedback;
- Ayrshire College Safeguarding; and
- Support.

Ayrshire College # 484082  
08/03/2023 11:22:57

# 1 EXECUTIVE SUMMARY

## Work Undertaken

Our work undertaken per objective for the review was as follows:

**Objective 1 - The College keeps up to date with legal requirements and ensures that policies and procedures are revised accordingly, including regular updates of the Single Central Record.**

- We reviewed the College's Safeguarding Policies and Procedures to ensure that they are appropriate and reflected current legal requirements.
- We reviewed the College's Single Central Record to ensure that it is up to date.

**Objective 2 - There are clear responsibilities and accountabilities for safeguarding arrangements at senior level.**

- We reviewed the Safeguarding roles and responsibilities to ensure that they are clear and do not overlap.
- We reviewed the structure of the Safeguarding Team to ensure it was well resourced.

**Objective 3 - The College self-assessment processes ensure that the impact of safeguarding provision is measured effectively.**

- We reviewed the College's Strategy for 2021-24.
- We reviewed the Board and Audit Committee meeting packs from the period 2022/23.
- We reviewed the College's strategic risk register.
- We reviewed feedback methods from both student and staff relating to safeguarding.

**Objective 4 - Quality training results in a workforce that is confident and well equipped to promote safeguarding in a sensible and proportionate way.**

- We reviewed training provided to staff and students at the College to ensure that it equips them appropriately to handle and notice any safeguarding issues.

# 1 EXECUTIVE SUMMARY

## Conclusion

### Overall conclusion

**Overall Conclusion: Strong**

We can provide the College with an overall strong level of assurance surrounding the controls in place for safeguarding. As such, we have raised a number of good practice points and no recommendations for improvement.

### Summary of recommendations

| Grading of recommendations      |      |        |     |       |
|---------------------------------|------|--------|-----|-------|
|                                 | High | Medium | Low | Total |
| Safeguarding & Child Protection | 0    | 0      | 0   | 0     |

As can be seen from the above table there were no recommendations made.

# 1 EXECUTIVE SUMMARY

## Areas of good practice

The following is a list of areas where the College is operating effectively and following good practice.

|    |                                                                                                                                                                                                                                                                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Staff are required to complete safeguarding training as part of their CPD training at the start of the Academic Year. The College Staff will also be updated on any new developments in safeguarding. Safeguarding training is also completed online; there is an automatic record of those who have not completed training and these are routinely reviewed. |
| 2. | The arrangements for highlighting safeguarding to learners are robust. Safeguarding is included as part of their induction, and there is ongoing support throughout their time at the College.                                                                                                                                                                |
| 3. | Reports are presented to the Safeguarding Steering Group on a quarterly basis.                                                                                                                                                                                                                                                                                |
| 4. | We were able to confirm that the College effectively consider safeguarding and their responsibilities during the strategic planning process. This is captured within their Refresh and Review Plan 2021-24, as well as the Statement of Ambition 2030.                                                                                                        |
| 5. | The College received an audit of the Safeguarding, Child Protection and Care Experienced Returns from Education Scotland in June 2022, where the overall conclusion was positive.                                                                                                                                                                             |
| 6. | The College provides a number of opportunities for its students to provide feedback. This is achieved through student surveys and information sessions.                                                                                                                                                                                                       |
| 7. | Ayrshire College extensively promotes awareness of safeguarding, both to learners and staff. Extensive information is made available to learners.                                                                                                                                                                                                             |

# 1 EXECUTIVE SUMMARY

The following is a list of areas where the College is operating effectively and following good practice.

|     |                                                                                                                                                                                                                                                                                                                                                                                            |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.  | The College's Safeguarding Steering Group are the designated leaders for safeguarding at the College. From our discussions we were able to confirm that they possessed the appropriate level of expertise and skills to complete their role, completing mandatory training annually and adhoc training if and when required.                                                               |
| 9.  | The College's recruitment procedures are strong and safeguarding is covered as part of the recruitment process for all College Academic Staff and Support Staff.                                                                                                                                                                                                                           |
| 10. | The College has data sharing arrangements in place with other agencies. Where data sharing takes place, the correct procedure is followed and authorisation is given prior to any information being shared.                                                                                                                                                                                |
| 11. | We were able to confirm that the College has strong protocols surrounding the raising, logging and monitoring of safeguarding referrals. Specifically the College utilise FormStack to raise safeguarding referrals and Concern Forms. Thereafter concerns/incidents are processed by the Safeguarding Team and logged manually on an incident record by the College's Safeguarding staff. |
| 12. | The College has a Safeguarding Steering Group who meet on a Quarterly basis. The Group cover safeguarding issues and patterns across the College.                                                                                                                                                                                                                                          |
| 13. | From our review of the Safeguarding function at the College, we were able to confirm that the College appropriately keep up with legislative requirements.                                                                                                                                                                                                                                 |
| 14. | The College has a detailed and robust Safeguarding Policy and Procedure that was last updated in April 2022, and is next due to be reviewed in March 2023.                                                                                                                                                                                                                                 |

# 1 EXECUTIVE SUMMARY

The following is a list of areas where the College is operating effectively and following good practice.

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15. | The College is committed to supporting vulnerable students through its safeguarding policies and procedures and recognises that this can support the College's contribution to the PREVENT duty. Specifically the College's Safeguarding Policy has effective coverage of PREVENT, also including as an appendix a flowchart identifying how PREVENT concerns are managed and the general guide note for staff surrounding their PREVENT duty. |
| 16. | We were able to confirm that the College have strong protocols in place with regard to staff checking and vetting. This includes the completion of the appropriate PVG checks prior to their employment commencing and referee checks.                                                                                                                                                                                                         |
| 17. | The College has a section on their website called Report and Support. This section allows students and staff at the College to submit a report, anonymously if necessary, about something that has happened to them or someone they know. The Safeguarding Policy and Procedure is also available in this section of the website.                                                                                                              |
| 18. | The College has a detailed and robust Student Services Procedure, which outlines the process that staff should follow in the event of a safeguarding issue.                                                                                                                                                                                                                                                                                    |

Ayrshire College # 484002  
08/03/2023 11:22:57

## 2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year. This covered 18 education clients across the UK.

### Safeguarding & Child Protection

| Benchmarking                                        |      |        |     |       |
|-----------------------------------------------------|------|--------|-----|-------|
|                                                     | High | Medium | Low | Total |
| Average number of recommendations in similar audits | 0    | 0      | 1   | 1     |
| Number of recommendations at Ayrshire College       | 0    | 0      | 0   | 0     |

From the table above it can be seen that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

### 3 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

| Audit stage                     | Date             |
|---------------------------------|------------------|
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| Closing meeting                 | 6 February 2023  |
| Draft report issued             | 15 February 2023 |
| Receipt of management responses | 28 February 2023 |
| Final report issued             | 1 March 2023     |
| Audit Committee                 | 14 March 2023    |
| Number of audit days            | 5                |

## 4 KEY PERSONNEL

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

| Wylie & Bisset LLP |                  |                            |                                  |
|--------------------|------------------|----------------------------|----------------------------------|
| Partner            | Graham Gillespie | Partner                    | graham.gillespie@wyliebisset.com |
| Director           | Stephen Pringle  | Director of Internal Audit | stephen.pringle@wyliebisset.com  |
| Senior             | Neil Hamilton    | Internal Audit Senior      | neil.hamilton@wyliebisset.com    |

| Ayrshire College                                                                                                                                                |              |                                 |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------|-----------------------------|
| Key Contacts:                                                                                                                                                   | Doreen Wales | Head of Student Experience      | doreen.wales@ayrshire.ac.uk |
|                                                                                                                                                                 | Wendy McColl | Student Experience Co-Ordinator | wendy.mccoll@ayrshire.ac.uk |
| Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation. |              |                                 |                             |

## APPENDICES

Ayrshire College # 484082  
08/03/2023 11:22:57

# A GRADING STRUCTURE

For each area of review, we assign a level of assurance in accordance with the following classification:

| Assurance   | Classification                                                                                                                                          |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strong      | Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.                                                          |
| Substantial | Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.                                                |
| Weak        | Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.                                               |
| No          | No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately. |

Ayrshire College # 484082  
08/03/2023 11:22:57

# A GRADING STRUCTURE

For each recommendation, we assign a grading either as High, Medium or Low priority depending on the degree of risk assessed as outlined below:

| Grading | Classification                                                                                                                                                        |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High    | Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by Senior Management of the College as a matter of urgency. |
| Medium  | Significant issue or weakness which should be addressed by the organisation as soon as possible.                                                                      |
| Low     | Minor issue or weakness reported where management may wish to consider our recommendation.                                                                            |

Ayrshire College # 484082  
08/03/2023 11:22:57

### Purpose of review

The purpose of the review is to assess whether the College's systems and procedures for safeguarding and child protection are fully compliant with legislation and the College are taking all necessary steps to protect its students. This review will seek to provide assurance to the Audit Committee, that the safeguarding arrangements are adequate.

This Assignment forms part of our 2022/2023 Internal Audit Annual Plan.

### Scope of review

Our objectives for this review are to ensure:

- The College keeps up to date with legal requirements and ensures that policies and procedures are revised accordingly, including regular updates of the Single Central Record.
- There are clear responsibilities and accountabilities for safeguarding arrangements at senior level.
- The College self-assessment processes ensure that the impact of safeguarding provision is measured effectively.
- Quality training results in a workforce that is confident and well equipped to promote safeguarding in a sensible and proportionate way.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

### Limitation of scope

There is no limitation of scope.

### Audit approach

Our approach to the review will be:

- Discussion with the College staff responsible for safeguarding to establish the current arrangements.
- Establishing the process by which the College ensures that it keeps up to date with changes to legal requirements and ensures policies and procedures are appropriately revised. We shall test this to ensure that this is operating as expected in practice.
- Obtaining the roles and responsibilities of those involved with the safeguarding arrangements. This will include considering whether these are appropriate and also that there is sufficient involvement by those at a senior level.
- Obtaining any self-assessments undertaken by the College. We shall consider whether safeguarding is included within the self-assessment process. We shall assess whether this is sufficient and is reflective of what is happening in practice.
- Establishing the training which is undertaken by staff in respect of safeguarding. This will include those who are directly involved with the safeguarding arrangements and the wider staff base. We shall use data analytics to confirm whether staff training is up to date. We shall investigate with the College any safeguarding and prevent training which is not up to date.
- Establishing and assessing the information provide to management and the Board in respect of the College's safeguarding. We shall consider the quality and frequency of this information.
- Establishing what internal quality reviews are undertaking by the College in respect of its safeguarding arrangements. We shall obtain copies of these to establish the frequency of these and also to evaluate the content and actions arising from these. We shall also consider who is informed of the outcome of these reviews and how the implementation of any action points raised is monitored.
- We shall use data analytics to ensure that the information recorded in the single central record is complete and up to date. We shall also use data analytics to ensure that the appropriate DBS checks have been undertaken on existing staff. We shall also use data analytics on new starts to ensure that the appropriate DBS check is in place prior to them commencing employment with the College. We shall investigate any discrepancies with the College.
- We shall consider how staff, students and visitors to the College are made aware of its safeguarding arrangements.
- We shall sample test the arrangements in place to ensure that learners are provided with appropriate safeguarding training at induction and throughout their time at the College.
- Establishing the process for dealing with any safeguarding issues reported to the College. We shall sample test this process to ensure this is

operating as expected in practice.

### Potential key risks

The potential key risks associated with the area under review are:

- There is a risk that the College may be subject to litigation due to non compliance with the legal requirements. This could lead to reputational damage as well as financial loss.
- There may not be clear responsibilities and accountabilities for safeguarding arrangements at senior level.
- The College's self assessment process does not include safeguarding as part of its process.
- If staff are not sufficiently trained, with refresher training being given periodically, there is a risk that the College safeguarding arrangements are not as effective as they are expected to be.

Ayrshire College # 484082  
08/03/2023 11:22:57

# Ayrshire College

Progress Report  
2022 - 2023  
March 2023

# Internal Audit Plan 2022/23



## Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the College.

## Key Dates

| Visit   | Audit Areas                                                         | No. of Audit Days | Provisional Start Date for Visit | Provisional Date of Issue of Draft Report | Status    | Provisional Date for Reporting to Audit Committee |
|---------|---------------------------------------------------------------------|-------------------|----------------------------------|-------------------------------------------|-----------|---------------------------------------------------|
| Visit 1 | Overall Financial Controls<br>Safeguarding, Wellbeing & Counselling | 6<br>5            | 30 January 2023                  | 17 February 2023                          | Completed | 14 March 2023                                     |
| Visit 2 | Risk Management<br>Fraud Awareness                                  | 5<br>5            | 17 April 2023                    | 5 May 2023                                |           | 6 June 2023                                       |
| Visit 3 | Sustainability & Carbon Management                                  | 5                 | 22 May 2023                      | 9 June 2023                               |           | September 2023                                    |
| Visit 4 | Follow Up                                                           | 4                 | 30 July 2023                     | 21 July 2023                              |           | November 2023                                     |
| Visit 5 | Credits<br>SSF<br>EMA                                               | 6<br>4<br>4       | 11 September 2023                | 29 September 2023                         |           | November 2023                                     |

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Audit & Risk Committee

14/03/2023

|                                |                                                                                                    |                 |
|--------------------------------|----------------------------------------------------------------------------------------------------|-----------------|
| Strategic Objective Reference: | Choose an item.                                                                                    | Choose an item. |
|                                | Choose an item.                                                                                    | Choose an item. |
|                                | SO5 - high performing college underpinned by excellence in stewardship and governance              | Choose an item. |
|                                | Choose an item.                                                                                    |                 |
| Subject:                       | Internal Audit Rolling Internal Audit Action Plan as at 14 February 2023                           |                 |
| Purpose:                       | To provide Members with an update on the Rolling Internal Audit Action Plan as at 14 February 2023 |                 |
| Action Required:               | To Note                                                                                            |                 |
| Appendices:                    | No                                                                                                 |                 |

1. Summary of Key Points (

This paper details the internal audit recommendations due for completion within the period and the status of the actions taken by management. During the period, three internal audit recommendations were due to be completed. All three recommendations are complete.

2. Background

The rolling Internal Audit Action Plan is a standing agenda item for the Senior Leadership Team (SLT). The rolling action plan is updated on an exceptions basis for actions approved by the Audit Committee which are now beyond their agreed completion dates. It is reviewed on a monthly basis by the College's SLT and presented to each meeting of the Audit Committee.

3. Assessment

The Rolling Internal Audit Action Plan covers any audit recommendations made by our current internal auditors (BDO), once the audit reports and proposed management responses have been approved by the Audit Committee. The 2022-23 audit plan was approved by the Audit Committee on 8 June 2021.

Table 1 below lists all outstanding recommendations from the internal audits that were due to have been completed by 19 October 2022. Table 1 also shows if the recommendation has been actioned or is still remaining.

Table 1

| Ref   | Audit Year | Audit Area  | Points Due in Period | Actioned in Period | Remaining Points |
|-------|------------|-------------|----------------------|--------------------|------------------|
| 2.1   | 2021-22    | Marketing   | 1                    | 1                  | 0                |
| 2.2   | 2021-22    | Procurement | 2                    | 2                  | 0                |
| TOTAL |            |             | 3                    | 3                  | 0                |

2.1 Marketing

The first audit action point relates to the College's Social Media Personal Use and Social Media Staff Corporate Use policies, which were due for review at the time of the audit. The College established a Short-Life Working Group to review the College's social media policies. The policies have now been reviewed and approved by the Senior Leadership Team. This audit action is incomplete.

2.2 Procurement

The first audit recommendation was that the College documents its risk assessments of suppliers and that the Contract Management Policy is updated. The supplier risk assessments have been document and the Contract Management Policy has also been updated. The supplier risk assessments will be reviewed annually and updated, as required, on an exceptions basis. This audit recommendation is therefore complete.

The second audit recommendation relates to the College's procurement training for staff. The procurement training is now made mandatory for all relevant new starts and specific has recently been given to Estates staff. The procurement induction training is available to all staff through the staff intranet. This audit recommendation is therefore complete.

4. Proposals and Recommendations

No further proposals are included within this paper

5. Risks

An effective and challenging Internal Audit service is a key element in the management of risk within the College.

6. Resource Implications

No further resource implications require to be noted.

7. Equality and Diversity Impact Assessment

An impact assessment is not applicable given the subject of this paper.

8. Sustainability

The College’s internal audit function is targeted at key areas for the College. The function is directed to identify areas for improvement and ensure effective delivery of the College’s strategic objectives. This includes being a sustainable organisation.

9. Consultation/Input (state who has reviewed/approved/contributed to this report)

No formal consultation is required given the subject of this paper.

**James Thomson**  
**Vice Principal – Finance**

**14 February 2023**

Ayrshire College # 484082  
08/03/2023 11:22:57