NORTH EAST
SCOTLAND
COLLEGE

Meeting of the Audit and
Risk Committee

Wednesday 29 May 2024 at
1000hrs via MS Teams

AUDIT & RISK COMMITTEE

NOTICE
There will be a meeting of the Audit & Risk Committee on Wednesday 29 May 2024 at 1000 hours through the use of Microsoft Teams

AGENDA		
Agenda Item		**Paper**
39-23	Apologies for Absence	
40-23	Declaration of any Potential Conflicts of Interest in relation to any Agenda Items	
41-23	Minute of Previous Meeting – 23 February 2024	x
42-23	Matters Arising Report	x
	Matters for Decision	
43-23	Internal Audit Reports: • Student Recruitment Audit Report • Follow-up Reviews Report • Environmental Sustainability Audit Report Internal Audit Progress Report	
	Matters for Discussion	
44-23	Strategic Risk Register	x
45-23	Annual External Audit Plan 2023.24 (Audit Scotland)	x
46-23	Code of Good Governance for Scotland's Colleges – Review of compliance	x
	Matters for Information	
	There are no matters for information for this meeting.	
47-23	**Any Other Business**	
48-23	**Summation of Actions and Date of Next Meeting** The next meeting schedule for Board Committees and Regional Board will be presented to the Regional Board in June 2024 for discussion/approval.	

AUDIT & RISK COMMITTEE

MINUTE OF MEETING

DRAFT Minute of Meeting of the Audit & Risk Committee held on Friday 23 February 2024 at 1000 hours via Microsoft Teams.

Present:
Jim Gifford
Iain Watt
Bryan Hutcheson
Dave Anderson
Leona McDermid
Susan Elston
Caroline Laurenson

In attendance:
Stuart Thompson, Vice Principal Finance & Resources
Susan Lawrance, Secretary to the Board
Karen Fraser, Minute Secretary

Agenda Item	
28-23	**Apologies for Absence** Full attendance was recorded. Committee Chair J Gifford welcomed C Laurenson to her first Committee meeting.
29-23	**Declaration of any Potential Conflicts of Interest in relation to any Agenda Items** L McDermid declared a potential conflict of interest by virtue of her position with Aberdeen Foyer.
30-23	**Minute of Previous Meeting – 29 November 2023** The Minute was approved as a true and accurate record.
31-23	**Matters Arising from the Previous Meeting** There were no matters arising. Referencing a previous Committee discussion, S Thompson provided a brief verbal update on nursey provision at Fraserburgh Campus, with members noting S Thompson's recent meeting with the childcare provider where financial performance and financial challenges were discussed. S Thompson advised further discussions will be held with preferred options to be presented to the Finance and Resource Committee at their May meeting. S Thompson re-assured Committee that the original point raised through the audit had been answered.
	Matters for Decision
32-23	**Strategic Risk Register** Members were presented with the SRR in order to discuss and if so minded, agree with the content. S Thompson provided an overview of the updates to risks and risk scores applied. Discussion opened with a request to clarify the Committee's risk tolerance level, based on the need to acknowledge work being undertaken to ease individual risks, but the reality being that targets may have been set to an unachievably

	low level for the next 12-18 months. It was suggested mitigation of the risks as opposed to total elimination is reasonable. The concept of setting a timeline target and for this to be reviewed annually in conjunction with the Committee's risk appetite was mooted. Being new to the Committee and seeing the SRR for the first time, C Laurenson sought transparency with regards to a key to the numbers. The idea of presenting the Opportunities Register alongside the SRR to the Committee was noted. The need to differentiate between current and future actions was observed. Taking all feedback on board, S Thompson agreed to add more categorised detail so as to encompass openness, capturing the rationale behind any applied adjustments to the risks and risk scores in the covering Paper's summation. A further discussion at RB level with regards to targets and parameters would be welcomed. **Action: A summary of rationale of any changes to be built into future Strategic Risk Register presentations for Board and Committee.** **Decision = Committee Members were content to accept the risk scores as presented at this time.**
33-23	**Internal Audit Plan Update** Members were asked to consider the updated plan, scope and associated timings of internal audit undertakings. Discussion points included the audit topics selected and omitted, potentially lessening the audit scope as a cost-saving measure and the possibility of reducing the audit volume in future years. It was noted that the recognised schedule provides assurance and any reductions made to either the quantity of audits or the number of days in the programme exposes the College to higher risk. Members agreed Internal Audit Reports are to be submitted to both May and September Committee meetings, along with follow-up reviews. **Decision = Committee Members were in agreement with the plan, scope and timings as presented.**
34-23	**Internal Audit Tender Documentation** The need to issue a tender in order to appoint a new internal audit service from 01/08/24 was outlined so as to enable the Committee to discuss future plans. An update with regards to the publication of the new APUC framework agreement was noted, with Henderson Loggie having been ranked as the #1 audit provider. Options with regards to either selecting Henderson Loggie directly or launching a mini tender competition were presented and discussed. **Decision = a recommendation from this Committee to appoint Henderson Loggie as the #1 ranked bidder is to be presented to the Regional Board at the 20/03/24 Meeting.** **Action: ST to provide an updated Report for decision at the 20/03/24 meeting.**
	Iain Watt left the meeting at 11:29am
35-23	**External Audit Plan** The Committee were tasked with discussion and agreeing with the proposed actions put forward to ensure a more effective YE Audit following the previous years' delivery. S Thompson provided a summation of the proposals, detailing a desire to be more proactive with the external auditors. **Decision = the draft plan is to be reviewed at the 29/05/24 A&R Meeting.**
	Matters for Information
36-23	There were no matters for information presented.

37-23	**Any Other Business** No items were raised.
38-23	**Summation of Actions** A summary of identified actions was provided by S Lawrance.
	Meeting ended at 11:38am

AUDIT & RISK COMMITTEE

An update on matters arising from the meeting of the Audit and Risk Committee held on 14 February 2024.

Agenda Item	Action
32-23	**Action:** A summary of rationale of any changes to be built into future Strategic Risk Register presentations for Board and Committee.
	Status: Complete. (Amendments made – on May Agenda)
34-23	**Action:** Internal Audit Tender report and recommendation to be taken to March Regional Board Meeting.
	Status: Complete. Presented and recommendation approved by Regional Board.

AUDIT & RISK COMMITTEE
Meeting of 29 May 2024

Title: Internal Audit Reviews & Progress Report

Author: S Thompson, Vice Principal – Finance and Resources	**Contributor(s):** Henderson Loggie

Type of Agenda Item:

For Decision ☒

For Discussion ☐

For Information ☐

Reserved Item of Business ☐

Purpose: To enable the Committee to consider reports on internal audit assignments, together with recommendations and management responses.

Linked to Strategic Theme:

5. Leading Sustainability

Linked to Strategic Risk(s):

n/a

Executive Summary:

In line with the College's Internal Audit Programme for 2023-24 the following reports are attached for consideration, summarised as follows:-

Student Recruitment
Overall Level of Assurance – Good
Number of Recommendations – none (noted two Actions in Progress)

Follow Up Reviews
Overall Conclusion – 10 of 12 recommendations fully implemented; one partially implemented.

Environmental Sustainability
Overall Level of Assurance – Good
Number of Recommendations – none (no weaknesses identified)

Internal Audit Progress Report
Progress with the annual audit plan for 2023/24 provided.

Recommendation: It is recommended that the Committee consider the internal audit reports, progress made and management response.

Previous Committee Recommendation/Approval (if applicable)**:** n/a

Equality Impact Assessment:

Positive Impact ☒
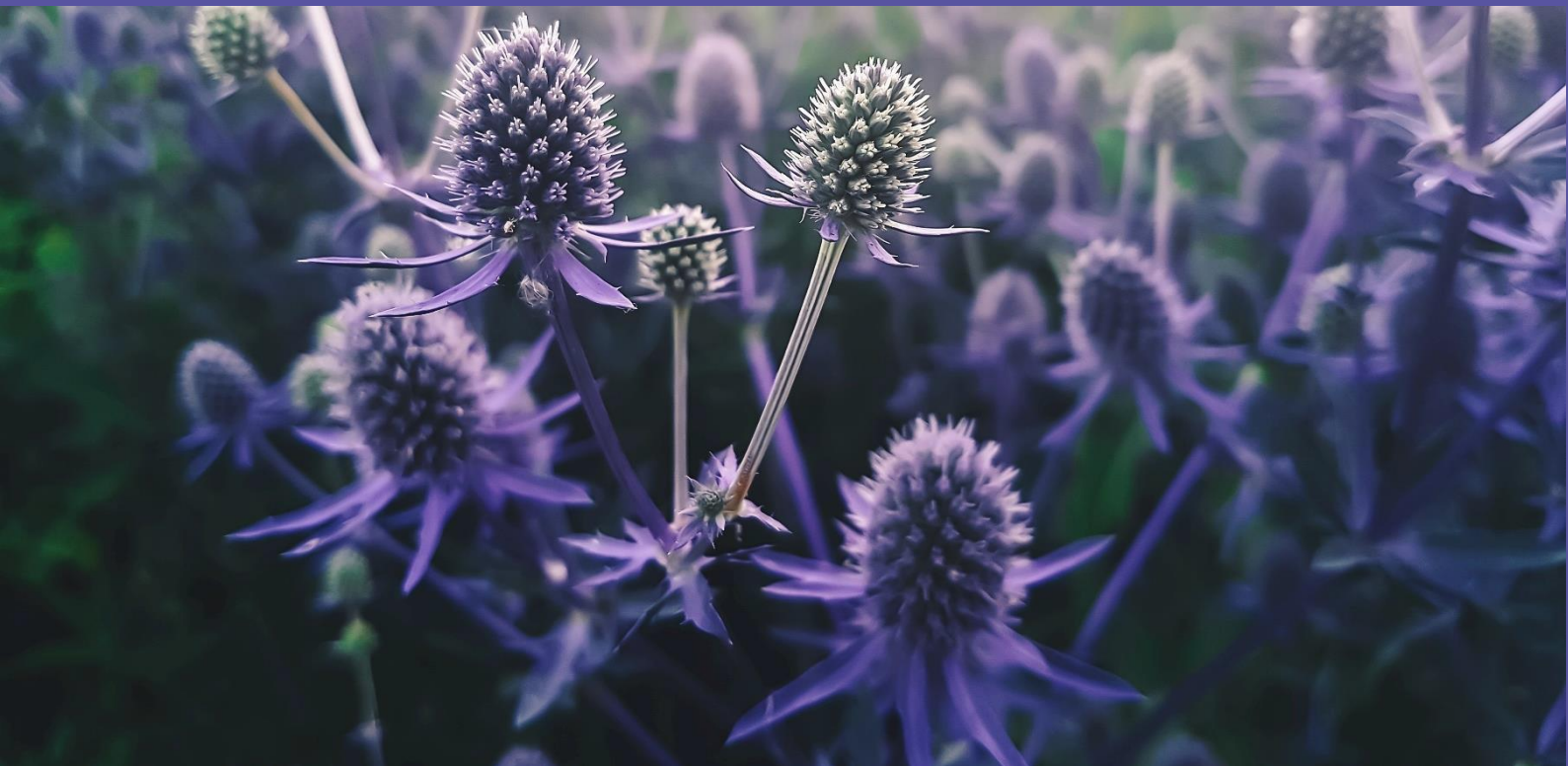
Negative Impact ☐

No Impact ☐

Evidence:

North East Scotland College

Student Recruitment

Internal Audit report No: 2024/02

Draft issued: 8 May 2024

Final issued: 13 May 2024

Henderson Loggie

Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk, and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk, and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Management Summary

Overall Level of Assurance

Good	System meets control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the North East Scotland College ('the College') Strategic Risk Register:

- Risk 2.2 – If the College fails to adapt quickly and flexibly to changing demands, may not meet delivery targets for AY 2023-24 (current risk rating – medium: 16);
- Risk 3.3 – If competitions between the College and University sector continues to intensify then FT HE student recruitment will be negatively impacted (current risk rating – medium: 16); and
- Risk 5.2 - If the College fails to achieve planned activity targets, then the SFC may clawback funding increasing the financial sustainability challenge (current risk rating – medium: 9).

Background

As part of the Internal Audit programme at the College for 2023/24, we carried out a review of the systems in place in relation to student recruitment. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Regional Board and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Responsibility for the College's student recruitment processes sits ultimately with the College's Leadership Team, who oversee each of the curriculum areas and key support functions which, working together, help the College to achieve its recruitment targets for each academic year. Operational oversight of the processes sits with the Associate Principals and Heads of Sector across each of the curriculum areas, who manage the Curriculum Managers and teaching staff within their respective areas to ensure that the planned enrolments for each course are achieved. The College's curriculum areas are also supported by key functions including Marketing and Communications, Planning, Admissions and Student Support, each of which have dedicated areas focussed on the management of generating applications and fulfilling enrolments within courses across the College.

Central to the recruitment processes is the College's Admissions and Interview Procedure which defines the roles and responsibilities of the key members of staff involved in the recruitment process, as well as defining the College's commitments to equal opportunities and accessibility.

Management involved in the recruitment exercise report to the Leadership Team on a regular basis, providing updates to the Curriculum and Quality Committee three times per academic year. The updates from this Committee are then presented to the Regional Board to provide members with updates on the progress of the student recruitment exercise.

Scope, Objectives and Overall Findings

We conducted a review of the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment, covering the role of Student Advice and Support, Marketing, Student Admissions, Student Records and Curriculum Areas.

This included a review of early warning indicators to flag where recruitment targets were not being met.

For the purposes of this review student recruitment is those activities targeted at individuals who are actively weighing up the prospect of entering or continuing in further or higher education.

The table below notes each separate objective for this review and records the results:

Objective		Findings			
The objectives of the audit were to ensure that:		**1**	**2**	**3**	**Actions already planned**
		No. of Agreed Actions			
1. There is appropriate senior management and Regional Board committee oversight, including monitoring and reporting of information on student applications against targets to identify areas of poor recruitment, and identify possible actions.	**Good**	-	-	-	
2. Clear roles and responsibilities have been established that foster accountability for student recruitment.	**Good**	-	-	-	
3. There is an agreed student recruitment strategy taking into account: • College strategic objectives, the Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; • agreed student recruitment targets; • equal opportunities; • widening participation; and • admissions policy.	**Satisfactory**	-	-	-	✓

Scope, Objectives and Overall Findings (Continued)

Objective		Findings			
		1	**2**	**3**	**Actions already planned**
The objectives of the audit were to ensure that:			**No. of Agreed Actions**		
4. An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: • planned; • activities are designed to be economic, efficient and effective; • underpinned by recruitment data and market intelligence; • coordinated; and • reviewed, monitored and evaluated.	**Satisfactory**	-	-	-	✓
5. Knowledge, skills and training is provided to staff who are engaged in recruitment activity.	**Good**	-	-	-	
6. There are mechanisms to handle recruitment complaints and take remedial action, where necessary.	**Good**	-	-	-	
Overall Level of Assurance	**Good**	-	-	-	
		System meets control objectives.			

Audit Approach

Through interviews with the key managers involved in planning and delivering student recruitment activity, and review of relevant documentation, we documented the existing arrangements and examined the extent to which these arrangements meet the objectives set out above.

Summary of Main Findings

Strengths
- Reporting is in place via the Power BI dashboards on student applications which can be reviewed at any time.
- Ongoing monitoring of applications is undertaken through Curriculum Managers and Heads of Sector.
- Weekly tracking is in place from the Marketing and Communications team on trends in the respective industries.
- Leadership Team updates are in place detailing recruitment progress.
- A student recruitment update is provided to the Regional Board at each meeting.
- The Regional Board report at the end of each academic year contains an assessment of the prior year's student recruitment.
- The Schools College Partnership Team oversees engagement with schools in Aberdeen City and Aberdeenshire.
- A Recruitment Conversion Group is in place to share good practices on student recruitment between departments.
- The College has a Marketing Engagement Strategy in place to define its approach for each sector within the College.
- The Student Admissions and Interview Procedure includes assignment of roles and responsibilities to Admissions Team, Heads of Sector, Curriculum Managers and Student Support.
- A Curriculum Planning Workshop was undertaken in January 2024 which detailed the timelines for the recruitment process and the personnel involved for the next academic year.
- The College holds two Open Days for each academic year.
- A formal Complaints Policy and associated procedures document are in place.
- On the College's website, under the 'Quality' section, the Feedback and Complaints processes are documented, with the relevant documentation such as policies, procedures and forms provided via hyperlinks on the webpage.

Actions In Progress
- The College rolled forward its 2021-2023 Strategic Plan into 2024 and 2025. However, management are in the process of refreshing and updating the Strategic Plan for 2025 onwards.
- The College is in the process of documenting its new recruitment plan to align with planned changes to its strategy and to reflect recent changes in the management structure.

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during the course of our audit.

Main Findings

Objective 1: There is appropriate senior management and Regional Board committee oversight, including monitoring and reporting of information on student applications against targets to identify areas of poor recruitment, and identify possible actions.

From discussions with the Vice Principal Curriculum and Quality, Associate Vice Principals, Director of Marketing and Head of Planning, it was noted that there is regular reporting of the College's student recruitment figures during recruitment exercises. The College commences all recruitment exercises in the first teaching block of the prior year, with applications going 'live' on the College's website in December of each year, with the monitoring of these undertaken on an ongoing basis by the Heads of Sector and Curriculum Managers.

Curriculum, Quality and Student Support (CQASS) Committee
The College's CQASS Committee meets seven times per year, convened by the Vice Principal Curriculum and Quality and comprising relevant Directors and Managers, Heads of Department / Sector and Students' Association representatives. The Committee remit includes a review of the student applications in the year and allows for Senior Management and Curriculum staff to engage with the Students' Association representatives and other operational staff regarding recruitment, with the outcomes presented to the Leadership Team. From review of the remit of the CQASS Committee, the scope of the Committee is to '*provide a forum for the College to work in partnership with the student body to design and deliver a first-class college experience, whilst providing a forum for effective high-level monitoring and oversight of key performance indicators including student satisfaction, retention and attainment."*

Regional Board
From review of the Regional Board papers from December 2023 and October 2023, it was noted that recruitment is considered as part of the Strategic Risk Register reporting for a number of risks including:

- 2.2 – If the College fails to adapt quickly and flexibly to changing demands, may not meet delivery targets for AY 2023-24;
- 3.3 – If competitions between the College and University sector continues to intensify then FT HE student recruitment will be negatively impacted; and
- 5.2 - If the College fails to achieve planned activity targets, then the SFC may clawback funding, increasing the financial sustainability challenge.

Papers are taken to each Regional Board meeting from the respective Board committees which have been held in advance of the meeting, and the applications and Credits updates from the Board's Curriculum and Quality Committee are presented to the Board members for information, with any actions / issues specified for discussion where appropriate. The Curriculum and Quality Committee has overall responsibility for maintaining a strategic overview of the College's curriculum offer and its development, and monitoring the quality of the student experience.

Student Recruitment

Objective 1: There is appropriate senior management and Regional Board committee oversight, including monitoring and reporting of information on student applications against targets to identify areas of poor recruitment, and identify possible actions (continued).

In addition to the regular updates provided to the Regional Board, it was noted from inspection of the June 2023 Regional Boa rd papers that an Education Scotland progress visit was undertaken at the College in March 2023, which included a review of the recruitment processes. Findings fr om this review were noted to members, with areas of positive progress in relation to recruitment including that:

- Overall recruitment for part-time FE and full-time HE programmes had increased in the last year;
- Staff use social media platforms well to promote programmes and celebrate learner achievements. This is helping to raise the profile of the College;
- Admissions staff monitor applications carefully. They provide helpful assistance to applicants with an additional support nee d to enable them to proceed through the recruitment process with confidence; and
- Almost all learners report that the online application process is easy to understand. They are satisfied with the content and quality of information they receive about their programme prior to enrolment.

One area for development was noted by Education Scotland in that recruitment to full-time FE programmes had decreased by almost 10%, although College management clarified that this decrease was driven by the reduction in SFC Activity Target, so may not increase again unless alternative funding avenues can be found.

Student Recruitment

Objective 2: Clear roles and responsibilities have been established that foster accountability for student recruitment.

Senior Management Responsibility
From discussions with Curriculum and Support managers, it was noted that there is a live applications dashboard which pulls the data from the College's applications system, which details the applications submitted for all courses, categorised by sector. From our discussions, it was noted that this dashboard and the applications contents are reviewed as often as daily by the Curriculum Managers, and weekly by Heads of Sector and Associate Vice Principals, with one-to-one meetings between each level of staff providing a platform for discussion around recruitment progress.

The application status report for 2024/25 (as at 20 February 2024) was obtained and reviewed as part of our audit fieldwork. From discussions with the Head of Planning it was noted that courses with fewer than 75% applications versus planned enrolments are marked in red, courses with between 75% and 100% are marked in amber, and courses with over 100% are marked in green. From review of the report, the following was noted.

- 197 courses were included on the list;
- 63 were 'green';
- 41 were 'amber'; and
- 93 were 'red' (though 11 had planned enrolments as 0).

As this was reviewed at a point in time where the second Open Day had not yet been held, proactive measures for addressing any red areas had not been formally undertaken, though these were noted as being monitored by the respective Curriculum Managers.

A further application status report for 2024/25 was obtained (as at 24 April 2024) to establish the latest progress made by the College, with the following noted:

- 199 courses were included in the list;
- 111 courses were 'green';
- 40 courses were 'amber'; and
- 48 courses were 'red' (9 of which had planned enrolments as 0).

From inspection of the updated report against the February status report, the College has increased its applications significantly, moving from having 52.8% of its courses being 'green' or 'amber' to 75.9% of these being 'green' or 'amber', demonstrating progress in its application cycle, with the total number of live applications increasing from 5,432 to 7,070.

Objective 2: Clear roles and responsibilities have been established that foster accountability for student recruitment (Continued).

Student Admission and Interview Procedure
The College has a Student Admission and Interview Procedure in place, which defines the high-level process to be undertaken, and the roles and responsibilities of the key personnel involved. From inspection of the document, it was noted that it defines the key timelines for the response and communication of offers, with these noted as follows:

• From date of receipt of application to next steps - six weeks; and
• From date of interview to offer made - two weeks,

The narrative defining the process in place also defines the level of involvement of the following key personnel involved in fulfilling the process:
• Admissions Team;
• Heads of Sector;
• Curriculum Managers; and
• Student Support.

The College's procedures define the process to be followed and the key responsibilities of the members of staff involved and, as such, the recruitment processes are sufficiently documented with respect to staff accountability.

Student Recruitment

Objective 3: There is an agreed student recruitment strategy taking into account: College strategic objectives, the Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; agreed student recruitment targets; equal opportunities; widening participation; and admissions policy.

Strategic Plan
From discussions with the Vice Principal Curriculum and Quality, it was noted that the College has rolled forward its 2021 – 2023 Strategic Plan, with a new strategy in the process of being developed. It was established that the College undertook a refresh of the strategy in the 2023/24 academic year (AY), with sessions held with the Regional Board to refine the strategy for AY 2024/25, with the College's Leadership Team preparing proposed strategic themes to be submitted to the Regional Board in 2024 for review for the 2025/26 AY. As such, an action in progress has been noted.

The 2021 – 2023 Strategic Plan includes five strategic themes. Under theme 1, 'Being Agile and Responsive', the College aims to deliver a curriculum and support services that respond to the needs of students and the region. Under theme 3, 'Advancing Partnership Working', the College aims to work with a range of partners, including Community Planning Partners, regional economic development bodies, Regional Learning and Skills Partnership, local schools, Higher Education partners and employers, to deliver on key priorities, strategies and plans, promote learning opportunities, widen access or meet the needs of industry. Regional priorities and skills needs and Scottish Government priorities are included as appendices.

Regional Outcome Agreement
The College's Regional Outcome Agreement for 2023/24 is a key driver for the College's recruitment strategy. This aims to capture, at a high level, the College's contributions, impact and outcomes, and to provide assurance to the SFC on the use of allocated funding in AY2023/24, in five priority areas. In particular, priority area 1 'Fair Access and Transition, 3 Coherent Learning Provision and 4 'Work-based Learning and Skills' include commitments specifically relating to student recruitment.

Admissions Procedure
The College's Admissions and Interview Procedure notes the key focus of the College to maximise the chances of success whilst ensuring the College is maintaining an equal opportunities approach.

From inspection of the procedure, its aim was noted as follows: '*This procedure aims to be both applicant-focused and applicant-friendly. It is essential that the admissions and interview procedure results in the placing of students on the most appropriate course for their abilities, needs and aspirations. Fundamentally, this procedure aims to ensure equality of access and opportunity for all applicants and that the admissions process is free from bias. In maintaining such approaches, the College seeks to ensure a positive and successful experience for all prospective students.'*

As such, there are measures that have been taken by the College focussed on facilitating accessibility for its courses.

From discussions with the Curriculum managers, it was noted that the College aims to ensure that the admissions process is as efficient as possible, with effective marketing processes in place for generating applications and the respective Curriculum staff assessing the applicants to find the most suitable potential students to maximise retention.

Student Recruitment

Objective 3: There is an agreed student recruitment strategy taking into account: College strategic objectives, the Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; agreed student recruitment targets; equal opportunities; widening participation; and admissions policy (continued).

Student Recruitment Targets
Target setting is influenced by the SFC Credit targets and, as noted under Objectives 1 and 4 of this report, there is regular monitoring of applications and enrolments to identify areas of concern where further action is required in order to meet targets.

Equality and Diversity Policy
The College has an Equality and Diversity Policy in place, which outlines the College's approach to equality and diversity for both its staff and students. As part of this the College notes its core values as: Commitment and Excellence; Empowerment and Engagement; and Respect and Diversity. The Policy details the roles and responsibilities of all relevant staff and stakeholders regarding ensuring the College has effective equality and diversity processes in place, including:

- All staff and stakeholders;
- Students;
- Managers;
- Leadership Team; and
- Regional Board.

In addition to this, the Policy notes a recruitment specific focus on equality and diversity, with the following noted under the Monitoring section: '*The College will monitor its effectiveness in providing equality of opportunity through collation of data on student applications, enrolments, retention, attainment and progression etc.*'

The College has a dedicated Equality and Diversity section on its website, where any stakeholders and potential applicants can review the measures in place and access the Policy document.

Student Recruitment

Objective 4: An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: planned; activities are designed to be economic, efficient and effective; underpinned by recruitment data and market intelligence; coordinated; and reviewed, monitored and evaluated.

From discussions with College managers, it was established that although it is in the process of being documented to reflect the recent changes to its management structure and the changes to its strategy, the recruitment plan follows a set cycle, with preset timelines for completion of key stages of the process noted in each of their calendars. From a review of the documentation in place, it was noted that the plan is constructed of:

- Curriculum focussed review of the current year's intake and retention, undertaken following initial months of the course commencement;
- Refining the forecasted planned enrolments for each course, including a forecast of expected SFC credits provision;
- Review and update of course documentation to ensure it accurately reflects the content of the course;
- Making applications live in December of each year via the College's website;
- College Open Days held in December and in the Spring to provide applicants / potential applicants with the opportunity to gain further insights into the offerings;
- Application reviews by the Admissions team and the Curriculum staff to assess for suitable qualifications;
- Issuing of information packs by the Admissions team to applicants to provide them with further information on the courses and the next stages of the process;
- Interview selection and carrying out of interviews / auditions with applicants by the teaching staff and / or Curriculum Managers;
- Selection of successful candidates;
- Clearing process for students following school exam results in August, with an aim to filling remaining course places; and
- Enrolment of successful applicants.

The above high-level process is accompanied by other key processes which run concurrently throughout the recruitment term, including the following:

- Schools outreach exercises with engagement at schools to identify potential applicants and make staff and students aware of the courses on offer;
- Engagement with organisations such as Skills Development Scotland and the Local Authorities with whom the College works to encourage them to promote NESCOL courses to service users, working with them as a potential opportunity for the next step in their development;
- The College's Marketing Strategy including a promotion of courses which have historically had lower levels of applications and the use of multiple channels such as social media, the website and through partner organisations where applicable; and
- Curriculum engagement with the education institutions with whom the College has agreements for fulfilment of higher education qualifications following an initial period of learning at the College.

Student Recruitment

Objective 4: An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: planned; activities are designed to be economic, efficient and effective; underpinned by recruitment data and market intelligence; coordinated; and reviewed, monitored and evaluated (continued).

Monitoring
All Curriculum staff have sight of the applications data via the applications dashboard, which displays the total planned enrolments for every course across the College, with these figures reviewed regularly by Curriculum Managers, Heads of Sector and Associate Vice Principals to determine the demand for each course. In addition to this, the Admissions Team monitors for any applications from students who require additional support, and this is passed to the Student Support team who liaise with the applicant to establish the measures required to facilitate their learning, whether these are feasible, and any external parties involved, and they then implement these measures in place to facilitate their transition into the College.

Recruitment Conversion Group
It was noted from discussions with the Director of Student Access and Information, that the Recruitment Conversion Group is in place for managing and updating the student recruitment processes, which is attended by the Director of Student Access and Information, Associate Vice Principals, Heads of Sector and other key managers. This acts as a platform through which application figures are reviewed and the College's approach is discussed to ensure that it is generating sufficient applications to ensure all courses are filled to capacity. This also acts as an opportunity to identify any areas of improvement regarding the recruitment process, with these discussed between staff with sufficient seniority to enact change.

Marketing Plans
From discussions with the Director of Marketing and Communications, it was noted that the College has sector specific marketing and communications plans in place for each of the sectors within the College. From inspection of the plans for Construction, Science and Computing, and for Business and Creative Professions, it was noted that the plans define the: Application Strengths, Areas of Concern, and Strategies to Boost Applications Where Necessary. Within each of these categories the Marketing and Communications team has provided a narrative and course specific objectives for each of the courses within the sector, with the Opportunities, Challenges, Partnerships and an Action Log noted following this to detail the methods by which the College will aim to generate applications for each of the courses noted. In addition to this, the College wide messaging and sector specific messaging is also recorded to ensure the process aligns with the College's overall aims.

Reporting
Regular updates on the recruitment plans are taken to the Leadership Team via the Vice Principal Curriculum and Quality, with these updates taken to meetings on a monthly basis and therefore capture the issues at different stages of the process, detailing areas such as the application figures, including year on year comparisons, the marketing strategy, admissions administration and curriculum specific updates. From inspection of the update taken to the Leadership Team in February 2024, it was noted that the aim of the report is to provide an update to the Leadership Team on full-time planning targets, marketing activity, student admissions / administration, together with detailed commentaries from each Curriculum team. It also shows the current application position (applications against targets). These updates therefore allow other members of the Leadership Team to query any issues and provide their input on potential changes.

Student Recruitment

Objective 5: Knowledge, skills and training is provided to staff who are engaged in recruitment activity.

From discussions with key personnel at the College it was noted that training around the student recruitment processes is fulfilled specifically for each role as part of the induction process. With examples of these being, hands on training by an experienced member of staff for key processes which the employee is expected to fulfil, with ongoing supervision until they are deemed sufficiently skilled in undertaking the process autonomously. Another example of this is that teaching staff would be involved in recruitment processes such as interviews and applications monitoring as part of the role, and therefore when stepping up they are provided with hands on supervision of the management processes which they are required to fulfil, helping to further their understanding. Approaches and good practices are also shared between staff through means such as the Recruitment and Admissions Group and the Curriculum Managers Forum where staff can discuss approaches and any challenges which they are experiencing.

As noted above, within the sectors, there is training in place on the job for all staff, with stepping up processes in place to ensure that the staff are aware of the expectations. It was noted that on the job training is given for all staff working in the Curriculum areas, through the hierarchical structure (Vice Principals > Associate Vice Principals > Heads of Sector > Curriculum Managers > Teaching Staff) and regular meetings with their line managers to ensure they are aware of the student recruitment requirements and the methods in place for recruiting.

For the Admissions Team and Student Support Team, there is also no training module, however, procedures for processing applications are in place, which are provided during the staff inductions, and a key part of the staff member's understanding of process is gained through learning under supervision.

In addition to the department specific processes, the College has a Recruitment and Admissions Working Group in place, which meets monthly, which involves key personnel involved in the recruitment activities and processing of applications and admissions, where best practices are shared between staff in different areas of the College.

Student Recruitment

Objective 6: There are mechanisms to handle recruitment complaints and take remedial action, where necessary.

The College has a Complaints Policy in place, which is available on the College's website for use by both students and other stakeholders. The Policy defines the key areas of concern within the College, including noting four key areas for traditional complaints:

- Aggressive or abusive behaviour;
- Unreasonable Demands;
- Unreasonable Levels of Contact; and
- Unreasonable refusal to Co-operate.

The complaints form on the College's website is available to be utilised by anyone who requires it and can be completed and submitted online detailing the reasoning for the applicant's complaint. The complaint would then be passed on by the Quality team to the relevant Curriculum Manager for review and response, with complaints either resolved or escalated to the Head of Sector and further where relevant.

From inspection of the College's website, under the 'Quality' section, the Feedback and Complaints processes are documented, with the relevant documentation such as policies, procedures and forms provided via hyperlinks on the webpage.

From discussions with the Student Support team, it was noted that complaints are processed through the Quality Team, with timelines for turnaround defined by the College's Policy. From discussions with the Curriculum staff, it was established that the most common complaints relate to the applicants who have sufficient qualifications but whose application has been rejected by the College as a result of the course being full or other applicants being more suitable which was identified through their interviews.

Regional Board
Survey results are fed back to the Regional Board via the responses from students' First Impression Surveys. From review of the report submitted to the Board in December 2023 detailing the survey feedback from all sectors within the College for the current intake of students, the following questions and satisfaction levels were noted on the application process:

- Applying for my course was an easy and straightforward process (23/24 & 22/23: 96%);
- The College website was easy to use (23/24: 94%, 22/23: 95%);
- The College information on social media was helpful (23/24: 90%, 22/23: 91%);
- The College prospectus was informative (23/24: 94%, 22/23: 95%); and
- The College took account of my qualifications and experience when I applied for the course (23/24 & 22/23: 97%)).
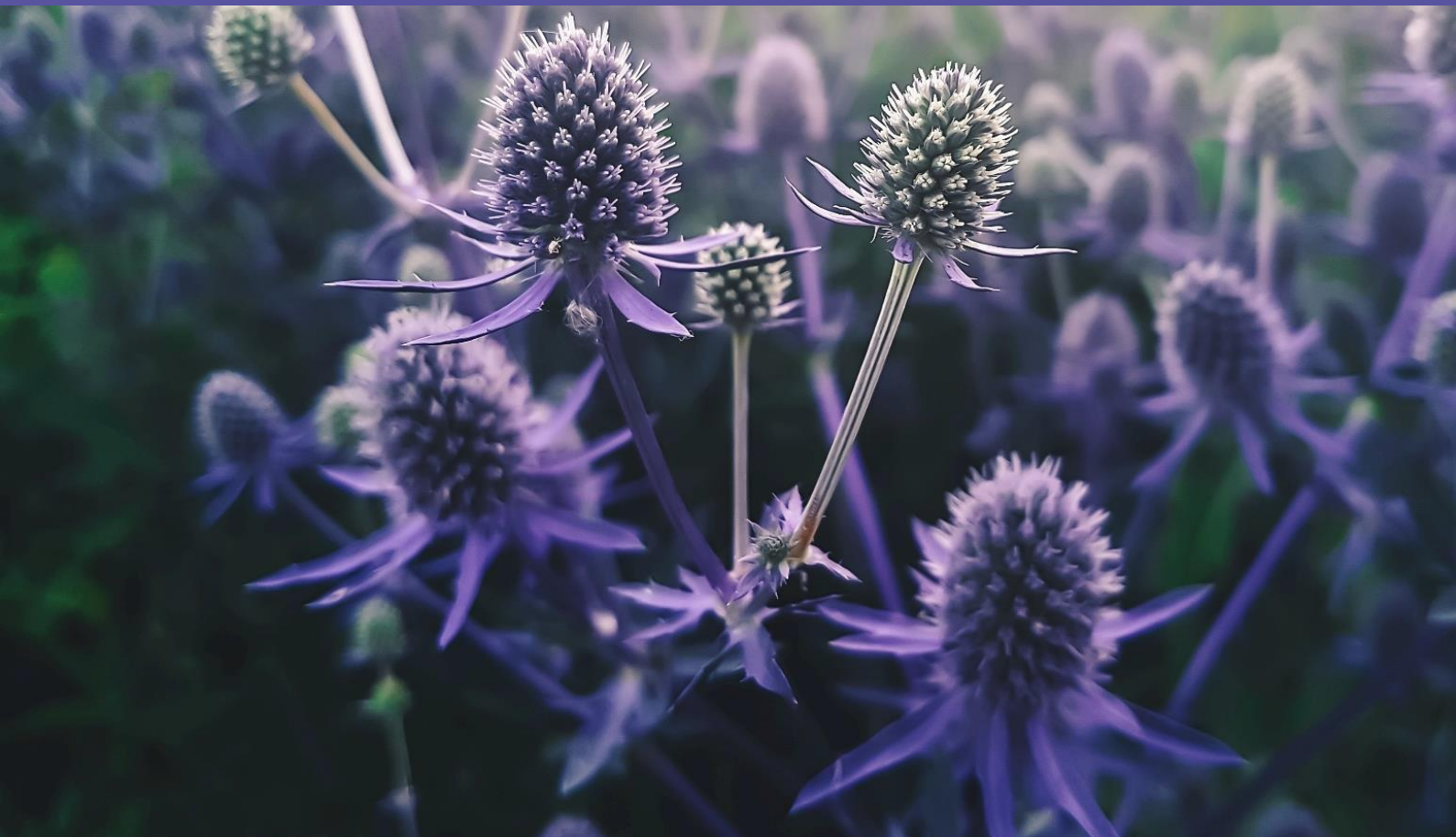
Henderson
Loggie

North East Scotland College

Follow Up Reviews 2023/24

Internal Audit report No: 2024/04

Draft issued: 20 May 2024

Final issued: 22 May 2024

Contents

Management Summary

Introduction and Background

As part of the Internal Audit programme at North East Scotland College ('the College') for 2023/24 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2022/23, and reports from earlier years where previous follow-up identified that recommendations were outstanding. These were:

- Internal Audit Report 2023/05 – Debtors / Income;
- Internal Audit Report 2023/06 – Cash and Bank / Treasury Management;
- Internal Audit Report 2023/07 – IT / Digital Strategy;
- Internal Audit Report 2023/09 – Follow-Up Reviews; and
- Internal Audit Report 2023/10 – General Ledger.

Internal audit reports 2023/01 – Annual Plan, 2023/04 – Health and Safety, 2023/08 – Financial Planning and 2023/13 – Annual Report, did not include any recommendations. Recommendations made in reports 2023/02 – Credits and 2023/03 – Student Support Funds were followed-up as part of the internal audit programme for 2022/23. Recommendations made in reports 2023/11 – Credits and 2023/12 – Student Support Funds will be followed-up separately as part of the internal audit programme for 2023/24.

Objectives of the Audit

The objective of each of our follow-up reviews is to assess whether recommendations made in previous reports have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

For the recommendations made in each of the reports listed above we ascertained by enquiry or sample testing, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Overall Conclusion

The College has made good progress in implementing the recommendations followed-up as part of this review with 10 of the 12 recommendations being categorised as 'fully implemented'. Only one recommendation has been assessed as 'partially implemented' and this will be subject to follow up in the next formal Follow Up Review exercise.

Overall Conclusion (Continued)

In addition, one recommendation from report 2023/06 – Cash and Bank / Treasury Management had been considered by management but not fully implemented. We recommended that all future short-term investment options be presented for consideration by the Senior Leadership Team (SLT), with minutes taken, and these options should subsequently be presented to the Finance & Resources Committee (FRC). For operational reasons relating to interest rate changes, short-term investment decisions continue to be made by the Financial Controller (External Affairs) and Vice Principal Finance & Resources, although are now being reported to the Leadership Team and FRC retrospectively.

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			*From Follow-Up Work Performed*				
Area	Rec. Priority	Number Agreed	Fully Implem-ented	Partially Implem-ented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2023/05 – Debtors / Income	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	5	5	-	-	-	-
Total		**5**	**5**	**-**	**-**	**-**	**-**
2023/06 – Cash and Bank / Treasury Management	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	-	-	-	1
Total		**1**	**-**	**-**	**-**	**-**	**1**
2023/07 – IT / Digital Strategy	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	1	-	-	-
Total		**1**	**-**	**1**	**-**	**-**	**-**
2023/09 – Follow-Up Reviews	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		**2**	**2**	**-**	**-**	**-**	**-**
2023/10 – General Ledger	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	3	-	-	-	-
Total		**3**	**3**	**-**	**-**	**-**	**-**
Grand Totals		**12**	**10**	**1**	**-**	**-**	**1**

Overall Conclusion (Continued)

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Acknowledgements

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.

Appendix I - Updated Action Plan
Internal Audit Report 2023/05 – Debtors / Income

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R1 Ensure that Invoice Request Forms are raised and authorised by separate members of staff to maintain proper segregation of duties as required in the College procedures relating to the raising of invoices.	**3**	Management accepts that there needs to be appropriate separation of duties, which also need to cover the business needs of the College. This can include same-day requests to raise an invoice. This procedure will be reviewed in light of this finding.	Financial Controller (External Affairs)	30 April 2023	The procedure was reviewed in February 2023. Following the audit, the Financial Controller (External Affairs) emphasised with the team the need to follow the existing procedures in ensuring that the different authorisation 'boxes' on each procedure were properly completed by appropriate and different officers. In relation to holiday periods, the Financial Controller (External Affairs) emphasised with staff that such requests would need to be made either in advance of holidays or wait until the appropriate officer returned from leave. There is limited scope for holiday cover. The Finance team provided six random examples of Invoice Request Forms from 2023/24 and all had been raised and authorised by separate members of staff prior to the corresponding invoice being raised. ***Fully Implemented***

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R2 Steps should be taken to ensure that Invoice Request Forms have been appropriately authorised prior to raising the corresponding invoice.	3	Management accepts that there needs to be an appropriate alternative for authorisation of IRFs to allow for holiday cover. This procedure will be reviewed in light of this finding.	Financial Controller (External Affairs)	30 April 2023	As per **R1**. *Fully Implemented*
R3 Steps should be taken to ensure that Credit Note Request Forms are raised and authorised by two separate members of staff to maintain proper segregation of duties as required in the College procedures relating to the raising of credit notes.	3	Management accepts that there needs to be appropriate separation of duties which will also account for the business needs of the College. This procedure will be reviewed in light of this finding.	Financial Controller (External Affairs)	30 April 2023	The procedure was reviewed in May 2023. Other comments as per **R1**. The Finance team provided six random examples of Credit Note Request Forms from 2023/24 and all had been raised and authorised by separate members of staff prior to the corresponding credit note being raised. *Fully Implemented*
R4 Ensure that Credit Note Request Forms have been appropriately authorised prior to raising the corresponding credit note.	3	Management accepts that there needs to be an appropriate alternative for authorisation of CRNs to allow for holiday cover. This procedure will be reviewed in light of this finding.	Financial Controller (External Affairs)	30 April 2023	As per **R3**. *Fully Implemented*

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R5 Review the policies relating to Aged and Bad Debt and update to ensure that these are accurate and in line with current processes.	3	The debt management procedures will be updated.	Credit Manager	30 April 2023	The Credit Control procedure was reviewed and updated in April 2023 and the Provision for Bad Debts procedure in February 2023. *Fully Implemented*

Appendix II - Updated Action Plan
Internal Audit Report 2023/06 – Cash and Bank / Treasury Management

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R1 It is recommended that all future investment options be presented for consideration by the SLT, with minutes taken, and these options should subsequently be presented to the Finance & Resources Committee to ensure that the proposed investment option recommended is adequately reviewed and approved, with the approval formally documented.	3	Agreed	Financial Controller (External Affairs)	31 October 2023	The short-term investment decisions are now being reported to the Leadership Team and Finance and Resources Committee (FRC), albeit retrospectively due to operational needs as interest rates often change daily and can even change within the same day depending on the money market rates, and therefore the Financial Controller (External Affairs) noted that it was not practical to wait on Committee approval. The authorisation route for short term investments is always from the Financial Controller (External Affairs) to the Vice Principal Finance & Resources, conducted through an e-mail trail. We reviewed the paper on short term investments presented to the FRC by the Financial Controller (External Affairs) on 27 September 2023 and it was minuted that members noted this activity undertaken to enhance the College's income. ***Considered But Not Implemented***

Appendix III - Updated Action Plan
Internal Audit Report 2023/07 – IT / Digital Strategy

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R1 In order to progress the Technology Strategy and Roadmap, the data architecture should be formally documented and assessed to identify systems and data dependencies, system capabilities and compatibilities. A future state data architecture should then be identified based on the organisation's business and user requirements and current systems and data limitations, and a Roadmap then developed to achieve a target architecture.	3	The College accepts the recommendation and will look to create a Data Strategy that will ensure a data architecture is fully documented for current and future business requirements. This work will be overseen by the College Data Management Group and led jointly by Linda Taylor (Director of Student Access and Information) and Scott Matthew (Director of ITTS).	Director of Student Access and Information and Director of ITTS	31 December 2023	The map of current systems and their inter-dependencies has been updated. An Information Asset Lifecycle Management Strategy has been drafted but not yet approved. Procedures are to be documented following approval. ***Partially Implemented*** **Revised Implementation Date:** 30 September 2024.

Appendix IV - Updated Action Plan
Internal Audit Report 2023/09 Follow–Up Reviews

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at May 2024
2021/07 – IT Security / Data Protection						
R10 Automated data exfiltration monitoring solutions should be deployed to identify instances of unauthorised removal or transfer of data from the College's systems.	**3**	The recommendation is accepted. Automated data exfiltration solution deployment will be included in the IT project programme for 21/22. Delivery will be dependent on available technical resources and funding.	Director of IT	31 July 2022	**May 2022** Investigation continues on how to further leverage data exfiltration services within the College's current toolset Windows Defender ATP and endpoint, Palo Alto Firewall and Palo Alto endpoint VPN services. A project will be created to start defining the scope and the required work to complete this action. This scoping will have to be done in conjunction with the DPO and individual depts and respective business system owners who will be required to identify the type and sensitivity of the data they collect and what data they want to protect. **April 2023** The Operations team is looking into data exfiltration alerting that may be applied to the firewall. *Partially Implemented* **Revised Implementation Date:** 30 November 2023	Only outgoing traffic on ports 80 or 443 is allowed through the Palo Alto firewalls unless explicitly allowed to a known destination. Other outgoing traffic including File Transfer Protocol / Secure File Transfer Protocol and other file transfer protocols are blocked. Rules are in place on Palo Alto firewalls to alert on any suspicious / large data transfers to any destination outside the NESCol MS365 tenancy with a daily report highlighting any file transfers over 1GB during the last 24 hours. *Fully Implemented*

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress Previously Reported	Progress at May 2024
2021/09 – Risk Management and Business Continuity Planning						
R1 A training framework should be developed, and rolled out to relevant managers, to raise awareness on how to identify, manage and report on risks to NESCOL achieving its strategic objectives. In addition, regular refresher training should be developed and put in place for those with formal roles in the risk management process.		Agreed. Risk Management Training will be incorporated into training for Leadership Team members.	Learning and Development Manager	31 December 2021	**May 2022** This action remains in progress. Available courses will be assessed over the summer 2022 to be implemented by 31 December 2022. **April 2023** NESCol has indicated that the risk register requires improvement and should be made more strategic. The VP Finance & Resources has been asked to review the risk register and suggest improvements. Since the risk register and the risk management process are due to be revised, a training framework and training provision will not be completed prior to the changes being made. The leadership training needs on risk assessment and risk management will be identified based on the updates made. ***Partially Implemented*** **Revised Implementation Date:** 31 December 2023	Action completed prior to 31 December 2023. Training was delivered to the Leadership Team by David Archibald, Henderson Loggie Partner, in August 2023. A new format, content and monitoring process was discussed and agreed. The new Strategic Risk Register was reviewed and agreed by the Audit & Risk Committee at its meeting on 29 September 2023. It is now reviewed monthly by the Leadership Team and a standing item on the Audit & Risk Committee agenda. ***Fully Implemented***

Appendix V - Updated Action Plan
Internal Audit Report 2023/10 – General Ledger

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R1 The College should develop and implement a formal procedural document covering all tasks required for completion of the month end financial ledger closure process. The College should also consider the creation of a checklist documenting all required month end closure tasks and monthly management account tasks, similar to the embedded year end timetable, which assigns tasks to specific members of staff responsible for completing each task, with sign-off and dating upon completion each month.	3	The College accepts the recommendation and will prepare a month end procedure including a timetable and checklist.	Financial Controller (Business Management)	31 October 2023	Checklist of month end closure tasks now documented and are being followed per the procedure. **_Fully Implemented_**

Follow-Up Reviews 2023/24

Original Recommendation	Priority	Management Response	To Be Actioned By	No Later Than	Progress at May 2024
R2 The College should take steps to ensure that requirements and timescales relating to the authorisation of journals are formally documented. The College should then issue reminders to ensure that journals are reviewed and authorised within these timescales, building this into the month end process and checklists referenced at **R1**, for appropriate distribution to all relevant members of staff.	3	The College accepts the recommendation and will incorporate journal authorisation in the month end procedure.	Financial Controller (Business Management)	31 October 2023	Forms part of the month end checklist referenced in **R1** above. *Fully Implemented*
R3 A journal authorisation schedule be developed and integrated within the General Ledger procedures, which sets out who can authorise journals, and what values can be authorised by each staff member.	3	The College accepts the recommendation and will incorporate a journal authorisation schedule in the general ledger procedure.	Financial Controller (Business Management)	31 October 2023	Only the two Financial Controllers can authorise the journals for the Finance Team. Currently no value on the Journal Entries. Controls on values operate outside of this process. The main control remains the comparison on a monthly basis of the finance figures on the management accounts. Checked to Budget and to previous month. Variances are explained and sent to VP Finance and Leadership Team. The VP Finance sends figures to the following Finance Committee. *Fully Implemented*

Henderson
Loggie

North East Scotland College

Environmental Sustainability

Internal Audit report No: 2024/03

Draft issued: 13 May 2024

Final issued: 22 May 2024

Henderson
Loggie

Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Management Summary

Overall Level of Assurance

Good	System meets control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risk on the North East Scotland College ('the College') Strategic Risk Register:

- Risk 6.1 – If staff do not adhere to key statutory obligations and legislative requirements then the College may face significant financial penalties and / or reputational damage may occur (current risk rating – medium: 9).

Background

As part of the Internal Audit programme at North East Scotland College for 2023/24 we carried out a review of the systems in place to deliver Environmental Sustainability. The Annual Plan, agreed with management and the Audit and Risk Committee, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Principal and the Audit and Risk Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Part 4 of the Climate Change (Scotland) Act 2009 (hereafter referred to as 'the Act') places duties on public bodies relating to climate change. The duties on the face of the Act require that a public body must, in exercising its functions, act:
  - a) in the way best calculated to contribute to the delivery of the targets set in or under Part 1 of this Act;
  - b) in the way best calculated to help deliver any programme laid before the Scottish Parliament under section 53; and
  - c) in a way that it considers is most sustainable.

In doing so, public bodies must have regard to the guidance *Public Bodies Climate Change Duties: Putting Them Into Practice* issued by the Scottish Government in 2011.

In direct response to the international Paris Agreement, the Climate Change (Scotland) Act 2009 was amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, increasing the ambition of Scotland's emissions reduction targets to net zero by 2045.

In February 2021, Scottish colleges' Statement of Commitment on the Climate Emergency was published. The colleges had come together to establish and commit collaboratively to delivering on a set of 10 key actions.

Background (Continued)

The SFC's latest guidance for the development of College Outcome Agreements notes that '*given the importance of climate emergency and net zero we will expect institutions to demonstrate innovative approaches in their response to the climate emergency with evidence of transformative leadership and capacity building within institutions, including organisation-wide net zero and sustainability plans. This includes referencing progress in institution wide carbon reduction targets, net zero strategies, and actions as civic anchors, in line with the Scottish Government interim statutory guidance, and statutory targets and measures under the Scottish Government climate change plan and adaptation programme.*'

Scope, Objectives and Overall Findings

This audit included a review of the College's current position in relation to the strategic plans and operational arrangements in place to ensure compliance with the Climate Change (Scotland) Act 2009.

The table below notes each separate objective for this review and records the results:

Objective		Findings		
		1	**2**	**3**
The objective of our audit was to obtain reasonable assurance that:		**No. of Agreed Actions**		
1. The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College	**Good**	0	0	0
2. Roles and responsibilities around climate change action and environmental sustainability have been clearly articulated	**Good**	0	0	0
3. There are appropriate targets, actions and milestones in place to demonstrate the steps the College is taking to contribute to climate change mitigation and to climate change adaptation, and to act sustainably	**Good**	0	0	0
4. There are appropriate arrangements in place to update the Regional Board on the progress being made to deliver on actions around climate change and sustainability	**Good**	0	0	0
		0	**0**	**0**
Overall Level of Assurance	**Good**	System meets control objectives.		

Audit Approach

Through discussion with the Vice Principal Finance and Resources, Facilities Client Services Manager, and Environmental and Sustainability Manager, and review of relevant documents, we examined the extent to which the above objectives are being met.

Summary of Main Findings

Strengths
- The College has bsi ISO 14001 accreditation, demonstrating achievement of an internationally recognised standard for environmental management systems.
- The College has dedicated environmental sustainability resource provided through the Environmental and Sustainability Manager.
- Leading Sustainability is one of the key strategic themes included in the College Strategic Plan 2021 – 2023 (which has been rolled forward into 2024 and 2025). Sustainability is also considered in all other College strategies including finance, IT, learning teaching, marketing communications and estates.
- The College has developed a specific College Sustainability Strategy and accompanying Environmental and Energy Policy Statement, which sets out the commitment to and ambitions of the College in relation to environmental sustainability.
- There is a Carbon Management Plan (June 2021) which sets out key targets and objectives for the period 2020 to 2025, a register of projects implemented to date, and risks and issues faced by the College.
- The College reports carbon emissions annually as part of Public Body Climate Change Duty (PBCCD) reporting. Emissions data is provided by the College's facilities management provider, Mitie, and includes data in relation to energy usage, water usage, and waste collection.
- Roles and responsibilities relating to environmental sustainability are set out in a Roles and Responsibilities document (August 2023). This includes all key parties including the Vice Principals, Environmental and Sustainability Manager, Curriculum staff and wider staff groups.
- The College has an Annual Level Evaluative Report and Enhancement Plan, which sets out climate change aspirations for the coming year and reflects on progress made against targets set for the previous year.
- The College has undertaken several significant estates projects to enhance environmental sustainability, including installation of solar panels at all campuses, LED lighting upgrades for some buildings, use of district heating network at the City campus and ongoing glazing and cladding project at the City campus.
- The College has upgraded its vehicle fleet, removing all diesel cars and introducing a mix of electric, hybrid and hydrogen vehicles to support sustainable travel between campuses and across Scotland.
- All staff undertake compulsory sustainability training, which is monitored as part of staff development programmes.
- There is a Sustainability Committee in place with representation from across the College including the Vice Principal Finance and Resources, Environmental and Sustainability Manager, states, marketing, curriculum and students.
- Environmental and Sustainability Reports are provided to the Leadership Team, Finance and Resources Committee, and the Regional Board periodically to provide updates on environmental sustainability activity.

Weaknesses
- No significant weaknesses were identified from the work performed.

Acknowledgments

We would like to take this opportunity to thank the staff at North East Scotland College who helped us during the course of our audit visit.

Main Findings

Objective 1 - The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College.

The College has signed up to the Scottish Colleges' 'Statement of Commitment on Climate Emergency', which includes a climate change roadmap for Further Education colleges. The College is also a signatory of the Race to Zero Commitment for Colleges and Universities.

The College is bsi ISO 14001 accredited for all operations at all sites. This is the internationally recognised standard for environmental management systems and demonstrates the College's commitment to environmental sustainability. In order to retain this accreditation, the College must undergo an external audit twice a year. The most recent of accreditation exercise was completed in February 2024, with no issues identified.

In addition to the Climate Change (Scotland) Act 2009, as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, and Scottish Colleges' Statement of Commitment on the Climate Emergency, the College's sustainability agenda is embedded within a number of key internal documents which include:
- Strategic Plan 2021-2023;
- Environmental and Energy Policy Statement (March 2024);
- College Sustainability Strategy (undated);
- Estates Strategy 2019 - 2029; and
- College Carbon Management Plan 2020-2025 (June 2021).

The College Strategic Plan for the period 2021 – 2023, which has been rolled forward into 2024 and 2025, set out five key strategic themes, which underpin all current College strategies and activity. This extends to all supporting strategies including the Business Development Strategy, Finance Strategy, IT Strategy, Learning Teaching Strategy, Marking Communications Strategy and People Service Strategy. One of the key themes is Leading Sustainability, relating to both financial sustainability and environmental sustainability through reduction of emissions and supporting the transition to net zero. A new Strategic Plan is in the process of being developed.

The Environmental and Energy Policy Statement describes the commitment and understanding the College has in relation to the importance of environmental sustainability. The policy is delivered through the ISO 14001 accreditation and ensures that the College:
- Protects the environment in which it operates, including teaching and learning, and prevents pollution by reducing and eliminating pollution sources;
- Meets all compliance obligations; and
- Continually improves management systems to enhance environmental and energy performance.

The College Sustainability Strategy sets out a commitment to achieving net zero greenhouse gas emissions by 2035, ahead of the target set out by the Scottish Government of 2045. The strategy also sets out the College plans in both a national and regional context, noting that the curriculum delivered by the College is shaped to provide the necessary skills to ensure the local region remains successful in being a global leader in renewable energy production and expertise.

Environmental Sustainability

Objective 1 - The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College (Continued).

Each year the College completes an Evaluative Report and Enhancement Plan for the coming year as part of its commitment to continuous quality improvement. The report sets out key delivery areas for the College, including Outcomes for Students, and Economic Recovery and Social Renewal. From our review of the College Level Evaluative Report academic year 2022-23 and the 2023-24 Enhancement Plan it was confirmed that the Climate Emergency was a key indicator under Economic Recovery and Social Renewal, with a specific College focus on Renewable energy and Carbon Reduction.

A key document supporting sustainability activity is the Estates Strategy 2019 – 2029. One of the primary aims set out in the strategy is 'Minimising environmental impact'. From our review of the Carbon Management Plan it was established that this document is closely aligned with the Estates Strategy, with the College assessing the environmental impact of all major developments, and prioritising improvement activity which demonstrates a positive impact.

As established in the North East Scotland College Carbon Management Plan 2020-2025, the current carbon reduction aim of the College is to reduce its total annual carbon footprint to 1,691 tCO2e, a 50% reduction from 3,382 tCO2e, the 2018/19 baseline year at the time the current plan was published, by the end of financial year 2025. Reductions are anticipated to be achieved through a range of projects relating to energy, fleet and awareness raising initiatives.

Each year since 2014/15, the College has submitted a report as part of annual Public Body Climate Change Duty (PBCCD) reporting. The report details governance arrangements as well as emissions in the current year and any projects being implemented to reduce emissions where possible. Emissions reported for the 2023/24 period totalled 1,838.44 tCO2e and were in line with targets for reduction.

From discussion with the Facilities Client Services Manager, it was established that the College outsources its facilities management to Mitie. Mitie has been working with the College for a number of years, with the current contract expanded to incorporate a larger sustainability role. Mitie provides the College with monthly reporting on all emission outputs through energy management software which is used to collect and collate data in relation to energy and water usage as well as waste collection which allows for regular tracking and monitoring.

Environmental Sustainability

Objective 2 - Roles and responsibilities around climate change action and environmental sustainability have been clearly articulated.

Sustainability activity within the College is overseen by the Vice Principal Finance and Resources, with specific sustainability support and resource provided by the Environmental and Sustainability Manager.

Wider roles and responsibilities relating to environmental sustainability are set out in a Roles and Responsibilities document (August 2023). This is reviewed on an annual basis to ensure that the information published is still relevant and correct.

The document sets out the roles and responsibilities for all key parties including:
- Regional Board of North East Scotland College;
- Principal and Chief Executive;
- Vice Principals;
- Environmental and Sustainability Manager;
- Directors of Curriculum;
- Faculty Managers;
- Curriculum and Quality Managers / Lecturers / Instructors;
- Human Resources Manager / Staff Development;
- All Line Managers / Supervisors;
- All Employees; and
- Facilities Management.

In addition, a separate Interested Parties Register was published in August 2023, setting out all interested parties connected with sustainability activity within the College. This sets out the duties of the College to these parties, and describes the responsibilities of the parties themselves, and the method and frequency of communications between the College and these interested parties. This expands on the parties listed within the Roles and Responsibilities, and includes the Government, neighbours, insurers, regulators and certification bodies.

The College also operates a Sustainability Committee. As described in the agreed terms of reference, the purpose of the Committee is to "*promote an ethos of environmental and social sustainability in all aspects of College business.*" The Committee supports the Carbon Management Plan, monitoring progress against the targets set, and provides a forum for sharing best practice across the College. The Committee is convened by the Vice Principal Finance and Resources and has representation from across the College, including the Environmental and Sustainability Manager, Estates, Marketing, Curriculum representatives from each campus, Finance, Catering Contract Manager, Support Staff and Students Association. The Committee meets four times each academic year and reports to the Leadership Team.

From our review of minutes from the November 2023 and March 2024 Committee meetings, we established that a standard agenda is deployed by the Committee. This includes a general sustainability update delivered by the Environmental and Sustainability Manager, and further specific updates relating to activity within the curriculum, facilities and projects, IT, marketing and communications, catering, Students Association, and procurement.

Environmental Sustainability

Objective 3 - There are appropriate targets, actions and milestones in place to demonstrate the steps the College is taking to contribute to climate change mitigation and to climate change adaptation, and to act sustainably.

From review of the College Level Evaluative Report academic year 2022-23 and 2023-24 Enhancement Plan, it was established that there are four key climate change aspirations for 2023/24:

- Continue to update the College's Carbon Management Plan in line with new projects and funding;
- Continue to seek to achieve funding in support of core activities;
- Through working in partnership with Energy Transition Zone (ETZ) Ltd. and key industry partners create a new Skills Hub as part of the ETZ Masterplan for Aberdeen. The College will continue to maximise income from commercialisation and other opportunities through this project; and
- Sustainability Training for staff. (carried forward from 2022/23).

The document sets out the intended impact, specific actions to achieve the improvement, and a deadline by which the College aims to achieve the outcome. This will be reviewed as part of the College Level Evaluative Report for 2023/24.

As set out in the College Carbon Management Plan 2020-2025, there are two key objectives: 1) to achieve a reduction in carbon emissions; and 2) to embed carbon management within the culture of the College. Standard Operating Procedures have been developed for Recycling and Disposal in Practical Working Areas within the College, providing standardised processes for the collection, analysis and reporting of carbon emissions data. The College has also developed a Carbon Management Awareness Campaign to drive awareness of the benefits of carbon reduction and change the behaviours of staff to embed an awareness within the College culture.

It is noted that the College has a history of impactful environmental performance management and carbon reduction. Initiatives employed to date include:

- bsi ISO 14001 – Environmental Management System accreditation for all operations at all sites;
- Fully established Register of Environmental Legislation and other Compliance;
- Waste Segregation – All College waste that can be recycled is now segregated with appropriate waste areas for recycling;
- Redundant IT equipment reused and recycled;
- Strategic Travel Plan produced promoting walking and cycling, and reduction in business and fleet travel activity;
- Sustainable Fleet including removal of all diesel cars and a mix of electric, hybrid and hydrogen cars now in place; and
- District heating network project.

The College has also undertaken a number of large scale projects over the last three years, which have included installation of solar panels at all three NESCol campuses and the ASET campus; improvements to heating and lighting at the Galloway campus; LED lighting upgrade at the Fraserburgh campus; and a glazing upgrade to the South Block at City Campus. Funding for these projects emanated from a combination of Green Public Sector Estate Decarbonisation Scheme Funding and NESCol Capital Funding. From discussion with staff, it was determined that while there is ambition to undertake further projects, this will largely rely on securing additional funding. The Environmental and Sustainability Manager regularly seeks out funding opportunities to deliver additional projects.

Environmental Sustainability

Objective 4 - There are appropriate arrangements in place to update the Regional Board on the progress being made to deliver on actions around climate change and sustainability.

Through discussion with the Vice Principal Finance and Resources it was established that there are reporting arrangements in place in relation to environmental sustainability. The Vice Principal Finance and Resources meets with representatives from Estates and Facilities each month to discuss activity relating to the College estate, including monitoring of emissions output and progress of sustainability projects. A wider quarterly meeting is also held with Mitie representatives.

Environmental and Sustainability Reports are provided to the Leadership Team, Finance and Resources Committee, and the Regional Board periodically to provide updates on environmental sustainability activity.

Review of reporting provided to the Finance and Resources Committee in 2023 established updates are provided in key areas including bsi accreditation and audits, carbon management plan, and updates regarding the fleet, curriculum and key projects that have taken place.

Similarly, Regional Board updates provide detailed results arising from bsi ISO 14001 accreditation audits, with consideration given to both internal and external factors, interested parties, any complaints that have arisen, and reporting on the register of environmental aspects and impacts. There is additional reporting on objectives and targets that have been set and progress against these to date.

Henderson Loggie

North East Scotland College

Internal Audit Progress Report

Audit and Risk Committee – 29 May 2024

Issued: 22 May 2024

Henderson Loggie

Internal Audit Progress Report
May 2024

Progress with the annual plan for 2023/24 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Internal Audit Annual Plan 2023/24	September 2023	Draft 12/09/23 Final 15/02/24	2024/01	N/A	29/09/23 23/02/24	
Student Recruitment	May 2024	Draft 08/05/24 Final 13/05/24	2024/02	**Good**	29/05/24	
Space Management (Business Process Review)	September 2024					Agreed start date for fieldwork 24/06/24
ASET	May 2024					Fieldwork started 29/04/24 and closing meeting held on 20/05/24. Further information has since been provided which is being reviewed before further discussion with management. Report will be presented to the next meeting of the Audit and Risk Committee.
Corporate Planning	September 2024					Agreed start date for fieldwork 03/06/24
Environmental Sustainability	May 2024	Draft 13/05/24 Final 22/05/24	2024/03	**Good**	29/05/24	

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit and Risk Committee	Comments
Credits Audit	November 2024					Agreed start date for fieldwork 02/09/24
Student Support Funds	November 2024					Agreed start date for fieldwork 19/09/24
Follow-Up Reviews	May 2024	Draft 16/05/24 Final 22/05/24	2024/04	N/A see comments	29/05/24	10 Fully Implemented 1 Partially Implemented 1 Considered but Not Implemented 12 in total

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

**Henderson
Loggie** ▪▪

AUDIT & RISK COMMITTEE
Meeting of 29 May 2024

Title: Strategic Risk Register update

Author: S Thompson, Vice Principal – Finance and Resources	**Contributor(s):** Leadership Team

Type of Agenda Item:

For Decision   ☒

For Discussion   ☐

For Information   ☐

Reserved Item of Business ☐

Purpose: To enable the Committee to discuss and agree the updated strategic risk register.

Linked to Strategic Theme:

5. Leading Sustainability

Linked to Strategic Risk(s):

n/a

Executive Summary:
The attached strategic risk register was discussed and agreed by the College Leadership Team.

Main Points

- A risk scoring guide has been added
- Changes to the previous risk scores are highlighted in yellow.
- No additional risk identified.
- Risk mitigations are included for the changes and red risks.
- Each risk is now owned by a member of the College Executive Team.
- The College Leadership Team continue to review the strategic risk register once a month and incorporate any relevant changes.

Recommendation: Agree the risks and risk scores.

Previous Committee Recommendation/Approval (if applicable): n/a

Equality Impact Assessment:

Positive Impact ☐

Negative Impact ☐

No Impact ☒

Evidence:

Ref	Objectives and Risks	Risk Owner	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max=25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max=25)
	NORTH EAST SCOTLAND COLLEGE STRATEGIC RISK REGISTER							
1	**Strategic Goal 1: Deliver high quality, accessible and inclusive learning and training opportunities, which transform lives and which support the economic and social development of our region. Risk Appetite - Cautious**							
1.1	Failure to deliver future skills needs of the region & contributing to regional and national economic growth	VP C&Q	4	4	16	3	3	9
1.2	Financial pressures causing continued staff reductions negatively impacting on training provision; quality assurance; assessing.	VP C&Q	4	3	12	2	3	6
1.3	Financial pressures may cause reduced curriculum range, choice and oppoortunity to the region.	VP C&Q	4	3	12	2	3	6
2	**Strategic Goal 2: Develop the skills, talents and potential of all of the people who come to college either to learn or to work. Risk Appetite - Cautious**							
2.1	Unable to recruit, retain and develop appropriately qualified staff, adversely impacting on the learner experience, curriculum delivery and development	Principal	4	3	12	2	2	4
2.2	If the College fails to adapt quickly and flexibly to changing demands, may not meet delivery targets	VP C&Q	4	4	16	2	2	4
2.3	If the college fails to improve attainment within identified areas of curriculum then fewer students will go on to positive destinations within work or HE.	VP C&Q	3	3	9	1	2	2
3	**Strategic Goal 3: Work with our partners to deliver positive and sustainable change for the individuals, communities and businesses in our region. Risk Appetite - Open**							
3.1	If the College does not successfully engage with employers and other key stakeholders, THEN we will not be able to identify and meet their needs	VP C&Q	3	3	9	2	2	4
3.2	If the College does not work closely with Local Authorites and Schools, THEN effective learner pathways will not be delivered throughout the region	VP C&Q	3	3	9	1	3	3
3.3	If competitions between the College and University sector continues to intensitufy then FT HE student recruitment will be negatively impacted	VP C&Q	4	4	16	3	3	9
4	**Strategic Goal 4: Deliver an excellent learning environment and experience leading to successful outcomes for all learners. Risk Appetite - Cautious**							
4.1	If the SFC fails to provide adaquate funding for counsellors and other targeted health and wellbeing support then student outcomes and experiences will decline.	VP C&Q	3	4	12	2	3	6
4.2	IF student outcomes do not improve where required, then reputation and future student recruitment may be negatively impacted.	VP C&Q	3	3	9	2	3	6
4.3	Insufficient funding to maintain modern fit-for-purpose buildings, infrastructure and equipment negatively impacting the quality of the student experience	VP F&R	3	4	12	2	3	6
5	**Strategic Goal 5: Optimise the use of our available resources to deliver financial and environmental sustainability. Risk Appetite - Averse**							
5.1	Funding and increasing cost pressures will reduce the College's ability to achieve a balanced budget and challenge future sustainability	VP F&R	5	5	25	3	4	12
5.2	If the College fails to achieve planned activity targets then the SFC may clawback funding increasing the financial sustainability challenge	VP C&Q	2	3	6	2	3	6
5.3	IF ASET do not grow at sufficient rates THEN gift aid will not meet budgeted levels.	VP F&R	4	4	16	3	2	6
6	**Other. Risk Appetite - Averse**							
6.1	IF staff do not adhere to key statutory obligations and legislative requirements THEN the College may face significant financial penalties and/or reputational damage may occur	Principal	2	3	6	1	3	3
6.2	IF the College is the victim of a cyber attack THEN the College may experience IT systems outages and/or data security breaches, both resulting in significant business disruption	VP F&R	2	4	8	2	3	6
6.3	New Energy Transition Skills Hub does not meet the College or economic needs and is not financial sustainable	VP F&R	4	4	16	3	3	9

| | PROPOSED SCORE CHANGES | | SCORES | 0-8 | 9-19 | >19 | |

5x5 Risk Matrix Example

Impact

How severe would the outcomes be if the risk occurred?

	Insignificant 1	Minor 2	Significant 3	Major 4	Severe 5
5 Almost Certain	Mediums	High 10	Very high 15	Extreme 20	Extreme 25
4 Likely	Medium 4	Medium 8	High 12	Very high 16	Extreme 20
3 Moderate		Medium6	Medium9	High 12	Very high 15
2 Unlikely			Medium6	Mediums	High 10
1 Rare				Medium 4	Medium 5

Score	Description of Impact	Reputational	Financial	Operational	External
5	Catastrophic	Sustained national media interest Significant Public reaction (outcry)	Over £1,000,000 impact now or within 12 months in the future Any suspected serious fraud	Significant impact on achievement of strategy or operational activities. Affecting more than 5% of a business units' customers or staff Total failure of a supplier / partner Loss of ability to sustain ongoing operation resulting in cessation of activities at business unit level for more than 24 hours	Significant stakeholder and regulatory concern
4	Major	Regional/national media interest Any event which may affect our standing with regulators Significant loss of confidence	£250,001 - £1.000,000 where impact now or 12 months in future Any suspected fraud	Significant impact on achievement of strategy or operational activities Affecting up to 5% of a business units' customers or staff Partial failure of a supplier / partner Operational or system failure for up to 24 hours	Significant stakeholder concern
3	Moderate	Regional media interest Any event which may tarnish our reputation with a specific customer, group or third party	£50,001- £250,000 where impact now or 12 months in future	Moderate impact on achievement of strategy or operational activities Affecting a small number of customers or staff Deteriorating performance of a supplier / partner Operational or system failure for more than 8 hours	Moderate stakeholder concern
2	Minor	Managed incident Limited customer impact	£5,001 - £50,000	Minor impact on achievement of strategy or operational activities Small Deterioration in performance of a supplier / partner Operational or system failure for less than 1 hour	Limited stakeholder concern
1	Insignificant	Managed incident No customer impact	£5,000 or less	Low impact on achievement of strategy or operational activities	Low stakeholder concern

NORTH EAST SCOTLAND COLLEGE STRATEGIC RISK REGISTER

Ref	Objectives and Risks	Risk Owner	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max=25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max=25)
3.3	If competitions between the College and University sector continues to intensitufy then FT HE student recruitment will be negatively impacted	VP C&Q	4	4	16	3	3	9

MITIGATIONS

- Articulation Agreements, Joint Planning & Delivery Board with RGU

- Ongoing strategic dialogue with local Universities

- Enhance opportunities for articulation with universities out with the local region.

- Enhanced approach to school engagement & communication.

- NESCol engagement on Key RGU Committees

- SFC Project - NESCol/RGU to explore intensified parternship arrangements

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NORTH EAST SCOTLAND COLLEGE STRATEGIC RISK REGISTER

Ref	Objectives and Risks	Risk Owner	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max=25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max=25)
5.1	Funding and increasing cost pressures will reduce the College's ability to achieve a balanced budget and challenge future sustainability	VP F&R	5	5	25	3	4	12

MITIGATIONS

- Monitor & review the Finance Strategy

- Agree annual budget & longer term plannning with Leadership Team & Board

- Review & report on financial performance to the Leadership Team & Board

- Work with CPG, College Scotland & SFC to lobby for additional sector funding

- Communicate significant financial challenges to Leadership Team, staff & students

- Agree plan to grow non SFC income & reduce costs

- Review & monitor workforce planning

- All staffing changes reviewed & approved by the Executive Team

- Cost modelling of curriculum delivery

- Monitor & update income generation opportunity register

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NORTH EAST SCOTLAND COLLEGE STRATEGIC RISK REGISTER

Ref	Objectives and Risks	Risk Owner	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max=25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max=25)
6.1	IF staff do not adhere to key statutory obligations and legislative requirements THEN the College may face significant financial penalties and/or reputational damage may occur	Principal	2	3	6	1	3	3

MITIGATIONS

- Data Protection Officer & Legal advice

- Comprehensive policies and procedures

- Internal audits to review process & compliance

- Staff training & raising awareness

- Engagement with key external stakeholders (Advance HE, SPSO & Scottish Information Commissioner)

- Review & monitoring strategic risk register on a monthly basis

- Leadership Team create a culture & behaviour to ensure compliance with obligations

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NORTH EAST SCOTLAND COLLEGE STRATEGIC RISK REGISTER

Ref	Objectives and Risks	Risk Owner	Current Likelihood (1 - 5)	Current Impact (1 - 5)	Current Rating (max=25)	Target Likelihood (1 - 5)	Target Impact (1 - 5)	Target Total (max=25)
6.3	New Energy Transition Skills Hub does not meet the College or economic needs and is not financial sustainable	VP F&R	4	4	16	3	3	9

MITIGATIONS

- Ensure project board has appropriate remit and representation

- Add more time to design phase to allow sufficient development and scrutiny.

- Delay signing of lease agreement until College Board satisfied with planning, budgeting and governance

- Engage quantity surveyor to review plans to ensure compliance with College needs

- Engage M&E consultant to review plans to ensure compliance with College needs

- Curriculum plan sufficient activity to ensure buidling is sufficiently utilised

- Plan for efficient design of building so that energy costs are minimised

- Make full use of Shell money to support operational staffing and marketing costs

- Arrange for development time for existing staff, making use of staff from across College and Protocol to backfill where possible

- Work with industrial partners to identify where skilled staff may be sourced or seconded to teach

- Work with industrial partners to identify suitable work placement and training opportunities for staff

- Work with ESP to source suitable placement and training opportunities

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AUDIT & RISK COMMITTEE
Meeting of 29 May 2024

Title: Annual Audit Plan 2023/24: External Audit - Audit Scotland

Author: Anne MacDonald, Audit Scotland	**Contributor(s):** Stuart Thompson, Muir Wilson

Type of Agenda Item:

For Decision ☐

For Discussion ☒

For Information ☐

Reserved Item of Business ☐

Purpose: To enable the Committee to consider the external auditor's Annual Audit Plan for the audit of the College's 2023/24 financial statements.

Linked to Strategic Theme:

4. Delivering Excellence and Innovation

Linked to Strategic Risk(s):

n/a

Executive Summary:
The Annual Audit Plan 2023/24 has been prepared by Anne MacDonald, Audit Scotland, the College's external auditor. The plan has been agreed with Stuart Thompson, Vice Principal Finance & Resources and Muir Wilson, Financial Controller. This is the second year of a five-year audit appointment. The plan sets out the respective roles and responsibilities of the College and the auditor with regard to the financial statements. It also sets out the key risks identified by the auditor and the proposed reporting timescales for the audit. The auditor is scheduled to report on the outcome of the 2023/24 audit to the Committee on 27 November 2024.

Recommendation: It is recommended that the Committee consider the proposed Audit Plan.

Previous Committee Recommendation/Approval (if applicable):

Equality Impact Assessment:

Positive Impact ☒

Negative Impact	☐
No Impact	☐
Evidence:	

North East Scotland College

Annual Audit Plan 2023/24

Prepared for North East Scotland College

May 2024

Contents

Introduction

Summary of planned audit work

1. This document summarises the work plan for our 2023/24 audit. The main elements of the audit include:

- an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement

- an audit opinion on regularity and other statutory information published with the financial statements in the annual report and accounts, including the Performance Report, Governance Statement, and the Remuneration and Staff Report

- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

Audit appointment

2. We have been appointed by the Auditor General for Scotland as external auditors of North East Scotland College (the college) for the five-year period from 2022/23 until 2026/27. The 2023/24 financial year is therefore the second of our five-year audit appointment. Details of the audit team are included at Appendix 1.

Respective responsibilities of the auditor and North East Scotland College

3. The Code of Audit Practice sets out in detail the respective responsibilities of the auditor and the college. Key responsibilities are summarised below.

Auditor responsibilities

4. The responsibilities of appointed auditors are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

5. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual report and accounts. We also review and report on the wider scope arrangements in place at the college. In doing this, we aim to support improvement and accountability.

College responsibilities

6. The college is responsible for maintaining adequate accounting records and internal controls and preparing financial statements for audit that give a true and fair view. They are also required to produce other reports in the annual report and accounts in accordance with applicable requirements.

7. The college has the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation, and establishing effective arrangements for governance, propriety, and regularity that enable them to deliver their objectives.

Adding Value

8. We aim to add value by tailoring audit work to the circumstances of the college and the audit risks identified; being constructive and forward looking; providing independent conclusions; attending meetings of the Audit and Risk Committee; and by recommending and encouraging good practice. In so doing, we will help the college promote improved standards of governance, better management and decision making, and more effective use of resources.

Annual report and accounts

Introduction

9. The annual report and accounts are an essential part of demonstrating the college's stewardship of resources and its performance in the use of those resources.

10. As appointed auditors, we are required to perform an audit of the financial statements, consider other information within the annual report and accounts, and express a number of audit opinions in an Independent Auditor's Report. This is done in accordance with International Standards on Auditing (ISAs) in the UK, Practice Note 10 from the Public Audit Forum which interprets the ISAs for the public sector, and guidance from Audit Scotland.

11. We focus our work on the areas of highest risk. As part of our planning process, we perform a risk assessment highlighting the audit risks relating to each of the main financial systems relevant to the production of the financial statements.

Materiality

12. The concept of materiality is applied by auditors in planning and performing the audit, and in evaluating the effect of any uncorrected misstatements on the financial statements. We are required to plan our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2023/24 audit

13. We assess materiality at different levels as described in Exhibit 1. Based on our assessment of the group (refer to paragraph 29), we did not consider it necessary to set separate materiality values for the college's group accounts.

Exhibit 1
2023/24 Materiality levels for the college and its group

Materiality	Amount
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. Materiality has been set based on our assessment of the needs of the users of the financial statements and the nature of the college's single entity and group operations. For the year ended 31 July 2024, we have set our materiality at 2% of gross expenditure based on the audited financial statements for 2022/23.	£1,000,000

Materiality	Amount
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this could indicate that further audit procedures are required. Using our professional judgement, we have assessed performance materiality at 75% of planning materiality.	£750,000
Reporting threshold – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This is calculated as 5% of planning materiality.	£50,000

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

14. Our risk assessment draws on our cumulative knowledge of the college, its major transaction streams, key systems of internal control, and risk management processes. It is informed by our discussions with management, the work of internal audit, attendance at committees and a review of supporting information.

15. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management, and where relevant, report them to those charged with governance.

16. Based on our risk assessment process, we identified the following significant risk of material misstatement to the financial statements. These are risks which have the greatest impact on our planned audit procedures. Exhibit 2 summarises the nature of the risks, management's sources of assurance over these risks, and the further audit procedures we plan to perform to gain assurance over the risks.

Exhibit 2
2023/24 Significant risks of material misstatement to the financial statements

Significant risk of material misstatement	Management's sources of assurance	Planned audit response
1. Risk of material misstatement due to fraud caused by management override of controls As stated in ISA (UK) 240,	Owing to the nature of this risk, assurances from management are not applicable in this instance.	• Assess the design and implementation of controls over journal entry processing, make inquiries of relevant officers about inappropriate or unusual activity relating to the processing of journal entries and other adjustments and consider the need and extent of detailed journal entry testing. • Evaluate significant transactions outside the normal course of business.

Significant risk of material misstatement	Management's sources of assurance	Planned audit response
management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.		• Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. • Substantive testing of income and expenditure transactions around the year-end and accruals and prepayments to confirm they are accounted for in the correct financial year. • Focused testing of accounting accruals and prepayments.

Source: Audit Scotland

17. As set out in ISA (UK) 240*: The auditor's responsibilities relating to fraud in an audit of financial statements*, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

18. We have rebutted this risk as most of the college's funding is received from the Scottish Funding Council. This funding is clearly communicated and can be readily agreed to third party confirmations. The college's other income streams comprise of individually high volume, low value transactions, and we have concluded there are limited opportunities and incentives for management to manipulate the recognition of income in the financial statements to a material effect.

19. In line with Practice Note 10: *Audit of financial statements and regularity of public sector bodies in the United* Kingdom, as most public-sector bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk relating to revenue recognition.

20. We have also rebutted this risk as there are limited opportunities or incentives for management to manipulate the way expenditure is recognised. Having evaluated the college's significant expenditure streams, several, including staff costs and non-cash costs such as depreciation are not considered to be areas of risk. A significant level of other expenditure is verifiable in total terms by third party confirmation or relate to a high volume of individual transactions which are relatively small in scale.

21. Although there is a material residual balance, college payments are well-controlled and are therefore unlikely to result in a material misstatement in the financial statements.

22. To address any residual risk, our audit testing is directed towards significant and unusual transactions including accounting estimates. We have not,

therefore, incorporated specific work into our audit plan in these areas over and above our standard audit procedures.

Other areas of audit focus

23. As part of our assessment of audit risks, we have identified other areas where we consider there are also risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risks, we do not consider these to represent significant risks. We will keep these areas under review as our audit progresses.

24. The areas of specific audit focus are:

- **Estimation in the valuation of land and buildings**: There is a significant degree of subjectivity in the valuation of land and buildings. Valuations are based on specialist and management assumptions, and changes in these can result in material changes to valuations.

  Our work in this area includes using the work of the valuer as a management expert. We will evaluate the objectivity and appropriateness of the expert's work, consider whether the valuation frequency is appropriate and assess the adequacy of the valuation related disclosures in the financial statements.

- **The value of the net pension position**: The college's employees belong to one of two principal pension schemes, the Scottish Teachers' Superannuation Scheme (STSS), an unfunded scheme, or the Local Government Pension Scheme (LGPS) which is funded. STSS is treated for accounting purposes as a defined contribution scheme because the college is unable to identify its share of the underlying assets and liabilities of the scheme. In respect of the LGPS, the college, in common with many public bodies, moved from a deficit position to a surplus in recent years and this is anticipated to remain the case as at 31 July 2024.

  Significant estimation and judgements are required in the measurement, valuation and disclosures of pensions valuations under IAS 19. These valuations are based on specialist actuarial and management assumptions. We will assess the work of the actuary, including consideration of the appropriateness of the assumptions used. We will assess the college's approach for recognition of its pension asset in the financial statements subject to any asset ceiling and confirm valuation disclosures are correctly reflected in the accounts.

- **Valuation of the provision for pension liabilities arising from early retirements**: The calculation of the provision uses a discount factor which needs to be from a reliable source and be free from bias. A change in the discount factor could result in a material movement in the value of the provision. There is also a risk of duplicating an element of the liability as the actuary calculates a relevant liability in respect of LGPS members and includes it as part of their IAS19 report.

We will review the calculation of the provision and the reliability and objectivity of discount factor used and confirm whether or not there is duplication in the calculation of the liability.

- **Other sources of grants**: The college receives other grants (c£7.5 million in 2022/23) which may not be correctly recognised in the financial statements. Income recognition is dependent on whether the funder has specified any conditions and the extent to which any such conditions will be met by the college.

  Accounting for grants is therefore inherently complex and can be subjective in relation to the fulfilment of the grant conditions. We will review a sample of other grants for evidence of compliance with any performance conditions and ensure they are correctly accounted for in line with guidance.

Regularity

25. Auditors are required by the Public Finance and Accountability (Scotland) Act 2000 to report on whether expenditure and income were incurred or applied, in all material respects, in accordance with applicable enactments and guidance issued by the Scottish Ministers (generally referred to as the regularity opinion).

26. We will adopt an integrated audit approach to meeting this responsibility and use work on the audit of the financial statements supplemented by additional testing for any irregular transactions, where necessary.

Group Consideration

27. As group auditors, we are required under ISA (UK) 600: *Audits of group financial statements (including the work of component auditors)* to obtain sufficient appropriate audit evidence on which to base our audit opinion on the group financial statements.

28. Our planned audit approach for the components is informed by our assessment of risk at the component level and our consideration of the size and nature of assets, liabilities, and transaction streams.

29. The college has a group which comprises two subsidiaries. Group income, expenditure, assets, and liabilities are not significantly different from those included in the college's single entity accounts and therefore we did not consider it necessary to set separate materiality values for the group accounts.

30. While the financial audits of the other components are performed by other auditors, we do not plan to place reliance on their work. Our work will be limited to ensuring that the amounts consolidated into the group accounts agree to the component entities' respective financial statements and other direct confirmation of balances. We will also consider the assurances the college obtains for its group accounts including year-end reconciliations and the consolidation process.

Wider Scope and Best Value

Introduction

31. Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The Code of Audit Practice sets out the four areas that frame the wider scope of public sector audit and requires auditors to consider and conclude on the effectiveness and appropriateness of the arrangements in place for each wider scope area in audited bodies.

32. In summary, the four wider scope areas are:

- **Financial management** – this means having sound budgetary processes. We will consider the arrangements to secure sound financial management, including the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error, and other irregularities.

- **Financial sustainability** – we will look ahead to consider whether the body is planning effectively to continue to deliver services, also comment on financial sustainability in the medium (two to five years) to longer term (longer than five years).

- **Vision, leadership, and governance** – we conclude on the clarity of plans in place to deliver the vision, strategy, and priorities adopted by the college. We also consider the effectiveness of the governance arrangements to support delivery.

- **Use of resources to improve outcomes** – we will consider how the college demonstrates economy, efficiency, and effectiveness through the use of financial and other resources.

Wider scope risks

33. We have identified a wider scope risk as set out in Exhibit 3. This exhibit sets out risks, management's sources of assurance for the risks, and the further audit procedures we plan to perform to gain assurances over the risks.

Exhibit 3
2023/24 wider scope risk

Description of risk	Management's sources of assurance	Planned audit response
1. Financial sustainability The further education sector as a whole is facing financial challenges. North East Scotland College is forecasting a deficit of approx. £1 million, up by £0.5 million from the original budget approved for the 2023/24 academic year. Uncertainties continue to exist around the potential scale of pay awards, higher non-pay expenditure and reduced flexibility within the funding model. There is a risk that the college will not find sufficient efficiency savings and commercial income to return a break-even position over the three year period to 2024/25. Consequently, the quality and volume of service delivery may reduce.	• Review and approval of financial plans by committee/Regional Board. • Regular financial monitoring and reporting to committee and Regional Board. • Short and medium term financial monitoring by SFC. • Monitoring of opportunities register. • Monitoring the financial performance of group companies.	• Review financial and savings plans. • Discuss current financial situation and forecasts with officers and the various initiatives being explored to fill funding gaps. • Review Regional Board and committee minutes and papers. • Conclude our findings in the Annual Audit Report.

Source: Audit Scotland

34. Our planned work on the wider scope areas is risk based and proportionate, and in addition to local risks, we may be asked by the Auditor General for Scotland to consider specific risk areas which are impacting the public sector as a whole. We have not been asked to consider specific risks for 2023/24 audits.

Duty of Best Value

35. Ministerial Guidance to Accountable Officers for public bodies and the Scottish Public Finance Manual (SPFM) explain that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. We will be carrying out a high-level review to confirm that the college has such arrangements in place.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

36. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be shared with relevant officers to confirm factual accuracy.

37. We will provide:

- an Independent Auditor's Report to the College, the Scottish Parliament, and the Auditor General setting out our opinions on the annual report and accounts

- the College and the Auditor General with an Annual Audit Report containing judgements and recommendations on significant matters which have arisen during the audit and conclusions on wider scope areas.

38. Exhibit 4 outlines the target dates for our audit outputs set by the Auditor General. In determining the target reporting date, due regard is paid to the accounts submission date of 31 December 2024 set by the Scottish Funding Council.

39. We plan to issue our Independent Auditor's Report and Annual Audit Report by the target date.

Exhibit 4
2023/24 Audit outputs

Audit Output	Target completion date set by the Auditor General	Planned reporting date to Audit and Risk Committee
Annual Audit Plan	30 June 2024	29 May 2024
Independent Auditor's Report	31 December 2024	27 November 2024 (tbc)
Annual Audit Report	31 December 2024	27 November 2024 (tbc)

Source: Audit Scotland

40. All Annual Audit Plans and the outputs detailed in Exhibit 4, and any other outputs on matters of public interest, will be published on our website: www.audit-scotland.gov.uk.

Timetable

41. To support an efficient audit, it is critical that the timetable for producing the annual report and accounts for audit is achieved. We have included a proposed timetable for the audit at Exhibit 5 that has been discussed with management.

42. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes and logistics for the completion of the audit under review. Progress will be discussed with management and finance officers over the course of the audit.

Exhibit 5
Proposed annual report and accounts timetable

Key stage	Provisional Date
Latest submission date for the receipt of the unaudited financial statements with complete working papers package.	30 September 2024
Latest date for final clearance meeting with the Vice Principal Finance and Resources	1 November 2024
Agreement of audited and unsigned financial statements	15 November 2024
Issue of draft Letter of Representation and proposed Independent Auditor's Report	11 November 2024
Issue of Annual Audit Report to those charged with governance.	20 November 2024 (tbc)
Approval of College's Annual Report and Accounts for signature	27 November 2024 (tbc)

Source: Audit Scotland

Audit fee

43. In determining the audit fee, we have taken account of the risk exposure of the college and the planned management assurances in place. Fee levels are impacted by inflation which has increased the cost of audit delivery. The proposed audit fee for 2023/24 is £63,650 (2022/23 £60,040).

44. In setting the fee for 2023/24, we have assumed that the college has effective governance arrangements and will prepare a comprehensive and accurate annual report and accounts for audit. The audit fee assumes there will be no major change in respect of the scope of the audit during the year and where our audit cannot proceed as planned, a supplementary fee may be levied.

Other matters

Internal audit

45. It is the responsibility of the college to establish adequate internal audit arrangements. We will review the internal audit plan and the results of internal audit's work.

46. We take internal audit's findings into consideration when assessing the college's governance arrangements and our wider scope responsibilities. Where appropriate, we also assess the impact of internal audit's findings on our financial statements audit work. We intend to use the work of internal audit in respect of student support funds and the credits audit to provide some assurance for our audit procedures on the financial statements.

Independence and objectivity

47. We are independent of North East Scotland College in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. This standard imposes stringent rules to ensure the independence and objectivity of auditors.

48. Audit Scotland has robust arrangements in place to ensure compliance with the Ethical Standard including an annual *'fit and proper'* declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

49. The Ethical Standard requires auditors to communicate any relationships that may affect the independence and objectivity of the audit team. We are not aware of any such relationships pertaining to the audit of the college.

Audit Quality

50. Audit Scotland is committed to the consistent delivery of high-quality public audit. Audit quality requires ongoing attention and improvement to keep pace with external and internal changes. A document explaining the arrangements for providing assurance on the delivery of high-quality audits is available from the Audit Scotland website.

51. The International Standards on Quality Management (ISQM) applicable to Audit Scotland for 2023/24 audits are:

- ISQM (UK) 1 which deals with an audit organisation's responsibilities to design, implement and operate a system of quality management (SoQM) for audits. Our SoQM consists of a variety of components, such as: our governance arrangements and culture to support audit quality, compliance with ethical requirements, ensuring we are dedicated to high-quality audit through our engagement performance and resourcing arrangements, and

ensuring we have robust quality monitoring arrangements in place. Audit Scotland carries out an annual evaluation of our SoQM and has concluded that we comply with this standard.

- ISQM (UK) 2 which sets out arrangements for conducting engagement quality reviews, which are performed by senior management not involved in the audit to review significant judgements and conclusions reached by the audit team, and the appropriateness of proposed audit opinions of high-risk audit engagements.

52. To monitor quality at an individual audit level, Audit Scotland also carries out internal quality reviews of a sample of audits. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) carries out independent quality reviews.

53. Audit Scotland may periodically seek your views on the quality of our service provision. The team would also welcome feedback more informally at any time.

Appendix 1: Your audit team

54. The audit team involved in the audit of the college have significant experience in public sector audit.

Anne MacDonald amacdonald@audit-scotland.gov.uk	Senior Audit Manager/Engagement Lead
Arlene Deeming adeeming@audit-scotland.gov.uk	Senior Auditor
Deirdre Sim dsim@audit-scotland.gov.uk	Auditor

55. The local audit team is supported by a specialist technical accounting team, who have significant experience of public bodies and work with accounting regulatory bodies.

North East Scotland College
Annual Audit Plan 2023/24

AS.4.0

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:
www.audit-scotland.gov.uk/accessibility

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AUDIT SCOTLAND

AUDIT & RISK COMMITTEE
Meeting of 29 May 2024

Title: Code of Good Governance for Scotland's Colleges – Compliance Check

Author: Susan Lawrance	**Contributor(s):**

Type of Agenda Item:

For Decision ☐

For Discussion ☒

For Information ☐

Reserved Item of Business ☐

Purpose: To enable the Committee to consider the Board's performance and compliance with the Code of Good Governance for Scotland's Colleges over the last 12 months.

Linked to Strategic Goal:

Linked to Annual Priority:

Executive Summary:

It is a condition of the Financial Memorandum with the SFC that governing bodies comply with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. Colleges are required to include a statement in their annual Financial Statements confirming compliance, providing an explanation in the event that its practices are not consistent with particular principles.

In setting the Programme of Business for the Audit & Risk Committee for AY2023-24 it was agreed that an annual compliance check of the Board's performance against the Code should again be undertaken.

Attached as Appendix 1 is a summary table, prepared by the Secretary to the Board, providing information on Board activities and behaviours demonstrating compliance against each of the Code's individual criteria.

Recommendation:

It is recommended that the Committee consider the information provided.

Previous Committee Recommendation/Approval (if applicable)**:**
None

Equality Impact Assessment:

Positive Impact	☐
Negative Impact	☐
No Impact	☐
Evidence:	

Code of Good Governance Criteria	Evidence
LEADERSHIP AND STRATEGY	
1. **Board decisions and behaviour reflects the Boards Code of Conduct and Nine Principles of Public Life.**	• Evidenced in Board and Committee minutes • Internal and external Board induction process highlighted Code and Principles • The Board continue to adopt the latest Standards Commission for Scotland Revised Code of Conduct • The Board Secretary participated in recent virtual Standards Commission for Scotland workshop

2. **We determine the vision, direction, educational character, values and ethos of the College.**	• Board Strategy Event in November 2023 delivered a Service Design Academy Workshop for Regional Board Members, Executive Team and Leadership Team where consideration was given to:
	     o Co-designing a Strategic Plan
	     o Context from April 2023 Strategy Event when Board considered: Our College, our Future-Focused Curriculum, Our People and Places
	     o Development of a new Strategic Plan through wide consultation with staff, students and stakeholders
	     o An innovative approach with fresh perspectives to understand opportunities and uncover the real purpose of the strategic plan.
	     o Make a clear plan with guidance principals that is relatable for everyone
	     o Re-define Vision and Mission with topline aspirational themes
	     o Takeaway User Research and Strategy Toolkits shared
	 • Board's Strategic Plan for the period 2021-2023 which captures vision, direction and informs key College approaches, processes and practices to be reviewed to help shape the new Strategic Plan.
	 • Key milestones for next Strategic Plan have been agreed, including review of existing Vision and Values.
	 • Workshops, Surveys, one-on-one discussions to be arranged with staff, students and stakeholders.
	 • Project Steering Group formed with plans for Project Delivery Team underway.
	 • Regular Strategic Plan updates provided to Regional Board through Committee and full Board Meetings.
	 • Supporting Strategies continue to be appropriate.

Code of Good Governance Criteria	Evidence
	• The Board approved the Outcome Agreement document for AY2023-24 at their December 2023 meeting.
3. **Our performance management system is adequate, identifying KPIs and we monitor progress.**	• Data DashBoard using Microsoft Power Bi provides 'live' data which can be filtered as required and is accessible by Regional Board through COLIN • Quality Assurance processes, including new layer of scrutiny and challenge continue, (Curriculum Spotlight Review process (overseen by the Curriculum Quality and Student Support Committee) – an update will be provided to the first meeting of the C&Q Committee in early AY2024/25 once end of year meetings have concluded. • Credits position and planning presented to both Curriculum and Quality Committee and Regional Board as a Standing Item. • Monthly updates on credits position and planning discussed by Leadership Team. • College's annual KPI publication includes sector benchmarking information, with an internal version produced to include sector benchmarking information at team and unit level to feed into quality improvement processes • Regular Applications updates are provided to Executive and Leadership Teams and Curriculum and Quality Committee • Revised Curriculum Planning Process and review of curriculum provision regular undertaken and reported to Leadership Team and Regional Board through Curriculum and Quality Committee and Regional Board Meetings.
4. **Relevant stakeholders are engaged in compiling the outcome agreement.**	• Outcome Agreement presented to Community Planning Partnership Aberdeen. • Ongoing external engagement activities fed into Outcome Agreement process as appropriate, including labour market intelligence from direct engagement with employers, SDS, Local authorities, AGCC, DWP, and industry bodies. • Representation on regional groups such as CPA, PACE, Local employability partnerships, employability training providers forum, NESA and University links, SWAP
5. **We provide leadership on ethics, equalities, diversity and staff welfare.**	• A new Board Equality and Diversity Champion appointed and joined the Equality and Wellbeing Committee meetings. • Regular Q&A All Staff webinars held.

Code of Good Governance Criteria	Evidence
	• Wellbeing Matters events held throughout the year, including Free Financial Wellbeing Sessions, Digital Wellbeing Workshops, promotion of Grampian Wellbeing Festival (May 2024. Wellbeing Matters Champions appointed throughout the College. • Equalities Committee now includes Wellbeing and is chaired by G Watt, with input from staff and students plus Board Equality and Diversity Champion. Committee meet at least five times annually with Terms of Reference reviewed annually. Curriculum and Quality and HR Committee receive regular reports on Equality and Wellbeing for staff and students. • Employee Voice Group established in AY2023/24 with engagement survey opened to all staff. Findings of survey to be shared with HR Committee in May 2024. • Employee Voice Engagement Survey published in December 2023. Results fed back to Executive and Leadership Team in March 2024 with update provided to May HR Committee. • NESCol Wellbeing Strategy 2021-23 published and available on COLIN which gives details of the wrap-around support services for staff and students. • NESCol Wellbeing Strategy 2024-2027 is being compiled with broader consultation from staff and students included. When available this will be shared with Committee. • Board reviews and approves the College's Equality and Diversity Policy, Equality Outcomes, and Mainstreaming Report, and Equal Pay Policy & Statement • The Board continues to adopt the latest Standards Commission for Scotland Revised Code of Conduct into its Governance Manual which is reviewed annually by the Board.
6. **We have regard to the social and economic needs of our area.**	• Key discussions held at Board Strategy Events • Reflected upon as part of Board and Committee business • College works closely with the two local Community Planning Partnerships • Head of Planning and Academic Partnerships gives regular updates on current credit and planned activity to Curriculum and Quality Committee, Regional Board, Executive and Leadership Teams. • Head of Planning and Academic Partnerships also convenes Curriculum Planning Group. • College is a key member of the Regional Economic Strategy Group.

Code of Good Governance Criteria	Evidence
	• College co-chairs, with SDS, the Regional Learning and Skills Partnership. • Post pandemic the College continues to be heavily involved in many regional partnership discussions regarding economic recovery. • The skills, networks and experiences of Board Members, established and new, add additional social and economic contextual information to Board and Committee discussions. • The College is a key partner in the Regional Pathfinder Delivery Board focusing on delivering pilot collaborative activity, on curriculum development, skills delivery, and close links with employers. • The Boards of NESCol, UoA and RGU met for a Joint Skills Seminar with a Seminar on Staff and Student wellbeing in June 2023. • New National Energy Skills Accelerator (NESA) established. Collaborative initiative between RGU, UoA and NESCol – supported by key regional partners, including SDS, ETZ Energy Transition Zone and supported by SFC. • Energy Career pathways, an interactive tool for prospective employers in the energy sector to identify qualifications required for specific roles and where they can be undertaken, launched by NESA in April 2024. • The Board have approved the partnership with ETZ and a local stakeholder, the lease of the new Energy Transition Skills Academy, located adjacent to the College's Altens Campus.
QUALITY OF THE STUDENT EXPERIENCE	
1. **The voice of students and the quality of their experience is central to our decisions including monitoring student surveys and any resulting action plans.**	• Students' Association has a standing item – Activity Report at meetings of the Curriculum & Quality Committee • Students' Association regularly asked to contribute at Strategy Events • Students' Association President has contributed to College "all staff" webinars. • Curriculum & Quality Committee review the results of the First Impressions and Student Satisfaction & Engagement Surveys • Curriculum & Quality Committee received collated feedback from student-related quality processes – focus groups, peer-led reviews, lesson observations • Priority Projects updates supplied to Curriculum and Quality Committee. • Students' Association have representation on Curriculum, Quality and Student Support Group; Equality and Wellbeing Committee; Health and Safety Group; IT

Code of Good Governance Criteria	Evidence
	Steering Group; Wellbeing Matters Group and Estranged Students and Student Carers Working Group. • The Students' Association are also involved with Campus Futures Groups and other short-life working groups.
2. **We have open ongoing engagement with students, working in partnership and encouraging a strong independent student association having regard to the Student Association Framework.**	• Board Members interact with students through attendance at College events • Board awareness of Framework • Regular meetings held between Students' Association and Executive Team • Student Association Partnership Agreement presented to Curriculum and Quality Committee and approved by Regional Board in December 2023. • Increased Student Engagement evidenced at Curriculum and Quality Committee. • SA President and Vice President contributed to College "all staff" webinars. • SA refreshed constitution was approved by the Regional Board in June 2022.
3. **Our Students' Association is adequately resourced, operates fairly and in a democratic manner, fulfilling its duties; it has a written constitution that the Board has reviewed in the last five years.**	• Refreshed Constitution discussed at Curriculum and Quality Committee in May 2022. • Refreshed Constitution presented, and approved by the Regional Board at their June 2022 meeting. • Curriculum & Quality Committee considers Association's budget proposal prior to its inclusion in the College budget • Association Activity Report is a standing item at meeting of the Curriculum & Quality Committee with update on Enhancement Plan also provided to Curriculum and Quality Committee. • Students' Association budget presented to Curriculum and Quality Committee in November 2023.
4. **We are aware of and foster good relationships with partner organisations that help us provide coherent learning, including employability**	• Good relationships are maintained with the two local universities, two local authorities and regional schools • Events are held with the local authorities and regional schools e.g. Developing the Young Workforce, Apprenticeships Awareness raising, • Enhanced partnership working agreement with RGU. • The College partnership with RGU has been strengthened through the development of a Joint Planning and Delivery Board with pilot projects fully supported by SFC.

Code of Good Governance Criteria	Evidence

	• New and successful external engagement approaches have been developed The College are leading on two key strands of SFC Pathfinder:
	    o Strategic Partnership with RGU to explore joint planning, provision of programmes, development of programmes and some shared services.
	    o Enhancing the School Senior Phase with Aberdeen City and Aberdeenshire, RGU and UoA.
	• A detailed report on SFC Pathfinder Projects was presented to the Curriculum and Quality Committee in February 2024.
	• New Technology centre featuring new equipment, multi-media and flexible furniture (sitting alongside Fujitsu Innovation Hub in Fraserburgh) to engage with staff, students and local community (able to accommodate 60 learners) introduced in AY2021/22.
	• Opening Event for Futures Zone held in April 2022 and attended by Regional Board Members, staff, stakeholders and students.
	• Donation from local benefactor secured (third year) for Fraserburgh Campus to enable the College to purchase a range of equipment to benefit current and future NESCol students
	• Quarterly Stakeholder bulletins continue (introduced in 2021 (regularly circulated to more than 600 stakeholders)
	• Following an initial Joint Skills Seminar the Boards of NESCol, RGU and UoA are met in June 2023 to discuss Student and Staff Wellbeing. Aspiration to meet jointly in the coming months once Ministerial diaries have been aligned.
	• Regional Chair holds regular meetings with Chair of UoA and RGU
	• The College in conjunction with ECITB and ETZ launched the Energy Transfer and Wind Turbine Technician Scholarships.
	• Curriculum Planning Internal audit findings reported to Committee, who noted overall "good" grading.

5. Mechanisms ensure effective oversight of quality and inclusiveness of learning.	• Regional Board approve the College's Evaluative Report & Enhancement Plan and receive an interim progress update and end of year progress update • Curriculum Business Planning regularly reported to Regional Board and its Committees • KPI performance reported to the Regional Board and its Committees, with any associated actions highlighted.

Code of Good Governance Criteria	Evidence
	• The Curriculum and Quality Committee receive regular Complaints Summary Reports. • Annual Quality Report presented to Curriculum and Quality Committee in November 2023 with Interim Quality Report presented to May 2023 Committee. • Equalities Mainstreaming Report (including approval of new Equality Outcomes) presented, and approved, by Regional Board in March 2023. • Summary of the Quality team activities, including enhancement initiatives, presented to Curriculum and Quality Committee in February 2024, including Education Scotland on-site thematic review which focussed on approaches to meeting the additional needs of all learners (January 2024) Summary of Findings. • Update on ES Annual Engagement Visit (May 2024) to be presented to Committee and Regional Board at future meetings.
ACCOUNTABILITY	
1. **We fulfil our primary accountability to our funding body by:** a. **delivering our outcome agreement.** b. **fulfilling our statutory duty and terms of our grant.**	• The College achieved its AY2022-23 Credits Target. • The College is on track to achieve its AY2023-24 Credits Target. • Annual returns to SFC completed by required deadlines and reported to Audit & Risk Committee • College's Financial Statements for the year to 31 July 2023 include statement that the College complies with all the principles of the 2016 Code of Good Governance for Scottish Colleges, and it has complied throughout the year ended 31 July 2023. • Annual Certificate of Assurance for AY2022-23 completed with no areas of concern highlighted • Audited AY2022-23 Financial Statements presented and approved by Regional Board in December 2023. • External Auditor presented Audit Scotland report to Regional Board in December 2023.
2. **We fulfil our accountability to students, public, employers and our community for provision of education that enhances social and economic wellbeing.**	• Board and Committee meeting agendas, papers and minutes publicity available on College website • Key strategy and evaluation documents – Strategic Plan, Outcome Agreement, Evaluative Report & Enhancement Plan – also available on College website • Partnership working between the Board and key regional stakeholders to address social and economic wellbeing issues

Code of Good Governance Criteria	Evidence
3. **We manage conflicts of interest and disclose our register of interests.**	• Declaration of potential conflicts of interest is a standing item on Board and Committee agendas • Register of Interests maintained and reviewed annually, and made available on College website (last reviewed May 2023) with members updating changes through Board Secretary.
4. **Our decision making is transparent, informed, rigorous and timely and associated documentation is adequate.**	• Board and Standing Committee agendas, minutes and papers published on College website – accessible by public, staff and students (with exception of reserved items) • Programme of Meetings and Programmes of Business reviewed annually to ensure there is alignment with the College's planning and business cycles ensuring that decision making is timely and that "the Board is serving the College rather than the College serving the Board"
5. **Our scheme of delegation to staff and committees is clear and fit for purpose with appropriate two way communication with the Board. We ensure:** a. **we have audit, remuneration, finance and nominations/appointments committees.** b. **the staff charged with advising each committee are clear.** c. **committee minutes go to the next meeting of the Board.**	• The Governance Manual contains Schemes of Delegation, and Terms of Reference for the Board and its Committees, and is reviewed annually by the Regional Board. • The Board operates the following Committees: Audit & Risk, Curriculum & Quality, Finance & Resources, Human Resources, Remuneration Committee, Governance and Nominations Committee. • Committee Terms of Reference include details of the senior staff member(s) who provide objective, specialist advice to support the Committee to discharge its remit • Committee Terms of Reference are reviewed annually by Committee. • Committee minutes go to the next meeting of the Board as part of the 'Report by Committee Chairs' • Chairs Committee with agreed Terms of Reference established
6. **We set the risk appetite, balancing risk and opportunity and this is known to senior staff.**	• Strategic Risk Register is a monthly agenda item for review by the College's Leadership Team. • The Audit and Risk Committee, in September 2023, approved an updated Strategic Risk Register, including changes to format, risk scores and actions, to be presented to Regional Board in October 2023 • The Regional Board, in October 2023, approved the revised Strategic Risk Register

Code of Good Governance Criteria	Evidence
	• The College's Risk Management Policy (which includes a Risk Appetite Statement, reviewed, updated and approved by the Audit and Risk Committee in November 2023. • Strategic Risk Register is a Standing Item on Audit and Risk Committee and Regional Board agendas.
7. **We ensure sound risk management and supporting review systems.**	• Internal Audit of Risk Management undertaken in June 2019 with outcome of 'Strong' and 3 low recommendations • Strategic Risk Register reviewed regularly by Leadership Team – this was previously undertaken by the Senior Executive Team, its reallocation to the Leadership Team ensures there is wider collective ownership of the document and risk across all areas of the College are recorded • Strategic Risk Register is a standing item for meetings of the Audit & Risk Committee and Regional Board • Meeting held in February 2023 with senior staff and members of Audit and Risk to discuss development of Strategic Risk Register. • Risk Register training provided in Summer 2023 to Leadership Team and Executive team by MHA Henderson Loggie to help support development of new Strategic Risk Register. • New Strategic Risk Register developed following consultation with Leadership Team, Executive Team and Board. • New Risk Register presented to Audit and Risk Committee in September 2023. • New Risk Register presented and approved by Regional Board in October 2023. • Opportunities Register now regularly report to F&R Committee.
8. **The Audit Committee:** a. **Reviews the comprehensiveness, reliability and integrity of all our assurances on the governance, risk and control frameworks, engaging with internal and external auditors and monitoring any actions recommended.** b. **Members are all non-executive, objective and independent with at least one having**	• Audit & Risk Committee approves the annual Internal Audit Programme and the scope for each internal audit, and receives the reports from each internal audit to enable recommendations to be considered and approved • Audit & Risk Committee reviews the annual External Audit Plan • Audit & Risk Committee approved the Internal Audit Plan • A Member of the Committee is a chartered accountant, with other Members having significant financial and audit experience through job roles • Audit & Risk Committee Members meet privately with both the internal and external auditors

Code of Good Governance Criteria	Evidence
recent relevant financial or audit experience. c. **Can hold all or some of its meetings in private, meeting internal and external auditors privately at least once a year.**	
9. **The Remuneration Committee:** a. **Members understand their role and are trained in it: the chair is not also Board chair.** b. **Implements a procedure agreed by the Board for setting the principal's salary, including consulting staff and students.**	• Chair of Remuneration Committee is not Board Chair, office bearer is Chair of HR Committee • Senior Staff Pay Policy established. • Following Remunerations Committee recommendation the Regional Board agreed re-adoption of Senior Staff Pay Policy in June 2021. • Remuneration Committee membership includes one staff member and one student member
10. **We ensure our body's sustainability, including compliance with the Financial Memorandum and the Scottish Public Finance Manual, ensuring adequate reporting and monitoring and economic, efficient and effective use of our funds.**	• Board set a Strategic Goal in relation to 'Building Sustainability' • Revised Strategic Theme 'Leading Sustainability' included in Interim Strategic Plan AY2021-23 and discussed at Board Strategy Event in April 2021. • Revised Finance Strategy presented and approved by Finance & Resource Committee in May 2021. • IT Strategy Annual Report presented to February Finance and Resource Committee. • Estates Strategy Annual Report presented to February Finance and Resource Committee. • Reformatted Financial Regulations in line with CIPFA guidance approved by the Finance & Resources Committee in January 2019 • Changes to the College Financial Regulations with regard to procurement process and delegated limits, approved by the joint meeting of the Finance and Resource/Audit and Risk Committee in November 2023 • Revised Statement Accounting Policies approved by Audit & Risk Committee in April 2019 • Board at their March 2021 meeting formally endorsed and adopted the Scottish Colleges' Statement of Commitment on the Climate Emergency. • Having been presented to various Committees and discussed at Board Strategy Event, the Regional Board at their June 2022 meeting approved the new

Code of Good Governance Criteria	Evidence
	Sustainability Strategy, produced following consultation with staff, students, and external stakeholders. • BSI Assessment report carried out (ISO 14001:2015 standards) in October 2022 – findings presented to Finance and Resource Committee in November 2022. • Environmental and Sustainability Annual Report presented to February 2024 Finance and Resource Committee. • BSI EMS ISO14001:2015 Accreditation: Full re-certification audit carried out in February 2024 with no noted non-conformities of observation noted. • The College continues, as reported to Feb Finance and Resource Committee, to submit in time it's mandatory climate change reporting in line with the Climate Change (Scotland) Act 2019. • College's Sustainability Committee continue to meet regularly with regular reporting to Leadership team.
11. We ensure compliance with charities provisions.	• OSCR returns submitted by required deadlines • OSCR publications and communications circulated to Board as appropriate

12. As an employer we:
   a. **promote positive employee relations.**
   b. **ensure effective management: union partnerships.**
   c. **comply with the Staff Governance Standard.**
   d. **comply with any national collective agreements placed on us.**
   e. **ensure fair and effective staff management.**
	• Regular updates provided to both Board and HR Committee on national collective bargaining developments and on local engagement with unions
	• College represented at Employers' Association by Regional Chair and Principal and Director of People Services.
	• Changes required through national agreements implemented as required and in line with legal advice received, and clearly communicated to all staff
	• Effective consultation process established with local union representatives
	• To strengthen partnership working with its local Trade Union Representatives the Local Joint Negotiating Committee (LJNC) self-selected two members to attend Regional Board Meetings as observers – commenced in AY2020-21. This is ahead of expected legislation to provide a mechanism for the election of TU nominees.
	• In line with legislation nominations were requested from both EIS-FELA and UNISON trade unions. Upon ballot a UNISON nominee was appointed to the Board during AY2023/24. It is hoped a EIS-FELA observer can be updated to a full Board member once confirmation is received from EIS-FELA of their endorsement.
	• Board and HR Committee ensure NESCol staff are well informed, appropriately trained, involved in decisions which affect them, treated fairly and consistently, and are provided with a safe working environment

Code of Good Governance Criteria	Evidence
	• Results from staff surveys, internal and external, are shared with the HR Committee • Revised People Strategy approved by H&R Committee in May 2021. • College retained Investors in People Gold Standard following an accreditation visit in April 2022 • A joint Staff and Student Health and Wellbeing Strategy has been launched along with well-developed programme of wellbeing initiatives through the Wellbeing Matters Group, including Wellbeing Training for Managers; Wellbeing Champions. • Positive employee relations promoted through: Respect Campaign; Employee Assistant Programme; Menopause training (provided to Leadership Team and other staff); Flexible Working; Hybrid Working. • Employee Voice Group established in AY2023/24 with engagement survey opened to all staff. Findings of survey to be shared with HR Committee in May 2024.
EFFECTIVENESS	
1. **The Board chair provides leadership and ensures Board effectiveness, working well with the principal and Board secretary.**	• Demonstrated by the Annual Appraisal of the Regional Chair to be undertaken by Scottish Government. (June 2024). • Regional Chair meets weekly with Principal • Regional Chair meets weekly with Board Secretary • Board Meeting pre meetings are held with Regional Chair, Principal and Board Secretary
2. **Our Board and committees have the right balance of skills, experience, independence and knowledge of the college to fulfil their role effectively.**	• All Board Members, (including new Board Members) are in the process of completing national induction workshop delivered by CDN. • Training and development is discussed at Members' Annual Development Meetings with Regional-Chair and at the recently established Annual Chairs Meeting • Board Member Skills Matrix kept under review by Governance and Nominations Committee and reflected upon ahead of the commencement of Board Member recruitment processes • Board Skills Matrix ensured that any skills gaps were considered when the most recent round of Board member recruitment was undertaken and will be taken into consideration for next Board Recruitment opportunity. • New Board members given the opportunity to undertaken CDN Board Member training.

Code of Good Governance Criteria	Evidence
	• Board Recruitment process held in March 2024 with three new members appointed with a start date of June 2024 as approved by Scottish Government. This takes the Board to a full compliment of 20 persons. • Existing Board Member Skills Matrix kept under review by Governance and Nominations Committee • Board Development Day held in February 2024 when Members received training on AI, Board Member Governance (from CDN).
3. **We abide by collective responsibility, taking decisions in the interests of the body and managing conflicts of interest appropriately.**	• Evidenced in Board and Committee minutes
4. **Staff and student members are treated as full Board members.**	• Staff and student Members are treated as full Board Members. Staff and student Members are only asked to withdraw from any part of any meeting of the Board at which the appointment, promotion, conduct, suspension, dismissal, retirement or terms and conditions of employment of any employee of the College is to be considered • To strengthen partnership working with its local Trade Union Representatives the Local Joint Negotiating Committee (LJNC) self-selected two members to attend Regional Board Meetings as observers – commenced in AY2020-21. This is ahead of expected legislation to provide a mechanism for the election of TU nominees. • Following change to Trade Union Membership on Regional Board Legislation, a UNISON nominated member of the Board was appointed. An EIS-FELA member will change from Observer status to full Board Member once EIS-FELA confirmation of nomination is received.
5. **We have an open and transparent process for recruiting and setting the performance measures for our principal; staff and students can contribute to it.**	• Comprehensive recruitment process implemented for recruitment of new Principal appointed in December 2019, process involved Board Members, Leadership Team members, students and external stakeholders • Progress against performance management objectives for Principal throughout the Academic Year regularly reported to Board Meetings
6. **There is a clear understanding of the responsibilities delegated to the principal and**	• Defined in the Governance Manual which is reviewed annually by the Board • Board is aware of its strategic rather than operational role

Code of Good Governance Criteria	Evidence
the respective roles of the chair, Board members and executive staff.	• Regional Chair has provided clarification at meetings when required • Responsibilities of being a Board Member, and delegated responsibilities outlined during Induction.
7. The Board secretary is: a. appointed by the Board with the appropriate skills and experience and is not a member of the senior management team in any other capacity. b. available to advise all Board members and committees and has adequate time to fulfil the role.	• Board Secretary is not a member of the Senior Executive Team • Board Secretary is a member of the Governance Professionals Group to ensure the Board operates in line with new sector requirements or good practice and is aware of sector developments relating to governance • Annual Appraisal of Board Secretary conducted by Regional Chair. • Board Secretary contact details available to Board Members.
8. We have a formal and open Board member recruitment process that reflects Ministerial guidance.	• Board has established a Selection & Appointments Policy in line with Ministerial Guidance which is reviewed annually • Vacancies advertised widely, with Members highlighting opportunities to their external networks • In October 2017, Board signed the Scottish Government 'Partnership for Change' pledge – 50/50 by 2020 • Succession Planning discussed by Regional Board and Governance and Nominations Committee. • Board Member recruitment took place in AY23/24, with robust selection and interviews scheduled. • External representation at interviews took place.
9. We have appropriate arrangements for student and staff member recruitment.	• Student Members are selected by the Students' Association • Board Secretary worked with Association to promote benefits of serving as a Student Member for most recent appointment • Board Secretary is responsible for the election process for staff Members Anonymous staff ballot held in Spring 2022 to appoint new Staff Board member
10. All members undertake training tailored to their needs (including committee training), new members receive formal induction	• Induction Policy for Board Members in place and reviewed annually • Training discussed at Members' Annual Development Meetings with Regional Chair

Code of Good Governance Criteria	Evidence
tailored to their needs and there are records of training.	• Training offered and undertaken at Board, Committee and individual levels-internal & external courses, conferences, internal briefing sessions • Opportunities to access extensive catalogue of online training courses through the College highlighted to Members • Mandatory training and opportunities highlighted to new Board Members during inductions • Board Development Day held in February 2024 when Members received training on AI, Board Member Governance (from CDN).
11. We review the Board's effectiveness annually using a robust self-evaluation process, externally facilitated at least every three/five years.	• External Board Effectiveness Review carried out by MHA Henderson Loggie evidenced a high level of compliance with all aspects of the Code of Good Governance and highlighted no areas of non-compliance and no recommendations – a first in any review of Boards undertaken by MHA Henderson Loggie. • Annual Evaluation process carried out with Annual Board Member Development Meetings and Committee Evaluations taking place in Summer 2023. • Regional Chair, Board Secretary and Principal took part in CDN Research study for external College Governance Review in March 2023
RELATIONSHIPS AND COLLABORATION	
1. We work in partnership at a local, regional and national level to: **a. secure coherent education provision in our locality.** **b. achieve commonly agreed outcomes.** **c. develop agreed priorities.** **d. address local needs as well as national priorities and specialisms.**	• Local and regional – local universities and schools, local authorities, Community Planning Partnerships, AGCC, ONE, SCDI, third sector organisations • College is lead partner of the Regional Learning and Skills Partnership • College plays a key role in the delivery of the Regional Skills Strategy, the Regional Economic Strategy, and the region's approach to Developing the Young Workforce • Regional Chair sits on the College's Scotland Board, and is a Member of the Employers' Association • Regional Board, in December 2023, received a presentation from ASET Chief Executive. • Appointment of ASET Chair made by Regional Board. • Regular meetings take place between Regional Chair and ASET Chair.

Code of Good Governance Criteria	Evidence
	- Regular meetings with ASET/NESCol to develop enhanced and closer collaboration and partnership working - ASET updated now standing agenda item on F&R Committee. - Closer working relationships forged with SFC and its Chief Executive presented Phase 1 Review at Strategy Event in November 2020. - Regular Meetings undertaken with SFC and NESCol Senior Management throughout AY2023/24. - Close working with SFC and member of the North East Tertiary Provision Pathfinder Delivery Board. - The College are leading on two key strands of SFC Pathfinder: - Strategic Partnership with RGU to explore joint planning, provision of programmes, development of programmes and some shared services. - Enhancing the School Senior Phase with Aberdeen City and Aberdeenshire, RGU and UoA.