N

AUDIT COMMITTEE REPORT

BORDERS COLLEGE REGIONAL BOARD

Subject: Monitoring Internal & External Audit recommendations and Data Protection issues.	**Purpose:** **For Approval** ☐ **For Discussion** ☐ **For Information** ☒
Prepared by: Kirsty Robb, Vice Principal Finance & Corporate Services	**Date of Committee: 11 May 2023**

Purpose: To update the Committee on the status of implementation of the audit recommendations and highlight any Data Protection issues arising during the year.

Executive Summary:
This report provides the Audit Committee with assurance as to the status of the outstanding recommendations from both Internal and External Audit. Also included is a summary of data breaches which have occurred during the academic year and the actions to reduce the risk of further occurrence.

The table below gives a summary of the status of recommendations with a full detailed list is contained in Appendix 1.

	Internal audit			External audit			DP breach	TOTAL
	High	Med	Low	Significant Deficiency	Other Deficiency	Other Observation		
Closed			10	1	2	2	4	19
On track		1	1	1	3	4	1	11
Revised deadline					-			
Overdue / concern								
TOTAL	0	1	11	2	5	6	5	30

Key items:

Data Breaches
There have been two data breaches in the period since the last Audit Committee meeting. Both incidents have been fully investigated by the Colleges Data Protection Officer who has made recommendations. One of the recommendations has been fully implement and other is on track to complete by 31 May 2023.

Both incidents involved email etiquette and did not require reporting to the Information Commissioner's Office.

Internal Audit
Internal Audit completed an follow up audit during April which confirmed satisfaction that the following three recommendations are fully complete. These recommendations will be removed from future monitoring reports.

Date reported	Recommendation
16/5/2019	We recommend that the College undertake testing of the IT Disaster Recovery Plan once staff members have returned to the College.
03/02/2022	We recommend that the Change Management Policy document be updated to include the process by which a change is made to the servers residing in the DataVita Data Centre. Changes to the server specification could come at a cost to the college, giving even more reason to include this change process as part of the policy.
03/02/2022	We recommend that the College consider strengthening their controls introducing further enhancements such as the frequency of the password change and the complexity of the password.

There are an additional 7 recommendations complete, subject to internal audit confirmation and two recommendations which are progress within the agree timelines.

External Audit
Five external audit recommendations are fully complete, subject to external audit confirmation. These will be reviewed by external audit as part to the 2022/23 audit plan.

All other recommendations are on track to meet the agreed target dates.

Questions that Members should ask themselves when reading the paper:
Has sufficient progress been made on the actions for each recommendation.

Linked to Strategic Ambition(s):
Create high quality learning and training opportunities which are relevant, enabling and flexible

Choose an item.

Performance Measures:
Recogise nationally as a progressive organisation

Choose an item.

Linked to Strategic Risk Register:
3b - Internal Financial Procedures

Choose an item.

Recommendation:
It is recommended the Committee note the progress on the individual recommendations

and the revised dates for 6 of the recommendations.	
Previous Committee Approvals:	
For publication ☒	**Not for publication** ☐ **If not, why not?**

APPENDIX 1

Borders College DP Breach Action Plan 09 February 2023

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

AUDIT YEAR	TOPIC	RECOMMENDATION	RESPONSIBLE PERSON	DUE DATE	STATUS	Updates/comments
2022	Email etiquette	Ensure mandatory training completed and responsibilities reinforced to all staff	Director IT & Digital/Director People Services	31/12/2022	B	**February 2023** Monitoring in place of training modules and managers provided with information on regular basis. Information and Data protection to be added to management development scheduled events. Action complete
2022	Email etiquette	Ensure mandatory training completed and responsibilities reinforced to all staff. Review of how data shared to be undertaken	Director IT & Digital/Director People Services	31/12/2022	B	**February 2023** Monitoring in place of training modules and managers provided with information on regular basis. Information and Data protection to be added to management development scheduled events. Action complete
2022	Correspondence error	To review process for all HR postal communication. Look to automate where possible to reduce possiblity of human error	Director of People Services	31/01/2023	B	**February 2023** Process in place to use automated (mail merge) where possible and/or a second individual checks data prior to posting. In general almost all communication from the department is done through email.

Borders College Internal Audit Monitoring Action Plan **09 February 2023**

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

AUDIT YEAR	REPORT	ORIGINAL RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
2018	Finance procedures manual	We recommend that the College undertake the full review and update of the Finance Procedures Manual.	Low	VP F&CS	31/07/2022	A	**May 2022** Procedure review will be complete by July 2022. Revised deadline agreed 31/7/22. **February 2023** Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed	30/04/2023
2019	IT systems	We recommend that the College undertake testing of the IT Disaster Recovery Plan once staff members have returned to the College.	Low	Director of IT & Digital	31/05/2022	B	**May 2022** Disaster recovery test could not take place at Easter 2022 due to configuration issue. Being undertaken early in May 2022. Revised deadline agreed 31/05/22. **February 2023** Disaster recovery test successfully completed in June 2022. Action complete	
2021	Annual efficiency return	The College will implement their Budget Control Spreadsheet as part of a wider Financial Procedures and Systems Review. This deadline has been extended by the Board until May 2022	Low	Director Finance & Procurement	31/05/2022	B	**May 2022** Procedure review will be complete by July 2022.	
2022	Budgeting and Financial Reporting	We recommend that the College provide training to Budget Holders. The training should provide Budget Holders with information on: Their role and responsibilities; How to understand the financial information; and The budget setting and monitoring process.	Medium	Director Finance & Procurement	30/09/2022	A	**February 2023** As a result of a change in finance staff, this will be picked up as part of the budget setting process, revised timeline proposed	30/06/2023
2022	Budgeting and Financial Reporting	We recommend that the College speak with Budget Holders to highlight the reporting arrangements in place for their budgets. We also recommend that the College look to implement a meeting cycle with Budget Holders.	Low	Director of Finance & Procurement	30/09/2022	A	**February 2023** Reporting and meeting cycle is being developed as part of the 23-24 budget setting process, revised timeline proposed	30/06/2023
2022	Procedures Manual	We recommend that the College update the Finance Procedures Manual to include a section on responsibilities. We also recommend that the content of the Manual is updated to include reference to the specific job roles responsible for processing the area identified rather than reference to the Finance Department.	Low	Director of Finance & Procurement	30/09/2022	A	**February 2023** Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed	30/04/2023
2022	IT systems	We recommend that the Change Management Policy document be updated to include the process by which a change is made to the servers residing in the DataVita Data Centre. Changes to the server specification could come at a cost to the college, giving even more reason to include this change process as part of the policy.	Low	Director of IT & Digital	30/08/2022	B	**February 2023** The new Change Management process for the college which will include any server changes (configurations, software updates) which went live on Monday 14th November with the launch of the new Halo Service Desk solution.	

2022	IT systems	We recommend that the College consider strengthening their controls introducing further enhancements such as the frequency of the password change and the complexity of the password.	Low	Director of IT & Digital	31/05/2022	B	**February 2023** Password complexity for staff and students increased. User now required to have minimum 12 characters and at least 1 Capital letter, 1 lower case, 1 number and 1 special character. Action considered complete.	
2022	Complaints Handling	We recommend that the Complaints Log is kept up to date and the data contained is accurate. If a student continues to contact the College, staff should follow the Complaints Procedure and escalate the complaint to stage 2 if required. We recommend that the Complaints Log is also updated to reflect the outcome of investigations, providing narrative as to why they have not been closed off.	Low	Assistant Principal - Articulation and Essential Skills	03/04/2023	G	**February 2023** In progress	
2022	Complaints Handling	We recommend that the College ensures that all complaints are completed within the required timeframes.	Low	Assistant Principal - Articulation and Essential Skills	31/03/2023	G	**February 2023** In progress	

Borders College External Audit Monitoring Action Plan **09 February 2023**

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

Audit Year	TOPIC	RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
2017/18	Journal review	While our audit review in respect of the 2017/18 financial year did not identify any indications of incorrect or fraudulent journal postings, we recommend that the College reviews approval processes to ensure all manual journals are appropriately reviewed and authorised. Additionally the College should ensure processes are consistent with the financial procedures manual.	Other Deficiency	Finance Business Partner	31/03/2022	B	**January 2022** All journals are reviewed and signed. It remains our plan to review procedures by end March. **May 2022** Journals process reviewed and strengthened. This is documented in the finance procedures manual. **Action complete**	
2018/19	Asset Management controls	Management should perform a full review of the asset register to ensure that; Asset descriptions are specific and include location, quantity and make/model All assets listed on the register are still in use and can be physically verified Information is consistent with other registers held across the College Reconciliations and verification exercises should be performed at least annually to provide assurance over accuracy. Disposal controls and the established process should be reiterated to all staff and management should follow up on any disposals that cannot be mapped to the asset register.	Significant Deficiency	Finance Business Partner	31/03/2022	B	**January 2022** Significant work has been undertaken on the asset register and matching with deferred capital grants. Asset controls are in place but have not been working effectively. They will be strengthened and a verification exercise if possible under hybrid working. **May 2022** Full review has been conducted and verification exercise undertaken, photographic proof obtained and improved tracking introduced. **Action Complete**	
2018/19	Year End Preparedness	The College should ensure that a timetable is in place for year-end close down of the ledger and preparation of the financial statements. This should also aid in sufficient time being allocated to ensure all disclosures are in line with best practice.	Other Deficiency	Finance Business Partner	31/07/2023	G	**January 2022** The audit process was in our opinion significantly improved (quality and time) on last year and previous years. We will work to ensure that these issues will not recur into next year. **May 2022** This is in place. With 2 new staff last year there was not a full understanding of what was required. This is very clear now for the coming year end and no issues are expected. **February 2023** Timetable being developed to implement 30/6/23	
2018/19	Impairment Review	While additional audit work was performed and did not identify any issues which would indicate that the College's land and buildings are valued incorrectly, the College should ensure that a review is conducted in the interim years between valuations. This review should be documented with clear consideration of the factors likely to impact the property and land value	Significant Deficiency	Director Finance & Procurement	31/07/2023	G	**January 2022** The College is satisfied there is no indication of impairment, and no intention to dispose or acquire land and buildings. There is not consistency of approach across Scotland's Colleges, and this is being discussed with SFC and Audit. **May 2022** After taking advice from Finance Directors Group and Audit Scotland we have determined that we will undertake a full valuation in 2021/22, as this is the only way we can demonstrate the fair value of assets to meet audit requirements. **February 2023** Discussion held with Auditors and proposed to undertake formal revaluation every 5, initial thoughts would be to index annually. Reported to Audit Committee as part External Audit report Nov 2022. Further discussion held with Auditors around provision of assurance rather than requirement to index.	
2019/20	Revaluation reserve records	Asset registers should be updated to record and maintain the revaluation reserve balance against each individual asset where appropriate.	Other Deficiency	Finance Business Partner	31/03/2022	A	**May 2022** Information is contained within the asset register. Will discuss further with audit to ensure records are adequate. **February 2023** Review underway of current information within asset register which will form the basis of discussion with Auditors.	31/07/2023
2020/21	Accruals	Management should undertake a detailed review of accruals in 2021/22 to ensure reasonable, relevant and supported accruals are recognised.	Other Deficiency	Director Finance & Procurement	30/11/2022	A	**February 2023** Revised process agreed for the 2022/23 accruals. Revised guidance to be finalised on supporting documents requirements.	31/05/2023
2021/22	Sufficient Audit Evidence	Management should undertake a detailed review of all transactions and balances within the annual accounts to ensure only supported amounts are recognised.	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** Revised process agreed for the 2022/23 accruals and balances process with clear guidance on supporting documents.	
2021/22	Purchase order documentation	Procedures should be developed to include greater documentation for when variances are identified between the expenditure purchase order and invoice amount	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress	

2021/22	Communication of changes to voluntary severance schemes	We recommend that contingency planning is undertaken to ensure all documentation and correspondence with SFC in relation to voluntary severance schemes can be accessed and is retained, even when a key member of the team leaves the College.	Other Observation	Director of People Services	31/12/2022	B	**February 2023** Process of documentation and correspondence with SFC reviewed and revised and centralised within People Services Department. Procedure note completed. Action closed	
2021/22	Journals posted with no description	While our audit work did not identify any indications of incorrect or fraudulent journal postings, we recommend that the College reviews their journal processes to ensure journals cannot be posted without descriptions.	Other Deficiency	Director Finance & Procurement	31/12/2022	B	**February 2023** Process has been reviewed and amended.	
2021/22	Remuneration report and accounts	We recommend that greater due care is taken when producing the Remuneration Report within the annual accounts, and a clear timetable is produced and observed to make accounts available in line with agreed and organised deadlines.	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress	
2021/22	Password Controls	Management should ensure that a strong password policy is enforced.	Other Observation	Director of IT & Digital	31/12/2022	B	**February 2023** Password complexity for staff and students increased. User now required to have minimum 12 characters and at least 1 Capital letter, 1 lower case, 1 number and 1 special character. Action considered complete.	
2021/22	Opening Balances Processes	Recommend that procedures for reversing the prior year closing balances from the i.e. codes should be reviewed to identify whether the level of manual intervention can be reduced	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress	

Internal and External Audit + Data Breach Recommendations - Progress
11 May 2023

	Internal audit			External audit			DP breach	TOTAL
	High	Med	Low	Significant Deficiency	Other Deficiency	Other Observation		
Closed			10	1	2	2	4	19
On track		1	1	1	3	4	1	11
Revised deadline								0
Overdue / concern								0
TOTAL	0	1	11	2	5	6	5	30

Borders College DP Breach Action Plan 11 May 2023

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

AUDIT YEAR	TOPIC	RECOMMENDATION	RESPONSIBLE PERSON	DUE DATE	STATUS	Updates/comments
2022	Email etiquette	Ensure mandatory training completed and responsibilities reinforced to all staff	Director IT & Digital/Director People Services	31/12/2022	B	**February 2023** Monitoring in place of training modules and managers provided with information on regular basis. Information and Data protection to be added to management development scheduled events. Action complete
2022	Email etiquette	Ensure mandatory training completed and responsibilities reinforced to all staff. Review of how data shared to be undertaken	Director IT & Digital/Director People Services	31/12/2022	B	**February 2023** Monitoring in place of training modules and managers provided with information on regular basis. Information and Data protection to be added to management development scheduled events. Action complete
2022	Correspondence error	To review process for all HR postal communication. Look to automate where possible to reduce possibility of human error	Director of People Services	31/01/2023	B	**February 2023** Process in place to use automated (mail merge) where possible and/or a second individual checks data prior to posting. In general almost all communication from the department is done through email.
2023-01 30/03/23	Email etiquette	Ensure staff use College email addresses where possible and reminded to use BCC by default when emailing groups of external recipients	Director of Enterprise & Business Innovation	31/05/2023	B	**May 2023** All staff have been reminded of use of College emails where possible and BCC use.
2023-02 30/03/23	Email etiquette	Review access rights to MIS data downloads Create policy/procedure for use and access to BC and NAC data Student Service to introduce data quality checks when extracting data	Director of Student Support/Director of MIS & E-Learning	31/05/2023	G	**May 2023** on track.

Borders College Internal Audit Monitoring Action Plan **11 May 2023**

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

Date reported to Audit Committee	REPORT	ORIGINAL RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
26/05/2018	Finance procedures manual	We recommend that the College undertake the full review and update of the Finance Procedures Manual.	Low	VP F&CS	30/04/2023	B	**May 2022** Procedure review will be complete by July 2022. Revised deadline agreed 31/7/22. **February 2023** Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed - agreed 30/4/23 **May 2023** Review complete, subject to internal audit confirmation	
16/05/2019	IT systems	We recommend that the College undertake testing of the IT Disaster Recovery Plan once staff members have returned to the College.	Low	Director of IT & Digital	31/05/2022	B	**May 2022** Disaster recovery test could not take place at Easter 2022 due to configuration issue. Being undertaken early in May 2022. Revised deadline agreed 31/05/22. **February 2023** Disaster recovery test successfully completed in June 2022. Action complete **May 2023** Confirmed by Internal Audit as complete	
20/05/2021	Annual efficiency return	The College will implement their Budget Control Spreadsheet as part of a wider Financial Procedures and Systems Review. This deadline has been extended by the Board until May 2022	Low	Director Finance & Procurement	30/04/2023	B	**May 2022** Procedure review will be complete by July 2022. **May 2023** Complete, subject to internal audit confirmation	
03/02/2022	IT systems	We recommend that the Change Management Policy document be updated to include the process by which a change is made to the servers residing in the DataVita Data Centre. Changes to the server specification could come at a cost to the college, giving even more reason to include this change process as part of the policy.	Low	Director of IT & Digital	30/08/2022	B	**February 2023** The new Change Management process for the college which will include any server changes (configurations, software updates) which went live on Monday 14th November with the launch of the new Halo Service Desk solution. **May 2023** Confirmed by Internal Audit as complete	
03/02/2022	IT systems	We recommend that the College consider strengthening their controls introducing further enhancements such as the frequency of the password change and the complexity of the password.	Low	Director of IT & Digital	31/05/2022	B	**February 2023** Password complexity for staff and students increased. User now required to have minimum 12 characters and at least 1 Capital letter, 1 lower case, 1 number and 1 special character. Action considered complete. **May 2023** Confirmed by Internal Audit as complete	
29/09/2022	Budgeting and Financial Reporting	We recommend that the College provide training to Budget Holders. The training should provide Budget Holders with information on: Their role and responsibilities; How to understand the financial information; and The budget setting and monitoring process.	Medium	Director Finance & Procurement	30/06/2023	G	**February 2023** As a result of a change in finance staff, this will be picked up as part of the budget setting process, revised timeline proposed -agreed 30/6/23 **May 2023** on track	
29/09/2022	Budgeting and Financial Reporting	We recommend that the College speak with Budget Holders to highlight the reporting arrangements in place for their budgets. We also recommend that the College look to implement a meeting cycle with Budget Holders.	Low	Director of Finance & Procurement	30/06/2023	G	**February 2023** Reporting and meeting cycle is being developed as part of the 23-24 budget setting process, revised timeline proposed - agreed 30/6/23 **May 2023** Regular meetings being held and reviewing report needs of budget holders, on track	
29/09/2022	Procedures Manual	We recommend that the College update the Finance Procedures Manual to include a section on responsibilities. We also recommend that the content of the Manual is updated to include reference to the specific job roles responsible for processing the area identified rather than reference to the Finance Department.	Low	Director of Finance & Procurement	30/04/2023	B	**February 2023** Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed - agreed 30/4/2 **May 2023** Complete, subject to internal audit confirmation	
09/02/2023	Complaints Handling	We recommend that the Complaints Log is kept up to date and the data contained is accurate. If a student continues to contact the College, staff should follow the Complaints Procedure and escalate the complaint to stage 2 if required. We recommend that the Complaints Log is also updated to reflect the outcome of investigations, providing narrative as to why they have not been closed off.	Low	Assistant Principal - Articulation and Essential Skills	03/04/2023	B	**February 2023** In progress **May 2023** Complete, subject to internal audit confirmation	
09/02/2023	Complaints Handling	We recommend that the College ensures that all complaints are completed within the required timeframes.	Low	Assistant Principal - Articulation and Essential Skills	31/03/2023	B	**February 2023** **In progress** **May 2023** Complete, subject to internal audit confirmation	
11/05/2023	Estates Management	We recommend that the Estates Team create a separate spreadsheet or tab for other equipment that is no longer used. This equipment should be disposed of and steps taken to ensure untested equipment is not used in the interim	Low	Director of Estates & Facilities	31/03/2023	B	**May 2023** Action fully complete, to be confirmed by Internal Audit	
11/05/2023	Equality & Diversity	We recommend that the College website appropriately signposts the use of Google translate. We also recommend that the College website offers users the option to request/obtain policies and procedure in different formats.	Low	EDI Officer	31/05/2023	B	**May 2023** Action fully complete, to be confirmed by Internal Audit	

Borders College External Audit Monitoring Action Plan **11 May 2023**

B= Closed, G = On track, A = revised timeline, R = Overdue/concern

Date reported to Audit Committee	TOPIC	RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
22/11/2018	Journal review	While our audit review in respect of the 2017/18 financial year did not identify any indications of incorrect or fraudulent journal postings, we recommend that the College reviews approval processes to ensure all manual journals are appropriately reviewed and authorised. Additionally the College should ensure processes are consistent with the financial procedures manual.	Other Deficiency	Finance Business Partner	31/03/2022	B	**January 2022** All journals are reviewed and signed. It remains our plan to review procedures by end March. **May 2022** Journals process reviewed and strengthened. This is documented in the finance procedures manual. **Action complete**, subject to external audit confirmation	
21/11/2019	Asset Management controls	Management should perform a full review of the asset register to ensure that; Asset descriptions are specific and include location, quantity and make/model All assets listed on the register are still in use and can be physically verified Information is consistent with other registers held across the College Reconciliations and verification exercises should be performed at least annually to provide assurance over accuracy. Disposal controls and the established process should be reiterated to all staff and management should follow up on any disposals that cannot be mapped to the asset register.	Significant Deficiency	Finance Business Partner	31/03/2022	B	**January 2022** Significant work has been undertaken on the asset register and matching with deferred capital grants. Asset controls are in place but have not been working effectively. They will be strengthened and a verification exercise if possible under hybrid working. **May 2022** Full review has been conducted and verification exercise undertaken, photographic proof obtained and improved tracking introduced. **Action Complete , subject to external audit confirmation**	
21/11/2019	Year End Preparedness	The College should ensure that a timetable is in place for year-end close down of the ledger and preparation of the financial statements. This should also aid in sufficient time being allocated to ensure all disclosures are in line with best practice.	Other Deficiency	Finance Business Partner	31/07/2023	G	**January 2022** The audit process was in our opinion significantly improved (quality and time) on last year and previous years. We will work to ensure that these issues will not recur into next year. **May 2022** This is in place. With 2 new staff last year there was not a full understanding of what was required. This is very clear now for the coming year end and no issues are expected. **February 2023** Timetable being developed to implement 30/6/23 **May 2023** on track	
21/11/2019	Impairment Review	While additional audit work was performed and did not identify any issues which would indicate that the College's land and buildings are valued incorrectly, the College should ensure that a review is conducted in the interim years between valuations. This review should be documented with clear consideration of the factors likely to impact the property and land value	Significant Deficiency	Director Finance & Procurement	31/07/2023	G	**January 2022** The College is satisfied there is no indication of impairment, and no intention to dispose or acquire land and buildings. There is not consistency of approach across Scotland's Colleges, and this is being discussed with SFC and Audit. **May 2022** After taking advice from Finance Directors Group and Audit Scotland we have determined that we will undertake a full valuation in 2021/22, as this is the only way we can demonstrate the fair value of assets to meet audit requirements. **February 2023** Discussion held with Auditors and proposed to undertake formal revaluation every 5, initial thoughts would be to index annually. Reported to Audit Committee as part External Audit report Nov 2022. Further discussion held with Auditors around provision of assurance rather than requirement to index. **May 2023** On track	
21/11/2019	Revaluation reserve records	Asset registers should be updated to record and maintain the revaluation reserve balance against each individual asset where appropriate.	Other Deficiency	Finance Business Partner	31/07/2023	G	**May 2022** Information is contained within the asset register. Will discuss further with audit to ensure records are adequate. **February 2023** Review underway of current information within asset register which will form the basis of discussion with Auditors. revised date agreed 31/7/23 **May 2023** On track	
24/11/2021	Accruals	Management should undertake a detailed review of accruals in 2021/22 to ensure reasonable, relevant and supported accruals are recognised.	Other Deficiency	Director Finance & Procurement	31/05/2023	G	**February 2023** Revised process agreed for the 2022/23 accruals. Revised guidance to be finalised on supporting documents requirements. - Revised date agreed 31/5/23 **May 2023** on track	
24/11/2022	Sufficient Audit Evidence	Management should undertake a detailed review of all transactions and balances within the annual accounts to ensure only supported amounts are recognised.	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** Revised process agreed for the 2022/23 accruals and balances process with clear guidance on supporting documents. **May 2023** On track	
24/11/2022	Purchase order documentation	Procedures should be developed to include greater documentation for when variances are identified between the expenditure purchase order and invoice amount	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress **May 2023** On track	
24/11/2022	Communication of changes to voluntary severance schemes	We recommend that contingency planning is undertaken to ensure all documentation and correspondence with SFC in relation to voluntary severance schemes can be accessed and is retained, even when a key member of the team leaves the College.	Other Observation	Director of People Services	31/12/2022	B	**February 2023** Process of documentation and correspondence with SFC reviewed and revised and centralised within People Services Department. Procedure note completed. Action closed subject to confirmation by external audit	
24/11/2022	Journals posted with no description	While our audit work did not identify any indications of incorrect or fraudulent journal postings, we recommend that the College reviews their journal processes to ensure journals cannot be posted without descriptions.	Other Deficiency	Director Finance & Procurement	31/12/2022	B	**February 2023** Process has been reviewed and amended. Complete subject to external confirmation	
24/11/2022	Remuneration report and accounts	We recommend that greater due care is taken when producing the Remuneration Report within the annual accounts, and a clear timetable is produced and observed to make accounts available in line with agreed and organised deadlines.	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress **May 2023** On track	
24/11/2022	Password Controls	Management should ensure that a strong password policy is enforced.	Other Observation	Director of IT & Digital	31/12/2022	B	**February 2023** Password complexity for staff and students increased. User now required to have minimum 12 characters and at least 1 Capital letter, 1 lower case, 1 number and 1 special character. Action considered complete subject to confirmation from external audit.	
24/11/2022	Opening Balances Processes	Recommend that procedures for reversing the prior year closing balances from the i.e. codes should be reviewed to identify whether the level of manual intervention can be reduced	Other Observation	Director Finance & Procurement	31/07/2023	G	**February 2023** In progress **May 2023** On track	

Significant Deficiency
Other Deficiency
Other Observation