J

AUDIT & RISK COMMITTEE

08 February 2024

BORDERS COLLEGE REGIONAL BOARD

1.0 Audit Recommendations Monitoring PURPOSE OF PAPER

For discussion

1.1 The purpose of this report is to provide the Committee with an update on the progress of recommendations made by Internal and External Auditors. The report also monitors progress on recommendations made by the Data Protection Officer in relation to any Data breaches.

2.0 EXECUTIVE SUMMARY

2.1 Two possible data breaches are currently under investigations and awaiting final recommendations

2.2 All internal audit existing recommended actions have been fully complete, subject to confirmation at the follow up audit scheduled for March 2024. Two new recommendations have been added following the Student Retention audit.

2.3 Four new recommendations have been received as part of the annual audit have progressed with 2 complete, subject to confirmation and 2 are on track.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

3.1 It is recommended the Committee note the progress of the actions contained in the report.

4.0 BACKGROUND

4.1 The internal audit function of the College is provided by Wylie Bissett, with the current contract being in place since 2019. The reports from audits completed by Wylie Bissett are reported to the Audit & Risk Committee and any recommendations made have an action plan agreed with Managers which include responsible person and target date for completion.

4.2 The external audit function is provided by Azets, who are appointed to the College by Audit Scotland. All reports from completed audits are reported to the Audit & Risk Committee and any recommendations made have an action plan agreed with Managers which include responsible person and target date for completion.

4.3 The Data Protection Officer (DPO) service is provided via HEFESTIS one day per week. All data breaches or suspected data breaches are reported to the DPO for investigation. The outcomes of the investigation determine if a data breach has occurred and provides recommendations to ensure the risk of breaches is minimized.

4.4 All recommendations from these areas are recorded and the progress on actions are monitored by the Audit & Risk Committee to ensure it can provide the Board with assurance on the internal controls of the College.

5.0 PROGRESS UPDATE

5.1 The table below provides a summary of recommendations and there position as at 8 February 2024. Fuller detail is contained in Appendix 1.

	Internal audit			External audit			DP breach	TOTAL
	High	Med	Low	High	Med	Low		
Closed		1	8			2	2	13
On track			2		1	1		4
Revised deadline								0
Overdue / concern								0
TOTAL	0	1	10	0	1	3	2	17

5.2 There has been one reported possible data breach during the period, which is currently under investigation. Any recommendations resulting from the investigation will be reported when finalised. All actions from previous investigations have been fully implemented. The breach reported in November is currently finalising the recommendations.

5.3 All outstanding recommendations have been fully complete and confirmation as part of the follow up audit scheduled to take place in the March 2024. Two new recommendations have been added following the Internal Audit of Student Retention.

5.4 The four recommendations identified by the External Auditor Azets during their audit have been added to the report and are detailed the Appendix. Two are complete subject to confirmation during the next audit and two are on track to complete within the agreed target date.

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

There are no direct financial implications from the contents of this report.

6.2 Learner Implications

There are no direct learner implications from the contents of this report.

6.3 Staff Implications

There are no direct staff implications from the contents of this report.

6.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality implications from the contents of this report.

6.5 Sustainability/Environmental Implications

There are no direct sustainability implications from the contents of this report.

7.0 RISK COMMENTARY

7.1 This section should describe the risks either of doing or not doing the proposed action, together with mitigations.

8.0 CONCLUSION

8.1 Progress has been made on all new recommendations and the internal audit outstanding recommendations are complete subject to confirmation from Internal Audit.

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Previous Board or College Committee Approvals: Audit Committee, 30 November 2023

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For publication ☒	**Not for publication** ☐ **If not, why not?**

Appendix 1

Borders College DP Breach Action Plan			08 February 2024			
B= Closed, G = On track, A = revised timeline, R = Overdue/concern						
Date of Incident	**TOPIC**	**RECOMMENDATION**	**RESPONSIBLE PERSON**	**DUE DATE**	**STATUS**	**Updates/comments**
17/06/2023	Email etiquette	Ensure mandatory training completed and responsibilities reinforced to all staff. Staff to be reminded to check email addresses prior to sending	Director of People Services	30/06/2023	B	**October 23** Data Protection training updated and staff reminded of importance to check email addresses. Action Complete
29/08/2023	Information retention	Ensure mandatory training completed and responsibilities reinforced to all staff. Review of how data shared to be undertaken	Director of People Services/Director IT & Digital	15/09/2023	B	**October 23** Article to be included in Sept newsletter to remind staff of data retention protocols. Information management project to review data storage protocols. Action complete
29/08/2023	Hardward/Sofeware misconfiguration	TBC	TBC			
21/12/2023	Loss/theft of paperwork or data	TBC	TBC			

Borders College Internal Audit Monitoring Action Plan **08 February 2024**

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	
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	
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	B	**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 **October 2023** training has been provided to all budget holders and monitoring reports and budget sign off implemented. Complete subject to Internal Audit confirmation **May 2023** Complete, subject to internal audit confirmation	
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	B	**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 **October 2023** Regular budget meetings schedule and clarification of budget responsibilities explained as part of training Complete subject to Internal Audit confirmation	

Borders College Internal Audit Monitoring Action Plan **08 February 2024**

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Date reported to Audit Committee	REPORT	ORIGINAL RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
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** Complete subject to internal audit confirmation	
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** Complete subject to internal audit confirmation	
08/02/2024	Student Retention	We recommend that the Student Guidance Procedure is updated in accordance with the new job titles of the Student Support Officers and the Head of Sectors.	Low	Director of Student Support Services	30/09/2024	G	**Feb 24** Workshop to be held 26/2/24 to review current reporting and identify opportunities for improvement and development	
08/02/2024	Student Retention	We recommend that cause and effect analysis is undertaken on any of the interventions utilised to address student retention. The results of these (lessons learned) should be shared in an appropriate forum.	Low	Director of Student Support Services	31/12/2024	G	**Feb 24** Workshop to be held 26/2/24 to review current reporting and identify opportunities for improvement and development	

Borders College External Audit Monitoring Action Plan **08 February 2024**

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Date reported to Audit Committee	TOPIC	RECOMMENDATION	Rating	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISED DATE
30/11/2023	IT Security & Passwords	We recommend that the specific IT points identified are addressed.	Low	Director of IT & Digital	30/04/2024	G	**Feb 2024** Required changes currently being implemented across the necessary systems and processes. On target to be complete by 30/4/24	N/A
30/11/2023	NFI Exercise	We recommend that the College focuses on improving their data submission timeliness and reviews all outstanding matches as a matter of urgency.	Low	Director Finance & Procurement	31/12/2023	B	**Feb 2024** All outstanding actions complete for NFI Exercise and staff trained for future exercises. Action complete subject to Audit confirmation	N/A
30/11/2023	Asset Valuations	We recommend that any information provided by an expert should be challenged and documented appropriately, specifically to reach a clear, evidence-led conclusion either that extant carrying values remain appropriate or a general indication as to how values should be revised (e.g. by a mix of indices/trends/valuer expert advice). This may include reviewing the information provided by the valuer against comparable data for assets of a similar size, composition and structure which are held by bodies of a similar nature and location.	Medium	Director Finance & Procurement	31/07/2024	G	**Feb 2024** Colleges Director of Finance Group working on joint procurement for robust valuation to be completed across all Colleges annually	N/A
30/11/2023	Pension Contributions	We recommend that the College monitors employer pension deductions and ensures deductions are processed in the correct period.	Low	Director of People Services	30/11/2023	B	**Feb 2024** Review complete and any necessary implemented. Action complete subject to Audit confirmation	N/A