

AUDIT COMMITTEE REPORT

Subject: Internal and External Audit Recommendations Follow-up Report	Purpose: For Approval <input type="checkbox"/> For Discussion <input type="checkbox"/> For Information <input checked="" type="checkbox"/>
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	Date: 13 May 2021

Purpose:

To provide the Committee with an update on progress with outstanding recommendations raised by Internal and External Audit.

Linked to Strategic Goal: We will take a leading role in enabling an inclusive, resilient and sustainable Scotland

Executive Summary:

This report includes follow up of both Internal and External Audit recommendations. Recommendations from the data event report have been included.

A BRAG rating system sets out the status of each:

BLUE Action complete – close
RED Action delayed – priority to complete
AMBER Revised date for completion and on track with revised date
GREEN On track for completion

The table below summarises progress.

Internal and External Audit Recommendations - Progress 20 May 2021

	Internal audit			External audit			DP breach	TOTAL
	High	Med	Low	Grade 4	Grade 3	Grade 2		
Closed								0
On track			2		2	1	1	6
Revised deadline			4	1	1		3	9
Overdue / concern								0
TOTAL	0	0	6	1	3	1	4	15

Members attention is drawn to the following items:

- The report includes updates following reviews with internal and external auditors.
- The updating of the Finance Manual remains outstanding and we look to streamline processes with internal audit effectiveness review in Mar-22.
- Fixed asset verification to be completed before FYE, within a scope allowed for physical verification due to Covid restrictions.

- The annual accounts time table is in place and will be further refined for 2021 including potentially bringing forward the commencement of fieldwork a further two weeks.
- The proposed Internal audit plan visits and reporting dates are provided
- Work on policies will take place in time for the next JCCP in May. The December 2020 meeting was cancelled.

The full list is attached.

Recommendation:

Members are invited to note the update provided and request any further assurances as to progress.

Previous Committee Approvals:

N/A

For publication ☒

For publication
with redactions ☐

Not for publication ☐

Internal and External Audit Recommendations - Progress

20 May 2021

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Borders College Internal Audit Monitoring Action Plan

20 May 2021

AUDIT YEAR	REPORT	RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	OUTSTANDING ACTIONS MAY 2021	OUTSTANDING ACTIONS JANUARY 2021	OUTSTANDING ACTIONS NOVEMBER 2020	REVISED DATE
2020	Information Governance	We recommend that the College review the Freedom of Information Procedure and update this were required. The College could consider gender neutral language such as "they" to resolve any future change in the role. We also recommend that the College document its review dates for its Model Publication Scheme. We also recommend that the College review the link on their website for Freedom of Information to ensure this is active and is working as required.	Low	VP Finance & Corporate Services	30/09/2020	A	A review of the FOI procedure will be completed and submitted to JCCP for approval at the next meeting in June 2021. The FOI website link has been corrected and is fully functional.	This is scheduled to be complete by the time of the JCCP in May	The JCCP has not met this academic year. This review is due by 31/12/2020	31/07/2021
2020	Information Governance	We recommend that the College ensure the role out of the new roles and remit of the Data Protection Champions is completed.	Low	VP Finance & Corporate Services		A	Due to the pandemic, the roll-out of the DP Champion network has been delayed. DPO to re-launch the role and set up regular meetings with the DP Champions to identify and address DP issues across the college.			31/07/2021
2020	Information Governance	We recommend that the College complete the Data Retention Policy and Procedure and that is reviewed and approved by the Board.	Low	Head of ISLT	30/09/2020	A	Article 30 register completed, meetings planned to establish policies in line with Jisc (Joint Information Systems Committee) recommendations.	This is scheduled to be complete by the time of the JCCP in May	The JCCP has not met this academic year. This review is due by 31/12/2020	30/06/2021
2020	Commercial Income	We recommend that the College set commercial income targets for all faculties and that is monitored and reported on during the year	Low	Finance Business Partner	30/06/2020	A	Targets for all income including commercial income for curricular departments will be part of the 2021-22 budget, to be agreed by all profit center owners through to leadership in the process, performance reviews, including commercial income will follow.	COVID 19 has significantly impacted, this will be reviewed for the 2021/22 budget round	Budgets are going to be reviewed in detail based on the QTR1 position and commercial targets will form part of this review	31/07/2021
2020	IT SYSTEMS	We recommend that the College undertake testing of the IT Disaster Recovery Plan once staff members have returned to the College.	Low	Head of ISLT		A	A draft DR plan has been prepared for approval, testing to follow. This will be updated when we migrate our servers and our data to a data centre cloud solution, expected to be completed before the next financial year.			31/07/2021
2018	Budgetary Control	Financial Procedures Manual - We recommend that following the upgrade to the finance system the College continue to review and update the finance procedures manual	Low	Finance Business Partner	31/07/2018	A	Procedures are planned for a overhaul following the next external audit, and internal auditors propose to review work in March 2022.	This will be taken forward in the latter part of this financial year.	Finding the capacity to implement this continues to be challenging. The appointment of an AP for Finance, who has significant transformational experience will allow this to be taken forward in early 2021.	31/03/2022

Borders College External Audit Monitoring Action Plan

20 May 2021

AUDIT YEAR	TOPIC	RECOMMENDATION	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	OUTSTANDING ACTIONS MAY 2021	OUTSTANDING ACTIONS JANUARY 2021	OUTSTANDING ACTIONS NOVEMBER 2020	REVISED DATE
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.	4	Assistant Principal Finance	31/03/2020	A	Asset verification exercise will be completed before the financial year end	Asset verification exercise has been delayed because of Covid-19 and work has not yet commenced on the review of the asset register. Not yet due, will be addressed in later part of the financial year, once we are able to undertake physical verification	Not yet due. Date for completion has been revised in conjunction with the new Assistant Principal Finance, taking account of turnover in the Finance Business Partner role, and the ongoing impact of Covid which would prevent physical verification work from being completed.	31/07/2021
2019	Journal review	In conversations with the auditors it has been agreed that the some of the current procedures in place are not practical and are outdated. Last time the procedures were updated was in 2014.	3	Assistant Principal Finance	31/07/2021	G	Procedures are planned for a overhaul following the next external audit, and internal auditors propose to review work in March 2022.	The Assistant Principal took up post beginning January. Work on this has not yet commenced.		31/03/2022
2019	Year End Preparedness	A high-level plan and timetable was place for the year end procedures and audit process. However a number of disclosures were not provided at the start of the audit including the Remuneration and Staff Report, and capital commitments note.	3	Assistant Principal Finance	31/07/2021	G	Not yet due	Not yet due		
2019	Impairment Review	Accounting policies have been updated to reflect the need to review the property portfolio annually for any indication of impairment. However, a formal impairment review was not completed to inform the 2019/20 financial statements. We did not identify any indication of material impairment as part of our audit testing.	2	VP Finance and Corporate Services	31/07/2021	G	Not yet due	Not yet due		
2020	Revaluation reserve records	Asset registers should be updated to record and maintain the revaluation reserve balance against each individual asset where appropriate.	3	Assistant Principal Finance	31/07/2021	G	Review of the asset register will remain a key activity to undertake in 2020/21	Review of the asset register will remain a key activity to undertake in 2020/21		

Grade Explanation

- Grade 5 Very high risk exposure - Major concerns requiring immediate attention.
- Grade 4 High risk exposure - Material observations requiring management attention.
- Grade 3 Moderate risk exposure - Significant observations requiring management attention.
- Grade 2 Limited risk exposure - Minor observations requiring management attention.
- Grade 1 Efficiency / housekeeping point.

Borders College DP Breach Action Plan
20 May 2021

AUDIT YEAR	TOPIC	RECOMMENDATION	RESPONSIBLE PERSON	DUE DATE	STATUS	OUTSTANDING ACTIONS MAY 2021	OUTSTANDING ACTIONS JANUARY 2021	OUTSTANDING ACTIONS NOVEMBER 2020	REVISED DATE
2020	Two factor authentication	Relevant policies, manuals, guidance and procedures should be updated	VP F&CS	30/05/2021	A	Dec JCCP was cancelled, next meeting May	Dec JCCP was cancelled, next meeting May	Electronic systems policy and IT security policy due for review for next JCCP	31/05/2021
2020	Email etiquette	Implement regular training and testing regime for email etiquette	Head of ISLT/ Head of HR and Development	31/03/2020	A	no change, keep open	no change, keep open	Options are under consideration as part of the response to our cyber security technical risk assessment. Keep action open until recommendations implemented.	31/05/2021
2020	Electronic systems policy	Review and refresh Electronic Systems Policy and Procedure	Head of ISLT	30/06/2020	G	Dec JCCP was cancelled, next meeting May	Dec JCCP was cancelled, next meeting May	This policy is due for update for the Dec JCCP. It is possible this policy is not required as it is covered by other policy documentation.	31/05/2021
2020	DPIA	Once DPIA training has been completed (January) we should create an implementation plan to assess systems on a risk prioritised basis.	All SLT managers	31/03/2020	A	Not yet complete. There needs to be additional training arranged to ensure all relevant staff have attended. To date, one session has been held. Following on from that the Article 30 registers (Record of Processing Activities (ROPA)) will be used to identify any high risk processing activities and a DPIA will be completed to manage the risk to acceptable levels.	Not yet complete	Further DPIA training is to be provided by the DPO. This will stress the importance of using the initial screening tool to assess if a full DPIA is required. Some parts of the organisation are already skilled in using this tool. Other areas need to agree priority areas from within their Article 30 register. Keep action open and aim to agree plan for DPIA by end January 2021.	31/05/2021