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## AUDIT & RISK COMMITTEE

29 May 2024

### 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 Five data breaches have been investigated and recommendations fully completed. The remaining data breach is on target to complete 30/11/24
- 2.2 All internal audit recommended recommendations, prior to February 2024, have been confirmed as fully complete. Two recommendations, post February 2024, have been completed subject to audit confirmation. The remaining two recommendations are on track to complete within the agreed target dates.
- 2.3 Two the Four External Audit recommendations are complete subject to confirmation and one is on track. Due to staff changes in IT & Digital an extension of has been identified as required for some low-level sub recommendations.

### 3.0 **RECOMMENDATION(S)/ACTION(S) REQUIRED**

- 3.1 It is recommended the Committee:
- 3.1.1 Note the progress of the actions contained in the report.
  - 3.1.2 Note the revised target completion date of 31/12/24 for the IT security & password recommendation.

### 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 their position as at 29 May 2024. Fuller detail is contained in Appendix 1.

	Internal audit			External audit			DP breach	TOTAL
	High	Med	Low	High	Med	Low		
Closed		1	10			2	5	18
On track			2		1		1	4
Revised deadline						1		1
Overdue / concern								0
<b>TOTAL</b>	0	1	12	0	1	3	6	23

- 5.2 All reported data breaches have been fully investigated and recommendations completed for five of them. The remaining recommendation action has been incorporated into the File Storage Migration project for the whole college and the immediate team involved in the incident have been provided with specific training.
- 5.3 The follow up audit on the internal audit recommendations have confirmed 8 recommendations are fully complete and one has been superseded. One recommendation, post February 2024, has been completed subject to internal audit confirmation and one remains on track. Two additional recommendations have been added following the Income collection & Credit Control and Purchasing & Procurement audits just completed. The recommendation included in the Purchasing & Procurement audit has been completed subject to Internal Audit confirmation.
- 5.4 The four recommendations identified by the External Auditor Azets during their 2022/23 audit are detailed in the Appendix. Two are complete awaiting confirmation and one is progressing on track. The IT security one is consist of several sub recommendations. Three of the sub recommendations are progressing but the new Director of IT & Digital requires additional time to fully review the approach and requires a revised target date of December 2024.

## **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 Strong governance and controls are key risk mitigations. The work undertaken by Internal and External Audit ensures the College has these and they are adhered to. The recommendations previously made by audit ensures the College continues to improve its controls and governance. The monitoring of the implementation ensures all recommendations are implemented in a timely manner.

## **8.0 CONCLUSION**

8.1 Progress has been made on all new recommendations and internal audit outstanding, prior to Feb 2024, recommendations are confirmed as complete.

Author - Kirsty Robb, Vice Principal Finance & Corporate Services

**Previous Board or College Committee Approvals:** Audit & Risk Committee, 08 February 2024

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<b>Borders College DP Breach Action Plan</b>			<b>17 May 2024</b>			
B= Closed, G = On track, A = revised timeline, R = Overdue/concern						
<b>Date of Incident</b>	<b>TOPIC</b>	<b>RECOMMENDATION</b>	<b>RESPONSIBLE PERSON</b>	<b>DUE DATE</b>	<b>STATUS</b>	<b>Updates/comments</b>
29/08/2023	Hardward/Sofeware misconfiguration	Email group to be removed.	Director of People Services/Director IT & Digital	02/02/2024	B	<b>May 2024:</b> Email group removed: Action complete
21/12/2023	Loss/theft of paperwork or data	Review data printed for interviews	Vice Principal Student Experience	28/02/2024	B	<b>May 2024:</b> Staff have been infromed to reduce printed personal data: Action Complete
14/12/2024	Shared personal data via hardcopy form	Review to be undertaken of process, and consideration to electronic signatures	Director Estates and Facilities	28/02/2024	B	May 2024: Review complete and amendments to process implemented. Action complete
07/02/2024	Information entry error	1 - increase care when entering data 2 - Checklist to be created	Head of Sector - Health, Care Supported Programmes & Sport	31/03/2024	B	<b>May 2024:</b> All actions completed. Action complete
21/03/2024	Data conversion Error	Review process for converting data	Director of Finance & Procurement	30/04/2024	B	<b>May 2024:</b> All recommendations fully implemented
02/04/2024	Data misfiling	Increase awareness and training for all staff for Teams/Sharepoint sites	Director IT & Digital	30/11/2024	G	<b>May 2024:</b> Training to included in project plan for File Storage Migration. Additional training provided to team involved in incident

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

Date reported to Audit Committee	REPORT	ORIGINAL RECOMMENDATION	MANAGEMENT RESPONSE	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	<p><b>May 2022</b> Procedure review will be complete by July 2022. Revised deadline agreed 31/7/22.</p> <p><b>February 2023</b> Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed - agreed 30/4/23</p> <p><b>May 2023</b> Review complete, subject to internal audit confirmation</p> <p><b>May 2024</b> Confirmed as complete by Internal Audit</p>	
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	Agreed. Review of manual will be completed.	Low	Director Finance & Procurement	30/04/2023	B	<p><b>May 2022</b> Procedure review will be complete by July 2022.</p> <p><b>May 2023</b> Complete, subject to internal audit confirmation</p> <p><b>May 2024</b> Confirmed by Internal Audit as superseded</p>	
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	<p><b>February 2023</b> 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</p> <p><b>May 2023</b> on track</p> <p><b>October 2023</b> training has been provided to all budget holders and monitoring reports and budget sign off implemented.</p> <p>Complete subject to Internal Audit confirmation</p> <p><b>May 2024</b> Confirmed by Internal Audit as complete</p>	
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	<p><b>February 2023</b> Reporting and meeting cycle is being developed as part of the 23-24 budget setting process, revised timeline proposed - agreed 30/6/23</p> <p><b>May 2023</b> Regular meetings being held and reviewing report needs of budget holders, on track</p> <p><b>October 2023</b> Regular budget meetings schedule and clarification of budget responsibilities explained as part of training</p> <p>Complete subject to Internal Audit confirmation</p> <p><b>May 2024</b> Confirmed as complete by Internal Audit</p>	
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	<p><b>February 2023</b> Procedure manual review underway, 80% complete - due to change in finance staff, revised timeline proposed - agreed 30/4/2</p> <p><b>May 2023</b> Complete, subject to internal audit confirmation</p> <p><b>May 2024</b> Confirmed as complete by Internal Audit</p>	

Date reported to Audit Committee	REPORT	ORIGINAL RECOMMENDATION	MANAGEMENT RESPONSE	GRADE	RESPONSIBLE PERSON	DUE DATE AGREED WITH AUDIT	STATUS	Updates/comments	REVISION DATE
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	<b>February 2023</b> In progress <b>May 2023</b> Complete, subject to internal audit confirmation <b>May 2024</b> Confirmed as complete	
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	<b>February 2023</b> In progress <b>May 2023</b> Complete, subject to internal audit confirmation <b>May 2024</b> Confirmed as complete	
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	<b>May 2023</b> Complete subject to internal audit confirmation <b>May 2024</b> Confirmed as complete	
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	<b>May 2023</b> Complete subject to internal audit confirmation <b>May 2024</b> Confirmed as complete	
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.	Student Guidance Procedure to be updated to reflect organisational changes	Low	Director of Student Support Services	30/09/2024	G	<b>Feb 24</b> Workshop to be held 26/2/24 to review current reporting and identify opportunities for improvement and development <b>May 24</b> Procedure currently being written, on track to due date	
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.	<ul style="list-style-type: none"> <li>A workshop is arranged for 26 Feb 2024 to review current reporting processes and identify opportunities to improve and/or develop new reports that help us better understand the impact of interventions.</li> <li>Outcomes of interventions reported through existing committee structures and recorded within departmental self-</li> </ul>	Low	Director of Student Support Services	31/12/2024	B	<b>Feb 24</b> Workshop to be held 26/2/24 to review current reporting and identify opportunities for improvement and development <b>May 24</b> Evaluations being undertaken and shared within team. Action Complete subject to confirmation by Audit	
29/05/2024	Income Collection & Credit Control	We recommend the Financial Regulations clearly state which job roles are part of the Wider Leadership Team, and which are part of the Senior Leadership Team.	list of job role to be appended to financial regulations	Low	Director of Finance & Procurement	31/07/2024	B	<b>May 24:</b> Information included in Financial Regulations for approval at A&R Committee on 29 May. Action complete subject to confirmation from Audit	
29/05/2024	Purchasing & Procurement	We recommend that those staff members who have not been trained on PECOS are trained promptly, with emails reminders being sent to the Line Managers of staff who have not completed their training.	Any outstanding training will be arranged with and provided to the identified individuals.	Low	Director of Finance & Procurement	31/12/2024	G	<b>May 24</b> Individuals being identified and training scheduled to be held after summer break	

**Borders College External Audit Monitoring Action Plan**

**17 May 2024**

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

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	A	<p><b>Feb 2024</b> Required changes currently being implemented across the necessary systems and processes. On target to be complete by 30/4/24</p> <p><b>May 2024</b> The new Director of IT &amp; Digital is reviewing the remaining 3 sub recommendations and will complete by 31/12/24</p>	31/12/2024
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	<p><b>Feb 2024</b> All outstanding actions complete for NFI Exercise and staff trained for future exercises. Action complete subject to Audit confirmation</p>	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	<p><b>Feb 2024</b> Colleges Director of Finance Group working on joint procurement for robust valuation to be completed across all Colleges annually</p> <p><b>May 2024</b> Discussion progressing with External Audit and Audit Scotland to confirm use of indicies will be acceptable and DoF Group progressing work with APUC to identify framework. If confirmation not received by end June the College will commission independant advice for the 2023/24 accounts.</p>	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	<p><b>Feb 2024</b> Review complete and any necessary implemented. Action complete subject to Audit confirmation</p>	N/A