

AUDIT COMMITTEE AGENDA

20th November 2024, Langside College, Boardroom, 4.30pm to 6.30pm

24.50	Welcome and Apologies			LP
24.51	Declarations of Interest			LP
24.52	Draft Minute of the Previous Meeting 2 October 2024	P	D	LP
24.53	Matters Arising Actions Grid	P	D	LP

ITEMS FOR DISCUSSION / DECISION

- Systems for Internal Control				
24.54	Final Internal Audit Annual Report 2023-2024	P	D	DA
- Financial Reporting				
24.55	Draft Annual Financial Statements, year-ending 31 st July 2024	P	ND	TE
24.56	External Audit Annual Report, year-ending 31 st July 2024	P	ND	SN
24.57	Key Accounting Judgments (including going concern)	P	D	TE
24.58	Student Activity Data Audit Annual Report 2023/24	P	D	DA
24.59	Student Support Funds Audit Annual Report 2023/24	P	D	DA
24.60	Financial Reporting, Verbal Update External Auditor			SN
- Governance and Risk Management				
24.61	Audit Committee Remit Update	P	D	JH
24.62	Draft Annual Report from Audit Committee to Board of Management	P	ND	NM
24.63	College Strategic Risk Register & Risk Appetite	P	ND	NM
24.64	Cyber Security Update	P	ND	SB

FOR INFORMATION / NOTING

24.65 Internal and External Audit Rolling Action Plan	P	ND	PF
24.66 Strathclyde Pension Fund Actuarial Valuation Report, Accounting Assumptions	P	ND	TE
24.67 Scottish Funding Council Update	V		NM
24.68 Audit Scotland Report Scotland's Colleges 2024	P	D	NM
24.69 Audit Committee Schedule of Work	P	D	JH
24.70 Any Other Business			LP

P Paper

ND Non-disclosure

D Disclosable

LP Lindsey Paterson (Chair of Audit Committee)

SN Stuart Nugent (Audit Scotland)

DA David Archibald (Henderson Loggie)

TE Tracy Elliott (Vice Principal - Resources and College Development)

SB Steven Bishop (Head of ICT)

NM Niall Macpherson (Chief Operating Officer)

JH Jennifer Hunter (Clerk to the Board of Management)

AUDIT COMMITTEE MEETING

Date of Meeting:	20 November 2024
Paper Title:	Final Internal Audit Annual Report 2023-24
Action:	Discussion
Prepared by:	Henderson Loggie, Internal Auditors
Agenda Item:	24.54
Status:	Disclosable

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this paper is to submit to the Committee for discussion the Internal Audit Annual Report for 2023/24.

2. ACTION FOR THE COMMITTEE

- 2.1 Members of the Audit Committee are invited to discuss this paper.

3. BRIEF BACKGROUND INFORMATION

Following a regional collaborative procurement exercise in July 2021 Henderson Loggie were re-appointed as internal auditors of the College for the period 1 August 2021 to 31 July 2024 with an option to extend for a further 24 months. The College took the decision to extend this contract for a further 24 months from August 2024 to July 2026.

As part of the internal audit activity, the auditor is required to provide a summary of the work undertaken in the closing financial year which provides an overview of the work undertaken including their conclusions and recommendations.

As well as summarising the internal audit work completed during the year, Henderson Loggie have provided their overall opinion on page 2 of the report which concludes that the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work they have undertaken during 2023/24 and in the prior years since their initial appointment.

All of the internal auditor's work conducted in 2023/24 assessed systems as either 'Good' or 'Satisfactory' and provided an unqualified audit opinion.

4. SUPPORTING DOCUMENTATION/FURTHER INFORMATION

Annex No: 24.54A - the Internal Audit Annual report for 2023/24 prepared by Henderson Loggie.

5. RISKS

- 5.1 The internal audit plan reporting is part of the overall College internal control mechanism which is within the College's risk management framework.

**6. ANY OTHER SIGNIFICANT IMPACT
e.g. STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY**

N/A

Glasgow Clyde College

Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2023/24

Internal Audit report No: 2024/11

Draft issued: 8 November 2024

Final issued: 11 November 2024



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Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in July 2021 as internal auditors of Glasgow Clyde College ('the College') for the period 1 August 2021 to 31 July 2024, with a College option to extend for a further 24 months. The College has now exercised this option following approval by the Audit Committee at its meeting on 29 May 2024. This report summarises the internal audit work performed during 2023/24.
- 1.2 Following our re-appointment in 2021, a Strategic Plan was formulated, covering the three-year internal audit cycle from 2021 to 2024. The preparation of the Strategic Plan involved dialogue with management and a review of various College documents, previous internal audit reports and the College's Strategic Risk Register. The Audit Committee discussed the first iteration of the Strategic Plan at its meeting on 29 September 2021, and this was subsequently approved at the Committee meeting on 24 November 2021.
- 1.3 The annual operating plan for 2023/24 showed a number of changes to the original allocation set out in the Strategic Plan 2021 to 2024. Following discussion at the Audit Committee meeting on 25 May 2022, the four-day review of Environmental Sustainability was deferred from 2022/23 into 2023/24 to allow more time for progress to be made on agreed planned activity in this area. The five-day review of Student Fees and Contracts / Registry was accelerated from 2023/24 to 2022/23 to replace the Environmental Sustainability review. The Audit Committee also requested that the number of days allocated for the follow up of previous recommendations be reviewed and, in common with the 2022/23 position, the budget for Follow Up was reduced to two days. At the Audit Committee meeting on 31 May 2023, it was agreed that given the current challenging circumstances facing the College the five-day review of Staff Recruitment and Retention would be delayed one year to 2024/25. At its meeting on 25 May 2022, the Audit Committee initially requested a review of the new risk management process, which was in development at that time, to be scheduled for 2023/24. However, following further discussion at the Audit Committee meeting on 27 September 2023, this was removed from the plan.
- 1.4 The reports submitted for the year are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3. The work delivered this year is in line with the approved Annual Plan 2023/24.
- 1.5 An analysis of time spent against budget is at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent, risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.



Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (Continued)

1.7 Self-assessment is undertaken through:

- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
- Ensuring compliance with best professional practice, in particular the PSIAS;
- Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
- Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
- Annual completion of a checklist to confirm PSIAS compliance.

1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. An independent review was undertaken during May / June 2024 of the firm's policies and procedures relating to internal audit services and their application to the firm's internal audit clients. The independent review confirmed that Henderson Loggie was, in all material respects, compliant with the requirements of PSIAS.

Significant Issues

1.9 There were no issues identifying major internal control weaknesses noted from the internal audit work carried out during the year. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues. The agreed actions from reports 2024/03 to 2024/07 were followed-up as part of our work in 2023/24 and outstanding actions from these reports, and reports 2024/08 to 2024/10, will be followed up as part of our planned activity in 2024/25.

Opinion

1.10 In our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2023/24 and in the prior years since our initial appointment.



Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1 / High	Priority 2 / Medium	Priority 3 / Low
2024/01	Internal Audit Annual Plan 2023/24	N/A	-	-	-	-
2024/02	Procurement and Creditors / Purchasing	Good	-	-	-	-
2024/03	Student Support (Extended Learning Support) Business Process Review	N/A	4 (Note 1)	1	3	-
2024/04	Software Licencing	Good	2	-	-	2
2024/05	Health and Safety	Good	3	-	-	3
2024/06	Environmental Sustainability	Good	4	-	-	4
2024/07	Data Protection	Satisfactory	3	-	-	3
2024/08	Follow-Up Reviews	N/A	12 recommendations required further action (Note 2)	3	3	6
2024/09	2023/24 Student Activity Data	Audit opinion unqualified	-	-	-	-
2024/10	2023/24 Student Support Funds	FE, HE & EMA – no reservations but observations made	4	-	1	3

Note 1: The recommendations requiring further action in report 2024/03 – Student Support (Extended Learning Support) Business Process Review (BPR) were areas for management consideration to enhance existing arrangements. All of the identified actions were designed to enhance efficiency and effectiveness, and no control issues were identified during our reviews that would subject the College to material or significant risk.

Note 2: The recommendations requiring further action in report 2024/08 – Follow-Up Reviews included 3 High priority and 3 Medium priority improvement action points identified from report 2024/03 above and another BPR undertaken during 2021/22. All of the identified actions were designed to enhance efficiency and effectiveness, and no control issues were identified during our reviews that would subject the College to material or significant risk.



Overall 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.

Recommendation grades are defined as follows:

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit 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.



Summary of Results and Conclusions

2024/01 – Internal Audit Annual Plan 2023/24

Final Issued – October 2023

The purpose of this document was to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2024. The plan was based on the proposed allocation of audit days for 2023/24 set out in the Internal Audit Strategic Plan 2021 to 2024, which was presented to the Audit Committee and approved at its meeting on 24 November 2021 (although refer to paragraph 1.3 above for changes from the initial Strategic Plan assignments).

The outline scope and objectives for each audit assignment to be undertaken during 2023/24, together with the proposed audit approach, were arrived at following discussion with the Vice Principal Resources and College Development. The outline scopes were refined and finalised after discussion with responsible managers in each audit area.



2024/02 – Procurement and Creditors / Purchasing

This audit focused on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We also considered whether the procurement strategy followed, and the procedures in place, supported the delivery of best value purchasing across the College in relation to non-pay spend.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College's Procurement Strategy (2022-2025) and Annual Procurement Report (2022/23) were found to be in line with the Act and Regulations and were published on the College's website.
- The College's Financial Regulations provide practical guidance on purchasing and procurement which is based on the Scottish Public Finance Manual, the Glasgow Colleges' Regional Board Financial Memorandum, and other circulars and guidance.
- The Procurement Policy and Procedures were found to be comprehensive and up to date. These are accessible through the College's intranet and support is available from the College's dedicated Procurement team.
- Areas of high spend are closely monitored through quarterly and annual spend analysis covering a four-year period. Any areas of non-compliance would be analysed and followed-up by the Procurement team, however orders above £2k in value require approval from the Procurement team and would be rejected if they do not comply with the College's procurement procedures.
- Our testing demonstrated that the College makes good use of collaborative procurements and frameworks where possible.
- There are adequate arrangements in place for raising and approving requisitions, with each requiring approval from the appropriate Budget Manager, and, as noted above, orders above £2k in value requiring approval from the Procurement team.

Final Issued – February 2024

The objectives of the audit were to ensure that:	
1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').	Good
2. Procurement procedures ensure that: <ul style="list-style-type: none"> • areas of high spend across the College are monitored appropriately • opportunities for pooling of expenditure are identified in order to achieve best value; and • collaborative procurements and frameworks available to the College are utilised where appropriate. 	Good
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised.	Good
4. The College's procurement guidance on quotes and tenders are being complied with.	Good
5. All liabilities are fully and accurately recorded.	Good



2024/02 – Procurement and Creditors / Purchasing (continued)

Strengths (continued)

- An up-to-date schedule of the delegated authority limits is maintained and the TechOne financial system facilitates an automated process for sending requisitions to the appropriate staff members for approval and issuing the approved POs to the suppliers.
- Procedures specifically require that prior to placing a PO with a supplier, the budget holder must ensure that they have proper authority to purchase the goods or services on behalf of the College, and that sufficient budget is available. Controls are in place that do not allow the artificial splitting of orders to circumvent the delegated authority limits and the approval process.
- The PECOS purchase to pay system is fully integrated with the TechOne financial system.
- There are robust arrangements in place for utilising single source procurement and instances where it may be appropriate are clearly communicated. Documentation demonstrating the rationale and approval is kept in the form of Single Source Justification forms.
- Different procurement routes are clearly defined, and our testing confirmed that the College’s procurement guidance on quotes and tenders is being complied with.
- The appropriate staff member is required to confirm that goods or services have been satisfactorily received and Finance does a three-way match of PO, Goods / Services Received Notes (where applicable), and invoice prior to invoices being processed for payment.
- All payments are checked and authorised with adequate segregation of duties prior to being processed.
- There are robust procedures in place for amending supplier standing data. Adequate checks are done, and appropriate approval is obtained prior to any payments being made to any new suppliers, or suppliers who requested a change to their bank details.

Weaknesses

No significant weaknesses were noted during our review.

6. All payments are properly authorised, processed, and recorded.	Good
7. Appropriate controls are in place over the amendment of standing supplier data on the finance system.	Good
Overall Level of Assurance	Good



2024/03 – Student Support (Extended Learning Support) Business Process Review**Final Issued: February 2024****Overall grade: N/A**

The scope of this assignment was to conduct a business process review (BPR) of the systems in place for Student Support – Extended Learning Support (ELS) with a view to identifying and removing waste from the current processes and proposing procedural improvements.

The specific objectives of the review were to ensure that:

- The anticipated outcomes for all internal stakeholders from the ELS processes are clearly defined;
- The value of services provided as part of the ELS processes are quantified from a student perspective and from the perspective of external stakeholders (e.g. Scottish Government and SFC);
- The steps in the value chain are identified;
- Steps which do not add value are identified with a view to eliminating them; and
- Steps that create value occur in tight sequence and are reflected in efficient and effective ELS processes.

We noted that here has been significant work undertaken by the Head of Inclusion, Information and Welfare and Learning Inclusion team to streamline processes established for ELS. An Improvement Plan has been established and managed via the Inclusion, Information and Welfare Operating Plan. Over 2023, several enhancements were made to the existing electronic Extended Learning Support Assessment (ELSA) system that is used to record and communicate student learning strategies.

The BPR, however, identified four areas for management consideration to enhance existing arrangements. All the identified actions were designed to enhance efficiency and reporting effectiveness, and no control issues were identified during our review that would subject the College to material or significant risk.

The one high priority area for investigation or improvement noted during our review (from the four improvement points identified) was our proposal to develop a process to capture academic feedback on the implementation of learning support strategies identified on the student's ELSA. This proposed action is intended to help the College to document whether learning support strategies have been adopted, or modified, or to identify reasons why the learning strategies were not adopted.



2024/04 – Software Licencing

The scope of this audit was to provide assurance that the existing internal controls and business processes relating to software licences are adequate and effective.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Access controls are in place to prevent unauthorised users from downloading or using unlicensed software on College-owned assets;
- All identified software and application products are recorded in registers;
- All software and applications purchasing and installations require an assessment, approval, and installation by the ICT team;
- Controls are in place for endpoint (user device and server) management, scanning, inventory, and automated discovery tools that will detect new servers and devices and the software installed on them; and
- The ICT team undertakes an annual exercise to review software deployment and utilisation across the College to maintain an understanding and visibility of software assets in use.

Opportunities for enhancement

- We confirmed that there is a central register of all software that is officially licensed, and a separate register of free and open-sourced software. We noted that the existing registers include details of the software type, costs, purchase date and licence type, however registers were missing other key information including current version of the software, contract reference, business owner, number of licences purchased, number of licences in use, and devices where the software is installed; and

Final Issued – February 2024

The specific objectives of our audit were to obtain reasonable assurance that:	
1. Procedures are in place for managing software licences, including authorisation of software purchases and installations.	Good
2. Processes are in place to track software assets and monitor utilisation.	Good
3. Inventory controls and other controls have been established, and are operating, to maintain compliance with software licence terms.	Satisfactory
4. Contracts and other documentation are in place which support licence entitlement.	Good
Overall Level of Assurance	Good



2024/04 – Software Licencing (continued)***Opportunities for enhancement (continued)***

- Although an annual exercise is undertaken to identify software products in use, licencing and utilisation, the College does not always consistently monitor compliance with existing licence agreements across all College-owned assets during the year. Current processes do not include automated alerts enabled to notify ICT, and where relevant, the business owner attached to the product prior to renewal. There is no automated solution in place which allows software products and applications to be continuously and periodically summarised and compared to a central register of software licences. We have recommended that a business case should be developed for the acquisition of an automated software licencing and auditing tool to record software deployment, store licence information and to track compliance activity across all ICT assets.



2024/05 – Health and Safety

This audit reviewed the arrangements in place within the College to deal with Health and Safety issues.

The main objective of this audit was to review the College's overall arrangements for dealing with Health and Safety issues and to consider whether these are adequate and operating effectively in practice at each campus site.

The table opposite notes each separate objective for this review and records the results.

Strengths

- A Health and Safety Policy is in place and available to staff via the College's intranet site;
- A suite of Health and Safety Procedures is in place, including for the preparation of risk assessments and completing accident and incident reports;
- A Risk Assessment Library is in place;
- Risk assessments are reviewed and updated on an annual basis to ensure the processes in place are up to date;
- From sample testing of risk assessments undertaken it was noted that all were sufficiently complete and contained all relevant information;
- Online induction training is in place for all staff for the health and safety processes;
- Actions were taken to improve staff completion of mandatory training with completion rates increasing significantly in recent years;
- An in-person health and safety induction is undertaken by the Health and Safety Officer as part of new staff members' 'welcome to the College' process;
- Training for new equipment is undertaken as part of toolbox talks by the responsible process owners;
- An internal audit programme is in place with inspections undertaken by the Health and Safety team at each of the College's departments on a periodic basis;
- Audit forms are tailored to cover specific areas within each department, with follow up on actions undertaken by the Health and Safety team;
- An Accident and Incident Recording system is in place, with all reports reviewed and investigated by the Health and Safety team;
- The College rolled out a form in 2023/24 for students to report hazard identification and near misses;

Final Issued – May 2024

The specific objectives of the audit were to obtain reasonable assurance that the College has:	
1. A Health and Safety Policy and documented procedures which are communicated to all staff.	Good
2. A formal risk identification and assessment process.	Good
3. A health and safety training programme which includes induction training, refresher training and training for new equipment and legislation.	Good
4. Regular monitoring of health and safety systems is performed to ensure that they are functioning effectively including health and safety audits, carried out either internally or by external agencies such as the Health and Safety Executive.	Good
5. An incident and accident recording system with follow-up and implementation of new controls where required.	Satisfactory
6. Regular reporting of health and safety to senior management and to the Board of Management.	Good
Overall Level of Assurance	Good



2024/05 – Health and Safety (continued)**Strengths (continued)**

- Health and Safety Campus Forum Meetings are held four times per year;
- There is a Health, Safety and Safeguarding Committee in place which meets three times per year; and
- An annual report on the College's health and safety processes and updates is prepared and submitted to the Board.

Opportunities for Improvement

- From inspection of a sample of risk assessments, it was noted that one risk assessment, for the College's Open Day, was given an incorrect review date when it should have been archived following the event as it was a one-off;
- From inspection of a sample of Accident and Incident reports, it was noted that one report was not signed off by the member of staff's Line Manager to confirm their awareness of the incident;
- From inspection of a sample of Accident and Incident reports, it was noted that the incident time for three reports was recorded in error as 00:00.



2024/06 – Environmental Sustainability

This audit reviewed the College's current position regarding its strategic plans and operational arrangements to ensure compliance with the Climate Change (Scotland) Act 2009.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College has signed up to the Scottish Colleges' 'Statement of Commitment on Climate Emergency', which includes a climate change roadmap for Further Education (FE) colleges. The College is also a signatory of the Race to Zero Commitment for Colleges and Universities;
- The College's CCAP, supported by the Action Plan by Planned Schedule of Activity, provides a road map of intended direction and strategic objectives in relation to environmental sustainability, which includes the provision, operation and development of resources and services. Significant progress has been made on the CCAP published in June 2022, with refreshed plans being submitted to the Audit Committee in May 2024;
- There is a dedicated Climate Change Action Group in place, which operates as a steering group and is responsible for the delivery of the CCAP. This Group has appropriate faculty, support services, and student representation membership;
- The College is required to submit CCAPs and a report on carbon emissions to the Scottish Government annually. The College is fully compliant with the reporting requirements specified in the Climate Change (Scotland) Act 2009;
- The College has a dedicated environmental sustainability champion via the Soft Services and Environmental Manager, demonstrating its commitment to addressing climate change and sustainability challenges;
- The College has clearly articulated its sustainability ambitions and objectives within the Strategic Plan, which is supported by the Estates Strategy and the Procurement Strategy;
- The College has implemented a range of sustainable practices in relation to waste management, travel, and energy reduction;
- We noted evidence of embedding of sustainability within courses and teaching practices;

Final Issued – May 2024

The objective of the audit was to obtain reasonable assurance that:	
1. The College has established the carbon baseline position and has set out and communicated the climate change aspirations for the College.	Good
2. Roles and responsibilities around climate change action and environmental sustainability have been clearly articulated.	Satisfactory
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
4. There are appropriate arrangements in place to update the Board on the progress being made to deliver on actions around climate change and sustainability.	Good
Overall Level of Assurance	Good



2024/06 – Environmental Sustainability (continued)**Strengths (continued)**

- There has been a 78% reduction in Scope 1 emissions since the baseline year of 2014/15, and 35% reduction of Scope 2 emissions from the distribution of energy since the baseline year of 2018/19, indicating that the changes made by management are having a positive impact in reducing emissions;
- Annual tonnes of waste generated has decreased by 53% since the baseline year in 2018/19; and
- The College takes a proactive approach to the identification of funding opportunities to help the College deliver its Net Zero ambitions.

Opportunities for improvement

- There is currently no map of the curriculum that would allow the assessment of products offered against the 17 Sustainable Development Goals (SDGs). There is a risk that the College cannot readily identify opportunities for improving or implementing new ideas around environmental sustainability through learning and teaching;
- The CCAP 2021/22 – 2024/25 and Action Plan by Planned Schedule of Activity are available on a dedicated page on the College's public website. However, review of the Action Plan by Planned Schedule of Activity found that the version published has not been updated since November 2022. In addition, the website does not fully reflect the significant progress made by management, the status of the College in delivering the FE Climate Action Roadmap, and the work remaining to ensure the College meets its commitment target. There is also an opportunity for the College to review how its website can be leveraged to promote its environmental sustainability values, "Think Green" messaging, and to showcase activities to the public, prospective students, and employers / partners;
- The CCAP does not specify the roles and responsibilities for staff (and students) in supporting the College in meeting its Net Zero Commitment. While there are options for staff to complete CPD training on sustainability, there is currently no mandatory training for staff on Environmental Sustainability to support the College in communicating its values in the climate change debate and to raise awareness on how staff can influence positive change;



2024/06 – Environmental Sustainability (continued)***Opportunities for improvement (continued)***

- The CCAP does not currently specify the governance group responsible for the oversight of the plan (i.e. the Audit Committee and/or Finance and Resources Committee, who were both noted to have a role to play in the oversight of climate change arrangements) and does not explicitly state how the Board of Management should receive assurance on the status of climate change activity.



2024/07 - Data Protection

This audit included a review of the College's implementation of the Data Protection Act 2018, including the UK GDPR, to ensure that processes and procedures are in place to allow compliance with this.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College has established a robust data protection compliance framework, which includes a mandatory programme of induction training for all staff supported by a suite of policies, procedures, guidance, privacy notices, Record of Processing Activities (RoPA), Data Breach and Subject Access Request reporting monitoring arrangements; and mechanisms for identifying and assessing data protection risks. Some areas for improvement have also been identified as summarised below.
- Senior College staff are responsible for all operational aspects of data protection who are supported by an external DPO accessed through HEFESTIS (HE/FE Shared Technology & Information Services).

Weaknesses

- We noted that there was no mandatory programme of refresher data protection training in place at the time of our review, however confirmation was obtained from the Learning and Development team that the data protection e-learning module would be re-issued to all staff later in 2024.
- A RoPA is in place which is in a format which aligns well with the ICO requirements and good practice. Whilst the RoPA captures a good level of information we noted that there were gaps within the documented information relating to internal data sharing, external data sharing, retention periods, and technical and organisational security measures with several fields marked as 'TBC'. We also noted that there is currently no process in place to ensure that the RoPA is reviewed and updated regularly (at least annually or following significant changes to systems of processes).

Final Issued – May 2024

The objective of the audit was to obtain reasonable assurance that:	
1. Appropriate action has been taken by the College to comply with the Data Protection Act 2018, including the UK GDPR.	Satisfactory
2. Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.	Satisfactory
Overall Level of Assurance	Satisfactory



2024/07 - Data Protection (continued)***Weaknesses (continued)***

- At the time of our audit, the College, with support from the DPO, was undertaking a self-evaluation of its data protection compliance environment through completion of the ICO's Accountability Framework self-assessment toolkit. Results from the College's preliminary review found that the College was meeting the ICO's expectations in 47% of the areas of the Accountability Framework, partially meeting the ICO's expectations in 21% of areas, and not meeting expectations in 8% of areas. The remaining 23% of areas were either not applicable to the College (16%) or had still to be reviewed by the College (7%). The Accountability Framework should be completed, and actions identified to address all compliance gaps which are relevant to the College.
- One aspect of the DPO's role is to ensure that systems are in place for ongoing monitoring of data protection compliance. However, at the time of our review, no formal internal data protection audit plan had been developed to monitor compliance with the College's own policies and procedures and to obtain assurances that business processes are operating in compliance with current legislation. We have recommended that a data protection compliance monitoring procedure and audit plan is developed, which formalises, reflects and builds upon existing practices, and which identifies the form, frequency and method of compliance monitoring and describes how results should be reported.



2024/08 – Follow-Up Reviews

Final Issued – September 2024

We carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2023/24 and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified recommendations outstanding. These were:

- Internal Audit Report 2023/08 - Follow Up Reviews 2022/23;
- Internal Audit Report 2024/03 – Student Support (Extended Learning Support) Business Process Review;
- Internal Audit Report 2024/04 – Software Licensing;
- Internal Audit Report 2024/05 – Health and Safety;
- Internal Audit Report 2024/06 – Environmental Sustainability; and
- Internal Audit Report 2024/07 – Data Protection.

The objective of our follow-up review was 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, plans are in place to progress them.

The College has made good progress in implementing the recommendations followed-up as part of this review, with 16 of the 23 (70%) recommendations that were past their due date being categorised as ‘fully implemented’. Five recommendations (22%) have been assessed as ‘partially implemented’ and seven recommendations were not yet past their agreed completion dates. These recommendations will be subject to follow up in the next formal Follow Up Review exercise.

Two recommendations (8%) were ‘considered but not implemented’ by College management:

- 2024/04 – Software Licensing **R1** - recommended that ‘a business case should be developed for the acquisition of an automated software licensing and auditing tool to record software deployment, store licence information and to track compliance activity across all ICT assets.’ Instead, the College implemented its own internal solution by upgrading its existing software register, as described under report 2024/04 **R2**; and
- 2024/06 – Environmental Sustainability **R3** – recommended that the College considers mandatory training on environmental sustainability in order to clarify roles and responsibilities on Climate Change consistently across teams. This was considered by the Senior Leadership Team (SLT) and a decision was taken that Climate Change training should be promoted as recommended training only.



2024/08 – Follow-Up Reviews (continued)

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 Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2023/08 - Follow Up Reviews 2022/23	1/High	3	-	3	-	-	-
	2/Medium	4	3	1	-	-	-
	3/Low	7	7	-	-	-	-
Total		14	10	4	-	-	-
2024/03 – Student Support (Extended Learning Support) BPR	High	1	1	-	-	-	-
	Medium	3	1	-	-	2	-
	Low	-	-	-	-	-	-
Total		4	2	-	-	2	-
2024/04 – Software Licensing	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	1	-	-	-	1
Total		2	1	-	-	-	1
2024/05 – Health and Safety	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	1	1	-	1	-
Total		3	1	1	-	1	-
2024/06 – Environmental Sustainability	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	4	2	-	-	1	1
Total		4	2	-	-	1	1
2024/07 – Data Protection	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	-	-	-	3	-
Total		3	-	-	-	3	-
Grand Totals		30	16	5	-	7	2



2024/09 – 2023/24 Student Activity Data**Final Issued – November 2024**

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Our report was submitted to the SFC on 18 October 2024. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance.
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

No issues were identified from our audit testing for 2023/24 that required a recommendation for improvement to be made.



2024/10 – 2023/24 Student Support Funds**Final Issued – November 2024**

For the 2023/24 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.

In our covering letter to the SFC enclosing the audited **Discretionary Fund, Childcare Fund and Bursary Return** we made the following observations as referred to in our audit report.

The National Policy for FE Bursaries AY 2023-24, states that colleges are not expected to operate a 100% attendance requirement however Bursary awards should be made based on students engaging appropriately in their studies. Colleges should withhold payment and seek refunds for periods where students have unsatisfactory attendance, if the student has not taken steps to participate in their studies or to engage with the college during periods of unauthorised absence. The College Further and Higher Education Childcare Fund guidance requires that student attendance / participation and progression is 'satisfactory' and in line with any other national or local guidance on this issue.

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance / participation.

For our Bursary sample of 17 students, seven students showed a level of absence within the self-certification allowance per College policy. For the remainder in our sample, College management retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to these students. This mainly related to health issues (including mental health issues) and, in line with the National Policy, the College exercised flexibility with regards to attendance and engagement and worked with the students to keep them on the course where possible. Agreed attendance and participation plans documented in student personal learning support plans were not however available.

For our Childcare sample of 11 students, 10 students showed a level of absence within the self-certification allowance per College policy. For the remaining student, the College retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to this student. We were advised that the student had health issues, and several attempts were made to bring the student back to College.



2024/10 – 2023/24 Student Support Funds (continued)

College management advised that the normal attendance monitoring arrangements have now resumed, with the first Bursary / Childcare report for 2024/25 due to go out to Faculties in week beginning 4 November 2024. The Student Funding Manager noted that during the standard attendance review, the Student Funding team runs a PLSP report, which flags students requiring additional flexibility regarding attendance, and also requests updates from Faculties regarding students' progress and any extenuating factors that might impact funding decisions. For Care Experienced students, the Student Funding team also seeks input from Student Advisors, who may have insights into circumstances affecting their attendance.

One recommendation was made in our report in relation to contingency arrangements so that attendance monitoring for student funding purposes can continue in the event of long-term staff absence.

In our covering letter to SAAS enclosing the audited **Higher Education Discretionary and Childcare Fund Return** we noted one minor observation arising from our audit work. The College has a separate bank account into which the Higher Education Discretionary Funds received from SAAS are paid into however this account is not interest bearing. All payments to students are made from the College's main bank account and funds are transferred between the two accounts as required. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

In our covering letter to SFC enclosing the Auditors' Report for the **Education Maintenance Allowance Return** we noted the following observations arising from our audit work as referred to in our audit report.

Total EMA maintenance payments of £301,620 were made by the College in the year-ended 31 July 2024 compared with £301,020 included in the monthly returns and year-end statement after adding back £480 deducted in the October 2023 monthly return to correct a 2022/23 overclaim and £120 deducted in the January 2024 monthly return to correct a claim for a student in session 2022/23 who did not have an enrolment record on the FES. The difference of £600 relates to an underclaim in 2023/24, which was adjusted by the College in the monthly return for September 2024.

The Education Maintenance Allowance Guidance for Colleges AY 2023-24 states that students must have a 100% agreed attendance to receive the weekly payment, and any absences authorised by the college should be treated as a day of attendance. Colleges can exercise flexibility when considering the attendance criteria for vulnerable students.

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance.

For our EMA sample of 10 students, nine students showed a level of absence within the self-certification allowance per College policy for the period selected. For the remaining student, the lecturer had advised that they were working with the student to get them back on a full-time basis and no deduction was made.



2024/10 – 2023/24 Student Support Funds (continued)

College management advised that the normal attendance monitoring arrangements have now resumed, with the Student Funding Team carrying out all scheduled EMA Attendance Checks in 2024/25 to date and weekly withdrawals.

Three further minor recommendations were made in our report as a result of points identified during the course of our audit.



Time Spent – Budget v Actual 2023/24

	Report number	Planned days	Actual days feed	Days to fee at Nov 2024	Days to spend / WIP	Variance
Reputation						
<i>Health and Safety</i>	2024/05	5	5	-	-	-
Student Experience						
<i>Student support (ELS) BPR</i>	2024/03	6	6	-	-	-
Financial Issues						
<i>Procurement and creditors / purchasing</i>	2024/02	5	5	-	-	-
Organisational Issues						
<i>Environmental Sustainability</i>	2024/06	4	4	-	-	-
Information and IT						
<i>Data Protection</i>	2024/07	5	5	-	-	-
<i>Software Licencing</i>	2024/04	4	4	-	-	-
Other Audit Activities						
Credits audit	2024/09	7	-	7	-	-
Student Support Funds	2024/10	6	-	6	-	-
Management and Planning)	2024/01 & 2024/11	5	3	2	-	-
External audit / SFC)						
Attendance at Audit Committee)						
Follow-up reviews	2024/08	2	-	2	-	-
Total		<u>49</u>	<u>32</u>	<u>17</u>	<u>-</u>	<u>-</u>



Operational Plan for 2024/25

- 5.1 We were re-appointed in 2021 as internal auditors to the College for the period 1 August 2021 to 31 July 2024 with the option to extend for a further 24 months, subject to performance and at the sole discretion of the College. The College has now exercised this option following approval by the Audit Committee at its meeting on 29 May 2024.
- 5.2 The annual operating plan for 2024/25 summarised below is based on the proposed allocation of audit days for 2024/25 discussed at the Audit Committee meeting on 29 May 2024, which was based on previous internal audit coverage and key areas of risk.

Proposed Allocation of Audit Days

	Category	Proposed 24/25 Days
Student Experience		
<i>Student welfare – Duty of Care</i>	Perf	5
Staffing Issues		
<i>Payroll</i>	Fin	5
Estates and Facilities		
<i>Building maintenance)</i>	Fin/Perf	5
<i>Estates strategy / capital projects)</i>	Fin/Perf	
Financial Issues		
<i>Budgetary control</i>	Fin	5
<i>Fraud Prevention, Detection and Response</i>	Fin	1
Organisational Issues		
<i>Corporate Governance</i>	Gov	5
Information and IT		
<i>Systems development / implementation</i>	Perf	5
Other Audit Activities		
Credits Audit	Perf	7
Bursary, Childcare and Hardship Funds Audit	Perf	5
EMA Audit	Perf	1
Management and Planning)		4
External audit / SFC)		
Attendance at Audit Committee)		
Follow-up reviews		2
Audit Needs Assessment		2
Total		<u>52</u> =====



Key

Category: Gov – Governance; Perf – Performance; Fin – Financial



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AUDIT COMMITTEE MEETING

Date of Meeting:	20 November 2024
Paper Title:	2023/24 Student Activity Data Audit Report
Action:	Information
Prepared by:	Henderson Loggie, Internal Auditors
Agenda Item:	24.58
Status:	Disclosable

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to submit to the Committee for information the 2023/24 Student Activity Data Audit Report which has been produced by the College's Internal Auditors, Henderson Loggie.

2. ACTION FOR THE COMMITTEE

- 2.1 Members of the Audit Committee are invited to note this paper.

3. BRIEF BACKGROUND INFORMATION

- 3.1 It is a requirement that an audit of student activity data is completed each year for every college after the end of the academic session to verify student activity data against the SFC target. The report contains no recommendations.

4. SUPPORTING DOCUMENTATION/FURTHER INFORMATION

Appendix 24.58A - 2023/24 Student Activity Data HL Audit cover letter.

Appendix 24.58B - 2023/24 Student Activity HL Audit Certificate.

Appendix 24.58C - 2023/24 Student Activity HL Data Audit Report.

5. RISKS

There are no specific risks associated with this paper.

**6. ANY OTHER SIGNIFICANT IMPACT
eg STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY**

- 6.1 The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum.

Our ref: GLAS366/DA/STI

Your ref:

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

18 October 2024

To Whom it May Concern

**2023/24 Student Activity Data
Glasgow Clyde College**

On behalf of our above named client, we have pleasure in attaching our Audit Certificate in relation to the College's FES return for academic year 2023/24.

We understand that the College certificate of Credits claimed, signed by the Principal, has already been submitted by the College.

Should you have any queries regarding the attached, please do not hesitate to contact us.

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
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Our ref: GLAS366/DA/STI

Your ref:

Glasgow Clyde College
 690 Mossspark Drive
 Glasgow
 G52 3AY

18 October 2024

To Whom it May Concern

Auditor's Report to the Members of the Board of Management of Glasgow Clyde College

We have audited the FES return which has been prepared by Glasgow Clyde College under SFC's Credit Guidance for colleges issued 12 June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 9 October 2024. We conducted our audit in accordance with the 2023-24 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatements.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.



Stuart Inglis
 Director
 For and on behalf of Henderson Loggie LLP
 Chartered Accountants
 Dundee Office
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18 October 2024

Date FES returned: 4 October 2024

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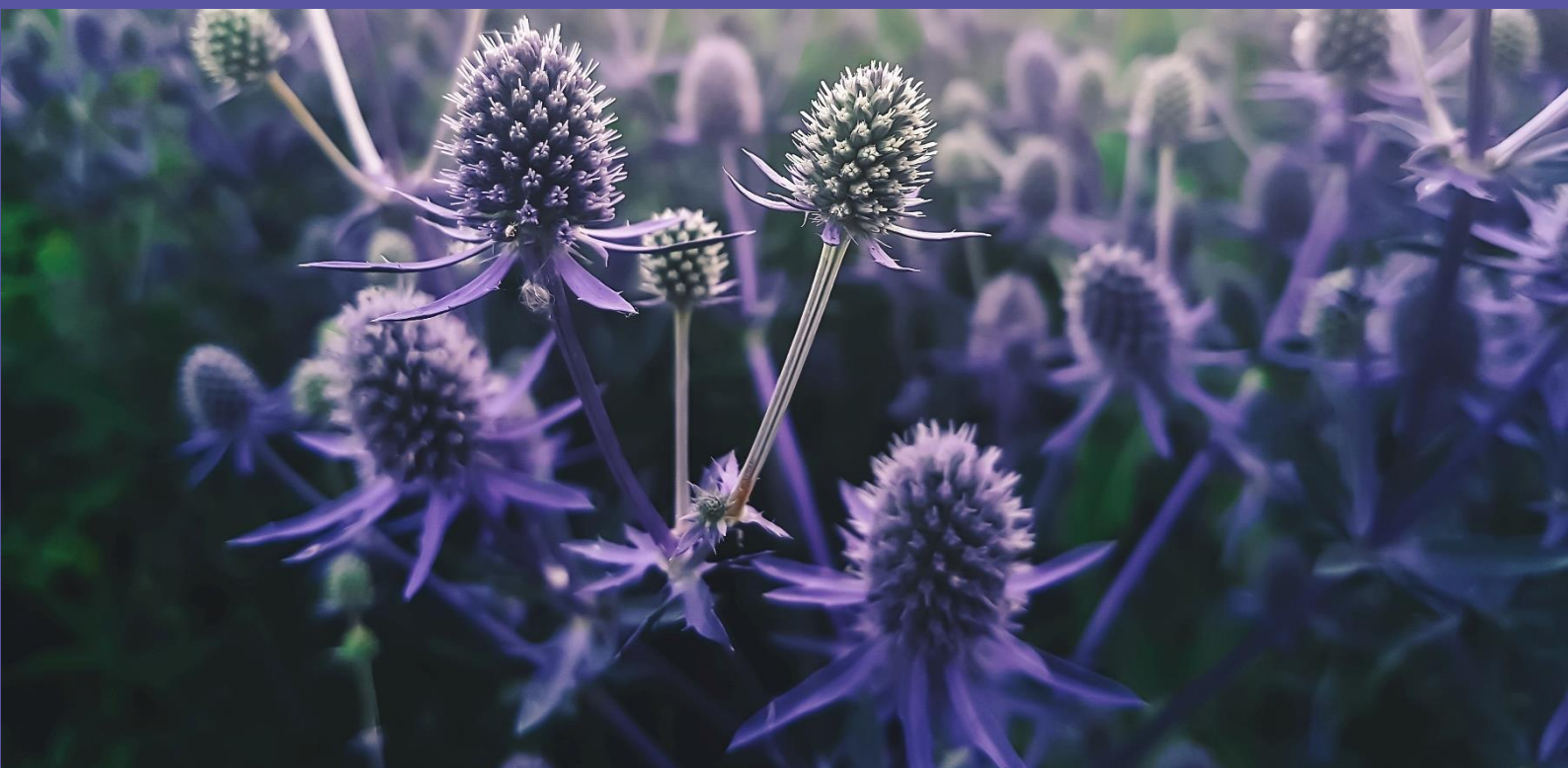
Glasgow Clyde College

2023/24 Student Activity Data

Internal Audit report No: 2024/09

Draft issued: 30 October 2024

Final issued: 1 November 2024



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 27 August 2024, '*FES Return and Audit Guidance 2023-24*' requested submission by Glasgow Clyde College ('the College') of the FES return for session 2023/24, which includes the Credits data relating to College activity for the academic year 2023/24.

Guidance on completion of the 2023/24 return was issued by the SFC on 12 June 2023.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

Scope of the Audit

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Audit Staffing

An Audit Director with 31 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Senior Auditor and Auditor with seven and four-years' experience in the sector respectively. A Senior Manager with 19 years' experience in the sector was also involved at the planning, review and reporting stage.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was 7½, split ½ day for the Audit Director, ½ day for the Senior Manager, 3½ days for the Senior Auditor and 3 days for the Auditor.

Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

No issues have been identified from our audit testing for 2023/24 that required a recommendation for improvement to be made.



Conclusion

Our report was submitted to the SFC on 18 October 2024. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance.
- adequate procedures are in place to ensure the accurate collection and recording of the data;
and
- we can provide reasonable assurance that the FES return is free from material misstatements.

A copy of our Audit Certificate is included at Appendix I to this report.

Acknowledgments

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



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 27 August 2024 sets out, at Annex C, the key risk areas in relation to the preparation of the FES return. These are:

- the average Credits claimed for full-time students exceeds levels indicated in the Credit guidance;
- incorrect Credit value is claimed for collaborative provision;
- claims for fee waivers and students with multiple enrolments;
- spanning courses;
- identification of non-fundable activity, both courses and students, including capturing of eligible enrolments and identification and recording of student withdrawals;
- recording of progress for students on open / distance learning programmes;
- identification and counting of infill students; and
- claims for non-accredited work experience / placement.

1.1.2 For academic year 2023/24 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; and the main findings from our audit work. No errors were found during the course of the audit in the total Credits claimed and there were no prior year recommendations to be followed-up.



2. Systems and Procedures for Compilation of Returns

2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the UNIT-e system:
- Ensured that the course met the criteria for fundable activity set out in the Credits guidance.
 - Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance.
 - Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance.
 - Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
 - Checked allocation of Credits to courses is in accordance with the Credits guidance and, where Credits were claimed beyond normal full-time levels, that the claims could be appropriately justified by the College.
- 2.1.3 For a total of 62 students selected from the above courses the following tests were carried out, where applicable:
- Ensured that the student met the criteria for fundable activity set out in the Credits guidance.
 - Checked back to signed enrolment forms, or electronic equivalent, for the 2023/24 academic year.
 - For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled.
 - Checked to student attendance / engagement records and, for withdrawals, checked that the withdrawal date noted on the system was the last date of physical attendance or engagement;
 - For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
 - For students undertaking non-accredited work experience / placement ensured that the Credits value had been calculated in line with the Credits guidance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- Compared the overall average Credits per full-time student against the SFC expected average of 17 Credits for full-time Further Education students and 15 Credits for full-time Higher Education students;
 - Confirmed that there were no claims for more than one full-time enrolment per student for 2023/24 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
 - Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
 - Confirmed that Credits for spanning courses were claimed in the correct year.
- 2.1.5 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students, we confirmed that College staff had verified the entitlement to benefit.
- 2.1.6 It was confirmed by the Head of MIS that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. No further work was therefore required in this area.



2. Systems and Procedures for Compilation of Returns (continued)

2.1 Introduction (continued)

- 2.1.7 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.8 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex C of the Credits Audit Guidance and were working satisfactorily as described to us.

3. Analytical Review

- 3.1 The analytical review by Price Group for the current year, included at Appendix III of this report, showed significant variances in Price Groups 1, 2, 3 and 5. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors. The College's Credits target reduced from 126,357 in 2022/23 to 113,721 in 2023/24, a reduction of 10%. The overall picture is a decrease in actual Credits in line with this reduction in Credit-funded activity from 2022/23 to 2023/24. There was an increase in Price Group 3 due to: a) a small increase in activity in the Energy & Building Services School, where almost all delivery falls into this group; and b) re-profiling of some courses in the Hair & Beauty School, which moved several courses from Price Group 2 to Price Group 3, better reflecting the additional investment and costs involved in running these classes (including specialist accommodation, equipment, small teaching group sizes, etc).



Appendix I – Copy of Audit Certificate

Glasgow Clyde College
690 Mosspark Drive
Glasgow
G52 3AY

18 October 2024

To Whom it May Concern

Auditor's Report to the Members of the Board of Management of Glasgow Clyde College

We have audited the FES return which has been prepared by Glasgow Clyde College under SFC's Credit Guidance for colleges issued 12 June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 9 October 2024. We conducted our audit in accordance with the 2023-24 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatements.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements.

Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
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Dundee Office
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18 October 2024

Date FES returned: 4 October 2024



Appendix II – Price Group Analytical Review 2022/23 and 2023/24 – Figures

Price Group	2022/2023		2023/2024		Variance	Variance
	Credits		Credits		Credits	%
1	19,533		15,391		(4,142)	(21.2)
2	67,989		63,003		(4,986)	(7.3)
3	20,992		22,497		1,505	7.2
4	2,277		2,255		(22)	(1.0)
5	14,149		13,084		(1,065)	(7.5)
	124,940		116,230		(8,710)	(7.0)

College Funded Target 2023/24:

113,721 Credits



Appendix III – Price Group Analytical Review 2019/20 to 2023/24 – Graph





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AUDIT COMMITTEE MEETING

Date of Meeting	20 November 2024
Paper Title	2023/24 Student Support Funds Audit Reports
Action	Information
Prepared by	Henderson Loggie (HL), Internal Auditors
Agenda Item	24.59
Status	Disclosable

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to submit to the Committee for discussion the 2023/24 Student Support Funds Audit Report and related signed returns to the Scottish Funding Council (SFC) and the Students Awards Agency for Scotland (SAAS). This report has been produced by the College's Internal Auditors, Henderson Loggie.

2. ACTION FOR THE BOARD

- 2.1 Members of the Audit Committee are invited to note this paper.

3. BRIEF BACKGROUND INFORMATION

- 3.1 There are four student support funds which Glasgow Clyde College administers on behalf of others and these are bursary funding, childcare funding, discretionary funding and educational maintenance allowances.
- 3.2 The student support funds represent a substantial amount of funding which is allocated to students by the College on behalf of various bodies following their relevant guidance and national policies. Each of the funds needs to be fully accounted for and audited for each academic year. For the bursary funding, further education discretionary funding, and childcare funding, the Scottish Funding Council (SFC) provided an allocation for the academic year 2023/24 which totalled just over £11.5Million for Glasgow Clyde College students, the largest element being bursary funding at £9.3Million. The Higher Education discretionary funding is allocated by the Student Awards Agency for Scotland (SAAS) and was £0.2Million for Glasgow Clyde College students for the academic year 2023/24. Educational maintenance allowances are claimed retrospectively from SFC based on actual sums paid to students.

4. SUPPORTING DOCUMENTATION/ FURTHER INFORMATION

- 4.1 The 2023/24 Student Support Funds Audit Report is attached at Annex 24.59A. The audit report indicates that Henderson Loggie were able to certify all fund statements for the year and submit them to the appropriate bodies. All statements were submitted without reservation or qualification except for one significant risk in respect of the SFF return in relation to continued student attendance, which arose as a result of long-term staff absence, which has been rectified. There are three low priority recommendations in the report and the related auditor letters and supporting returns are included as appendices.

4.2 PRIOR YEAR RECOMMENDATIONS / OBSERVATIONS

As per Appendix 4 on page 13 of the 2023/24 Student Support Funds Audit Report, all prior year points have been fully implemented.

5. RISKS

5.1 There are no specific risks associated with this paper.

**6. ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/LEGAL/
FINANCIAL/EQUALITY& DIVERSITY**

6.1 The College is required to have an internal audit function undertaken each year as part of the Financial Memorandum.

Glasgow Clyde College

2023/24 Student Support Funds

Internal Audit report No: 2024/10

Draft Issued: 6 November 2024

Final Issued: 11 November 2024



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Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund in 2023/24 was £5,000 and maximum payable from the Higher Education Discretionary Fund was £3,000. Colleges could award sums above these limits in exceptional circumstances with prior approval from SFC and SAAS respectively.

Childcare Funds sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to certain groups, including lone parents and mature students, when allocating funds from the Further and Higher Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

Bursary funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student living in college-approved accommodation, or due to having dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds. In recognising that the bursary fund is cash-limited, colleges may have to exercise discretion to target support to meet local priorities and the needs of their students. SFC expects colleges to award students their full calculated bursary award. Where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

Education Maintenance Allowances (EMAs) provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines.

Audit Scope

For the 2023/24 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund Return; and
- Education Maintenance Allowance Return.



Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2024, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to amounts awarded;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Action Plan

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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

Findings and Conclusions

In our covering letter to the SFC enclosing the audited **Discretionary Fund, Childcare Fund and Bursary Return** we made the following observations as referred to in our audit report.

The National Policy for FE Bursaries AY 2023-24, states that colleges are not expected to operate a 100% attendance requirement however Bursary awards should be made based on students engaging appropriately in their studies. Colleges should withhold payment and seek refunds for periods where students have unsatisfactory attendance, if the student has not taken steps to participate in their studies or to engage with the college during periods of unauthorised absence. The College Further and Higher Education Childcare Fund guidance requires that student attendance / participation and progression is 'satisfactory' and in line with any other national or local guidance on this issue.



Findings and Conclusions (Continued)

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance / participation.

For our Bursary sample of 17 students, seven students showed a level of absence within the self-certification allowance per College policy. For the remainder in our sample, College management retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to these students. This mainly related to health issues (including mental health issues) and, in line with the National Policy, the College exercised flexibility with regards to attendance and engagement and worked with the students to keep them on the course where possible. Agreed attendance and participation plans documented in student personal learning support plans (PLSPs) were not however available.

For our Childcare sample of 11 students, 10 students showed a level of absence within the self-certification allowance per College policy. For the remaining student, the College retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to this student. We were advised that the student had health issues, and several attempts were made to bring the student back to College.

College management advised that the normal attendance monitoring arrangements have now resumed, with the first Bursary / Childcare report for 2024/25 due to go out to Faculties in week beginning 4 November 2024. The Student Funding Manager noted that during the standard attendance review, the Student Funding team runs a PLSP report, which flags students requiring additional flexibility regarding attendance, and also requests updates from Faculties regarding students' progress and any extenuating factors that might impact funding decisions. For Care Experienced students, the Student Funding team also seeks input from Student Advisors, who may have insights into circumstances affecting their attendance.

Recommendation

R1 Although we appreciate the exceptional circumstances during 2023/24, the College should consider contingency arrangements so that attendance monitoring for student funding purposes can continue in the event of long-term staff absence.

In our covering letter to SAAS enclosing the audited **Higher Education Discretionary and Childcare Fund Return** we noted one minor observation arising from our audit work. The College has a separate bank account into which the Higher Education Discretionary Funds received from SAAS are paid into however this account is not interest bearing. All payments to students are made from the College's main bank account and funds are transferred between the two accounts as required. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

In our covering letter to SFC enclosing the Auditors' Report for the **Education Maintenance Allowance Return** we noted the following observations arising from our audit work as referred to in our audit report.

Total EMA maintenance payments of £301,620 were made by the College in the year-ended 31 July 2024 compared with £301,020 included in the monthly returns and year-end statement after adding back £480 deducted in the October 2023 monthly return to correct a 2022/23 overclaim and £120 deducted in the January 2024 monthly return to correct a claim for a student in session 2022/23 who did not have an enrolment record on the FES. The difference of £600 relates to an underclaim in 2023/24, which was adjusted by the College in the monthly return for September 2024.



Findings and Conclusions (Continued)

The Education Maintenance Allowance Guidance for Colleges AY 2023-24 states that students must have a 100% agreed attendance to receive the weekly payment, and any absences authorised by the college should be treated as a day of attendance. Colleges can exercise flexibility when considering the attendance criteria for vulnerable students.

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance.

For our EMA sample of 10 students, nine students showed a level of absence within the self-certification allowance per College policy for the period selected. For the remaining student, the lecturer had advised that they were working with the student to get them back on a full-time basis and no deduction was made.

College management advised that the normal attendance monitoring arrangements have now resumed, with the Student Funding Team carrying out all scheduled EMA Attendance Checks in 2024/25 to date and weekly withdrawals.

Recommendation Covered by R1 above.

In addition, the following points were noted during the course of our audit:

Bursary Return – Additional Support Needs (ASN) Costs

During our audit testing of ASN costs, we found that laptop costs recharged to Bursary for one invoice sampled were incorrect. The cost per unit recharged of £622.01 duplicated the cost of a backpack (£11.00) and omitted VAT (£122.20). 35 units were recharged to Bursary-funded students and, as such, the overall underclaim was £3,892.00, which was not adjusted in the final FES.

Recommendation

R2 Ensure that a check is made on the calculation of ASN costs recharged to Bursary to confirm accuracy.

Bursary Return – Travel

Where the Student Funding Team performs calculations to determine the travel allowance element of the Bursary award for eligible students, the records of these calculations are not retained. It is generally based on the FirstBus price chart or the National Rail Enquiries Season Ticket Calculator. However, this is reviewed at the time of the assessment and not retained for audit purposes. We tested the costs to information available online for 2023/24, however some of the prices had changed (e.g. due to All Day Off-Peak Fares Scheme being introduced and recently scrapped) and as such we could only test for reasonableness.

R3 The Student Funding Team should retain a record of each calculation made to determine the travel award for Bursary-eligible students. This would be helpful for monitoring and audit purposes. A record of the calculation could be input directly on the student's record in TeQuios.



Findings and Conclusions (Continued)

Higher Education Discretionary Fund

The College issued £400 Emergency Accommodation Payments to students who were in receipt of housing funds from the Higher Education Discretionary Fund during the year, as further funds were available (six of 10 students in our sample received such a payment). No Award Letters were issued for these - the Student Funding Team only e-mailed the students from the funding mailbox to confirm if they needed additional support.

R4 Award Letters should be issued covering all payments made from the Discretionary Funds.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

Acknowledgments

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



Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	<p>Attendance Monitoring</p> <p>R1 Although we appreciate the exceptional circumstances during 2023/24, the College should consider contingency arrangements so that attendance monitoring for student funding purposes can continue in the event of long-term staff absence.</p>	2	<p>The Department operates with 5.75 FTE and any absence significantly impacts on the workload across the team. In session 2024/25 we will increase training and knowledge of Attendance Reporting, in particular, to the Student Funding Officer Role should any unexpected absences re-occur.</p> <p>Longer term the College will investigate the possibility of automating attendance checks as we look to develop or purchase a new funding database to replace Tequios in the next couple of years.</p>	Yes	Student Funding Manager	<p>Initial training & knowledge – 31 March 2025</p> <p>Further Development work potentially completed by start of session 2026/27</p>
4	<p>Bursary Return – Additional Support Needs (ASN) Costs</p> <p>R2 Ensure that a check is made on the calculation of ASN costs recharged to Bursary to confirm accuracy.</p>	3	<p>Costs requested by Student Support will be verified with invoices before funds are transferred at the end of each block.</p>	Yes	Student Funding Manager & Head of Student Inclusion, Information & Welfare	31 December 2024



2023/24 Student Support Funds

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
4	<p>Bursary Return – Travel</p> <p>R3 The Student Funding Team should retain a record of each calculation made to determine the travel award for Bursary-eligible students. This would be helpful for monitoring and audit purposes. A record of the calculation could be input directly on the student’s record in TeQuios.</p>	3	<p>Staff have been directed to save screenshots from transport company websites if awards are assessed using any alternative method of travel than First Bus.</p> <p>This will be reviewed quarterly by Student Funding Manager.</p>	Yes	Student Funding Manager	30 June 2025
5	<p>Higher Education Discretionary Fund</p> <p>R4 Award Letters should be issued covering all payments made from the Discretionary Funds.</p>	3	<p>All HE Discretionary Assessments including any ‘<i>top-ups</i>’ will be issued with an award email to the student.</p> <p>Staff will be reminded of this when the Discretionary Fund opens in November 2024.</p>	Yes	Student Funding Manager	30 June 2025



Appendix I – Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return and Audit Certificate



Appendix II – Higher Education Discretionary and Childcare Fund Return and Audit Certificate



Appendix III – Education Maintenance Allowance Return and Audit Certificate



Appendix IV – Updated Action Plan – 2022/23 Student Support Funds

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2024
<p>Education Maintenance Allowance Return</p> <p>R1 Ensure that all BACS rejections are accounted for on end-of-month Education Maintenance Allowance returns.</p>	3	Reconciliation with Tech One Finance system will be carried out before each monthly claim is submitted.	Yes	Student Funding Manager	31 December 2023	<p>Reconciliation with Tech One Finance system is done before each monthly EMA claim is submitted to capture BACS rejections.</p> <p>Fully Implemented</p>
<p>Bursary Return</p> <p>R2 Ensure that the course expenses disclosure issue is resolved with the Tequios software supplier and all course expenses paid to students are disclosed as Study Expenses on the FES.</p>	3	Helpdesk request has been raised with Inisoft to resolve the issue with the FES export.	Yes	Student Funding Manager	31 December 2023	<p>FES export now fixed. This still includes a manual end-of-year reconciliation to make sure that the spend is included in the correct category.</p> <p>Fully Implemented</p>





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Henderson Loggie LLP is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of PrimeGlobal, a global association of independent accounting firms, the members of which are separate and independent legal entities. Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB. All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP. Reference to a 'partner' is to a member of Henderson Loggie LLP. A list of members' names is available for inspection at each of these addresses.



Our ref: GLAS366/DA/STI**Your ref:**

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

1 November 2024

To Whom it May Concern

**Glasgow Clyde College
Discretionary Fund, Childcare Fund and Bursary Return 2023/24**

On behalf of our above-named client, we attach the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2023/24.

We have the following observations to make as referred to in our audit report.

The National Policy for FE Bursaries AY 2023-24, states that colleges are not expected to operate a 100% attendance requirement however Bursary awards should be made based on students engaging appropriately in their studies. Colleges should withhold payment and seek refunds for periods where students have unsatisfactory attendance, if the student has not taken steps to participate in their studies or to engage with the college during periods of unauthorised absence. The College Further and Higher Education Childcare Fund guidance requires that student attendance / participation and progression is 'satisfactory' and in line with any other national or local guidance on this issue.

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance / participation.

For our Bursary sample of 17 students, seven students showed a level of absence within the self-certification allowance per College policy. For the remainder in our sample, College management retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to these students. This mainly related to health issues (including mental health issues) and, in line with the National Policy, the College exercised flexibility with regards to attendance and engagement and worked with the students to keep them on the course where possible. Agreed attendance and participation plans documented in student personal learning support plans were not however available.

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For our Childcare sample of 11 students, 10 students showed a level of absence within the self-certification allowance per College policy. For the remaining student, the College retrospectively provided confirmation from Curriculum staff of extenuating circumstances supporting continued payments being made to this student. We were advised that the student had health issues, and several attempts were made to bring the student back to College.

College management advised that the normal attendance monitoring arrangements have now resumed, with the first Bursary / Childcare report for 2024/25 due to go out to Faculties in week beginning 4 November 2024.

Should you have any queries regarding the attached please do not hesitate to contact us.

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

College - 1003453 - Glasgow Clyde College Report - Student Support Funding

College Name: Glasgow Clyde College

College Contact:

College Number: 1003453

Phone Number:

1st August 2023 - 31st July 2024

Bursary Funds Expenditure	(AAC 1)	(AAC 2)	(AAC 3)	(AAC 4)	(AAC 5)	(AAC 6)	(AAC 7)	Totals	
	Student under 18 Headcount Expenditure (£)	Parentally Supported (At home) Headcount Expenditure (£)	Parentally Supported (Away from home) Headcount Expenditure (£)	Self-supporting Headcount Expenditure (£)	Care-experienced Headcount Expenditure (£)	Universal Credit Headcount Expenditure (£)	Non-maintenance Headcount Expenditure (£)	Headcount	Expenditure (£)
Maintenance Costs	3 5290	684 2148995	24 98642	620 2190576	385 2914731	241 208928	0 0	1957	7567162
Dependents Allowance	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0	0
Approved Residence Costs	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0	0
Personal Residence Costs	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0	0
Study Expenses	3 1565	615 133265	23 4551	585 121904	372 77043	216 45962	1220 188914	3034	573204
Travel Expenses	0 0	75 57723	7 3981	458 257726	51 33241	161 80356	593 342898	1345	775925
Special Educational Needs	0 0	46 101402	4 620	28 19883	18 4609	17 7520	106 97065	219	231099
Total Bursary	3 6855	684 2441248	24 107796 ¹	621 2590127	385 3029621	241 342772	1311 628865	3269	9147284

Discretionary Funds Expenditure	(AAC 1)	(AAC 2)	(AAC 3)	(AAC 4)	(AAC 5)	(AAC 6)	(AAC 7)	Totals	
	Student under 18 Headcount Expenditure (£)	Parentally Supported (At home) Headcount Expenditure (£)	Parentally Supported (Away from home) Headcount Expenditure (£)	Self-supporting Headcount Expenditure (£)	Care-experienced Headcount Expenditure (£)	Universal Credit Headcount Expenditure (£)	Non-maintenance Headcount Expenditure (£)	Headcount	Expenditure (£)
FE Discretionary	3 5040	97 54318	7 3144	191 173230	39 29485	75 46492	732 594421	1144	906130

Childcare Fund Expenditure	Headcount	Expenditure (£)
Total FE Childcare Fund	197	819922
Total HE Childcare Fund *	57	253144

* UHI partner colleges to manually enter data on the CSV version of this report.

	Part-time		Full-time		Totals	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)	Headcount	Expenditure (£)
FE childcare, lone parent	50	171372	61	253028	111	424400
FE childcare, other	51	234203	36	161319	87	395522
HE childcare, lone parent	0	0	36	160780	36	160780
HE childcare, other	0	0	21	92364	21	92364

We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.


On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.

We are satisfied that the system: and controls of the administration and disbursement of these funds are adequate. # Delete if not applicable.

subject to the observations made in our letter of 1 November 2024

PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.

Principals Signature 

HENDERSON LOGGIE LLP

Auditors Name (in printed capitals)

Auditors Signature 

DIRECTOR
FOR AND ON BEHALF OF HENDERSON LOGGIE LLP, CHARTERED ACCOUNTANTS

Date of Signature 1 NOVEMBER 2024

Our ref: GLAS366/DA/STI
Your ref:

Student Awards Agency for Scotland
Saughton House
Broomhouse Drive
Edinburgh
EH11 3UT

31 October 2024

To Whom it May Concern

**Glasgow Clyde College
Higher Education Audited Fund Accounts Return 2023/24**

On behalf of our above-named client, we attach the audited HE Fund Accounts Return for the academic year 2023/24.

Although we have not raised any reservations in our Auditor's Report we have one observation to make arising from our audit work. The College has a separate bank account into which the HE Discretionary Funds received from SAAS are paid into however this account is not interest bearing. All payments to students are made from the College's main bank account and funds are transferred between the two accounts as required. The College uses the Government banking service for all of its financial transactions, on instruction from the Scottish Funding Council, and these accounts do not pay interest.

Should you have any queries regarding the attached please do not hesitate to contact us.

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
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DISCRETIONARY FUND AND/OR CHILDCARE FUND (if appropriate)


Income and Expenditure

Name of institution: Glasgow Clyde College

	HE Discretionary Fund	Childcare Fund (HE only)	International Student Fund	TOTAL	ADVICE NOTES
	£	£	£	£	
INCOME					
a Allocation received for academic year 2023-24 - 1st instalment October 2023	147,869.00		3,394.00	151,263.00	1st instalment paid by SAAS - October 2023.
b Allocation received for academic year 2023-24 - 2nd instalment April 2024	74,307.00		1,324.00	75,631.00	2nd Instalment paid by SAAS - April 2024
c Bank interest received in the academic year 2023-24				-	
d Virement/transfer from other funds (HE only) <i>(Enter positive and negative amounts to show transfer between relevant funds)</i>	4,718.00		(4,718.00)	-	
e Total funds available for disbursement (a+b+c)	226,894.00	-	-	226,894.00	

Validity Checks

EXPENDITURE					
f Funds disbursed (= grand total of k from Report on Funds Expenditure)	197,808.43			197,808.43	
g Remaining allocation from 2023/24; funds to be returned to SAAS by 31 October 2024	29,085.57			29,085.57	
h Total disbursement of funds (f+g)	226,894.00	-	-	226,894.00	Provide breakdown on Funds Expenditure tab

NAME: Jon Vincent SIGNED:  (Principal)

AUDITOR'S REPORT

We have examined the books and records of the above institution and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us we report that the information set out above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

* Delete if not applicable

APPOINTED AUDITOR:
HENDERSON LOGGIE LLP

SIGNED:  DATE: 31/10/2024

DIRECTOR
FOR AND ON BEHALF OF HENDERSON LOGGIE LLP, CHARTERED ACCOUNTANTS

REPORT ON FUNDS EXPENDITURE

Name of institution: Glasgow Clyde College

	HE Discretionary Fund		Childcare Fund Full Time	International Student Fund	TOTAL
	Full Time	Part Time			
	£	£			
a General living expenses	169,494.00	500.00			169,994.00
b Travel		7,896.60			7,896.60
c Childcare	9,676.85	2,230.98			11,907.83
d Bursary /scholarship					-
e Short-term loans not repaid in the academic year					-
f Disability diagnosis costs	7,680.00	330.00			8,010.00
g Equipment					-
h Audit					-
i Advertising and publicity					-
j Other administration costs					-
k Total (= grand total of (f) from the Income & Expenditure accounts return)	186,850.85	10,957.58	-	-	197,808.43

Validity Checks

NAME: Jon Vincent SIGNED: 

(Principal)

AUDITED FUND ACCOUNTS RETURN 2023-24

205

REPORT ON STUDENT NUMBERS

Name of institution:

	HE Discretionary Fund		Childcare Fund (HE only)	International Student Fund	TOTAL
	Full Time	Part Time	Full Time	Full Time	
SUMMARY OF STUDENT NUMBERS					
a Total number of students applying for assistance (= b+c)	253	24			277
b Total number of students assisted	248	24			272
c Total number of students refused assistance (= a-b)	5	-			5

d International Students					-
e Nursing Students					-

DETAIL OF STUDENT NUMBERS					
f General living expenses	222	4			226
g Travel		18			18
h Childcare	4	1			5
i Bursary /scholarship					-
j Short-term loans not repaid in the academic year					-
k Disability diagnosis costs	24	1			25
l Equipment					-

Validity Checks

NAME: **SIGNED:** 

(Principal)

Please note, a student may be assisted in more than one category therefore the total number of students assisted may not equal the sum of students shown in individual categories.

Our ref: GLAS366/DA/STI**Your ref:**

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

31 October 2024

To Whom it May Concern

**2023/24 Education Maintenance Allowance
Glasgow Clyde College**

In accordance with the Scottish Funding Council's EMA audit guidance we attach an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2023/24 (copy attached).

As referenced in our Auditors' Report, we have the following observations to make arising from our audit work.

1. Total EMA maintenance payments of £301,620 were made by the College in the year-ended 31 July 2024 compared with £301,020 included in the monthly returns and year-end statement after adding back £480 deducted in the October 2023 monthly return to correct a 2022/23 overclaim and £120 deducted in the January 2024 monthly return to correct a claim for a student in session 2022/23 who did not have an enrolment record on the FES. The difference of £600 relates to an underclaim in 2023/24, which was adjusted by the College in the monthly return for September 2024.
2. The Education Maintenance Allowance Guidance for Colleges AY 2023-24 states that students must have a 100% agreed attendance to receive the weekly payment, and any absences authorised by the college should be treated as a day of attendance. Colleges can exercise flexibility when considering the attendance criteria for vulnerable students.

During our audit testing, we established that, while withdrawals continued to be monitored on a weekly basis to ensure that payments were not being made to students who had withdrawn from their course, the Student Funding Team did not monitor the attendance of students past the first Teaching Block (28 August 2023 to 3 November 2023) in the normal way, due to exceptional long-term staff absences within the team past the Christmas period. This weakness in the systems and controls of the administration and disbursement of the funds potentially resulted in payments being made to students who had not complied with College and SFC policies on attendance.

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T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870



For our EMA sample of 10 students, nine students showed a level of absence within the self-certification allowance per College policy for the period selected. For the remaining student, the lecturer had advised that they were working with the student to get them back on a full-time basis and no deduction was made.

College management advised that the normal attendance monitoring arrangements have now resumed, with the Student Funding Team carrying out all scheduled EMA Attendance Checks in 2024/25 to date and weekly withdrawals.

Should you have any queries regarding the attached please do not hesitate to contact us.

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

Our ref: GLAS366/DA/STI**Your ref:**

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

31 October 2024

To Whom it May Concern

**Glasgow Clyde College: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2023
to 31 July 2024**

We have examined the books and records of the above College, including evidence of checks of five per cent of applications and payments, with a sample size appropriate to the total number of applications, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that, subject to observation 1 set out in our letter dated 31 October 2024, the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that, subject to observation 2 set out in our letter dated 31 October 2024, the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully



Stuart Inglis
Director
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Dundee Office
stuart.inglis@hlca.co.uk

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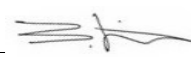


College: Glasgow Clyde
AY 2023-24

College	Full Time students		Part Time Students						Maintenance		Administration			Payments made to College				
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	College Maintenance Adjustment	SubTotal Maintenance (=F+K)	College Administration Adjustment	Total EMA Admin (=G+S+T)	Total EMA Spend (=L+U)	Month	Administration	Maintenance	Total	Balance
August 2023	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	August 2023	£0	£0	£0	£0
September 2023	0	£0	0	£0	£16,350	£0	0		£0	£16,350	£0	£16,350	£16,350	September 2023	£0	£16,350	£16,350	£0
October 2023	0	£0	0	£0	£27,900	£0	0		£0	£27,900	£0	£27,900	£27,900	October 2023	£0	£27,900	£27,900	£0
November 2023	0	£0	0	£0	£38,040	£0	0		£0	£38,040	£0	£38,040	£38,040	November 2023	£0	£38,040	£38,040	£0
December 2023	0	£0	0	£0	£32,160	£0	0		£0	£32,160	£0	£32,160	£32,160	December 2023	£0	£32,160	£32,160	£0
January 2024	0	£0	0	£0	£21,210	£0	0		£0	£21,210	£0	£21,210	£21,210	January 2024	£0	£21,210	£21,210	£0
February 2024	0	£0	0	£0	£35,790	£5,385	359		£0	£35,790	£0	£35,790	£78,605	February 2024	£5,385	£73,220	£78,605	£0
March 2024	0	£0	0	£0	£36,750	£0	0		£0	£36,750	£0	£36,750	£0	March 2024	£0	£0	£0	£0
April 2024	0	£0	0	£0	£21,930	£0	0		£0	£21,930	£0	£21,930	£29,250	April 2024	£8,000	£21,250	£29,250	£0
May 2024	0	£0	0	£0	£35,940	£0	0		£0	£35,940	£0	£35,940	£35,940	May 2024	£0	£35,940	£35,940	£0
June 2024	0	£0	0	£0	£34,350	£765	51		£0	£34,350	£0	£34,350	£35,115	June 2024	£765	£34,350	£35,115	£0
July 2024	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	July 2024	£0	£0	£0	£0
Totals	0	£0	0	£0	£300,420	£6,150	410		£0	£300,420	£0	£314,570		£14,150	£300,420	£314,570	£0	

Principal's declaration
I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.
I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Jon Vincent
Principal's name (please print)


Principal's signature

11/10/2024
Date

BOARD OF MANAGEMENT MEETING	
Date of Meeting	20 November 2024
Agenda Item	24.61
Paper Title	Audit Committee Remit Update
Action	Approval
Prepared by	Jennifer Hunter, Clerk to the Board of Management
Status	Disclosable

1 PURPOSE OF THE REPORT

- 1.1 This report provides the Committee with details of an update to the Audit Committee Remit.

2. ACTIONS FOR THE BOARD

- 2.1 The Board is asked to: - Note the details of the update to the Committee Remit and approve a tracked-changed version, to be submitted to the Board in December 2024 for approval.

3 BACKGROUND INFORMATION

3.1 At a meeting of the Finance and Resources Committee on 11 September, the Finance and Resources Committee agreed to bring Climate Change Action Plan into the Finance and Resources Committee Remit. The Climate Change Action Plan had previously been placed within the Audit Committee Remit.

The Committee Chairs Margaret Swiderska (Finance and Resources) and Lindsey Paterson (Audit Committee) subsequently agreed to the switch by email.

As such, the Audit Committee is asked to approve tracked changes to the Committee Remit to remove Climate Change Action Plan. The Finance and Resources Committee will update their Remit to include Climate Change Action Plan at their next meeting on the 27 November 2024.

3.2 Updated versions of Audit Committee and Finance and Resources Committee Remits will be submitted to the Board of Management on 11th December for approval. Exact changes to Audit Committee Remit are outlined at Appendix A (Agenda Item 24.61A)

4 RISKS

The matters in this paper address the College's governance arrangements. By ensuring that these matters are properly addressed the College will meet the governance expectations of external stakeholders.

5 ANY OTHER SIGNIFICANT IMPACT e.g. STUDENT EXPERIENCE/ LEGAL / FINANCIAL/ EQUALITY& DIVERSITY

N/A

AUDIT COMMITTEE

REMIT OF COMMITTEE

The Committee shall satisfy itself and provide assurances to the Board on the following:

- (1) the adequacy and effectiveness of the Glasgow Clyde College's systems of internal control in relation to its financial and management systems;
- (2) the comprehensiveness, reliability and integrity of assurances including the body's governance and risk management framework; and
- (3) the adequacy of the College's external financial reporting requirements.
- ~~(4) progress made on the implementation of the College's Climate Change Action Plan and achievement of related targets.~~

The Audit Committee shall fulfil its remit through, inter alia, the following actions:-

SYSTEMS OF INTERNAL CONTROL

Reviewing, and advising the Board of Management, of the Internal Auditor's and External Auditor's assessment of the adequacy and effectiveness of the College's internal financial controls and internal control and risk management systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness and value for money.

Reviewing and advising the Board of Management on its compliance with corporate governance requirements including risk management practices and best practice guidance and compliance with the requirements of the Scottish Funding Council and the Financial Memorandum with the Glasgow Colleges Regional Board.

INTERNAL AUDIT

Advising the Board of Management on the selection, appointment or re-appointment and remuneration, or removal of the contracted out Internal Audit Service (IAS) provider.

Advising the Board of Management on the terms of reference for the IAS.

Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.

Advising the Board of Management of the Audit committee's approval of the basis for and the results of the internal audit needs assessment.

Reviewing the IAS's monitoring of management action on the implementation of agreed recommendations reported in the internal audit reports and internal audit annual reports.

Considering salient issues arising from internal audit reports and management's responses and report to the Board on such matters.

Informing the Board of Management of the Audit Committee's approval of the internal audit service's annual report.

Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the IAS.

Securing and monitoring appropriate liaison and co-ordination between internal and external auditors.

Ensuring good communication between the Committee and the Lead of IAS.

Responding appropriately to notification of fraud or other improprieties received from the Lead of IAS or other persons. This will include use of the College Fraud Response Plan.

GOVERNANCE AND RISK MANAGEMENT

VALUE FOR MONEY

Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources and the promotion of best practice and protocols and reporting to the Board of Management on such matters.

Ensuring there are appropriate processes in place in the College to deliver value for money.

Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

RISK MANAGEMENT

Reviewing the College's risk management arrangements and Risk Management Policy on an annual basis.

Reviewing the College Strategic Risk Register at least twice per year or as requested by the Chair of the Committee to ensure that the College's approach to managing risk is appropriate.

The Board of Management is responsible for the review and effectiveness of the College risk management arrangements and should form its own opinion despite these delegations to the Committee.

Reviewing the College's compliance with the Code of Good Governance for Scotland's Colleges and advising the Board of Management on this. As part of this, the Committee

shall satisfy itself that other Board committees provide assurance to the Board, as appropriate, on their governance related activities.

~~-Producing an annual report for the Board of Management on compliance with the Code of Good Governance for Scotland's Colleges.~~

~~CLIMATE CHANGE ACTION PLAN~~

~~Monitoring progress of the College's implementation of the Climate Change Action Plan.~~

~~Reviewing the College's Climate Change Action Plan on a quarterly basis.~~

~~Reporting at least annually to the Board of Management and advising on any issues or concerns in relation to the Climate Change Action Plan.~~

~~Providing information in relation to the monitoring of the Climate Change Action Plan to the Finance and Resources Committee.~~

FINANCIAL REPORTING

EXTERNAL AUDIT

(The College's external auditors shall be appointed by Audit Scotland)

Reviewing the External Audit Annual Plan.

To consider the fee parameters within the external audit plan.

Monitoring the integrity of the financial statements of the College and any formal announcements relating to the College's financial performance, reviewing significant financial reporting judgements contained in them, and from an audit perspective recommending them for approval to the Board

Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations.

Advising the Board of Management of salient issues arising from the external auditor's Management letter and other external audit reports and of management's response.

Reviewing the statement of Corporate Governance.

Holding discussions with the external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.

Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken by the external auditor and advising the Board of Management of any potential conflict of interest.

Securing and monitoring appropriate liaison and co-ordination between external and internal audit.

Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and Audit Scotland and successor bodies and, where appropriate, management's response to these.

Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Acting in accordance with the whistle blowing policy.

Undertaking a regular self-evaluation of the Committee.

Meeting in private with the internal and external auditors at least once annually.

Liaising as appropriate with the Finance and Resources Committee.

MEMBERSHIP

The membership of the Committee is no more than six Board members, of which one will provide the role of Chair of the Committee and one will act as Vice Chair if elected. The Chair is elected by the Board of Management and the Vice chair is elected by the Committee. There should be no overlap of Board members with the Finance and Resources Committee. The Chair of the Board should not be a member of the Audit Committee although he/she can attend as an observer.

The membership should include a qualified accountant and if no member of the Committee is a qualified accountant then arrangements should be made for co-option. A staff member of the Board can be a member of the Audit Committee provided they do not have executive authority within the College which is taken as being the College Management Team level. The Board reviews the membership every four years.

The Principal, Chief Operating Officer and the Assistant Principal Finance and Infrastructure attend the Committee as advisors. The Committee meets at least four times per year.

QUORUM

The quorum set by the Committee is three members of which at least one should be a Non- Executive member

VERSION REVIEWED AND APPROVED ~~MARCH 2024~~TBC

AUDIT COMMITTEE MEETING

Date of Meeting:	20 November 2024
Paper Title:	Audit Scotland Report: Scotland's Colleges 2024
Action:	Information
Prepared by:	Niall Macpherson, Chief Operating Officer
Agenda Item:	24.68
Status:	Disclosable

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Audit Committee members with the key headline messages from the recently published Audit Scotland Report: 'Scotland's Colleges 2024'.

2. ACTION FOR THE COMMITTEE

- 2.1 Audit Committee members are requested to note the content of the Audit Scotland Report: 'Scotland's Colleges 2024'.

3. BRIEF BACKGROUND INFORMATION:
Key Findings of Audit Scotland Report: 'Scotland's Colleges 2024'

- 3.1 Audit Scotland published its Annual Report on the College sector in Scotland on Thursday 19 September 2024.

- 3.2 Key messages contained in the Report are:

- The financial challenges facing Scotland's colleges have increased since last year's report. Of the 14 out of 20 for which data is available, 11 were reporting deficits in 2022/23 which already represents an increase on the 8 reporting deficits in 2021/22.
- Scottish Government funding reduced by £32.7 million in cash terms in 2024/25 and has reduced by 17 per cent in real terms since 2021/22.
- Cash balances are forecast to reduce significantly which presents a risk to colleges continuing in their current form.
- Staffing budgets remain at risk of further cuts – 496 staff left the sector during the year under voluntary severance schemes. As a result, learning outcomes may be affected.
- Colleges are working closely with SFC on sustainability but require guidance re priorities from Scottish Government.
- Suggested sectoral reforms promised last year have failed to materialise leading to increased uncertainty.

- 3.3 Themes highlighted in the Report are:

3.3.1 Increasing Financial Challenges

Audit Scotland has identified that risks to the College sectors' financial sustainability have increased since their 2023 report in which they reported that change was needed to ensure the sector's financial sustainability in the long-term. It highlights

that funding reduced from £676m in 2021/22 to £643m in 2024/25 - a drop of £32.7m or 17% in real terms. Part of this saving saw the removal in full of flexible workforce development funding.

More colleges reported adjusted operating deficits in 2022/23 than in the previous year and across the 14 colleges where data was available for 2022/23, 11 reported both a deficit and deteriorating cash balances when compared to the previous year.

Indeed, the report cites several examples where auditors noted the colleges' precarious liquidity position. It also references an SFC report "**Financial Sustainability of Colleges in Scotland 2021/22 to 2025/26**" which suggested an aggregated sectoral cash balance of £141m in July 2022 that was forecast to deteriorate to a cash deficit of just over £4m by July 2026.

3.3.2 Staffing Costs

Staff costs account for around 70% of expenditure across the sector and reducing such costs via voluntary severance schemes is now common practice. However, neither Scottish Government nor SFC's funding models provide specific funds for this, therefore the strategy itself brings additional financial pressure. Across the 14 colleges, the cost of voluntary severance packages in 2022/23 was £12.2m.

Across the sector, Colleges have not ruled out the need to turn to compulsory redundancy schemes to deliver the savings required and while the Scottish Government's policy of no compulsory redundancies doesn't formally cover colleges, they do "*need to have regard to the policy*".

The SFC's financial sustainability report sets out colleges' forecasts for the reduction in staff required to balance their budgets. These estimate a required reduction of 2,387 WTE staff across the sector between 2022/23 and 2025/26, which equates to the removal of 21 per cent of FTE staff.

3.3.3 Impact of National Bargaining

While recent industrial action has negatively impacted learners, a 3-year pay deal for support staff was agreed covering the period 2022/23 to 2024/25, but only after the Scottish Government provided an additional £4.5m of funding.

3.3.4 ALF Funds Steadily Decreasing

Collectively these have decreased from £99m in 2014 to £12m in 2023, meaning this funding represents an increasingly smaller part of colleges' overall financial planning.

3.3.5 Financial Sustainability

Several examples included of colleges implementing financial recovery plans to reduce their cost base. Common themes include voluntary severance schemes, service redesign, restructuring jobs and campus closures.

3.3.6 In addition, changes to the SFC's funding model designed to ease financial pressure include lowering the thresholds for the number of credits that require to be delivered, the lowering of teacher activity targets,

3.3.7 Infrastructure (including RAAC)

According to the SFC, seven colleges have identified RAAC in their campuses, typically leading to restrictions on use, a reduction in the buildings' remaining economic life and a decrease in value. The impact on college estates is included in

the SFC Infrastructure Baseline work which seeks to quantify the scale of the problem and prioritise strategic investment decisions.

3.3.5 Significant Areas of Risk for Colleges

Audit Scotland also articulate a cross-section of the numerous risks affecting Colleges, composed of the following:

- inflation, interest rates and energy costs;
- the investment required to achieve public sector net zero targets, especially in relation to the College estate;
- infrastructure costs and maintaining college estates.
- investment required to invest in digital;
- difficulties in attracting and retaining students and staff;
- the requirement for colleges to self-fund staff restructuring and voluntary severance package costs;
- competition from private sector training providers;
- competition from some universities;
- the challenges of raising income from non-teaching activities; and
- the impact of cost efficiencies on staff wellbeing and the student experience.

3.3.6 Ongoing Uncertainty Around Sectoral Reform

Audit Scotland is critical of the lack of progress since the publication of two major reviews in June 2023 into the way learning and training provision is funded in Scotland. In November 2023, the Scottish Government established new governance structures to take forward the published recommendations.

4. SUPPORTING DOCUMENTATION

- 4.1 Annex 1: Audit Scotland Report: Scotland's Colleges 2024.

5. RISKS

- 5.1 There are no risks associated with the publication of this report for Glasgow Clyde College.

6. ANY OTHER SIGNIFICANT IMPACT eg STUDENT EXPERIENCE/LEGAL/FINANCIAL/EQUALITY & DIVERSITY

- 6.1 None.

Briefing

Scotland's colleges 2024



AUDITOR GENERAL 

Prepared by Audit Scotland
September 2024



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2. The financial challenges facing colleges have increased	8
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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of: Tricia Meldrum, Shelagh Stewart and Katy Wilson, under the direction of Mark MacPherson.

Key messages

- 1** The financial challenges facing colleges have increased since we reported on [Scotland's colleges in 2023](#). While only 14 of 20 college accounts were available at the time of preparing this report, 11 reported deficits in 2022/23, which is already more than the eight in 2021/22. Scottish Government funding for colleges reduced by £32.7 million in cash terms in 2024/25, and has reduced by 17 per cent in real terms since 2021/22. Colleges are also forecasting reducing cash balances, which may present a risk to their ability to continue in their current form.
 - 2** Across Scotland, colleges employ 10,957 whole-time equivalent staff. Staffing costs make up around 70 per cent of colleges' expenditure and are a key focus for them as an area for cost reduction. Across the 14 colleges, this resulted in 496 staff leaving colleges through voluntary severance in 2022/23. Colleges are predicting further reductions in staff numbers in the coming years.
 - 3** The financial pressures and reductions in staff mean that colleges may not be able to do everything that they have done in the past, which will impact on the learning they provide. Colleges are taking steps to identify efficiencies and they are working with the Scottish Funding Council on actions to help them remain sustainable. But they also need more clarity from the Scottish Government on the aspects of their role to prioritise, given the scale of the challenges, to help them manage their funding.
 - 4** Last year we said that addressing the challenges facing the college sector cannot be avoided or postponed. But reform of the post-school landscape has not yet been implemented, causing continuing uncertainty and making it more difficult for colleges to plan effectively.
-

Recommendations

- By the time it issues the 2025/26 Letter of Guidance to the Scottish Funding Council (SFC), the Scottish Government should set out the priorities that colleges are expected to deliver, so that the SFC and colleges can manage their funding to meet those priorities.
- The Scottish Government should have early engagement with colleges and the SFC about these priorities so that they have as much time as possible to plan.
- The Scottish Government should increase the pace of reform that impacts on the college sector, by ensuring all groups involved are clear on what is expected of them and by when. By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver the programmes of work to reform the post-school skills sector.
- The SFC, working with Colleges Scotland and colleges, should highlight good practice and share learning on how colleges are innovating and finding opportunities to do things differently to address the financial challenges. This should happen on an ongoing basis.

1. Scotland's colleges deliver vital services

Colleges are vital to learners, communities and the economy

1. Our previous reports on the college sector have highlighted the vital role that colleges play.

Scotland's colleges offer academic and vocational courses to develop people's skills and knowledge for work, continued study or general interest. Students can choose to study full time, day release, evenings, block release or on an open learning basis. The courses that college students undertake contribute not only to their own development but also to Scotland's sustainable economic growth. Colleges are valuable hubs whose facilities may also be used for local community purposes, including as meeting spaces and sports venues.¹

2. Scotland's colleges are situated in 13 regional areas ([Exhibit 1, page 6](#)), serving diverse communities. In 2022/23, Scotland's colleges delivered education to 248,907 students who enrolled in 329,920 courses. The sector employed 10,957 whole-time equivalent (WTE) members of staff. Courses are available at a range of levels and include further education qualifications, higher education qualifications and apprenticeships.

3. Scotland's colleges play a particularly important role in supporting learners from more deprived communities to access learning. In 2022/23, 26.6 per cent of all school leavers went into further education at college, rising to 36.8 per cent of school leavers from the most deprived areas.² Scotland's colleges are similarly a valuable route to university. In 2021/22, 46 per cent of learners from the lowest socio-economic backgrounds who went to university progressed there from college.³

4. The Scottish Government sets national policies for learning and provides over three-quarters of the college sector's funding, which is allocated by the Scottish Funding Council (SFC) to colleges or Regional Strategic Bodies (RSB). SFC funding to colleges is based on outcome agreements. These set out the courses the college will deliver and how many students they can teach. The new outcomes framework and assurance model has replaced outcome agreements from academic year 2024/25.

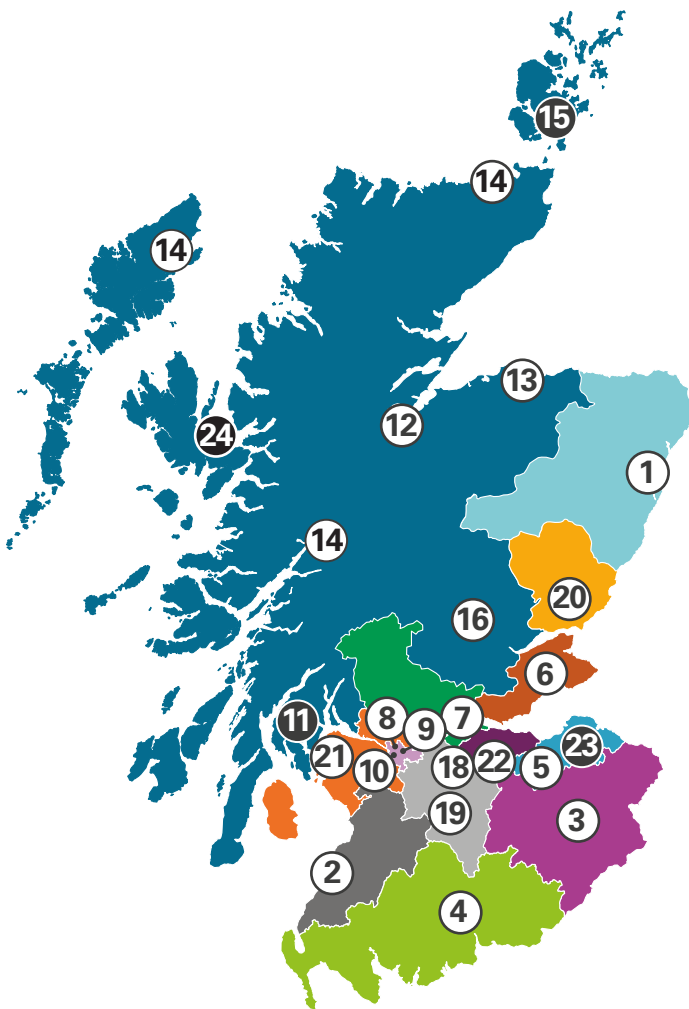
Exhibit 1.

Scotland's colleges as at 1 August 2024

The colleges not listed in bold are subject to audit by the Auditor General for Scotland (AGS).



- College – incorporated, audited by AGS
- **College – unincorporated, not audited by AGS**



Region	College
Aberdeen and Aberdeenshire	1 North East Scotland College
Ayrshire	2 Ayrshire College
Borders	3 Borders College
Dumfries and Galloway	4 Dumfries and Galloway College
Edinburgh and Lothians	5 Edinburgh College
Fife	6 Fife College
Central	7 Forth Valley College
Glasgow	8 City of Glasgow College
	9 Glasgow Clyde College
	10 Glasgow Kelvin College
Highlands and Islands	11 UHI Argyll
	12 UHI Inverness
	13 UHI Moray
	14 UHI North, West and Hebrides
	15 UHI Orkney
	16 UHI Perth
	17 UHI Shetland
Lanarkshire	18 New College Lanarkshire
	19 South Lanarkshire College
Tayside	20 Dundee and Angus College
West	21 West College Scotland
West Lothian	22 West Lothian College
n/a	23 Newbattle Abbey College
n/a	24 Sabhal Mòr Ostaig

Note: On 1 August 2023, UHI North Highland and UHI Lews Castle became part of a new college called UHI North, West and Hebrides.

Source: Audit Scotland

5. The Fraser of Allander Institute has quantified the contribution Scotland's colleges make to sustainable economic growth.⁴ It estimated the 2016/17 to 2021/22 college graduate cohort would make the Scottish economy better off by around £52 billion over their 40-year working life, when compared to a scenario without these skilled graduates. They would help to boost labour productivity by two per cent across the Scottish economy in the long run.

6. This briefing is based on analysis of the 14 college Annual Audit Reports (AARs) and accounts for 2022/23 that were submitted by the end of June 2024. Six AARs and accounts were delayed for a variety of reasons including capacity pressures and further work to investigate specific issues. These delays meant that some audits were then impacted by the outcome of the triennial valuation of the local government pension scheme, which includes colleges as members. The triennial valuation at some of these colleges resulted in material change to the pension information disclosed in the accounts. This meant that further audit work needed to be completed before the auditors could conclude the audit.

7. The briefing also draws on other sources including:

- reports produced by the SFC, Scottish Government and Colleges Scotland
- evidence to Scottish parliamentary committees
- reports by other academic institutions.

2. The financial challenges facing colleges have increased

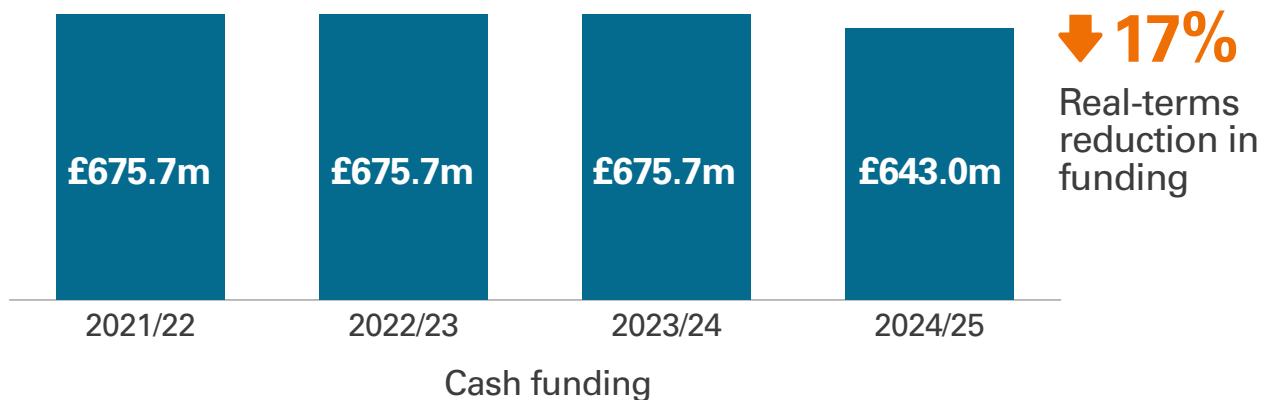
Real-terms resource funding for the sector has reduced by 17 per cent since 2021/22

8. Colleges rely heavily on Scottish Government funding. The Scottish Government's resource funding for the sector was static for three years from 2021/22, followed by a cash-terms reduction of £32.7 million in 2024/25 ([Exhibit 2](#)).

Exhibit 2.

Cash and real-terms resource funding for the college sector 2021/22 to 2024/25

Cash and real-terms funding have reduced since 2021/22.



Source: Audit Scotland analysis of Scottish Government budgets

9. The Scottish Government has also removed specific resource funds from its budget:

- An uplift of £26 million to support strategic change, additional to core college sector funding, was announced in the 2023/24 budget but later withdrawn to support pressures elsewhere.
- The £10 million flexible workforce development fund was removed in December 2023, impacting on the 2023/24 and 2024/25 budgets. This was used by eligible employers and small and

medium enterprises (SMEs) to fund retraining or upskilling of their employees. Training could be delivered in partnership with local colleges, providing them with additional income.

The financial health of the sector has deteriorated since 2021/22

10. The adjusted operating position, reported in college accounts, provides a measure of the underlying financial health of the college. An adjusted operating surplus is generally positive, while an adjusted operating deficit may be indicative of financial challenges. More colleges reported a deficit in 2022/23 than in the previous year ([Appendix 1](#)). Across all 20 colleges, eight reported a deficit in 2021/22. Across the 14 colleges where we have figures for 2022/23, 11 reported a deficit.

Colleges and the SFC are becoming increasingly concerned about cash balances and the liquidity of the college sector

11. Colleges report their end-of-year cash balance within their annual accounts and in financial returns to the SFC. This measure is only a snapshot in time and can fluctuate depending on when payments are due. A large payment could quickly reduce an end-of-year cash balance. It can also include cash that is not available to a college. For example, Edinburgh College had a cash balance of £5.7 million at 31 July 2023, but only £0.7 million was available for operational purposes. Five million pounds was reserved for reasons including pay award arrears ([paragraph 19](#)) and student support.

12. That said, the cash balance is a useful indicator of financial flexibility, which can demonstrate whether there is enough money available in the sector to deal with unpredictable challenges. [Appendix 1](#) shows cash balances across colleges. Some college auditors highlighted concerns about cash balances ([paragraph 25](#)).

13. The SFC's report, [Financial Sustainability of Colleges in Scotland 2021/22 to 2025/26](#), also expressed concerns about cash balances. It stated the sector had an aggregate cash balance of £141.4 million at the end of July 2022 but that was forecast to deteriorate to a cash deficit of £4.2 million by the end of July 2026.⁵ The SFC will report the cash balance at end of July 2023 in its next annual report on the financial sustainability of the sector.

Colleges are facing other significant challenges

14. In the context of real-terms reductions in funding, Scotland's colleges continue to experience challenges containing costs ([Exhibit 3, page 10](#)). Many of these challenges are not new but are becoming increasingly difficult to manage.

Exhibit 3.

Significant areas of risk for colleges

This is a cross-section of the numerous risks affecting colleges.

- Inflation, interest rates and energy costs.
- The investment required to achieve public sector net zero targets, especially in relation to the college estate.
- Infrastructure costs and maintaining the estate in good order.
- Investment required to invest in digital.
- Difficulties in attracting and retaining students and staff.
- The requirement for colleges to self-fund staff restructuring and voluntary severance package costs.
- Competition from private sector training providers.
- Competition from some universities.
- The challenges of raising income from non-teaching activities.
- The impact of cost efficiencies on staff wellbeing and the student experience.



Source: Scottish Funding Council, Audit Scotland

Colleges are making redundancies to reduce their costs but funding them is a further short-term financial pressure

15. Staff costs account for around 70 per cent of colleges' expenditure and we have reported in previous years that managing staff numbers is an approach to reducing costs. Colleges are seeking to reduce costs by offering voluntary severance schemes to staff.

16. In 2022/23, across the 14 colleges we have data for, 496 staff left through voluntary severance schemes. This is in addition to the 231 members of staff who left these colleges through voluntary severance in 2021/22. The Scottish Government and SFC do not provide specific funds for staff severance costs through the funding model. Meeting the costs of staff restructuring and voluntary severance packages is a significant cost pressure for colleges. Across the 14 colleges, the cost of voluntary severance packages in 2022/23 was £12.2 million. [Appendix 2](#) shows the number of staff that have accepted voluntary severance and the cost at each college where we have data.

17. Colleges plan to continue running voluntary severance schemes to help deliver savings. Some colleges report that voluntary severance is part of a transformation plan ([paragraph 25](#)). As a sector, colleges have not ruled out the need to turn to compulsory redundancy schemes to deliver the savings required. The Scottish Government's policy of no compulsory redundancies does not formally cover colleges; however colleges need to have regard to the policy. Colleges need approval from the SFC before they can launch a voluntary severance scheme. The colleges in a regional strategic body (RSB) ([paragraph 44](#)) also need approval from the RSB. SFC approval is based on assessing the college's business case that sets out the rationale for the scheme and includes the terms available, estimated cost and savings. Colleges need to consult the SFC in all cases where compulsory redundancies are being considered.

18. The SFC's [financial sustainability report](#) sets out colleges' forecasts for the reduction in staff required to balance their budgets. These estimated a required reduction of 2,387 WTE staff across the sector between 2022/23 and 2025/26.⁶ This equates to the potential removal of 21 per cent of WTE staff. Colleges highlighted the impact this would have on the student experience and the risks to them being able to provide the same breadth and quality of courses.

Failure to agree pay deals has impacted on learners but agreement has been reached recently

19. Pay deals are negotiated through the National Joint Negotiating Committee. This brings together College Employers Scotland, the representative body of colleges as employers, and the college sector unions. Uncertainties around staff pay are a pressure on planning college finances. From September 2022 there was no agreed pay deal for college support staff or lecturing staff. The sector has seen industrial action, such as strike action, for several years, and action short of strike (including a resulting boycott since 2022, where the results of assessments were not entered into a college results system). These have impacted on learners.

20. In June 2024, support staff agreed a three-year pay offer covering 2022/23 to 2024/25. Lecturing staff agreed a four-year pay offer in September 2024, covering 2022/23 to 2025/26, after the Scottish Government made an additional £4.5 million available to the sector for this purpose. These agreements provide colleges with certainty about pay costs over these time periods.

21. The need for a job evaluation process for support staff roles was first identified in 2015/16 and progress has been very slow. College Employers Scotland is now developing a critical path and milestones for this work, and agreeing with the unions how they will work together to meet the milestones. Resolving this issue will allow support staff to have certainty over the grading of their role and provide colleges with more certainty on pay costs.

There has been a steady decrease in the funds held in ALFs

22. Colleges can apply for funds from arm's-length foundations (ALFs). These are independent, charitable bodies that were set up when incorporated colleges were reclassified as public bodies and could no longer retain significant cash reserves. Colleges can donate funds into ALFs and can also apply to ALFs for funding for specific purposes. Other organisations can also donate to, and apply for funding from, ALFs.

23. The SFC has reported that there has been a steady decrease in the funds held in ALFs over the last decade, from £99 million in 2014 when they were first established to £12 million in 2023.⁷ Forecasts show £9 million is expected to remain in ALFs in 2024, nine per cent of the original balance after ten years. This means that colleges are less able to consider ALF funding as part of their planning.

Colleges and the SFC are taking action to help alleviate the financial challenges but need more clarity from the Scottish Government on priorities

24. As the scale of the challenge to their financial sustainability continues to increase, colleges need to make difficult savings decisions to manage their financial positions. These will impact on students, staff and local communities. There are examples of colleges making changes to what they deliver, such as consolidating campuses or stopping nursery care for student parents. Colleges state they are trying hard to minimise the impact on learners and deliver the same levels of service. However, concerns are growing within the sector about their ability to deliver high-quality learning experiences in the coming years. The National Union of Students has also raised concerns about colleges' ongoing ability to provide students with the additional support they need to learn.⁸

25. Colleges are responding to the financial challenges in different ways. This includes implementing financial recovery plans to reduce their cost base. Below we list some examples of the financial challenges colleges are experiencing and how they are responding:

- **Dumfries and Galloway College** had a small surplus AOP of £7,000 for 2022/23. The college planned to save £0.511 million in 2022/23 and this was delivered in full through closely monitoring costs and by reducing additional staff hours. Nine members of staff (four per cent) took voluntary severance in 2022/23 costing £0.186 million. The college forecasts it will make a surplus of £34,000 in 2023/24 and a higher surplus for the following two years.

The college is currently implementing a transformation plan to help safeguard financial sustainability. It has reported that current staffing levels are not sustainable, and voluntary severance is part of the

transformation plan. The college aims to make savings by reducing manual processing, investing in digital learning, service redesign and increasing commercial income developments. The college reports it regularly evaluates its curriculum to identify the scope for any efficiencies in what it delivers.

- **Dundee and Angus College** had a deficit AOP of -£0.086 million for 2022/23, an improvement on the previous year's deficit of -£1.450 million. It is forecasting a deficit in 2023/24, moving to a surplus from 2024/25. Cash balances were £5.533 million in 2022/23, a decrease from £6.248 million the previous year.

The college reported it achieved £1.8 million in cuts through a major savings plan implemented in April 2022 for 2022/23. Fifty-seven staff took voluntary severance in 2022/23 costing £1.501 million. The college launched a further major savings plan in April 2023 to reduce expenditure by a minimum of £2.5 million for 2023/24. This includes looking at areas of the curriculum where student credits (the volume of activity) have reduced by 10 per cent, changes to support services and a restructure of senior promoted posts.

- **Glasgow Kelvin College** had a deficit AOP of -£1.266 million for 2022/23. This was partly due to costs associated with voluntary severance and the relocation of courses from its west campus. This campus will close, to be sold or leased, to help support financial sustainability. Twenty-seven staff took voluntary severance in 2022/23 costing £0.792 million, with further schemes planned for 2023/24 and 2024/25. Cash balances were £4.154 million at end of year, a very small decrease from £4.157 million the previous year.

The college forecasts a further deficit for 2023/24 of -£0.5 million, returning to a surplus in the following two years. The forecast for a surplus assumes the college will achieve its planned voluntary severance schemes from 2023/24 to 2024/25. Savings are also required through the college estate and other costs, with a drive to increase income.

- **New College Lanarkshire** had a deficit AOP of -£3.6 million for 2022/23, an increase from -£1.8 million the previous year. Sixty staff left the college under voluntary severance in 2022/23 at a cost of £1.286 million but the college reported that this did not deliver the recurring savings budgeted.⁹ Voluntary severance schemes have taken place in the last three financial years resulting in 118 staff leaving. The college forecasts it will break even in 2023/24 but be in a deficit position up to 2025/26.

The 2023/24 budget paper contained cashflow projections and emphasised the college's precarious liquidity position. Cash balances were £1.985 million at year end, a decrease from the previous year's £5.561 million. At the time of completing the 2022/23 audit, New College Lanarkshire was in early discussions

with the SFC around a financial recovery plan. The college reports it plans to arrive at medium-term financial sustainability through focusing on improvements in resource and curriculum planning, further cost control measures in non-staff expenditure and increasing other income streams.

26. The SFC offers additional help and advice to colleges when required. It is currently working at a higher level of engagement with a small number of colleges to help them understand and assess their problem areas. The SFC has a range of options available when a college is experiencing financial difficulty, including helping to develop a recovery plan or providing loans or temporary cash funding when cash levels are of concern. The SFC requires colleges to develop plans to bring them back to a sustainable financial position.

27. The Scottish Government published its [Purpose and Principles](#) document and an initial priorities statement, in June 2023. At [paragraphs 38–42](#) we discuss the ongoing reform of the sector. More immediately, colleges need more clarity from the Scottish Government on the aspects of their role to prioritise, in light of the increasing financial challenges and the breadth and diversity of their role. Colleges are currently making fundamental decisions about their future services without this clarity.

28. The SFC is introducing a new [Outcomes Framework and Assurance Model](#) from academic year 2024/25. This is intended to give colleges more freedom to develop their own strategic plans and more flexibility around their own priorities. The SFC will set out its expectations of colleges, but these are intended to be less prescribed in advance with a greater focus on outcomes.

The SFC introduced changes to the funding model to ease financial pressures

29. The SFC has taken some action to alleviate colleges' financial challenges through changes to the funding model, introduced in 2023/24, with some applied retrospectively to 2022/23. These include:

- Lowered thresholds (the minimum required level below the target) for the number of credits (the volume of activity) that colleges are required to deliver. This is intended to reduce the risk of colleges being required to pay back money to the SFC for under-delivery against the target and to give colleges more certainty for planning.
- Teaching funds were protected in college allocations alongside these lowered credit thresholds. This means that while teaching funds remain the same, colleges have lower targets for the learning activity they need to deliver. This effectively results in a consequent increase in the price that the SFC pays per credit.

- 20 per cent of colleges' teaching funding will not be associated with the delivery of credit thresholds and so protected from any under delivery of credits (also applied retrospectively).
- A change to the 'required date' when a full-time student can be counted, in line with the university sector (also applied retrospectively).

30. It is too early to say whether these changes will help colleges to reach a more sustainable financial position. The SFC has confirmed that funds for teaching have been protected in college allocations for 2024/25, alongside maintaining the lowered credit thresholds.

It is taking a long time for the SFC's strategic approach to infrastructure to result in priorities for investment decisions

31. The SFC published a [College Infrastructure Strategy](#) (CIS) in November 2022, setting out the SFC's approach to determining future investment in Scotland's college estate and other college infrastructure. This was followed in December 2023 with the [CIS Delivery Plan](#), which supports the development of an Infrastructure Investment Plan (IIP) for the sector. The aim of the IIP is to help prioritise infrastructure investment decisions through considering all college requirements against the funding available.

32. The IIP was originally due in November 2024 but will now be later. The SFC has stated it will publish revised timescales for the IIP in an updated delivery plan in October 2024. When complete, the IIP will set out infrastructure investment need and include the options for alternative funding models. It is taking a long time for this strategic approach to help prioritise investment decisions within available funding.

33. The SFC has still to publish a plan for monitoring this work, but the commitment within the initial CIS is to report within three years. It has stated that an evaluation report against the delivery plan will be available in December 2026, with the intention to update on progress every three years.

The college sector has been affected by issues with Reinforced Autoclaved Aerated Concrete (RAAC)

34. Colleges continue to report on the challenge they face in maintaining their estate in good order. The SFC has identified that seven colleges have RAAC.¹⁰ Three college auditors reported on the implications of RAAC within their buildings. Dundee and Angus College has not needed to implement any restrictions on use; however, the remaining economic life of the affected buildings has been reduced and their value has decreased. West College Scotland has not needed to implement restrictions but the whole building has been impaired to nil from its net

book value of £1.8 million. Glasgow Clyde College has implemented restrictions at its Cardonald Campus and it has seen a reduction in value. There is a risk that RAAC will impact on the value of the college estate and on a college's financial position. The financial impact of RAAC may not be fully felt until a college needs to undertake restorative works or try to sell affected buildings. The impact of RAAC on college estates will be covered within the ongoing CIS work and considered as part of the strategic approach to prioritising investment decisions.

Colleges are working with other organisations in their region

35. Colleges are working with other organisations in their regional economic partnerships. Examples of collaborations include:

- **Ayrshire College** is involved in partnership working through various initiatives, including chairing the Regional Economic Strategy Skills Delivery Group. It has developed bespoke training opportunities through the Ayrshire Growth Deal and Regional Economic Strategy, including fast-track programmes for aerospace and high-speed cable manufacturing. The college is also a key provider for the Ayrshire Skills Investment Fund, a £3.5 million Ayrshire Growth Deal funded project to develop skills in growth sectors.
- **Dumfries and Galloway College** works in partnership with University of West of Scotland (UWS). This includes UWS using a college building, so estates costs are shared, and the college receives income for the use of the building. The college is also active with other partners within the South of Scotland Regional Economic Partnership.
- **Dundee and Angus College** works with partners across the Tay Cities region. This includes the Michelin Scotland Innovation Parc Skills Academy, which opened in October 2023, and the college reports it is the lead skills partner, delivering skills including low carbon, green energy, hydrogen and offshore wind.
- **North East Scotland College (NESCol)** works with groups focused on stimulating regional economic transformation in the North East, including on the Regional Economic Strategy, Regional Learning and Skills Partnership, Aberdeen City Council's Multi-Agency Transformation Management Group and the National Energy Skills Accelerator (NESA).

36. The SFC initiated a programme in September 2022 to explore improved joint working through regional tertiary pathfinder projects. The aim of this pathfinder work is to secure simpler pathways and improved outcomes for learners and to align provision with the needs of the region, including employer needs. Seven pilot projects are taking place in North East Scotland and South of Scotland and evaluation reports are due in

autumn 2024. The pilots are not yet fully complete but have produced some outputs already, including:

- Scotland's Rural College (SRUC) and Borders College launched a [joint prospectus for 2023/24](#) on rural skills, with learning opportunities available from SCQF Level 4 (National 4) to Level 12 (Doctoral Degree) and an enhanced curriculum across various areas.
- An Energy Career Pathways [Tool](#) and [Website](#) were launched in March 2024 by Robert Gordon University, University of Aberdeen and NESCol on behalf of NESAs. NESAs help the energy industry access training and skills development programmes in its partner institutions. The tool identifies the qualifications required for specific jobs in the renewable energy sector and sets those within a learning pathway.

The Tripartite Alignment Group has helped collaborative working

37. A [Colleges: Tripartite Alignment Group](#) was initially established as a three-month initiative in summer 2023, but has been extended. Members are the Scottish Government, SFC and the college sector, through Colleges Scotland. It was established to bring together senior leaders with the right experience and knowledge to work through the urgent pressures and opportunities facing colleges.¹¹ It has worked on the following areas:

- **Credit flexibilities.** Developments in 2022/23 are mentioned at [paragraph 29](#). Further work by SFC is planned in 2024 on the model used to allocate funds to colleges, including liaison with the Tripartite Group on proposed changes. This will feed into the Scottish Government budget-setting process and college budget allocations for 2025/26.
- **Asset disposal.** This work is developing an agreement and guidance on what happens to the funding when a college sells an asset, such as a building. It is considering the circumstances where a college might retain a proportion of the sale proceeds, while the remaining money goes into a shared pot. The group hopes to trial new arrangements on asset disposal to encourage colleges to make more flexible use of their assets and it will issue refreshed guidance after that.
- **Cost methodology.** A benchmarking programme to better understand costs and develop a consistent method for calculating the full cost of delivering the range of college services to learners is at an early stage.

3. There is continuing uncertainty about reform of the college sector

The Scottish Government needs to respond to the independent reviews affecting the post-school landscape more quickly

38. Two major independent reviews were published in June 2023 making recommendations for the post-school skills delivery system: the [Withers review](#) of the post-school learning system and the [Hayward review](#) of qualifications and assessment. The Withers review recommended that the Scottish Government should redesign the process for how funding of all learning and training provision, including apprenticeships, is allocated to ensure it is prioritised to deliver strategic outcomes and best value for public investment. It also recommended establishing a single funding body and ensuring that colleges and universities are equally valued and afforded equal esteem within the system.

39. There has been limited progress in implementing these recommendations, causing continuing uncertainty for colleges. In June 2024, the Scottish Government launched a consultation that will impact on reform of the sector. The [Post-school education and skills reform legislation: consultation](#) asks for views on changing what public bodies do in the post-school system in order to simplify responsibilities for apprenticeships and student support. The consultation ends in September 2024.

40. The Scottish Government announced the groups it has put in place to take forward reform across the education system in November 2023, sitting under an Education and Skills Reform Ministerial Group. The governance structure includes a Post-school Education and Skills Reform Programme Board (the Programme Board). These arrangements are fairly new, with the Programme Board meeting since autumn 2023, the Education and Skills Reform Chief Executive Forum meeting since January 2024 and the Ministerial Group only meeting since May 2024. These arrangements are running in parallel with the Tripartite Alignment Group ([paragraph 37](#)).

41. The Programme Board currently has five areas of work: simplification of the funding body landscape; national and regional skills planning; apprenticeship reform; careers; and post-school qualifications. The Scottish Government is developing an overall plan setting out the

workstreams, responsibilities, interdependencies, phasing and timeline for a programme of post-school skills reform over a ten-year period. At this stage, it has not yet confirmed what is expected to be achieved in the short term and longer term.

42. The groups tasked with taking forward reform are expected to monitor progress, but the Scottish Government has not yet set out how it will report on this publicly. It has provided recent updates to the Scottish Parliament Education, Children and Young People Committee, in March and June 2024.

43. Updates on areas of reform include:

- **Simplification of the funding body landscape.** This work takes forward the ministerial commitment to bring learner support funding and apprenticeship provision together in the one place. The Scottish Government's consultation ([paragraph 39](#)) seeks views on two options which will impact on the role of the SFC, Skills Development Scotland (SDS) and the Student Awards Agency Scotland.
- **A new national skills planning approach** is to be designed by March 2025. This will be a Scottish Government-led skills planning function.
- **An approach for strengthening regional skills planning.** The Scottish Government has been engaging with the college sector and Regional Economic Partnerships to understand different models of setting skills priorities according to local strategies. It intends to share guidelines for developing a regional skills planning approach in September 2024.
- **Apprenticeships.** The Scottish Government has taken a staged approach to identifying improvements in the approach to funding apprenticeships. The current consultation is seeking views on this.

The Scottish Government has made slow progress in taking forward recommendations on regional arrangements

44. There are three regional arrangements, known as Regional Strategic Bodies (RSBs), in place in Lanarkshire, Glasgow and the Highlands and Islands. In 2020, the SFC published reviews on each of the regional arrangements. It recommended that the Lanarkshire RSB should be dissolved and that the three Glasgow colleges and the Glasgow RSB should explore other organisational options. In June 2024, the Scottish Government launched a consultation on changes to regional arrangements in Glasgow and Lanarkshire which closes in September 2024.

45. The regional arrangements for the Highlands and Islands colleges are very different from Lanarkshire and Glasgow because they involve a model where the University of Highlands and Islands (UHI) is the RSB. In March 2024, the Minister for Higher and Further Education; and Minister for Veterans stated that the colleges were to work constructively together, with the support of SFC and the UHI, to bring forward a recommended option for reform that will put them on a more sustainable footing for the long term. UHI and the colleges are working to develop a target operating model which they plan to discuss with the SFC towards the end of 2024. UHI will then consult on proposals before a new operating model is agreed.

Endnotes

- 1 [Scotland's colleges 2023](#), Audit Scotland, September 2023.
- 2 [Summary Statistics for Attainment and Initial Leaver Destinations](#), Scottish Government, February 2024.
- 3 [Report on Widening Access 2021–22](#), Scottish Funding Council, July 2023.
- 4 [The economic contribution of colleges in Scotland](#), Fraser of Allander Institute, October 2023.
- 5 The SFC asks colleges to submit financial forecasts. These figures include unincorporated colleges ([Exhibit 1, page 6](#)), not audited by the AGS. As with any forecast, what happens can be different to what was forecast.
- 6 This figure is from the forecasts for all 26 colleges included in the SFC report. It includes the six unincorporated colleges that are not audited by the AGS.
- 7 Data provided by the SFC, June 2024.
- 8 [Broke Students, Broken System – NUS Scotland](#), February 2024.
- 9 Figures included in the text relate to the college only and might not match internal reporting or reporting to the SFC as this includes the group subsidiary.
- 10 [Reinforced Autoclaved Aerated Concrete \(RAAC\), SFC, February 2024](#).
- 11 [Colleges – Tripartite Alignment Group: terms of reference](#), January 2024.

Appendix 1

Adjusted Operating Position and cash balances across colleges, 2022/23

College	2022/23 Adjusted operating position		Compared to 2021/22	Cash Balance at 31 July 2023 £m
	Total surplus or (deficit) £m	Surplus or deficit as % of income		
Ayrshire College	(1.153)	-2.2%	↓ Worse	11.685
Borders College	(0.050)	-0.3%	↓ Worse	3.881
City of Glasgow College	(2.836)	-2.9%	↓ Worse	10.559
Dumfries and Galloway College	0.007	0.0%	↑ Better	2.053
Dundee and Angus College	(0.086)	-0.2%	↑ Better	5.533
Edinburgh College	(0.063)	-0.1%	↑ Better	5.706
Fife College	0.284	0.5%	↓ Worse	23.409
Glasgow Clyde College	(0.496)	-0.9%	↓ Worse	10.143
Glasgow Kelvin College	(1.266)	-3.9%	↓ Worse	4.154
New College Lanarkshire	(3.573)	-6.3%	↓ Worse	1.985
North East Scotland College	(0.180)	-0.3%	↓ Worse	7.887
South Lanarkshire College	(0.253)	-1.3%	↓ Worse	3.263
West College Scotland	0.400	0.6%	↓ Worse	11.080
West Lothian College	(1.717)	-8.6%	↓ Worse	1.575

Notes:

1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

Appendix 2

Voluntary severance numbers and cost

College	WTE staff at July 2023	VS take-up (staff) 2022/23	VS cost 2022/23 £m
Ayrshire College	667	53	1.385
Borders College	214	12	0.176
City of Glasgow College	1127	88	2.155
Dumfries and Galloway College	202	9	0.186
Dundee and Angus College	633	57	1.501
Edinburgh College	957	47	1.278
Fife College	843	26	0.753
Glasgow Clyde College	709	45	1.092
Glasgow Kelvin College	424	27	0.792
New College Lanarkshire	912	60	1.286
North East Scotland College	491	20	0.636
South Lanarkshire College	285	Not applicable at this time	0
West College Scotland	824	50	0.861
West Lothian College	293	2	0.111
Total	8,581	496	12.212

Notes:

1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

Briefing

Scotland's colleges 2024



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Glasgow Clyde College Audit Committee Schedule of Work 2024/25

2 OCTOBER 2024
For Discussion / Decision
Systems of Internal Control
Internal Audit Reports <ul style="list-style-type: none"> • 2023/24 Follow Up Reviews • 2023/24 Progress Report
Internal Audit Plan for 2024/25 and beyond
Governance and Risk Management
College Strategic Risk Register
Data Protection Update
Annual Review of Policy 2.4 Anti Bribery Fraud and Corruption
For Information/ Noting
Internal & External Audit Rolling Action Plan
Updates from Scottish Funding Council, for example the Financial Memorandum
Audit Committee Schedule of Work

20 NOVEMBER 2024 (Langside)
For Discussion / Decision
Systems of Internal Control
Final Internal Audit Annual Report 2023/24
Financial Reporting
Draft Annual Financial Statements for year ending 31 July 2024
External Audit Annual Report for year ending 31 July 2024
Key Accounting Judgements (incl report on going concern)
Student Activity Data Audit Annual Report 2023/24
Student Support Funds Audit Annual Report 2023/24
Financial reporting, verbal update from External Auditor

Risk Appetite
Governance and Risk Management
Committee Remit Update
Draft Annual Report from Audit Committee to Board of Management
College Strategic Risk Register
Cyber Security Update
For Information/ Noting
Internal and External Audit Rolling Action Plan
Strathclyde Pension Fund Actuarial Valuation Report – Accounting Assumptions
Updates from SFC (if available)
Audit Scotland Report: Scotland’s Colleges (Annual Report)
Audit Committee Schedule of Work

5 MARCH 2025 Online
For Discussion/ Decision
Systems of Internal Control
Internal Audit Reports as per Plan
Internal Audit 2024/25 Plan Progress
Business Process Review Update: Teaching Staff and Room Utilisation
Governance and Risk Management
College Strategic Risk Register
Data Protection Update
For Information/Noting
Financial reporting, verbal update from External Auditor
College Assurance Framework Update
Internal & External Audit Rolling Action Plan
Audit Scotland Fees
Updates from SFC (if available)
Audit Committee Schedule of Work
Private meeting with internal and external auditors

28 MAY 2025 Online

For Discussion/Decision
Systems of Internal Control
Internal Audit Reports as per Plan
Internal Audit Plan 2024/25 Progress
Draft Internal Audit Plan for 2025/26
College Assurance Framework/Certificate of Assurance
Financial Reporting
External Audit Planning Memorandum for 2025/26
Financial reporting, verbal update from External Auditor
Approval of Accounting Policies
Governance and Risk Management
College Strategic Risk Register
Fraud Response Plan
Cyber Security Update
For Information/Noting
Internal & External Audit Rolling Action Plan
Updates from SFC (if available)
Audit Committee Schedule of Work
Appointment of Internal Auditor
Appointment of Internal Auditor (If applicable) (Committee members and staff only)