AUDIT & RISK ASSURANCE COMMITTEE

AGENDA

A meeting of the Audit & Risk Assurance Committee will be held at 15:00 hours on Wednesday, 09 October 2019 in the Boardroom, Milton Road Campus.

		Lead Speaker	**Paper**
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING *for approval*	Chair	A
4	MATTERS ARISING		
	4.1 Matters Arising Report	Chair	B
	4.2 Review of Committee Operation 2018/19	Chair	C **Attached**
	4.3 Business Committees of the Board Update		
	• Policy & Resources Committee	Chair	Verbal
	• Corporate Development Committee	L Drummond	Verbal
	• Academic Council	J Sischy	Verbal
5	TERMS OF REFERENCE	Chair	D
6	AUDIT SCOTLAND: SCOTLAND'S COLLEGE 2019	Audit Scotland	E
7	INTERNAL AUDIT		
	7.1 Summary of Audit Recommendations	A Williamson	F
	7.2 Internal Audit Report: Staff Recruitment	BDO	G
	7.3 Internal Audit Report: Data Protection	BDO	H
	7.4 Internal Audit Follow-up Report 2018/19	BDO	I
	7.5 Internal Audit Annual Report 2018/19	BDO	J
	7.6 Internal Audit Report: FES Return 2018/19	BDO	K

Item 7 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

8	RISK ASSURANCE		
	8.1 Risk Management Report	N Croft	L
	8.2 Business Continuity Exercise Report	A Williamson	M
	8.3 Annual Report on Data Breach Incidents and Cyber Attacks	N Croft	N
	8.4 Risk Deep Dive: Staff Performance Appraisal	S Clyne	O

Item 8 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

9		EXTERNAL AUDIT		
	9.1	Compliance with the Code of Good Governance	N Croft	P
	9.2	Internal Control Assurance Statements	A Cumberford	Q
	9.3	Draft Annual Report and Financial Statement	L Towns	R

Item 9 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.

10	ANNUAL COMPLAINTS REPORT	K Heathcote	S **Attached**
11	HORIZON SCANNING REPORT	N Croft	T

12		ANY OTHER COMPETENT BUSINESS		
	12.1	Audit & Risk Assurance Committee Business Planner 2019/20	Chair	U

13   DATE OF NEXT MEETING: 20 November 2019

N.B: The minutes of the Audit & Risk Assurance Committee are reported directly to the Board of Management, with an accompany commentary from the Committee Chair.

FOR INFORMATION			
Meeting	Audit & Risk Assurance Committee 09.10.19		
Presented by	Nigel Paul		
Author/Contact	Marcus Walker	Department / Unit	Governance
Date Created	27.06.19	Telephone	Ext. 67048
Appendices Attached	*Appendix 1:* Review of Committee Operation Form 2018/19		
Disclosable under FOISA		Yes. A finalised version of the form will be published.	

REVIEW OF AUDIT & RISK ASSURANCE COMMITTEE OPERATION 2018/19

1.   **PURPOSE**
        On 29 May 2019, the Committee was asked to review its annual operation as part of the Board of Management's annual evaluation activity. The finalised checklist agreed by members in June 2019 is attached for information.

        Updates following the May 2019 meeting of the Committee are highlighted in yellow.

2.   **BACKGROUND**
        The attached Review of Committee Operation Form has been designed to align with the key principles of the Code of Good Governance: Oversight; Strategy-setting; decision-making and relationships.

        The Scottish Government's Audit Committee Handbook advises audit committees to regularly review their formal terms of reference, and in turn, regularly review their effectiveness against such a document.

3.   **DETAIL**
        The attached (Appendix 1) Review of Committee Operations Form is split into two parts.

        Part 1 focuses on whether the Committee's operation has been compliant with its terms of reference and is content with arrangements relating to: membership, induction and training; meetings; internal control; financial reporting and regulatory matters; internal/external audit; and, administration over the course of the year. This section is based on the self-appraisal checklist as presented in the Audit Committee Handbook.

        The twelve questions in Part 2 seek to focus Members' thinking on how the Committee currently performs in relation to its performance monitoring and strategic roles, the

effectiveness of its decision-making and its key relationships, with a view to feeding its findings into the whole-board evaluation and identifying areas where practice may be improved.

The same approach will be used for all committees, although some Part 2 questions may be less applicable to the Nominations and Remuneration Committee.

4.   BENEFITS AND OPPORTUNITIES
The Review of Committee Operation provides an opportunity for committee to reflect on their practice and consider improvements going forward.

5.   STRATEGIC IMPLICATIONS
All committees of the Board are required to review their operation/performance annually.

6.   RISK
See 'reputational implications' below.

7.   FINANCIAL IMPLICATIONS
Not applicable.

8.   LEGAL IMPLICATIONS
Not applicable.

9.   WORKFORCE IMPLICATIONS
Not applicable.

10.   REPUTATIONAL IMPLICATIONS
Failure to ensure that good governance procedures are in-place may have reputational implications.

11.   EQUALITIES IMPLICATIONS
Not applicable.

CONCLUSIONS/RECOMMENDATIONS
The Committee is asked to NOTE the finalised checklist as previously agreed by members.

Review of Audit & Risk Assurance Committee Operation 2018/19- Part 1

1	Role and remit	Yes/No	Comments/Action
1.1	Does the audit committee have written terms of reference (ToR)?	**Yes**	The ToR is published on the College <u>website</u>.
1.2	Do the terms of reference cover the core functions of an audit committee as identified in the *SG Audit Committee Handbook*?	**Yes**	The *General Committee Remit* and *Specific Committee Role and Remit* are outlined in the ToR.
1.3	Are the terms of reference approved by the audit committee and reviewed periodically?	**Yes**	The Board approved an updated ToR on 11 December 2018.
1.4	Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	**Yes**	The ToR outlines the Committee's membership, authority and its resources. The Committee currently has three Non-Executive Members, its full complement as outlined in the ToR, plus an independent co-opted member with significant public sector expertise.
1.5	Does the body's statement on internal control mention the audit committee's establishment and its broad purpose?	**Yes**	The statement is shown in the Annual Report and Accounts to 31 July 2018 and covers these points.
1.6	Does the audit committee periodically assess its own effectiveness?	**Yes**	The Committee completes a self-assessment at its last meeting of every academic year.
2	**Membership, induction and training**	**Yes/No**	**Comments/Action**
2.1	Has the membership of the audit committee been formally agreed by the management board and or Accountable Officer and a quorum set?	**Yes**	A quorum of two members of the Committee has been agreed by the Board, as is clearly stated in the ToR.
2.2	Are members appointed for a fixed term?	**Yes**	Non-executive members of the Board are appointed for a fixed term. Appointments and tenures are monitored by the Nominations Committee.

			As of 18 March 2019, non-executive members on the Committee include: Nigel Paul (Chair), Judith Sischy, Ross Laird and Lesley Drummond.
2.3	Does at least one of the audit committee members have a financial background?	**Yes**	Two member of the Committee has a chartered accountancy background, as does the Committee's co-opted member. The remaining two members have financial experience through their current/previous roles as Directors.
2.4	Are all members, including the chair, independent of the executive Function?	**Yes**	The Committee's membership consists of non-executive Board members.
2.5	Are new audit committee members provided with an appropriate induction?	**Yes**	New Board members are provided with an induction as agreed by the Nominations Committee. The chair of the Audit and Risk assurance Committee provides an induction briefing for new members of the Committee.
2.6	Has each member formally declared his or her business interests?	**Yes**	A Register of Interests is maintained by the Clerk to the Board (last updated March 2019). *Declarations of Interest* is a standing item at every Committee meeting.
2.7	Are members sufficiently independent of the other key committees of the Board?	**Yes**	The Chair of the A&RA Committee, Nigel Paul, sits on the Board's Policy & Resources Committee. Judith Sischy sits on the Academic Council, whilst Lesley Drummond acts as Chair to the External Engagement Committee and is a member of the Policy & Resources Committee. Ross Laird does not sit on any other Committee of the Board. The overlap of non-executive members on committees supports greater awareness of key risk and controls, and contributes to discussions held by the Committee. Ian Doig, a co-opted member of the A&RA Committee acts independently of the Board and its committees and provides valuable input through his significant audit committee experience.

		Yes/No	Comments/Action
2.8	Has the audit committee considered the arrangements for assessing attendance and performance of each member?	**Yes**	Arrangements for assessing attendance and performance are implemented by the Nominations Committee. An overview of attendance and performance is provided to the Board annually. The Committee completes a Review of Committee Operation Form at the end of each year.
3	**Meetings**	**Yes/No**	**Comments/Action**
3.1	Does the audit committee meet regularly, at least four times a year?	**Yes**	The Committee met four times in 2018/19 (Oct, Nov, Feb & May), as required by its ToR.
3.2	Do the terms of reference set out the frequency and broad timing of meetings?	**Yes**	Paragraph 11.1 of the ToR states that; 'the Committee shall meet at least four times a year, in line with the College Financial Year'.
3.3	Does the audit committee calendar meet the body's business and governance needs, as well as the requirements of the financial reporting calendar?	**Yes**	Following consultation with the Chair of the A&RA Committee, the Board and Committee cycle is agreed with the Chief Operating Officer and Committee members 3-4 months prior to the cycle commencing. The calendar is also checked to align with the financial reporting calendar.
3.4	Are members attending meetings on a regular basis and if not, is appropriate action taken?	**Yes**	The Nominations Committee review attendance annually, and if required action will be taken.
3.5	Does the Accountable Officer attend all meetings and, if not, is he/she provided with a record of discussions?	**Yes**	The Principal is invited to all A&RA Committee meetings, and receives an electronic version of the papers. The Principal also receives the draft Committee minutes for information. In 2018/19, the Principal attended the October and February meetings of the Committee.
3.6	Does the audit committee have the benefit of attendance of appropriate officials at its meetings, including representatives from internal audit, external audit and finance?	**Yes**	The College's Chief Operating Officer attends and supports the Committee, as Executive Lead. Internal and external auditors from BDO and Audit Scotland (respectively) are invited to all meetings of the Committee. The auditor overall attendance records are good.

			The Committee has also invited appropriate members of the Senior Management Team to present of specific topics aimed at providing the Committee with a better understanding of individual risks, and assurances that these risk are managed appropriately. It is hoped that this approach may provide a learning experience for Exec/Leadership members in the operation and role of an A&RA Committee.
4	**Internal Controls**	**Yes/No**	**Comments/Action**
4.1	Does the audit committee consider the findings of annual reviews by internal audit and others, on the effectiveness of the arrangements for risk management, control and governance?	**Yes**	The Committee receives a status update report at each meeting in-relation to ongoing internal audit recommendations, and receives an annual report from both the Internal and External Auditors. A member of the A&RA Committee also attends the College's Risk Management Group meetings.
4.2	Does the audit committee consider the findings of reviews on the effectiveness of the system of internal control?	**Yes**	An operational audit plan is agreed at the start of the financial year. The audit reviews comment on the effectiveness of the system of internal control and are presented by the Internal Auditors at meetings of the Committee.
4.3	Does the audit committee have responsibility for review of the draft Statement on Internal Control (SIC) and does it consider it separately from the accounts?	**Yes**	The draft statement on Internal Control is considered by the Committee prior to the finalisation of the Annual Report and Accounts. The Committee also reviews the Statement on Internal Control (SIC) submitted by the Principal to the SFC/Scottish Government

In 2018/19 the Executive Team were asked to complete Internal Control Assurance Statements, based on a government internal control framework, for each of their areas. The Principal considered each statement and used them as a basis for her own assurance statement, as submitted to the SFC with the end of year accounts. |
| 4.4 | Does the audit committee consider how accurate and meaningful the SIC is? | **Yes** | See above. |
| 4.5 | Does the audit committee satisfy itself that the arrangements for risk management, control and | **Yes** | Risk management, control and governance matters are regularly discussed at A&RA meetings. These aspects are also underpinned by |

	governance have operated effectively throughout the reporting period?		specific audits which provide assurance to the Committee that there is effective management and control within the organisation. Over the course of the academic year the Committee has considered the development and presentation of the risk register. To satisfy itself further the Committee has conducted 'deep dives' into key risks on the risk register in 2018/19, to attain a greater understanding of the risk factors and further assurances. A member of the A&RA Committee also attends the College's Risk Management Group meetings
4.6	Has the audit committee considered how it should coordinate with other committees that may have responsibility for risk management and corporate governance?	**Yes**	The Committee, through its membership, has strong links with the Policy & Resources Committee.
4.7	Has the audit committee satisfied itself that the body has adopted appropriate arrangements to counter and deal with fraud?	**Yes**	The A&RA Committee reviewed the controls for prevention of Fraud Bribery and Corruption at its 19 March 2019 meeting. An internal audit report relating to Business Continuity Planning was reviewed by the Committee on 10 October 2018.
4.8	Has the audit committee been made aware of the role of risk management in the preparation of the internal audit plan?	**Yes**	Risk management is particularly high profile within the College, and assurance is sought on a monthly basis. There are early discussions on the annual internal audit plan involving internal auditors, at which stage a framework of audit reviews is agreed. Additionally, the internal audit plan has been cross-referenced with the Edinburgh College top risk register.
4.9	Does the audit committee's terms of reference include oversight of the risk management process?	**Yes**	Paragraphs 3.1 and 4 (in the ToR) outline the Committee's oversight of risk.
4.10	Does the audit committee consider assurances provided by senior staff?	**Yes**	The Committee has received specific reports from senior staff and members of the Executive Team. Reports from Finance, Corporate

			Development, Quality, HR and ICT are regularly included in the 'Internal Audit Recommendation Summary Report'.
4.11	Does the audit committee receive and consider stewardship reports from senior staff in key business areas such as Finance, HR and ICT?	**Yes**	See 4.10 (above).
5	**Financial Reporting and regulatory matters**	**Yes/No**	**Comments/Action**
5.1	Is the audit committee's role in the consideration of the annual accounts clearly defined?	**Yes**	Paragraph 3.2.15, within the ToR outlines the Committee responsibility in-relation to the College's annual financial statements.
5.2	Does the audit committee consider, as appropriate:		
	• the suitability of accounting policies and treatments	**Yes**	An FRS 18 accounting policies report is provided to the A&RA prior to the preparation of the annual accounts.
	• major judgements made	**Yes**	These will be reported as required.
	• large write-offs	**Yes**	Debt write off is reported on an annual basis. Should there be an occasion whereby a large one-off item is required to be written-off, authorisation would be required through the Policy & Resources Committee.
	• changes in accounting treatment	**Yes**	This will be covered in the FRS 18 accounting policies report, and/or reported during the year when accounting changes are known.
	• the reasonableness of accounting estimates	**Yes**	As above.
	• the narrative aspects of reporting?	**Yes**	All reports are considered and discussed.
5.3	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	**Yes**	The External Auditors presented their report on the Annual Accounts To 31 July 2018 at the 21 November meeting of the Committee.

5.4	Does the audit committee review management's letter of representation?	**Yes**	Outlined in ToR, Paragraph 3.2.16. Agreed by the A&RA Committee and the Board as part of Financial Accounts.
5.5	Does the audit committee gain an understanding of management's procedures for preparing the body's annual accounts?	**Yes**	An annual accounts timetable is prepared and is available for discussion. There is also an External Auditors audit plan which is presented to the A&RA Committee,
5.6	Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues?	**Yes**	The Chief Operating Officer and Head of Corporate Development provide regular reports to the Committee and the Board. The internal and external auditors are also present at Committee meetings to advise members - as appropriate. At each meeting there is a 'horizon scanning' agenda item where updates on the economic, legal and regulatory environment are raised.
6	**Internal Audit**	**Yes/No**	**Comments/Action**
6.1	Does the Head of Internal Audit attend meetings of the audit committee?	**Yes**	A senior representative from the internal auditors (BDO) attends each Committee meeting.
6.2	Does the audit committee approve, annually and in detail, the internal audit plans including consideration of whether the scope of internal audit work addresses the body's significant risks?	**Yes**	The Committee considered/approved the 2018/19 Internal Audit Plan on 10 October 2018. Subsequent changes requested by the Committee have been incorporated and progress updates reviewed.
6.3	Does internal audit have a direct reporting line, if required, to the audit committee?	**Yes**	The internal auditors have a direct reporting line to the A&RA Committee and attend each meeting. The chair privately meets with Internal Audit during the year, and the Committee meets privately with the Internal Auditors prior to its November meeting. The auditors are able to raise any issues with the chair of the A&RA Committee at any time.
6.4	As well as an annual report from the Head of Internal Audit, does the audit committee receive progress reports from the internal audit service?	**Yes**	See 6.2 (above). Regular updates on the Plan have been provided to Committee meetings. Progress updates on audits are presented at meetings.

6.5	Are outputs from follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	**Yes**	The Committee receives a status update report at each meeting in-relation to ongoing internal audit recommendations. Members are provided with an opportunity to consider the adequacy of each recommendation implementation.
6.6	If considered necessary, is the audit committee chair able to hold private discussions with the Head of Internal Audit?	**Yes**	The Committee Chair met privately with the Head of Internal Audit on multiple occasion in 2018/19. The full committee met privately with the auditors in advance of the 21 November 2018 meeting.
6.7	Is there appropriate co-operation between the internal and external auditors?	**Yes**	Both are in attendance at most meetings and the external auditors gain assurance from the work of internal auditors.
6.8	Does the audit committee review the adequacy of internal audit staffing and other resources?	**Yes**	There is an annual review of the performance of the internal audit service.
6.9	Are internal audit performance measures monitored by the audit committee?	**Yes**	As above.
6.10	Has the audit committee considered the information it wishes to receive from internal audit?	**Yes**	The Committee considered the 2018/19 Internal Audit Plan in October 2018. The scoping and format of subsequent audit reports was discussed.
6.11	Do formal terms of reference exist defining internal audit's objectives, responsibilities, authority and reporting lines?	**Yes**	Paragraphs 3.2.3 to 3.2.14 (in the ToR) defined the internal auditor's objectives, responsibilities, authority and reporting lines.
7	**External Audit**	**Yes/No**	**Comments/Action**
7.1	Does the external audit representative attend meetings of the audit committee?	**Yes**	External auditors from Audit Scotland attended the 21 November 2018 meeting to present the end of year accounts. Audit Scotland representatives attended each meeting of the A&RA Committee during the academic year.

7.2	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	**Yes**	The Financial Accounts Annual Audit Plan is presented to the Committee.
7.3	Does the audit committee chair hold periodic private discussions with the external auditor?	**Yes**	The Committee Chair met privately with the external auditor on multiple occasion in 2018/19, and the full committee meet privately with the auditors in advance of the 21 November 2019 meeting.
7.4	Does the audit committee review the external auditor's annual report to those charged with governance?	**Yes**	The A&RA committee reviews the annual report from the external auditor.
7.5	Does the audit committee ensure that officials are monitoring action taken to implement external audit recommendations?	**Yes**	External audit recommendations are reviewed and addressed.
7.6	Are reports on the work of external audit presented to the audit committee?	**Yes**	The A&RA Committee receive and discuss the audit plan, the interim report, the annual report and the Scotland's Colleges 2018 Report.
7.7	Does the audit committee assess the performance of external audit?	**Yes**	Audit Scotland requested feedback on the performance of the external auditors.
7.8	Does the audit committee consider the external audit fee?	**Yes**	Audit Scotland presents a fee range to the Committee and the fee is agreed with the external auditors.
8	**Administration**	**Yes/No**	**Comments/Action**
8.1	Does the audit committee have a designated secretariat?	**Yes**	Secretariat duties are designated to the Clerk to the Board of Management.
8.2	Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	**Yes**	An agenda and papers are circulated one week prior to the Committee meeting.
8.3	Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	**Yes**	The A&RA Committee members are generally satisfied with the reports that they receive

8.4	Does the audit committee issue guidelines and/or a pro forma concerning the format and content of the papers to be presented?	**Yes**	All papers have a front sheet setting out the paper's purpose, the action(s) required and any strategic / financial / risk / legal / equality implications.
8.5	Are minutes prepared and circulated promptly to the appropriate people, including all members of the Board?	**Yes**	Draft minutes are provided to the Executive Lead (for review) within 10 working days, and are subsequently circulated to Committee members.
8.6	Is a report on matters arising presented or does the chair raise them at the audit committee's next meeting?	**Yes**	Matters arising are reported to each Committee meeting as a paper.
8.7	Do action points indicate who is to perform what and by when?	**Yes**	The matters arising report attributes actions and outlines timescales agreed by the Committee.
8.8	Does the audit committee provide an effective annual report on its own activities?	**Yes**	A report of its own activities is presented by the Chair of the A&RA Committee to the Board of Management.
9	**Overall**	**Yes/No**	**Comments/Action**
9.1	Does the audit committee effectively contribute to the overall control environment of the organisation?	**Yes**	As outlined above.
9.2	Are there any areas where the audit committee could improve upon its current level of effectiveness?	**Yes**	On 29 May 2019, the Committee agreed that, as at least one member sat on each of the Board's business committees, it would be appropriate to include a standing item that would allow members to verbally feedback on any relevant matters to the Audit & Risk Assurance Committee. The Committee agreed that it would welcome the sharing of deep dive discussions with other committees - as relevant.

9.3	Does the audit committee seek feedback on its performance from the Board and Accountable Officer?	**Yes**	The Committee Chair will receive feedback from the Chair of the Board annually, as part of the Board member review process.

Review of Audit & Risk Assurance Committee Operation 2018/19 - Part 2

Performance Monitoring Role

1. Is the Committee monitoring the KPIs it needs to in line with its remit or is there a need for review or change

    The role of the Committee is to review, gain assurances, and report to the Board on the effectiveness of the College's governance arrangements, financial systems, internal control environment and risk management arrangements.

    It does this by: receiving reports from management; requesting specific presentations on key topics/risks from management; receiving key financial and other performance information; receiving the output from the college's Statement of Internal Control process; reviewing the key risks and mitigations of the College; receiving reports from, and having meetings with internal auditors and external auditors; receiving reports from other external bodies; attendance of individual committee members at Risk Management Committee meetings; and horizon scanning. Many of these areas have been the focus of development over the past year.

2. Does the Committee receive the information it needs to monitor performance effectively?

    The Committee receives sufficient information to undertake its role effectively, and constantly looks at means of improving its understanding of the control and risk environment of the College and obtaining assurances of the adequacy of the College's governance, risk and control processes.

    At its February and May meetings the Committee has considered the development of a 'three lines of defence' model as a mechanism for reviewing the control environment.

    Following a major update of the Risk Register in 2017/18, the Committee agreed a risk appetite and tolerance statement for the College in November 2018, which was subsequently approved by the Board in December.

3. Have there been any areas where the Committee has not been able to exercise its performance monitoring role effectively or where practice could be improved?

    ==*The Committee is content with current arrangements, but will continue to monitor its practice going forward.*==

Strategic Role

4. How would the Committee define the key strategic issues within its remit?

    This is clearly outlined in the Committee's terms of reference.

5. In what ways has the Committee influenced strategy in its area of remit in the last year?

The Committee looks to influence and gain assurance that the College is delivering on its key strategic priorities, through the mechanisms described above (under 'Performance Monitoring'). Together with the Policy & Resources Committee, it has challenged and sought assurances that the Strategic Plan/Blueprint have been appropriately implemented, and has looked at the governance and the mechanisms that the Committee and the Board will rely on to ensure that the new Strategic Plan is effectively delivered.

6. Are there particular areas in which the Committee might improve practice in relation to its strategic role?

   The Committee will continue to review its practice and the development of the Board's horizon scanning report.

Decision-Making

7. Has decision-making been "transparent, informed, rigorous and timely[1]" in the past year?

   Where the committee is required to make decisions, it has done so in an informed and timely manner.

8. Are there ways that the Committee could strengthen its practice in relation to decision-making?

   The Committee continues to need high quality papers to ensure that informed and timely decisions are made, when necessary.

9. Are there examples that show how the student experience has informed and been central to the Committee's decisions?

   The Committee has considered internal audit reports on the EMA, bursaries and student support funds.

Relationships

10. Has the Committee's relationship with the Board been effective in the past year, and are there any examples of where it could have been more effective?

    The Committee's relationship with the Board is defined by: the regular reporting of its minutes at each Board meeting, the annual report to the Board, the attendance of the Board Chairman and Principal at A&RA Committee meetings and the participation of members of the Committee in other Committees.

    Members of the Committee have also had the opportunity to discuss matters of concern amongst themselves outside formal meetings. This has provided an effective relationship between the Committee and the Board, and enabled the boundary between governance and management to operate effectively with members of the Committee able to challenge and advise executive colleagues as appropriate.

    On 29 May 2019, the Committee agreed that, as at least one member sat on each of the Board's business committees, it would be appropriate to include a standing item that

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[1] This is a definition of effective decision-making given in the Code of Good Governance for Scotland's Colleges.

11. Has the Committee's relationship with the Executive been effective in the past year, and are there any examples of where it could have been more effective?

    The Committee's relations with the Executive is defined by: private meetings with the Chief Operating Officer; meetings with the Principal and the Board secretariat, as well as inviting other members of the Executive team into A&RA committee meetings.

12. Has the boundary between governance and management been effective in practice in the past year or are there examples of where it could have been more effective?

    The A&RA Committee has satisfactorily maintained the boundary between governance and management.

Edinburgh College

For the future you want

FOR INFORMATION			
Meeting	Audit & Risk Assurance Committee 09.10.19		
Presented by	Kerry Heathcote		
Author/Contact	Claire Fulton	Department / Unit	Policy, Planning & Performance / Complaints
Date Created	18.09.19	Telephone	
Appendices Attached	*Appendix 1:* Charts illustrating the percentages/categories of complaints received in 2018/2019 in comparison to 2017/2018		
Disclosable under FOISA		Yes.	

COMPLAINTS ACTIVITY SUMMARY

1.   **PURPOSE**
        The paper provides a summary of complaints received by Edinburgh College from 01 August 2018 to 31 July 2019.

        For reference, the report also provides information on the Scottish Public Services Ombudsman (SPSO) complaint handling procedure for Further Education colleges.

        This is a summary of complaints received by the college in Academic Year 2018/19 and offers comparison to the Academic Year 2017/18.

2.   **BACKGROUND**
        The Scottish Parliament decided to legislate on how the public sector administer their complaints and the Public Service Reform (Scotland) Act 2010 was put in place. In light of this, the SPSO developed a model Complaints Handling Procedure for the public sector. The procedure focuses on quicker, simpler and more streamlined complaints handling with local, early resolution by empowered staff. Edinburgh College fully implemented this procedure on 1 August 2013. The procedure has two stages and it is required that the complaints of both stages are formally recorded, investigated and reported on. The SPSO advise that:

        •   Stage 1 complaints are to be responded to within five working days
        •   Stage 2 complaints are to be acknowledged within three working days, investigated by a senior member of staff and responded to within twenty working days.

3.   **DETAIL**

        3.1   **Overview**

        There was a **40% reduction** of complaints from, 17/18 – 246 complaints & 18/19 - 148 complaints (21 of which were related to the strike; if we remove these we see nearly a **50% reduction** in

complaints from 17/18 to 18/19). This reduction has been achieved by the new Complaints Handling Co-ordinator (CHC) introducing the new 3Cs and changing the way that staff initially deal with complaints from students, making them more pro active in helping the student resolve their issue(s) instead of advising them to make a complaint to resolve the issue. This does not always work but in most instances, this has proven to be successful. Also, the quick action of the CHC to respond to complainants and assist them has also helped in the reduction of logged complaints.

There was a **100 reduction** of complaints not closed from 17/18 – 18/19; this reduction has been achieved by the CHC ensuring that all complaints are closed off within the required timescales or negotiating extensions but still ensuring that all complaints are closed off.

The College managed to **reduce the number of upheld complaints by 48%** in comparison to that upheld in 2017/18. Breaking this down, there was a **36% reduction** in Stage 1 complaints that have been upheld and **96% reduction** in Stage 2 complaints that have been upheld.

There was an **81% decrease** in complaints being escalated from Stage 1 to Stage 2 from 17/18 to 18/19. This decrease has been achieved by the CHC quick action to resolve the Stage 1 complaints, using new methods of asking staff to directly contact the student by phone or e-mail always ensuring that the CHC is kept informed of any conversations and outcomes. This direct contact with the student has proven to be a great success. There was a a **100% reduction** in escalated upheld complaints from 17-18 to 18-19.

3.2   Number of Complaints 2018/19 – 148

The majority of complaints received were regarding issues at the Sighthill Campus, as illustrated in the table below, note that 21 at Sighthill were strike related:

Campus	Complaints Raised	Stage 1 Complaints Received	Stage 1 Complaints Upheld	Stage 2 Complaints Raised	Stage 2 Complaints Upheld
Granton	26	22	5	4	1
Midlothian	14	11	2	3	0
Milton Road	28	26	11	2	0
Sighthill	75	72	34	3	2
Open Learning	1	1	1	0	0
Other	4	4	1	0	0
Totals	**148**	**136**	**54**	**12**	**3**

3.3   SPSO Investigations

- There has been one full investigation from the SPSO in 18/19 which was not upheld.

- There is one complaint under review; we have provided the information requested to SPSO for them to decide as to whether an investigation will take place or not.

3.4   Complaint Categories

C1: Customer Care 18-19 total 31%, this is a 94% increase from 17-18 Complaints in this category included mainly student conduct & staff conduct. Staff Conduct again made up the largest amount

of the complaints received **(85%), a 30% increase from 17/18.** Complaints were generally resolved with apologies or meetings to resolve the issues.

C2: Applications to Progression 18-19 total 14%, this is a **16% decrease from 17-18** The majority of complaints in this category related to issues with applications, admissions, interviews and enrolments. Other complaints included progression. Nearly all upheld complaints were resolved with another course offer.

C3: Course Related 18-19 total 25%, **this is a 26% decrease from 17-18.** This category included complaints regarding PC's and laptops not being fit for purpose, poorly organised courses and classrooms being too small for class size. The main complaints relating to Course Management (33%). Following that complaints about not receiving certificates (19%) and Learning and Teaching complaints (17%). For the third year in a row course related matters are still the most common cause for complaint. Some upheld complaints were resolved with moving classrooms, 20 new laptops, refund and class cover.

C4: Services 10%, **this is a 22% decrease from 17-18**. Complaints in this category were mainly in relation to funding/bursary issues (50%). Other complaints in this category related to finance, student records, LRC and Quality, the majority of the upheld complaints were resolved with fees being waved.

C5: Facilities 4%, this is a 50% decrease from 17-18. Complaints in this category included a variety of disabled toilet/shower not being cleaned properly, issues with dirty carpets and chairs and heating not working in the Music Box. There were a couple of catering complaints that were sent to Gather & Gather to respond to. The majority of the complaints were upheld and resolved by getting ISS to deep clean, carpets replaced and heating sorted.

C6: Others – 16% - An increase of 100% from 17-18, 88% of these were related to strike action.

Please see *Appendix B* for a pie chart of the percentages and the categories of complaints received 17/18 and 18/19

3.5   Development

The introduction of the new 3C's Complaints procedure which was created by the CHC and was rolled out in January 2019 with a slight name change from Cause for Concern to Cause for Consideration just recently.   In line with this the CHC worked with the GDPR team to establish a 3C's Privacy Notice and a 3C's Data Subject Authorisation Form. The statistics show that the new processes have already have a major impact on the reduction of logged complaints, a decrease in escalated complaints and a decrease in upheld complaints.

The new Stage 2 Complaint Investigation Plan that was created by the CHC has shown a vast improvement in the way that Investigating Offices are compiling their investigation reports, there has been less need to go back to investigating officers for more information therefore responses are being written up quicker, reducing the response rate time.

There is still a need for external training for investigating officers to improve further on how complaint investigations should be handled. SPSO offer training in this area.

The aim for 19-20 is to continue with the new 3Cs process, with the aim of implementing a new Learning from Complaints procedure to change practice where needed and improve services for our students and the public.   This has been an area that has taken a back seat, however it is an important factor to complete the learning cycle. Feedback has the best evidence for bringing

about sustainable change and forms the basis for any quality improvement. This will be implemented by the CHC creating a learning from template for the investigating officer to complete six weeks after the close of the complaint to make sure that any proposed solutions/actions have been put in place or are in the process of being put in place.

4. BENEFITS AND OPPORTUNITIES

Establishing trends in complaints is essential for Edinburgh College to learn about systems/policies that are not working well and to utilise the feedback provided in a positive way to make necessary improvements. It is important that we analyse the complaint report information, along with SPSO recommendations, to ensure real organisational learning/change and in order to prevent repeat failings.

Incorporating complaint analysis findings into our daily activities ensures that the service we provide is high quality, efficient and responsive to our student's/customer's needs.

5. STRATEGIC IMPLICATIONS

The Senior Management Group has responsibility to ensure it monitors the frequency and outcomes of complaints and to ensure the College has taken appropriate corrective actions as part of any complaint resolution.

6. RISK

Failure to deal with complaints in an appropriate and timely manner may carry reputational and legal implications.

7. LEGAL IMPLICATIONS

The College must adhere to Scottish Government legislation relating to how public sector bodies administer their complaints and the Public Service Reform (Scotland) Act 2010.

8. WORKFORCE IMPLICATIONS

Complaints resolutions can lead to HR policy invocation around performance management and/or staff CPD.

9. REPUTATIONAL IMPLICATIONS

See Risk above.

CONCLUSIONS/RECOMMENDATIONS

The Committee are asked to NOTE the information provided on complaint activity.
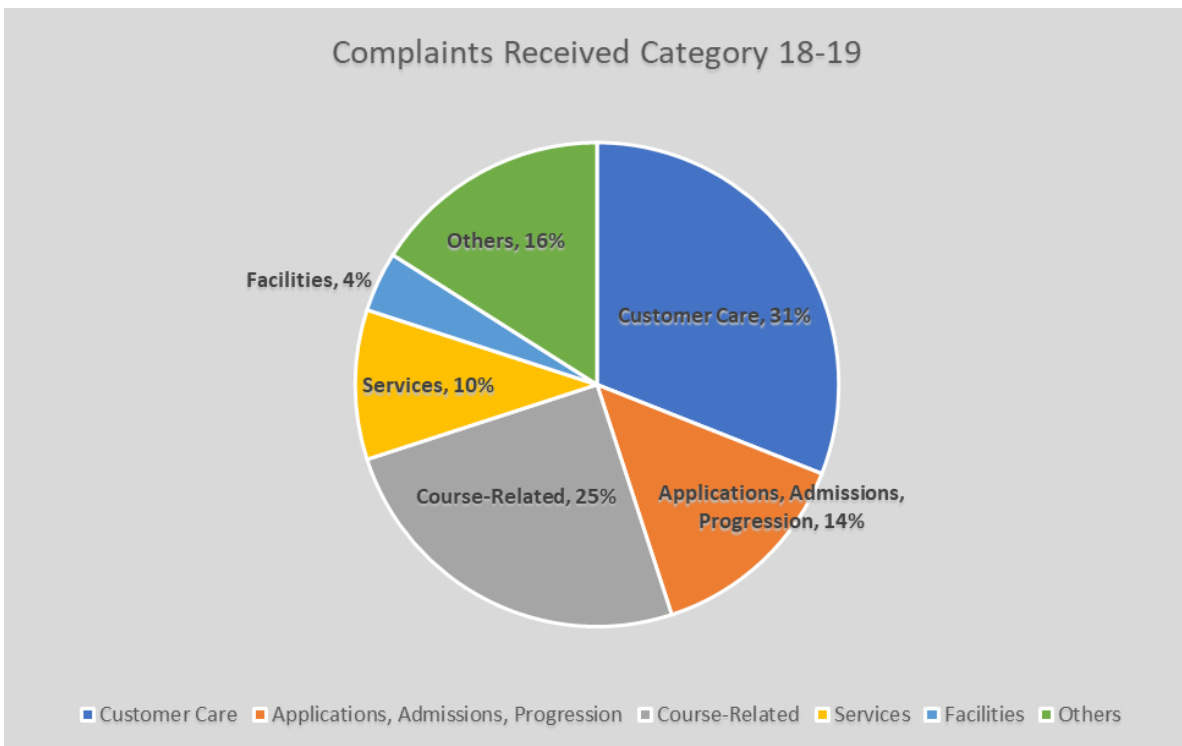

CHART 1:

Complaints Received Category 18-19

- Customer Care, 31%
- Applications, Admissions, Progression, 14%
- Course-Related, 25%
- Services, 10%
- Facilities, 4%
- Others, 16%

Legend: Customer Care ■ Applications, Admissions, Progression ■ Course-Related ■ Services ■ Facilities ■ Others

CHART 2:

Complaints Received Category 17-18

- Customer Care, 16%
- Applications, Admissions, Progression, 17%
- Course-Related, 35%
- Services, 24%
- Facilities, 8%

Legend: Customer Care ■ Applications, Admissions, Progression ■ Course-Related ■ Services ■ Facilities ■