Scott-Moncrieff
business advisers and accountants

City of Glasgow College

2016/17 Annual Audit Report to the Board of Management and the Auditor General for Scotland

February 2018

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Key Messages

Annual report and accounts

The annual report and accounts for the year ended 31 July 2017 were due to be approved by the City of Glasgow College on 26 February 2018. We reported within our independent auditor's report an unqualified opinion on the annual accounts, the regularity of transactions and other prescribed matters. We are also satisfied that there are no matters which we are required to report by exception.

Our thanks go out to all management and staff at the College for their co-operation and assistance during the duration of the audit process.

Wider scope

Financial sustainability

The College has effective arrangements in place for financial planning and monitoring. The Scottish Funding Council requires a five year Financial Forecast Return (FFR) to be prepared. We note that the College' FFR has identified a pattern of recurring deficits from 2018/19 to 2021/22.

There is recognition by the College that there are significant challenges ahead to bridge the budget gap and work is underway to identify savings options.

Financial management

Overall, the College has effective arrangements in place for financial management and the use of resources. The College's accounts record an underlying surplus position of £0.4 million.

Our conclusion is based on a review of the College's financial performance against its annual budget and our review of budget monitoring and control systems in place.

Governance and transparency

The College has satisfactory governance arrangements in place.

In year the Glasgow College's Regional Board received fundable body status and from 1 August 2017 the GCRB has responsibility for agreeing and monitoring the College outcome agreement.

Value for money

The College is developing a Sustainability Strategy which encompasses value for money.

Performance indicators are monitored by the Board and its sub-committees. The College reported that it is meeting 72% of its targets in year. There is action required in a number of key areas to improve performance in areas including student satisfaction, recruitment and attainment.

Key facts

- The College spent £88 million on the provision of further education services in 2016/17.
- The College reported a deficit of £3.495 million, however after taking into account the impact of non-cash depreciation there is an underlying surplus of £0.4 million.
- The College currently holds net assets of £13.646 million, however there is a net liability position of £2.039 million on the Income and Expenditure Reserve mainly due to the pension liability.
- The College delivered student credits of 177,960 which was just above the target level of 177,788.

Conclusion

This report concludes our audit of the College for the year to 31 July 2017. We have performed our audit in accordance with the Code of Audit Practice published by Audit Scotland, International Standards on Auditing (UK and Ireland) and Ethical Standards.

Scott-Moncrieff
February 2018

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Introduction

Introduction

1. This report summarises the findings from our 2016/17 audit of City of Glasgow College ("the College").

2. We outlined the scope of our audit in the external audit plan which we presented to the Audit Committee in May 2017. The main elements of our work in 2016/17 have been:

   - an interim audit of the College's key financial systems and aspects of its corporate governance arrangements;
   - an audit of the draft annual accounts, including a review of the governance statement;
   - a review of the arrangements as they relate to the four dimensions of wider scope public audit: governance and transparency, financial management, financial sustainability and value for money;
   - consideration of the College's arrangements for taking part in the National Fraud Initiative data-matching exercise;
   - consideration of the local impact of Audit Scotland's national performance report *The Role of Boards*; and
   - completion of a minimum dataset of information that is submitted to Audit Scotland.

3. The College is responsible for preparing annual accounts that show a true and fair view and for implementing appropriate internal control systems. The weaknesses and risks identified in this report are only those that have come to our attention during our normal audit work, and may not be all that exist. Communication in this report of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

4. We discussed and agreed the content of this report with the Vice Principal Finance and HR. We would like to thank all management and staff for their co-operation and assistance during our audit.

Adding value through the audit

5. All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the College promote improved standards of governance, better management and decision-making and more effective use of resources.

6. This report is addressed to both the College and the Auditor General for Scotland and will be published on Audit Scotland's website. *www.audit-scotland.gov.uk*.

7. We welcome any comments you may have on the quality of our work and this report via: *www.surveymonkey.co.uk/r/S2SPZBX.*

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Annual accounts

Annual accounts

An unqualified audit opinion on the annual accounts

The annual accounts for the year ended 31 July 2017 were approved for signature by the Board on 4 December 2017. We reported within our independent auditor's report:

- **an unqualified opinion on the annual accounts;**
- **an unqualified opinion on the regularity of transactions; and**
- **an unqualified opinion on other prescribed matters.**

Fair administrative processes were in place

We received draft annual accounts and supporting papers of a good standard, in line with our agreed audit timetable. Our thanks go to staff at City of Glasgow College for their assistance with our work.

Introduction

8. The College's annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources. The respective responsibilities of the College and the auditor in relation to the annual accounts are outlined in appendix 3.

9. In this section we summarise the issues arising from our audit of the 2016/17 annual report and accounts.

Overall conclusion

An unqualified audit opinion on the annual report and accounts

10. The College approved the annual report and accounts for signature at the Board on 4 December 2017, subject to the resolution of a post balance sheet event relating to European Structural Funds grants being reclaimed by the Scottish Government.

11. The Scottish Government informed the College of their intent to reclaim an element of European Structural Funds grants in August 2017 and provided the College the opportunity to appeal this decision.

12. The College prepared an appeal and this process was ongoing at 31 December 2017. The SFC awarded an extension to the College, allowing until 28 February 2018 to submit the audited annual report and accounts.

13. The Scottish Government confirmed in February 2018 that they would not be pursuing the recovery of the European Structural Funds grants and therefore the accounts did not require any adjustment relating to this issue.

14. The accounts were signed in accordance with the revised deadline. We reported:

    - an unqualified opinion on the financial statements;
    - an unqualified opinion on the regularity of transactions; and
    - an unqualified opinion on other prescribed matters.

15. We are also satisfied that there are no matters which we are required to report by exception.

Fair administrative processes were in place in respect of the accounts

16. We received draft financial statements and supporting papers in line with our agreed audit timetable.

17. The annual report was not provided until the fifth week of the audit which put pressure on the audit team to ensure timescales were sufficiently met.

Our assessment of risks of material misstatement

18. The assessed risks of material misstatement described in Exhibit 1 are those that had the greatest effect on our audit strategy, the

allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual accounts is not modified with respect to any of the risks described in Exhibit 1.

Exhibit 1: Our assessment of risks of material misstatement and how the scope of our audit responded to those risks

1. Management Override

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the annual accounts. This is treated as a presumed risk area in accordance with ISA 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.

Noted in 2016/17 External Audit Plan

19. We have not identified any indications of management override in the year. We have reviewed the College's accounting records and obtained evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly.

20. We have also reviewed the journal entries processed in the period and around the year end and did not identify any issues.

2. Revenue recognition

Under ISA 240 - The auditor's responsibilities relating to fraud in an audit of financial statements there is a presumed risk of fraud in relation to revenue recognition. Practice Note 10 (revised) highlights that in the public sector most entities are net spending bodies and there is a risk of fraud over expenditure.

The presumption is that the College could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

Noted in 2016/17 External Audit Plan

21. While we did not suspect incidences of material fraud and error, we evaluated each type of revenue transaction and documented our conclusions. We have reviewed the controls in place over revenue accounting and found them to be sufficient. We have evaluated key revenue transactions and streams, and carried out testing to confirm that the College's revenue recognition policy is appropriate and has been applied reasonably.

3 Non- Profit Distributing model

The College used the Scottish Government Non-Profit Distributing model to acquire new campus facilities. The Riverside Campus opened in August 2015 and the Cathedral Street Campus opened in August 2016.

The Riverside Campus was operational in 2015/16 and was recognised as an asset on the College's balance sheet as at 31 July 2016 together with a liability for its obligations under the service concession arrangement. The Cathedral Street premises became operational on 1 August 2016 and therefore will be recognised as an asset in the 2016/17 financial statements.

The College are currently negotiating sales of the existing sites at Cathedral Street, North Hanover Street, Rogart Street, Dornoch Street and Florence Street.

Noted in 2016/17 External Audit Plan

22. We have worked with the College to ensure that the accounting treatment for the Cathedral Street campus is appropriate and in accordance with FRS 102 and the FE SORP requirements. We are satisfied that the accounting entries in the financial statements are underpinned by sufficient audit evidence, including the overall contract with Glasgow Learning Quarter (GLQ) and the supporting financial model provided by the contractor. We are satisfied that the disclosures within the financial statements in respect of the Cathedral Street NPD arrangement are complete and in accordance with FE SORP requirements.

23. The College obtained a valuation of the Cathedral Street assets as at 1 August 2016 and we are satisfied that this valuation has been appropriately reflected within the financial statements.

24. We have performed transaction testing on the fixed asset additions recognised in the financial statements in year and further have re-performed depreciation calculations to satisfy that depreciation has been accounted for correctly, in accordance with the College's accounting policies.

25. The useful economic life for the substructure component of the Cathedral Street campus was out of line with the previous accounting policy for land and buildings which had a maximum useful economic life of 50 years. The College had changed the policy in year following advice from the valuer, however, the accounting policies disclosed in the financial statements did not reflect this change. The accounts have been revised to reflect the change in policy from 2016/17 and reflect the appropriate useful economic lives.

26. The College sold the Dornoch Street, Florence Street and Rogart Street sites in 2016/17. In agreement with SFC the sale proceeds were retained by the College and will be used to fund the continuing costs associated with the disposals. The North Hanover Street and Charles Oakley sites remain unsold.

27. The College auctioned a proportion of equipment no longer in use as part of the City Campus transition in August 2016. The College obtained £0.223 million in proceeds from the auctions, which resulted in an overall loss on disposal of £0.697 million. We have gained sufficient assurance over the proceeds and calculated loss and we have confirmed the assets have been appropriately removed from the asset register.

4. Fixed asset register

The College currently maintain a fixed asset register using an excel schedule. Capital expenditure is recorded by the finance team via a manual review of invoices processed through the accounts payable system to identify those which meet the capitalisation threshold. Following the move to the new campus buildings room registers were established with listings of assets for each room, a proportion of those assets will be legacy assets from the old campus buildings. The fixed asset register is designed to encompass all additions through the accounts payable system and legacy assets from the old campus buildings.

The finance team plan to move to a specialist fixed asset register system from 1 August 2017 and as part of the preparation work, have identified a risk that the current fixed asset register does not accurately reflect all the assets the College holds.

Noted in 2016/17 External Audit Plan

28. The NPD contractor provided asset details through room data sheets and an asset register which had the valuation data. The room data sheets were used by the College to confirm completeness and assets were tagged using room data sheet numbers.

29. There was, however, no reconciliation between the room data sheets and the asset register. As the asset register forms the basis of the asset values on the accounts this increases the risk of a misstatement due to incomplete or inaccurate data.

30. To mitigate this risk we conducted increased sample testing of items on the floor to confirm they were accurately recorded in the fixed asset register. While we did not identify any issues with regards to the completeness of the fixed asset register this was a complex process due to the lack of asset tag numbers on the fixed asset register.

Action plan point 1

Other risk factors

31. Glasgow College's Regional Board (GCRB) was awarded fundable body status as at 1 April 2017. Work commenced in 2016/ 17 to allow the transfer of functions, including the development of GCRB's role in negotiating outcome agreements and the creation of banking facilities for GCRB.

32. From 1 August GCRB took over the role of agreeing and monitoring performance against the outcome agreement. In 2017/18 the GCRB will take on responsibility for providing funds to the College.

33. These functions are indicators of control over the College and therefore from 1 August 2017 the GCRB will be required to prepare consolidated financial statements.

34. The College has undertaken preparatory work in 2016/17 to align their accounting policies with the remainder of the GCRB group, however, this has not had a significant impact on the disclosed figures and no material adjustments were required.

Our application of materiality

35. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

36. Our initial assessment of materiality for the financial statements was £1.172 million, approximately 1.8% of the prior year expenditure of the College. Upon receipt of the draft annual report and accounts we revised our materiality assessment to £1.584 million, approximately 1.8% of reported expenditure in 2016/17. We consider expenditure to be the principal consideration for the users of the accounts when assessing the performance of the College.

37. We set a level of performance materiality for each area of work, which is based on a risk assessment for the area. We have performed audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we performed a greater level of testing on the areas deemed to be of significant risk of material misstatement.

Area risk assessment	Weighting	Performance materiality
High	50%	£0.792 million
Medium	60%	£0.951 million
Low	75%	£1.188 million

38. We agreed to report any misstatements identified through our audit that fall into one of the following categories:

- All material corrected misstatements.
- Uncorrected misstatements over £54,300.
- Misstatements below £54,300 that we believe warrant reporting on qualitative grounds.

Audit differences

39. We are pleased to report that there were no material adjustments to the draft annual report and accounts. We identified some disclosure and presentational adjustments during our audit, which have been reflected in the final set of accounts.

40. We also identified three potential adjustments which are not considered material to the annual accounts, either individually or in aggregate.

41. Management has considered the potential adjustments and elected to revise the accounts for two differences relating to the overstatement of prepayments and accruals.

42. The accounts have not been adjusted for the remaining adjustment on the grounds of materiality. These have been reported to the Vice Principal Finance and HR and are included as an appendix to the letter of representation. The letter covers a number of issues and we have requested that it be presented to us at the date of signing the annual accounts.

43. Full details of the audit differences are outlined in appendix 2.

An overview of the scope of our audit

44. The scope of our audit was detailed in our External Audit Plan, which was presented to the Audit Committee in May 2017. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the college. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

45. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

46. Our standard audit approach is based on performing a review of the key financial systems in place, substantive tests and detailed analytical review. Tailored audit procedures, including those designed to address significant risks, were completed by the audit fieldwork team and the results were reviewed by the audit manager and audit partner. In performing our work we have applied the concept of materiality, which is explained earlier in this report.

Regularity

47. We planned and performed our audit recognising that non-compliance with statute or regulations may materially impact on the annual report and accounts. We did not identify any instances of irregular activity.

Other matters identified during our audit

Performance and Accountability Report

48. We were provided with the performance and accountability report in the fifth week of our audit. Following our initial review we identified a number of areas where the narrative was not prepared in line with the guidance issued by the SFC.

49. From 2016/17 our opinion on other prescribed matters includes a requirement to provide an opinion on whether the performance report is consistent with the financial statements and whether it has been properly prepared in accordance with applicable legal requirements.

50. We therefore requested the performance report be adjusted to reflect the requirements of the SFC accounts direction. We are satisfied the revised performance and accountability report meets the requirements of the SFC guidance.

Governance statement

51. The College's Governance Statement explains that the College was compliant with the principles of the 2016 Code of Good Governance for Scotland's Colleges. This is deemed to be in accordance with the requirements outlined in the 2016/17 Accounts Direction, released by the SFC.

52. While we are satisfied that the content of the governance statement is not inconsistent with information gathered during the course of our normal audit work, we identified a number of areas where disclosures were not in line with the requirements of the SFC Accounts Direction. The final draft of the accounts were updated to take cognisance of our findings and we are satisfied the revised governance statement has been prepared in line with the SFC 2016/17 Accounts Direction.

Remuneration report

53. Our independent auditor's report confirms that the part of the Remuneration Report to be audited has been properly prepared.

54. We found that one employee's banding was overstated due to the inclusion of their severance package within the salary information. This has been adjusted to reflect the correct salary banding of £100,000 to £109,999.

55. We have found that the revised Remuneration Report includes all relevant disclosures and is in agreement with the accounting records.

Follow up of prior year recommendations

56. As part of our audit, we have followed up on the recommendations raised as part of the external audit in 2015/16. The table below indicates that four recommendations were raised and all are either complete or partially complete. Further detail on these recommendations is included in the action plan at appendix 1.

Number of recommendations raised in 2015/16	Complete	Partially Complete
4	1	3

Qualitative aspects of accounting practices and financial reporting

57. During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the annual report and accounts. The following observations have been made:

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	We have reviewed the significant accounting policies, which are disclosed in the annual report and accounts. In addition to the amendment to the depreciation policy outlined previously, we noted that there was no financial instruments policy in the draft accounts. The accounts have been updated to reflect appropriate accounting policies.
The timing of the transactions and the period in which they are recorded.	As outlined in appendix 2 we identified two transactions which related to 2017/18 but had been included in the 2016/17 accounts. The transactions were not material but the College elected to adjust the accounts.
The appropriateness of the accounting estimates and judgements used.	The accounting estimates and judgements used by management in preparing the financial statements are considered appropriate on the whole. Estimates and judgements have been adopted over fixed asset valuations, depreciation rates, pension liabilities and the valuation of provisions. Where available, the College has utilised the work of independent experts or industry practice to support the estimate applied.
The potential effect on the annual report and accounts of any uncertainties, including significant risks and disclosures such as pending litigation that are required to be disclosed in the annual report and accounts.	We have not identified any uncertainties including any significant risk or required disclosures which should be included in the financial statements.
The extent to which the annual report and accounts have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed in the annual report and accounts.	We did not identify any significant unusual transactions in the period that were not anticipated.
Apparent misstatements in the annual report or material inconsistencies with the annual accounts.	There are no misstatement or material inconsistencies between the annual accounts and the annual report.
Any significant financial statement disclosures to bring to your attention.	The NPD assets in respect of Cathedral Street Campus have been brought into use in year. We are satisfied they are appropriately disclosed in the accounts.
Disagreement over any accounting treatment or financial statement disclosure.	While disclosure and presentational adjustments were made, there was no material disagreement during the course of the audit over any accounting treatment or disclosure
Difficulties encountered in the audit.	As noted there were some delays in obtaining the performance and accountability report which put additional pressure on the audit team when finalising the audit.

3

Financial management

Financial management

Overall, the College has effective arrangements in place for financial management and the use of resources. The College has managed funds in year to deliver an underlying surplus position of £0.5 million.

Our conclusion is based on a review of the College's financial performance against its annual budget and our review of the budget monitoring and control systems in place.

Financial performance

58. The College has reported an operating deficit for the period to 31 July 2017 of £3.495 million, following receipts from the arm's length foundation of £2.410 million.

	2016/17 Actual £million	2016/17 Budget £million	Variance £million
SFC Grants	59.1	59.6	(0.5)
Tuition Fees	18.2	18.6	(0.4)
Grant from foundation	2.4	3.1	(0.7)
Other income	5.0	25.3	(20.3)
Total Income	**84.7**	**106.6**	**(21.9)**
Staff costs	44.8	44.6	(0.1)
Depreciation	10.0	10.0	0.0
Other expenses	33.4	48.8	15.5
Total expenditure	**88.2**	**103.4**	**15.4**
Operating Surplus/ (deficit)	**(3.5)**	**3.2**	**(6.5)**

59. There is a significant variance in other income and other expenditure due to the difference in the management accounts which includes budgeted income and expenditure of £22 million for capital receipts from the North Hanover Street and Charles Oakley sites which are not yet sold and are therefore not included in the financial statements. The capital receipts were due to be paid to the SFC as City of Glasgow was deemed to be acting as an agent.

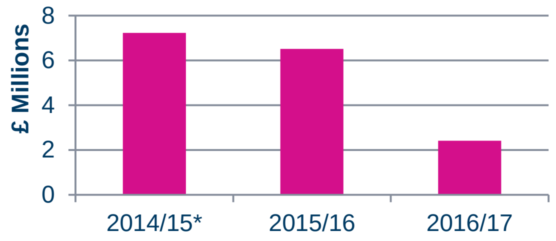
60. The original budget presented to the Board in October 2016 predicted an operating surplus of £3.194 million. However, other operating expenses increased to £33.4 million against the budget of £26.832 million (budgeted £48.8 million less capital receipts of £22 million due to SFC as outlined above). This was mainly due to the accounting treatment for the new campus which increased in year expenditure by £1.780 million and a new catering contract which increased both income and expenditure by £0.661 million.

61. The Finance and Physical Resource Committee were informed of the forecast deficit position at their meeting in May. However, it was noted that at this point underlying position remained as forecast surplus of £0.303 million. The actual year end underlying position improved further to an underlying surplus of £0.4 million.

City of Glasgow College Foundation

62. The grants received from the College's arm's length foundation has been reducing year on year since 2014/15.

Exhibit 2: Grants received from foundation



** 16 month period*

63. The grants have been predominantly used for capital projects at the College. It is projected that grants from the foundation will continue to reduce in 2017/18 and will remain relatively stable thereafter.

64. There are no further donations to the foundation included in the budget looking forward.

Budget monitoring and control

65. We have considered the College's system of budgetary control and financial management and did not identify any significant deficiencies.

66. The College's Finance and Physical Resource Committee receives quarterly monitoring reports throughout the financial year. The report provides members with a year to date position against budget, a year to date position against prior year, a forecasted year end position and narrative commentary.

67. In addition the College set 12 key performance indicators relating to the financial budget which are monitored throughout the year. In 2016/17 the College achieved 75% of financial targets with the following areas falling below target:

- Course fee income was below the target of £10.8 million by £0.5 million;
- Overseas income was below target by £0.1 million with reported income being £2.0 million; and
- Operating expenses were significantly above the target of £26.3 million with total expenditure being £32.8 million. The reasons for the overspend are outlined above.

Internal Audit

68. Henderson Loggie provides the College's internal audit service. To avoid duplication of effort and to ensure an efficient audit process we have taken cognisance of all of the work of internal audit.

69. While we have not placed formal reliance on the work of internal audit in 2016/17 for our financial statements audit, we have taken account of internal audit's work in respect of our wider scope responsibilities. We are grateful to the internal audit team for their assistance during the course of our work.

Fraud and irregularity

70. We have reviewed the College's arrangements for the prevention and detection of fraud and irregularities. Overall, we found the arrangements to be sufficient and appropriate.

National fraud initiative

71. The National Fraud Initiative (NFI) is a counter-fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies, external auditors and overseen by the Cabinet Office for the UK as a whole to identify fraud and error.

72. The NFI produces 'matches' by using data matching to compare a range of information held on bodies' systems to identify potential fraud or error. Bodies investigate these matches and record appropriate outcomes based on their investigations.

73. The most recent NFI exercise commenced in October 2016 and as part of our 2016/17 audit we monitored the College's participation in NFI. We submitted an assessment of the College's participation in the exercise to Audit Scotland in June 2017, noting that the work was only in the preparatory stage. We are pleased to note that since June the College has conducted a review of the matches and cleared 267 of 302 matches on the NFI system. To date there has been 3 instances of fraud or error identified totalling £2,913. The College are continuing to work through the matches and are confident they will meet the deadline.

4

Financial sustainability

Financial sustainability

The College has effective arrangements in place for financial planning and monitoring. In line with Scottish Funding Council Guidance the College has prepared a long term financial plan which identified a pattern of recurring deficits from 2018/19 to 2021/22.

There is recognition at the College that there are significant challenges ahead to bridge the budget gap and work is underway to identify savings options.

Financial Planning

74. As outlined in our audit plan we identified a risk over long term sustainability of the College

Financial Sustainability risk
The College produces a Financial Forecast Return (FFR) for the Scottish Funding Council every year. The current FFR covers the period to 31 July 2018. The College has identified a budget deficit for the year to 31 July 2018 but is actively exploring options to deliver a balanced budget. Ongoing pressures within the further education mean that it is vital the College plans sufficiently to ensure it is financially sustainable in the longer term. We understand that the College has an ambition to increase the proportion of non- SFC income to 50% of overall income. We will review College progress in developing a long term financial strategy to deliver this ambition.

Budgets have been prepared for 2017/18 and a small adjusted surplus has currently been forecast

75. The College's revenue budget, as reported to the Finance and Physical Resources Committee in May 2017 and endorsed by the Board in September 2017, forecasts a deficit of £1.258 million for 2017/18. The underlying position is a small surplus of £0.027 million. The SFC has confirmed funding for 2017/18 that will be allocated on a regional basis through outcome agreements. City of Glasgow College is part of the Glasgow region, along with Glasgow Kelvin College and Glasgow Clyde College.

Medium and long term financial planning

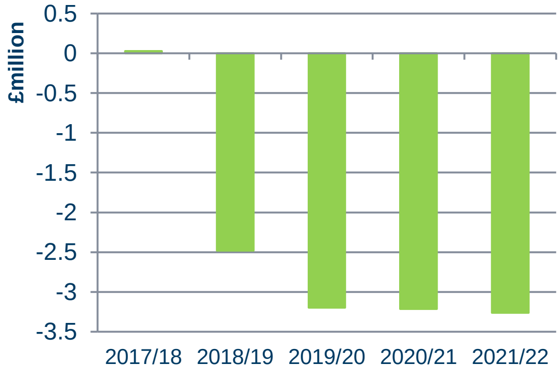
76. The Scottish Funding Council issued guidance on Financial Forecast Returns required for the period to 2021/22 in June 2017. The returns require standard information from all colleges and contribute to the SFC financial health monitoring framework.

77. As part of this guidance the SFC worked with sector representatives to provide guidance on key assumptions to be applied in the Financial Forecast Return as follows:

- Financial projections for 2017/18 should be based on the funding allocation announced in May 2017. Colleges should plan for a flat cash settlement in 2018/19 and 2019/20 and a 2% increase thereafter.
- The impact of national bargaining should be included with an additional specific grant to 2019/20 to reflect particular costs to the college.
- Capital maintenance will be held at 2017/18 levels.
- Non- SFC income and non-staff expenditure should be informed by local circumstance and 1.5% inflation applied.

78. In addition to the Financial Forecast Return the College has prepared a long term financial plan incorporating scenario analysis for 3 sets of financial assumptions: optimistic, realistic and pessimistic. Using the realistic assumptions the College has prepared a plan which forecasts an underlying deficit in each of the four years from 2018/19 as shown below.

Exhibit2: Projected underlying deficits



79. The long term financial plan was presented to the Board in August 2017 and the assumptions were subject to challenge and scrutiny.

80. The College recognise the significant challenge going forward. Staffing costs are a significant proportion of the overall operating expenditure and are predicted to rise to 60% of expenses. The impact of national bargaining and the removal of the public sector pay cap will have a significant impact on the College's ability to deliver a balanced budget.

81. In addition to the increase in expenditure the College has recognised that income is likely to reduce over the longer term, particularly as grants to compensate for the increase due to national bargaining are only guaranteed until 2019/20. A key challenge for the College will be generating income outwith the SFC grants.

82. The College is considering actions to address the deficit position, as staff costs are the most significant area of expenditure the College is starting with its approach to workforce planning.

Workforce planning

83. In our 2015/16 Annual Audit Report we noted that while the College maintained a stable workforce as reflected by low staff turnover and absence rates there was no workforce strategy in place.

84. There were plans to develop a People and Culture Strategy in 2016/17. A draft strategy was presented to the Board in April and used as a basis for staff consultations and workshops. The final strategy is scheduled to go to the Board in December 2017.

85. The College recognise the importance of workforce planning when considering the long term financial sustainability and is in the process of developing a revised management structure in order to create a more effective and efficient operating environment. The revised management structure is expected to be presented to the Board in December 2017.

5

Governance and transparency

Governance and transparency

The College operated with satisfactory governance arrangements in place. Our work on corporate governance focused on reviewing the College's arrangements to ensure effective systems are in place regarding internal control, prevention and detection of fraud and irregularity and standards of conduct.

In year the GCRB received fundable body status and from 1 August 2017 the GCRB had responsibility for monitoring the College's performance against the outcome agreements. There has been no changes to the governance arrangements in 2016/17 as a result of this change.

The College is transparent in the way that it conducts its business, with the agendas and minutes readily available on the College website.

Regional governance arrangements

86. The GCRB was awarded fundable body status on 1 April 2017 and during 2016/17 was working with the SFC to create the structures needed to take on full funding and monitoring functions from 2017/18. While in prior years the SFC and GCRB were responsible for negotiating the outcome agreements, in 2017/18 academic year they were agreed solely with GCRB.

87. This will be the first year of the GCRB having responsibility for monitoring outcomes and supplying funding to the College. The GCRB announced its regional strategy in October 2017. The strategy outlines the mission of the GCRB as *"to deliver life changing learning through an efficient and effective regional college system which widens access, meets the needs of employers and improves regional and national prosperity."*

88. The relationship between the College and the GCRB is still developing, it will be crucial going forward that the College works with the GCRB to achieve regional objectives.

Risk management

89. A developed and integrated approach to risk management is a key feature of a robust system of internal control. The College maintains a risk register in line with their Risk Management Policy.

90. Risk management arrangements are firmly embedded in the governance process. The Board receive a risk management update on a quarterly basis which provides information of the movement in risks and the actions being taken on the most notable risks.

91. From our review of the risk management arrangements in place we have concluded that there are adequate arrangements in place at the College.

Standards of conduct and arrangements for the prevention and detection of bribery and corruption

92. In our opinion the College's arrangements in relation to standards of conduct and the prevention and detection of bribery and corruption are in line with our expectations. Our conclusion has been informed by a review of the arrangements for adopting and reviewing standing orders, financial instructions and schemes of delegation and complying with national and local Codes of Conduct.

93. Board members are responsible for maintaining the register of interests and this should be kept up to date with accurate information. As part of our work on related parties we identified three individuals who had interests in organisations which were undisclosed on their register of interests. The College should ensure all Board members are aware of the process for updating their register of interests.

Action plan point 2

Role of boards

94. In September 2010 the Auditor General for Scotland published a report aiming to assess the role and work of boards across 67 public bodies and 39 colleges. The report made the following recommendations:

- All non-executives should receive a formal induction
- Boards should review the skills and expertise required on the Board and attract people to plug the gaps
- Performance of non-executives should be assessed on a regular basis
- Scrutiny efforts should be focused on organisational performance, fianancial and risk management
- Performance information provided to the board could be improved
- Boards should aim to maximise openness and accessibility of papers
- Declarations of interests should be considered at every meeting
- Boards should review the use of committees and ensure delegation levels are appropriate

95. As part of our work in 2016/17 we followed up on the issues highlighted by Audit Scotland. Our findings have been shared with Audit Scotland and summarised below.

Arrangements for scrutiny and decision-making are appropriate

96. In our opinion, the overarching arrangements for scrutiny and decision-making at the College are appropriate.

97. The governance framework is documented within the standing orders, scheme of delegation and members' code of conduct. The standing orders and code of conduct are reviewed annually (most recently in 31 August 2016) to ensure they remain up to date and appropriate.

98. A review of the governance arrangements was undertaken in 2016/17 and presented to the Board in April 2017. The report concluded that there were a number of areas of good practice and although there were a number of recommendations these were not significant and were to allow the College to move towards best practice.

99. Through our attendance at the Audit Committee and our review of Board and committee minutes, we are satisfied that there is appropriate scrutiny and challenge from members. Published minutes demonstrate that policy decisions and performance management has been subject to scrutiny and formal approval.

100. Committee minutes are presented to the Board and each committee is required to present an annual report which allows the Board to assess the effectiveness of the committee during the year.

No Board or committee meetings are held in public

101. While minutes of all Board and Committee meetings are published online, Board and committee meetings are not open to the public.

102. The Board and its committees include the consideration of the disclosability of papers as a standing item on each agenda. The aim is to improve transparency through the publication of full committee reports where there is no legal restriction over the content.

103. The College is deemed to have good arrangements in place for promoting transparency.

Appropriate induction and training takes place for Board members

104. There is a comprehensive national induction process in place to support Board members to understand and observe their respective roles and responsibilities. Attendance at this training is mandatory across all Scottish colleges.

105. A record of the training attended by each new member is recorded through induction checklists to ensure the College is compliant. It was noted as part of the review of effectiveness of the Board that a small number of members were yet to attend training. The College put together a training plan to ensure all members had completed the required training programme by 31 July 2017.

106. In addition there is specific training for the Chair, Principal, College Secretary and remuneration committee members.

107. Training needs are identified as part of the annual self-evaluation process and a Board of Management Development plan is created. In 2016-17 the development plan focused on four key areas: knowledge of the external environment; board member skills; organisational knowledge and team working.

Appropriate arrangements in place to handle complaints

108. There is a complaints policy and procedures in place with key information published on its website. This information clearly identifies who can complain, how to complain and how long it will take to resolve a complaint.

109. The College reported the 2015/16 complaints data to the Performance, Remuneration and Nominations Committee in May 2017. It was noted that there had been an increase in the number of complaints to the Scottish Public Services Ombudsman and an increase in the number of complaints closed out beyond extension limits. There were a number of actions arising from the report in order to make improvements going forward.

6

Value for money

Value for money

The College is developing a Sustainability Strategy which encompasses value for money.

Performance indicators are monitored by the Board and its sub-committees and an annual outturn report is prepared for the Performance, Remuneration and Nominations Committee

The College demonstrates self-awareness and acts to tackle poor performance. In 2016/17 the College has reported it is meeting 72% of their target indicators, but in key areas such as student satisfaction, recruitment and attainment there is still a need to drive improvement.

Value for Money Framework

110. The Financial Memorandum between SFC and fundable bodies in the college sector requires the College to:

- have a strategy for reviewing systematically management's arrangements for securing value for money; and
- as part of internal audit arrangements, obtain a comprehensive appraisal of management's arrangements for achieving value for money.

111. Securing the economical and effective management of the College's resources and expenditure is the responsibility of the Board. In year the College has developed a Sustainability Strategy which is due to be presented to the Board in December 2017.

112. The Sustainability Strategy is aligned to the overall College Strategic Plan 2017-25 and focuses on three sustainability themes: environmental, social and financial.

113. Value for money is encompassed within the financial elements of the Sustainability Strategy.

114. The strategy is still subject to approval from the Board and following approval work will need to be undertaken to develop a monitoring framework for performance against the key objectives.

115. There has been no standalone review of value for money conducted by internal audit in year. However, we understand that value for money is considered within each individual audit. We have not been made aware of any significant findings within internal audit's 2016/17 outputs which cast significant doubt over the College's ability to operate with due consideration to value for money.

Development of the Strategic Plan

116. The College's Strategic Plan covered the period from 2013- 2017. During 2016/17 the performance of the College was monitored against the objectives and strategic aims of the 2013-17 Strategic Plan.

117. The College published a revised strategic plan covering the period from 2017 to 2025. This plan focuses on the same four strategic themes as the previous strategy:

- Students;
- growth and development;
- processes and performance; and
- finance.

118. The strategic aims have been refreshed to build on the success of the 2013-17 strategy. Key targets and performance measures are currently in development along with supporting strategies. As part of our audit in 2017/18 we will review the development of the performance management framework for the new strategic plan.

Performance reporting

Strategic Plan Performance

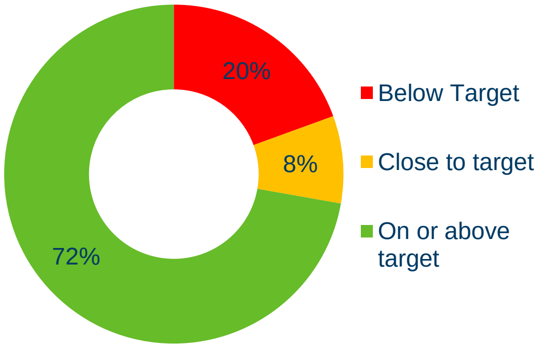
119. The College use a range of targets and key performance indicators (KPIs) to monitor performance. Performance is monitored by the Board and relevant sub-committees throughout

the year.

120. On an annual basis the College produce an out-turn report which summarises performance against the College's main KPIs for the year. The reported KPIs were deemed to be those most appropriate for the College and cover the four strategic themes.

121. In 2016/17 the College reported they were meeting or exceeding the target performance for 72% of the KPIs.

Exhibit 4: Performance against target in 2016/17



122. The areas where performance is below target is as follows:

- Student satisfaction has increased in year but is still below the target level.
- Student recruitment has improved in year but is slightly behind the target position.
- Student attainment for full time courses has fallen in year. However, the overall impact on the credit activity was minimal with this being close to target.
- Staff satisfaction has decreased and absence rates have increased in year
- International income has decreased against the target.

123. The College is taking action to address those areas where it is behind the target. As noted above the College will need to consider whether the current Key Performance Indicators remain appropriate under the new Strategic Plan.

7

Appendices

Appendix 1: Management action plan

Our action plan details the control weaknesses and opportunities for improvement that we have identified during our audit.

It should be noted that the weaknesses identified in this report are only those that have come to our attention during the course of our normal audit work. The audit cannot be expected to detect all errors, weaknesses or opportunities for improvements in management arrangements that may exist. The weaknesses or risks identified are only those which have come to our attention during our normal audit work, and may not be all that exist. Communication of the matters arising from the audit of the annual report and accounts or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Action plan grading structure

To assist the College in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated.

The rating structure is summarised as follows:

Grade	Definition	Number of audit observations	
		Current year	Prior year
5	Very high risk exposure – Major concerns requiring immediate attention	-	-
4	High risk exposure – Absence/failure of significant key controls	-	-
3	Moderate risk exposure – Not all key control procedures are working effectively	2	4
2	Limited risk exposure – Minor control procedures are not in place/not working effectively	-	-
1	Efficiency/housekeeping point	-	-

Action plan point	Issue & Recommendation	Management Comments
1. Fixed Asset Register	**Observation** Asset tag numbers are currently not included within the fixed asset register. The College completed an asset verification in 2016/17 through the use of room data sheets provided by the NPD contractor. The NPD contractor also provided a listing of values which was used to populate the asset register. There was no reconciliation between this asset register and the room data sheets this increasing the risk the information on the asset register is incomplete or inaccurate. **Recommendation** It is recommended the College reconciles the fixed asset register to the room data sheets and ensure the fixed asset register reflects the asset tag numbers.	**Responsible officer:** Vice Principal Finance & HR **Due date:** March 2018
Rating		
3		
Paragraph ref		
26		

Action plan point	Issue & Recommendation	Management Comments
2. Register of Interests	**Observation** The College maintains a register of interests for all Board Members, however, we identified three individuals who had interests in organisations which were undisclosed on their register of interests. It is the responsibility of Board Members to update their register of interests to ensure that it is accurate and up to date. **Recommendation** The College should ensure all Board members are aware of the process for updating their register of interests.	**Responsible officer:** College Secretary **Due date:** March 2018
Rating		
3		
Paragraph ref		
85		

Recommendations from 2015/16

1. Delivery timetable	
Observation	We received draft annual accounts and supporting papers of a good standard, in line with our agreed audit timetable. Whilst the first draft of the accounts did not include recognition of the Riverside NPD assets (and associated liability), we understand that this was outwith the control of the College as information from the contractor was pending. An incomplete first draft of the annual report was provided at the end of the third week of the onsite audit. Our initial review of the document confirmed that it had not been prepared in accordance with the requirements of the 2016/17 Accounts Direction, as issued by SFC. Specifically, an Accountability Report and a Performance Report had not been appropriately included. A revised and complete draft of the annual report was provided three weeks later. The delays in providing complete information put significant pressure on both the College and the audit team to ensure timescales were sufficiently adhered to.
Recommendation	The College should ensure that the timetable for the production of the annual report is adequately considered and target dates set are realistic. The College must ensure that the annual report is fully compliant with the requirements of the SFC Accounts Direction. **Grade 3**
Original management response	The College should ensure that the timetable for the production of the annual report is adequately considered and target dates set are realistic. We will work with the College to ensure that the 2016/17 audit timetable is concurrent with the production of the annual report and we ask that if there is any slippage in the production of the annual report, the College advises us of this in a timely manner. The College must ensure that the annual report is fully compliant with the requirements of the SFC Accounts Direction. **Action owner:** Vice Principal Finance & HR **Due Date:** September 2017
September 2017 update	Although we received the draft financial statements and supporting working papers in line with our timetable, the narrative element of the annual report was not received until the fifth week of the audit. Our initial review of the document identified several areas which were not compliant with the SFC guidance on the content of the Performance and Accountability reports. The College should ensure going forward that the narrative sections of the annual accounts are prepared within the audit timescales and with due regard to the SFC guidance.
Management response	The College will ensure that the annual report is fully compliant with the requirements of the SFC Accounts Direction and is presented within the audit timescales. **Action owner: Vice Principal Finance & HR** **Due Date: September 2018**

2. Long term financial strategy	
Observation	Ongoing budget pressures within the sector mean that it is vital that the College sufficiently plans to ensure it is financially sustainable in the longer term. These ongoing budgetary pressures are likely to place further significant emphasis on colleges to cut costs and generate new revenue streams. Audit Scotland's report 'Scotland's Colleges 2016' recommended that colleges prepare long term financial strategies (a minimum five years). The College currently does not prepare a long term financial plan.
Recommendation	The College should consider developing a long-term financial strategy, underpinned by a medium term financial plan and workforce plan, that includes a clear understanding of its costs, scenario planning, savings options and demonstrate how it will meet demand and deliver services. **Grade 3**
Original management response	The College Board was presented with a 5 year summary Income & Expenditure at their October 2016 planning day. A more comprehensive 5 year plan will be developed and reported to SFC in June 2017 as part of the annual future financial planning reporting. **Action owner:** Vice Principal Finance & HR **Due Date:** June 2017
September 2017 update	As outlined in the financial sustainability section of the report a long term financial strategy was presented to the Finance and Physical Resources Committee in May 2017 and to the Board in August 2017.

3. Workforce planning	
Observation	In November 2013, the Accounts Commission and the Auditor General for Scotland published a report on Scotland's public sector workforce. The report highlighted a number of key messages on workforce changes across Scotland and made a number of recommendations to the Scottish Government, central government bodies, the NHS, COSLA and local authorities. As part of our 2015/16 audits, Audit Scotland asked us to undertake a follow-up review to help understand the extent to which public sector bodies, including colleges, are implementing the recommendations and help identify common and emerging issues. We sought to commence this work during our interim audit in April 2016 to ensure that responses could be provided to Audit Scotland in accordance with their 1 June 2016 deadline. Despite this, we have not been provided with sufficient responses from the College to inform Audit Scotland's review

3. Workforce planning	
Recommendation	The College should ensure that they actively partake in any follow-up reviews being undertaken by Audit Scotland, or other inspection bodies. This is particularly important for benchmarking purposes where other colleges are actively contributing to such reviews.. **Grade 3**
Original management response	The College does actively monitor and manage the College workforce achieving low staff turnover, low staff absence rates and very efficient utilisation of teaching staff. At a recent Senior Management Team planning event we confirmed the need to develop a People & Culture Strategy. This strategy will be compliant with the Audit Scotland recommendations. **Action owner:** Vice Principal Finance & HR **Due Date:** April 2017
September 2017 update	The People and Culture Strategy was presented to the Executive Management Team in draft in April. The College has engaged with staff on the content of the report and plans to issue a final strategy to the Board in December 2017.
Management response	The College is fully committed to staff engagement and workforce planning, the draft has been subject to comprehensive staff consultation. The updated draft People & Culture Strategy will be presented to the Board in December 2017 and will be compliant with the Audit Scotland recommendations. **Action owner:** Vice Principal Finance & HR **Due Date:** December 2017

4. Value for money strategy	
Observation	The Financial Memorandum between SFC and fundable bodies in the college sector requires the College to have a strategy for reviewing systematically management's arrangements for securing value for money. Securing the economical and effective management of the College's resources and expenditure is the responsibility of the Board. Discussions with the College has not identified any documented strategy which sets out the College's overarching arrangements for securing value for money.
Recommendation	The College should consider documenting a strategy which sets out how the Board assures themselves that value for money has been achieved on an annual basis. This document will help form the basis of the Board's assessment of value for money and will further feed into the Board's annual assessment of their effectiveness. **Grade 3**
Original	The College does actively monitor and manage the value for money achieved. The

4. Value for money strategy	
management response	College has by far the lowest grant per Credit in the sector and the highest efficiency target and has delivered against these targets while achieving a financial surplus, among the highest student success rates and contributed £19.1m to the new campus development. The College is also achieving low staff turnover, low staff absence rates and very efficient utilisation of teaching staff. At a recent Senior Management Team planning event we confirmed the need to develop a Sustainability Strategy. This strategy will include value for money, financial planning and wider sustainability issues. **Action owner:** Vice Principal Finance & HR **Due Date:** April 2017
September 2017 update	As outlined in the value for money section the Sustainability Strategy is currently in development with plans to report to the Board in December 2017.
Management response	The College fully recognises the requirements and benefits of a Sustainability Strategy. The draft now reflects comprehensive staff consultation feedback. The Sustainability Strategy will be presented to the Board in December 2017. **Action owner:** Vice Principal Finance & HR **Due Date:** December 2017

Appendix 2: Audit differences

Adjusted differences

We identified the following adjustments during the audit. We have discussed this adjustment with management and have agreed that it should be incorporated into the financial statements:

Adjusted differences	**SoCNE**		**Balance Sheet**	
	DR £'000	**CR £'000**	**DR £'000**	**CR £'000**
Prepayments				397
Creditors			397	
Being the reversal of prepayments and creditors which related to 2017/18				
Accruals			145	
Other taxation and social security				145
Being the understatement of creditors for social security relating to 2016/17				
Tangible assets				230
Intangible assets			230	
Being the misclassification of intangible assets				
Net impact on income / expenditure	**£0**			

Disclosure differences

We identified the following balances which were disclosed incorrectly in the financial statements

Adjustment type	Value of change £'000	Account balance	Impact on the financial statements
Disclosure	5,281	Financial assets	Financial assets were understated by a net amount of £5.281 million due to the exclusion of cash and the inclusion of trade debtor credit balances. This has been adjusted in the revised accounts
Disclosure	6,200	Financial liabilities	Financial liabilities were overstated due to the inclusion of VAT, Other tax and social security, prepaid income and provisions. This has been adjusted in the revised accounts.
Disclosure	101	Related parties	Undisclosed related party transactions for Clyde Training Solutions and Glasgow Chamber of Commerce were identified as part of the audit testing. The related party transactions disclosure has been updated accordingly.

Appendix 3: Respective responsibilities

Management responsibilities

Within the terms and conditions of the financial memorandum between the SFC and the Board of Management of the College, the Board, through the Principal, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the surplus or deficit for that year. In preparing the financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Further and Higher Education (Scotland) Act 1992, together with the Financial Memorandum issued thereunder, and are presented in accordance with the Accounts Direction issued by the SFC.

Auditor responsibilities

Public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance not only on the financial statements and associated documents such as the governance statement, but also providing a view, where appropriate, on matters such as propriety, performance and the use of resources.

Our responsibilities, as independent auditors, are established by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice approved by the Auditor General for Scotland, and guided by the auditing profession's ethical guidance. Specifically in relation to the financial statements, we are required to audit them in accordance with ISAs and to give: an opinion on the financial statements, an opinion on regularity and an opinion on other prescribed matters. We are also required to report certain matters by exception. Each of these responsibilities is described below

Opinion on financial statement

We audit the financial statements and give an opinion on whether they:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the SFC of the state of the body's affairs as at 31 July 2016 and of its surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006.

Opinion on regularity

We confirm whether, in our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Opinion on other prescribed matters

We express an opinion on whether:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

- We are also required to report if, in our opinion: proper accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the governance statement does not comply with Scottish Funding Council requirements.

Confirmation of auditor independence

FRC Ethical Standard – Integrity, Objectivity and Independence, issued by the Financial Reporting Council (FRC), requires that external auditors ensure that the Audit Committee is appropriately informed on a timely basis of all significant facts and matters that bear upon the auditors' objectivity and independence.

We confirm that we have complied with FRC Ethical Standards throughout our audit and that, in our professional judgement, we have remained independent and our objectivity has not been compromised in any way. In particular:

- There are and have been no relationships between Scott-Moncrieff and the Board or senior management that may reasonably be thought to bear on our objectivity and independence.
- Scott-Moncrieff has not provided any consultancy or non-audit services to the Board.

Scott-Moncrieff
business advisers and accountants