



Scottish Funding Council

Promoting further and higher education

ACC/18/31
Agenda item 8
11 December 2018

Audit Scotland National Report: Scotland's Colleges 2018

- This paper informs the Committee about Audit Scotland's recent report on the college sector.

Recommendations

- Note the contents of the report.

Financial implications

- There are no programme fund or running cost implications arising from this paper that are not already allowed for within the Council's programme funds or running cost budgets.

Audit Scotland National Report: Scotland's Colleges 2018

Purpose

1. To inform the Committee about Audit Scotland's recent report on the college sector.

Background

2. Audit Scotland carries out regular reviews of the performance of the college sector. This new report follows on from that published in June 2017, entitled "Scotland's Colleges 2017".

Overview report

3. The report has four main sections, covering:
 - Report Summary, including key messages and recommendations
 - Part 1: College finances
 - Part 2: College performance
 - Part 3: Multi-college regions
4. A copy of the full report is attached at **Annex A**.

SFC's response to the report's recommendations

5. The Auditor General met with the Scottish Parliament's Public Audit and Post-legislative Scrutiny Committee in a public session on the 13 September and footage of the session is available on the Scottish Parliament TV archive at the following link:
<https://www.scottishparliament.tv/meeting/public-audit-and-post-legislative-scrutiny-committee-september-13-2018>
6. SFC wrote to the Committee on 28 September with its responses to the report's recommendations, a copy of which is at **Annex B**. This was in advance of a meeting of the Committee on 4 October 2018, at which SFC's Interim Chief Executive, the Scottish Government's Director General Learning & Justice and Colleges Scotland's Director of Sector Policy gave evidence. Footage of this meeting is available on the Scottish Parliament TV archive at the following link:
<https://www.scottishparliament.tv/meeting/public-audit-and-post-legislative-scrutiny-committee-october-4-2018>.

Risk assessment

7. There is a risk of reputational damage to the Council from failures in college governance, leadership and management, including financial failure.
8. This risk is mitigated by regular monitoring of colleges and any colleges facing heightened challenges to their sustainability are subject to more intensive monitoring and focused reporting to the Council's Finance Committee.

Equality and diversity assessment

9. There are no equality and diversity issues associated with this paper.

Publication

10. This paper will be published on the Council's website following the Committee meeting.

Recommendation

11. The Committee is invited to note the contents of the report.

Financial implications

12. There are no programme fund or running cost implications arising from this paper that are not already allowed for within the Council's programme funds or running cost budgets.

Further information

13. Contact Martin Fairbairn, Chief Operating Officer (direct line: 0131 313 6524, email: mfairbairn@sfc.ac.uk).