

Audit Committee

Agenda

Meeting reference: Audit 2019-20/03

Date: Tuesday 10 March 2020 at 5.30pm

Location: Room 019

Purpose: Scheduled meeting

* Denotes items for discussion.

Members should contact the Secretary in advance of the meeting if they wish to request an item be starred.

	Agenda Items	Author	Led by	Paper
1	Welcome and Apologies		Chair	
2	Additions to the Agenda			
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of Audit Committee held on 11 December 2019		Chair	Paper 1
5	Minutes of the Extraordinary Joint Meeting of Finance and General Purposes Committee & Audit Committee held on 11 February 2020		Chair	Paper 2
6	Actions arising from previous minutes			
7	Compliance & Risk			
7.1	UHI Investigation Report	UHI IA	Principal	Paper 3
*7.2	Combined Audits Action Plan (DRAFT)	Project & Planning Officer	Vice Principal (External)	Paper 4
7.3	Business Continuity Plan – Coronavirus Update & Risk Assessment	Clerk	Clerk	Paper 5
*7.4	Review of Risk Register: Committee to review current Risk position within responsibility area and advise on any items discussed affecting the Risk Profile of the College or individual departments	Clerk	Chair	Paper 6

7.5	Procurement Annual Action Plan: Proposed Action Plan 2020	Procurement Manager	Interim Head of Finance	Paper 7
7.6	Safeguarding Management Processes	Head of Student Experience	Depute Principal	Paper 8
8	FOI & Data Protection			
8.1	Freedom of Information & Data Protection quarterly update	Clerk	Clerk	Paper 9
9	Performance Management			
9.1	Balanced Scorecard	Project & Planning Officer	Clerk	Paper 10
10	Scheduled Audit Reports & Updates			
*10.1	Internal Audit 2019-20 Annual Plan – confirmation of Plan, including revised dates	Henderson Loggie	Henderson Loggie	Paper 11
*10.2	Internal Audit 2018-19 – Management Progress Report: HR & Payroll	Head of HR & OD	Head of HR & OD	Paper 12
*10.3	Internal Audit 2017-18 – Management Progress Re: Follow- Up Reviews - IT Networks & Equalities Mainstreaming	Head of HR & OD	Head of HR & OD	Paper 13
*10.4	Internal Audit 2017-18 – Management Progress Report: Health & Safety	Head of HR & OD	Head of HR & OD	Paper 14
11	Committee minutes (for noting by Committee)			
11.1	Health and Safety Committee: <ul style="list-style-type: none"> • 6 February 2020 		Chair	Paper 15
12	Date and time of next meeting: <ul style="list-style-type: none"> • 19 May 2020 	Clerk		
*13	Review of Meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)		Chair	Paper 16

Audit Committee

DRAFT MINUTES

Meeting reference: Audit 2019-20/02

Date and time: Wednesday 11 December 2019 at 6:30pm

Location: Room 019

Members present: Ann Irvine, Board Member
Andrew Comrie, Board Member
Lynn Oswald, Board Member (to Item 4)
Anna Zarikova, Board Member

In attendance: Margaret Cook, Principal
Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Catherine Etri, Associate Principal (Curriculum)
David Archibald, Henderson Loggie
Stephen Reid, Ernst & Young
Graham Little (Interim Head of Finance)
Katy Lees (Head of HR & Organisational Development)
Ian McCartney, Clerk to the Board of Management

Apologies: Debbie Das Chaudhury (HISA Perth Vice President)

Chair: **Ann Irvine**

Minute Taker: Ian McCartney

Quorum: 3

Summary of Action Items

Ref	Action	Responsibility	Time Line
1	Welcome Clerk to ensure that papers for extraordinary meeting of F&GP/Audit/ Board are circulated at least 1 week in advance of meeting	Clerk	Feb/Mar 2020
3.1	Business Development Strategy Defer to future Board for approval to allow for wider consultation (including Board Development Day).	Clerk	March or June Board
3.2	International Strategy Insert additional info re product ranges and present to next scheduled Board meeting	Vice Principal (External)	March Board
6	Minutes of Meeting held on 17 September 2019 External Auditor requested that wording of the minutes under Item 15 and Item 16 be reviewed to acknowledge that no opportunity was provided to discuss these matters, and to clarify that certain statements that were made were not properly verified.	Principal/Clerk	Next meeting
8.1	Strategic Risk Register		
	(a) Internal Auditors advised adding Asset Management onto the Register. This was agreed by Committee.	Clerk	Next meeting
	(b) Risk 1 - Residual Risk be to reduced to (2,4) based on trend data available.	Clerk	Next meeting
	(c) Risk24 - Reference to UHI's Cyber Essentials accreditation be added to actions taken to minimise risk.	Clerk	Next meeting
	(d) Risk 26 - Timescales re internal pensions arrangements be reviewed following the Audit processes and reflect any recommendation provided.	Clerk	Next meeting
	(e) Clerk to provide alternative methods for reporting risk within the next Board cycle.	Clerk	Next meeting
13	Date & Time of Next Meeting Clerk to ascertain alternative date for the meeting	Clerk	ASAP

Minutes:

Item		Action
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, which included members of Finance & General Purposes Committee for items 2 & 3.</p> <p>On invitation from Chair, Principal outlined unusual context of this meeting, noting that there are no auditable accounts tabled for scrutiny and approval as the requirements of the External Auditors are not fully available, despite substantial work conducted by the Finance Team. The issue is further complicated by outstanding issues raised to the Auditor General meaning that the External Auditors are not in a position to move forward with production of the accounts at this stage.</p> <p>Principal noted that SMT were working on an action plan to work on issues to ensure robust financial management and to pull strands together arising from investigations to be in a position for the Board to meet in February to approve accounts.</p> <p>Principal further noted that UHI had been alerted to issue of normal reporting deadline of 31st December for to allow accounts to be forwarded to the Funding Council, however contingencies were being discussed to minimise problems in this regard.</p> <p>Meeting was advised that extraordinary meetings would be organised with dates allowing papers at least one week in advance, and with enough time in hand to ensure compliance deadlines.</p>	Clerk
2	External Audit 2018-19: Status	
	<p>Principal introduced paper 10, and outlined current position regarding 2018-19 Financial Statements and External Audit, noting that the Finance team had worked hard to provide a significant amount of information required for the External Auditors, however the issue raised to the Auditor General meant that it was not competent for the Auditor to recommend that the accounts be signed off at this time.</p> <p>Principal advised that UHI had been made aware of the issue, before outlining the required timescales which would allow sufficient time for the audit process to be completed, accounts to be signed off and Financial Statements and Audit Report to be lodged with the Scottish Funding Council by the end of April, noting the requirement for an additional cycle of F&GP, Audit and Board during late January and into February.</p>	

Chair of F&GP provided a clear instruction that paperwork for these meetings is circulated in good order for to provide ample time for scrutiny by Board members.

Chair of F&GP proposed taking each recommendation outlined within Paper 10 individually.

1 - Rationale

Board Member noted that the rationale outlined in Paper 10 makes a link to the ongoing investigation being undertaken with UHI Internal Audit, and queried whether timescales can be asserted at this stage pending the outcome of that investigation. Committee **AGREED** that the Rationale statement pre-judges a positive outcome from the UHI investigation and instructed Principal to amend accordingly.

Pending amendment as outlined above, the Rationale was **APPROVED**.

2 – Disclosures

a) Payroll

Board Member noted that previous Audit Committee had expressed concern to ensure that all payroll items were flushed out and asked whether management were satisfied that errors identified would be all. Principal noted that such a guarantee could not be provided at this time. Chair of Board suggested that this position be clarified within the Disclosures. This approach was **AGREED**.

Board Member enquired whether any underpayment of pensions contributions had been identified. Vice Principal noted that only overpayments had been identified at this stage, but a deep-dive was still to take place, the findings of which will be reported back to Committee.

Board Chair asked whether monies could be claimed back. Head of HR & Organisational Development noted that there were strict limitations on both amounts and timelines in this regard.

b) Equalities Duties

Committee noted that a draft mainstreaming report had been completed, however this needs to approved via Committee structures.

c) Settlement Agreements

Principal noted that 2 Agreements had been processed without receiving formal permission, for which the Principal took responsibility, as these Agreements had no additional financial impact beyond contractual matters. It was noted that the Board Chair was involved in the matter at that time, and had also

	<p>interpreted the guidelines in the same way.</p> <p><u>d) Procurement</u> Principal noted the long-term concerns in this area, and the contracted involvement of an APUC staff member to address these concerns.</p> <p><u>e) Contract Terms & Conditions</u> Principal noted the link in this item to Procurement and informed Committee that this item related to items such as the telecom masts on the roof whereby only a partial recoup of electricity costs had been claimed.</p> <p><u>f) Deferred Income</u> Principal noted that, while this item had been discussed numerous times at various Board meetings, it had now been identified by EY that the value of Deferred Income was not as material as had previously been thought.</p> <p>Principal noted that the Senior Management Team were being proactive in these matters, and in some of the areas highlighted under the parallel UHI investigation, and a robust Action Plan was being prepared to respond promptly to issues raised. It is recognised that there are elements of concern being raised that will need to be dealt with as soon as possible, that some items are long-standing in nature, and there is a clear need to achieve compliance.</p> <p>EY noted that the Risk Profile of the Audit had altered as a result of the issues described, and that EY were liaising with the UHI Internal Auditor on these matters.</p> <p>Committee NOTED the Disclosures as outlined.</p> <p><u>3 – Approval Timeline & Dates For Completion</u></p> <p>Committee APPROVED amendments to the approval timeline as outlined.</p>	
3	Business Development	
3.1	<p>Business Development Strategy</p> <p>Vice Principal (External) presented Paper 11, referring to discussions that had taken place at the Board Strategy Day in September 2019, and noting the focus on margins of contribution rather than purely levels of income; the desire to meet the needs of existing and future workforces; and the links to curriculum development outlined within the Strategy.</p> <p>Board Member expressed concern that there was limited ambition</p>	

	<p>with regards to strategic and market context, and noted the document could be viewed as quite insular, quoting only one reference to other businesses.</p> <p>In contrast, another Board Member felt that the Strategy was a very positive directional document with the potential to drill down to specific elements at a later date.</p> <p>Vice Principal clarified that the Committees' endorsement was sought on the direction of travel at this stage, with a revised version being tabled to the full Board for approval.</p> <p>Board Member queried how confident management were of the levels of staff and other resources available to deliver all the KPIs identified within the Strategy. Vice Principal acknowledged that certain areas within the organisation will need to be joined up better than is currently the case, but also noted that the KPIs for the 1st window had been set at achievable levels.</p> <p>Board Chair advised that, while the paper needs more detailed analysis of competitive environment to determine basis on which Perth College will compete and to provide insight into compelling reasons for choices, and there needs to be realistic objectives and stretch targets set, it does provide a higher degree of confidence in what is being promised.</p> <p>Board Member queried the lack of baseline income to allow for a sense of proportion re income in 5 years' time. Vice Principal noted that targets were modelled to ensure they were realistic against budgets, and that the emphasis had been place on income not profitability to provide a link to core team costs and provide "true margins".</p> <p>Board Member identified that Phase 1 was scheduled for 2019/20 and discussions indicated a need to defer this timescale. Vice Principal noted that business development will continue in key areas but the full strategy will result in revised timescales, for example the proposed CRM system could be implemented quickly but system requires new ways of working.</p> <p>Committee AGREED that further consultation on the Business Strategy was required before being submitted to the Board. In addition, it was AGREED to utilise time at a Board Development session to further discuss the matter.</p>	
<p>3.2</p>	<p>International Strategy</p> <p>Vice Principal (External) presented Paper 12, noting the parallels between the International Strategy and the Business Development Strategy, and the focus on key markets building on existing provision.</p>	

	<p>Vic Principal drew attention to the targeted growth in revenues from £900k in Year 1 to £2.7m in Year 5.</p> <p>Board Member sought clarification over Chinese Ministry of Education final approval. Vice Principal noted that current regulations allowed for a maximum of 3 partnerships in the in-market delivery of trans-national provision.</p> <p>Board Member asked for some additional information regarding product ranges. Vice Principal noted that there were opportunities in research partnerships and MBAs amongst other options. Vice Principal would provide more detailed information prior to any Board approval.</p> <p>Committee noted its broad approval of the International Strategy, noting that additional information regarding product ranges was requested prior to the final paper being tabled for approval at the scheduled Board meeting in March 2020.</p>	
	<p>At this point members of F&GP Committee left the meeting, with Audit Committee continuing with its scheduled business.</p>	
4	<p>Additions to the Agenda</p> <p>There were no additions to the Agenda</p>	
5	<p>Declaration of Interest in any Agenda Item</p> <p>There were no declarations of a conflict of interest.</p>	
6	<p>Minutes of Meeting held on 17 September 2019</p> <p>External Auditor requested that wording of the minutes under Item 15 and Item 16 be reviewed to acknowledge that no opportunity was provided to discuss these matters, and to clarify that certain statements that were made were not properly verified.</p> <p>Committee accepted this position and requested that Principal and Clerk review wording appropriately.</p> <p>The minutes were otherwise accepted as an accurate record.</p>	Principal/ Clerk
7	<p>Matters Arising from Previous Minutes</p>	
	<p><u>7.1 Health & Safety Policy</u></p> <p>Action: Audit Chair to liaise with Board Chair re Board link to Health & Safety Committee</p>	

	<p>Action Update: Completed</p> <p><u>7.2 Health & Safety Report 2018/19</u></p> <p>Action 1: Improve readability of future Reports.</p> <p>Action Update: Deferred to production of next Annual Report</p> <p>Action 2: Review position of Health & Wellbeing Group given widening remit of Health & Safety Committee</p> <p>Action Update: To be completed.</p> <p><u>9.2 HR & Payroll Systems</u></p> <p>Action: Provide report on systems implemented re control systems</p> <p>Action Update: Refer to Item 10.5 on Agenda</p> <p><u>9.3 Follow-Up Reviews</u></p> <p>Action: Progress report on Equalities & Mainstreaming actions</p> <p>Action Update: Presented as Item 10.7 on Agenda</p> <p><u>11.1 Health & Safety Committee</u></p> <p>Action: Consider matters of wellbeing more directly within remit of Health & Safety Committee</p> <p>Action Update: Completed</p> <p><u>13 Review of Meeting</u></p> <p>Action: Reports on Freedom of Information and Data Protection to be provided at future Audit Committee meetings</p> <p>Action Update: Presented as Item 9 on Agenda</p>	
8	Risk Management	
8.1	<p>Strategic Risk Register</p> <p>Committee considered latest version of the Strategic Risk Register, as updated to November 2019.</p> <p>Clerk noted that amendments were proposed to Risk References 4, 9, 17, 21 and 25, with 3 new Risks being added: 26 (Payroll), 27 (Deferred Income) and 28 (Procurement)</p>	

	<p>Internal Auditors advised adding Asset Management onto the Register. This was AGREED by Committee.</p> <p>Board Member asked whether timescales re internal pensions arrangements in Risk 26 were achievable. It was AGREED that this timescale be reviewed following the Audit processes and reflect any recommendation provided.</p> <p>Depute Principal referred to Risk 1, and suggested that the Residual Risk be reviewed due to the Curriculum Review process currently under way and the work being done to ensure student number targets are achieved. Based on the trend data available, Committee AGREED to reduce the Residual Risk for Risk 1 to (2,4).</p> <p>Vice Principal noted the recent cyber attack on Dundee & Angus College and advised that the Risk Register should be updated to reflect that UHI was properly accredited in this area. Committee AGREED that reference to UHI's Cyber Essentials accreditation within actions taken to minimise risk.</p> <p>Clerk advised Committee that UHI Internal Audit had suggested making revisions to the methodology by which risk is reviewed by Audit and Board to ensure that operational risks can be elevated to the strategic risk register where appropriate. Committee AGREED that the Clerk provide alternative methods for reporting risk within the next Board cycle.</p>	<p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p> <p>Clerk</p>
9	FOI & Data Protection	
9.1	Freedom of Information & Data Protection Update Report Committee received Paper 6 for information.	
10	Internal Audit	
10.1	<p>Internal Audit Annual Report 2018-19</p> <p>Internal Auditor presented Paper 7, noting that the Audit Report formed a comprehensive independent review of internal audit functions and confirmed that the policies and procedures relating to internal audit were compliant with the Public Sector Internal Audit Standards in all material respects.</p> <p>Internal Auditor noted changes made to allocations through the deferral of work related to Air Service Training in favour of work on HR & Payroll per management request.</p> <p>Internal Auditor summarised the key significant issues, noting in particular that a number of items had passed action dates, with regular reviews not implemented, however these issues had been</p>	

	<p>mitigated somewhat by their escalation to the Strategic Risk Register.</p> <p>Internal Auditor summarised the key findings of the reports submitted.</p> <p>In response to a Board Member expressing comfort within the Report during current ongoing processes, Internal Auditor noted a caveat regarding the limited scope of the Audit within the 2018-19 allocation. Internal Auditor drew specific attention to the proposed increase in Audit days for 2019-20, indicating that this would be more in line with expectations.</p> <p>Board Member queried the amount of staff resources required to complete a more robust Audit, as proposed. Principal noted that these processes were not visible to most College staff with the exception of HR & Finance, where audits are a normal process.</p>	
10.2	<p>Revised Internal Audit Action Plan 2019-20</p> <p>Internal Auditor presented Paper 8 and sought Committee's agreement on the areas submitted for prioritisation within the 2019-20 Plan and the proposed allocation of Audit Days. Committee AGREED on the proposed approach.</p>	
10.3	<p>Internal Audit Report: 2018-19 Student Activity Data</p> <p>Internal Auditor presented Paper 9 for information, noting that this was a routine report. Committee received the Report.</p>	
10.4	<p>Internal Audit Report: Student Support Funds 2018-19</p> <p>Internal Auditor presented Papers 10a, 10b, 10c and 10d for information, noting that these were routine reports. Committee received all Reports.</p>	
10.5	<p>Internal Audit Report – HR & Payroll Systems</p> <p>Internal Auditor presented Paper 11, summarising the key issues identified within Audit investigations to date.</p> <p>Head of HR & Organisational Development outlined Paper 11b, which provided a Management Update on recent progress on these key issues.</p> <p>Committee expressed thanks that good progress was already being made in this matter.</p>	
10.6	<p>Internal Audit Report 2013/07 - Health & Safety: Management</p>	

	<p>Update</p> <p>Head of HR & Organisational Development presented Paper 12, noting the lengthy timescales involved in this matter.</p> <p>Head of HR & Organisational Development noted that the hazard surveys undertaken highlighted the need for more frequent risk assessments to be undertaken.</p> <p>Head of HR & Organisational Development further noted that there was agreement by those with responsibilities in this area that processes are required to be robust and closely monitored by Health & Safety Committee. In addition, a comprehensive training plan is required to ensure consistency of knowledge across the College.</p> <p>Head of HR & Organisational Development advised Committee that training completion rates were down across the organisation and this also needs addressed.</p>	
10.7	<p>Internal Audit Report 2018/04 – Equalities Mainstreaming: Management Update</p> <p>Head of HR & Organisational Development summarised progress against outstanding Equalities Mainstreaming actions, noting that significant strides had been made since the recruitment of a new staff member with specific responsibilities in this area.</p>	
11	<p>Performance Management – Balanced Scorecard</p> <p>Clerk presented Balance Scorecard for the period, noting that only one item (Carbon Footprint) was indicated for scrutiny during this period, and performance within this area was on target.</p>	
12	<p>Committee Minutes</p> <p>Committee received minutes of Health & Safety Committee from 14 November 2019 for information.</p>	
13	<p>Date & Time of Next Meeting</p> <p>Chair noted that the scheduled date of Tuesday 25 February 2020 would prove difficult. Clerk to ascertain alternative date for the meeting.</p>	Clerk
14	<p>Review of Meeting</p> <p>Committee agreed that the Terms of Reference had been complied with.</p>	

	Committee	
15	Board Members meeting with Internal & External Auditors Executive Team and other staff advisers in attendance left the meeting at this stage to allow the Board Members to have a confidential discussion with Internal and External Auditors.	

DRAFT

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open* Closed
* Excepting Item 15

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1998. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998?

Yes
No

Extraordinary Joint Meeting of Finance & General Purposes & Audit Committee

DRAFT Minutes

Meeting reference: F&GP_Audit 2019-20/EM

Date and time: Tuesday 11 February 2020 5.00pm

Location: Room 019

Members present: Ann Irvine, Board Member (Audit)
David Littlejohn, Board Member (F&GP) (by teleconference)
Brian Crichton, Board Chair (F&GP)
Katrina Hodgson, Board Member (F&GP)
Lynn Oswald, Board Member (Audit)
Craig Ritchie, Board Member (F&GP)
Margaret Cook, Principal (F&GP)
John Dare, Staff Board Member (F&GP)
Debbie Das-Chaudhury, Student Board Member (Audit)

In attendance: Lorenz Cairns, Depute Principal (Academic)
Catherine Etri, Associate Principal (Curriculum)
Veronica Lynch, Vice Principal (External)
Graham Little, Interim Head of Finance
Henry Nicholson, Financial Accountant
Stephen Reid, EY
Grace Scanlin, EY
David Archibald, Henderson Loggie
Ian McCartney, Clerk to the Board of Management

Apologies: Debbie Hutchison, Board Member (F&GP)
Andrew Comrie, Board Member (Audit)
Amy Studders, Student Board Member (F&GP)

Chair: Ann Irvine
Minute Taker: Ian McCartney
Quorum: n/a

Summary of Action Items		
Ref	Action	Responsibility
4	Inconsistencies between the Financial Statements and the External Auditors' draft audit report to be addressed	Vice Principal/EY
4	Investigate assertion that Financial Regulations had been approved by F&GP and Audit Committees.	Vice Principal/ Clerk
4	Project Plan to be added to Agenda for next meetings of Audit Committee & Board of Management	Clerk

Summary of Action Items		
Ref	Action	Responsibility
5	UHI input to Scottish Funding Council to be pursued	Interim Head of Finance
5	External Auditor noted they would be happy to provide additional context to be provided re complexities of a catering contract linked to the curriculum	EY
5	External Auditors to revisit financial analysis assertions re Learning Centres decision-making	EY
5	Amendments to External Auditors Report to be summarised to allow Board members to identify differences	EY
5	Wording to be amended in Recommendation 2 re "wider Board awareness"	Vice Principal/EY
7	Audit Committee Annual Report to the Board of Management to be updated per agreed amendments	Clerk
8	Alternative date for next scheduled Audit Committee within the current Board cycle to be sought	Clerk

Minutes:

Item		Action
1.	Welcome and Apologies The Chair welcomed everyone to the meeting.	
2.	Declaration of Interest in any Agenda Item There were no declarations of a conflict of interest.	
3.	Extract of Decisions & Actions from F&GP and Audit Meetings of 11 December 2019 Extracts were provided for information, as they allowed the framework for this meeting to proceed.	
4.	Draft Perth College Group Report and Financial Statements for the Year ended 31 July 2019	
	Interim Head of Finance outlined Financial Statements per Paper 3, noting the improved position due to deferred income and a	

	<p>reduction in Net Assets from £26m to £24m, before opening the floor for questions from the Committees.</p> <p>Board member queried the narrative within the Report, highlighting inconsistencies between the Financial Statements and the External Auditors' draft audit report. Vice Principal clarified that such inconsistencies had been noted, but were primarily down to timings in when papers were prepared and issued. Some work was still required to finalise both the Financial Statements and Audit Report.</p> <p>Chair of Board noted that Note 31 should read Note 32.</p> <p>Board member queried Statement's assertion that Financial Regulations had been approved by F&GP and Audit Committees. This matter would be further investigated and concluded within the final draft process.</p> <p>Chair of meeting brought attention to the table of significant control issues and weaknesses, noting timescales proposed for certain areas that had started to be addressed within the reporting process, and specifically sought assurances that those areas identified for completion by end March 2020 would be completed. Principal stated that actions were in train and those items identified with impending completion date were near the end of the identified activities, and a project planning approach was being taken to the remaining items to ensure prompt delivery, including targets and milestones being set.</p> <p>Vice Principal further noted that work on Equalities Mainstreaming had been ongoing for some time and was very close to completion, and other work in areas of non-compliance regarding procurement and the Staff Code of Governance was well advanced.</p> <p>Board member asked whether the Project Plan identified by the Principal was to be shared at the next Audit Committee. This was AGREED and Clerk will add this item to the agendas of Audit Committee and Board of Management.</p> <p>Staff Board member requested a progress update regarding the ongoing National Insurance and Pensions payments situation. Interim Head of Finance noted that a provision for these issues had been made within the accounts, and further noted that work was being prioritised to resolve issues affecting staff within this financial year in the first place by the end of March, with legacy issues being resolved by the end of the calendar year.</p> <p>Board member not in attendance sought clarification by email regarding when operational issues become matters of significance for the Board. Chair of Board noted that these are judgement calls undertaken on a case-by-case basis.</p>	<p>Vice Principal/EY</p> <p>Vice Principal/ Clerk</p> <p>Clerk</p>
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	<p>Student Board member not in attendance sought clarification by email as to why a number of Key Performance Measures were down on previous year. Depute Principal noted the Self-Evaluation process conducted each year which sought to address such shortfalls had identified alternative processes for improving the methods of attracting and supporting adult returners.</p> <p>It was clarified at this point that it would be inappropriate for the meeting to approve the Financial Statements for 2018/19 at this point as the External Auditor's Report would need scrutinised.</p>	
5	<p>External Audit Annual Report 2018-19 – CLOSED ITEM</p>	
	<p>Chair of meeting noted the Executive Summary of Paper 4 before passing to External Auditors to provide summary.</p> <p>External Auditors provided a detailed presentation of the key conclusions of their 2018/19, noting that, due the challenges in getting the information provided together with regard to both the Financial Statements audit and the wider scope dimensions, within prescribed timescales, the Report had been issued in draft form and remains a work in progress.</p> <p>External Auditors noted the additional issues in gaining agreement of the underlying position with the Scottish Funding Council, which required UHI input (Interim Head of Finance to pursue this matter), and making a consideration on regularity.</p> <p>External Auditors confirmed that, since the issuing of Paper 4, and following management responses to recommendations, 2 items within the Key Conclusions had been down-graded from Red to Amber within the RAG rating, namely the sections on Audit Opinion and Governance & Transparency.</p> <p>External Auditors clarified that the Report would be finalised once Statements and Auditor's Opinion were concluded and signed off.</p> <p>External Auditors noted that the Audit Plan presented at the Audit Committee meeting of May 2019 did not take cognisance of the significant changes, as summarised, that were required for completion, not least the requirement to reduce the testing threshold due to increased risk.</p> <p>External Auditors noted that the Regularity Opinion was linked to the appropriate use of public funds and identified weaknesses in procurement processes. External Auditors referenced the procurement of the current catering contract that had been in existence since 2004 with no additional tender processes and regular extensions to the existing contract.</p>	Interim Head of Finance

<p>Chair of Board asked whether cognisance had been taken in this particular context to the complexities of a catering contract linked to the curriculum. External Auditor noted they would be happy to provide additional context.</p> <p>External Auditors drew specific attention to the reassessment of risk identified in addition to those highlighted in the original plan, namely payroll expenditure, before noting satisfaction that the Financial Statements appeared materially compliant.</p> <p>External Auditors noted that Financial Statements for Air Service Training (Engineering) Ltd had still to be concluded but that no issues were expected in this regard, and that arrangements within the Development Trust had changed albeit with no material impact on the College's financial statements.</p> <p>External Auditors summarised the Audit Opinion section, noting that the annual report materially meets requirements, before noting that the Payroll issue had been recoded as an Additional Significant Risk.</p> <p>External Auditors clarified the outcome of their deliberations regarding Deferred Income crystallised around 2 specific items (Foundation Apprenticeships income and LUPS income), but that these were determined to be below the materiality threshold.</p> <p>Chair of Board sought to clarify the inconsistencies in views between investigations in this area. External Auditors had liaised with UHI Internal Auditor to ensure appropriate division of responsibility. Chair of Board queried whether the issue should have been reported to EY sooner than it was. External Auditor noted the timelines involved and agreed with the Chair of Board that this was an issue of attitude rather than a systematic fault of the organisation.</p> <p>External Auditors noted for consideration that the new Statement of Recommended Practice (SORP) for FE and HE will be effective for the 2019/20 financial statements, whilst not as wide-ranging as previous amendments, will require some upfront planning to implement.</p> <p>External Auditors provided an explanation of the Wider Scope work undertaken, highlighting in particular the impact that turnover of Finance staff had in terms of capacity, and how this in turn impacted on Board's opportunity to provide scrutiny.</p> <p>Chair of Board noted that such shortfalls were not deemed acceptable at the time, and such matters were discussed fully by the Board and sub-Committees.</p> <p>External Auditors noted some systems-based weaknesses affecting financial controls that will need addressed, including the</p>	<p>EY</p>
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<p>reliance on paper-based systems, segregation of duties and a number of extraneous bank accounts. External Auditors also noted the overdue completion of the National Fraud Initiative self-assessment process.</p> <p>External Auditors referred to the insufficient time allocated to allow appropriate levels of scrutiny of the Financial Forecast Return prior to submission, noting the potential impact of this on appropriate medium-term planning.</p> <p>External Auditors considered that there were a range of governance weaknesses within the statements, and noted that management had not fully implemented plans and recommendations within expected timescales.</p> <p>External Auditors expressed concerns regarding the effectiveness of the Balanced Scorecard system being used to monitor effectiveness, in part due to the timeliness of reporting. Chair of Board noted that the system had been reviewed within the last few months however this was an ongoing process.</p> <p>External Auditors advised Committee of the fee levels for work provided, noting that significantly more time had been spent on this audit than previously budgeted, however final fee levels were still to be determined.</p> <p>External Auditors concluded presentation of Auditors Report by summarising Action Plan, noting the intention to conduct a follow-up exercise during the final Board cycle of the academic year to provide independent insurance that the Plan is being actioned.</p> <p>Vice Principal informed Committee that an Action Plan for the Management Responses was in hand, which provides additional levels of detail and timelines. Principle noted that this Plan would be combined with that resulting from the UHI Internal Auditor's report to provide one single project plan, with resources allocated as required.</p> <p>Chair of Board sought clarity over assertion that insufficient financial analysis had taken place with regard to the closure of the Learning Centres on the basis that the decision made was effectively determined by the fact that the Learning Centres had been losing money. External Auditors accepted that the decision-making process may have been understated within the Minutes, and they would be happy to revisit with management</p> <p>Chair of meeting requested that, when an updated version of this report was being presented, that amendments be summarised to allow Board members to identify difference. External Auditors agreed to this request.</p> <p>External Auditors expressed their appreciation to the Finance</p>	<p>EY</p> <p>EY</p>
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Team, the Principal and the Vice Principal for their approach and attitude during a difficult process.

Student Board member asked a number of questions via email related to the Auditors Report, which were answered in turn:

1. Why were the financial statements not prepared and work incomplete?
 - This was due to ongoing staffing issues;
2. Why are there significant errors and what were they?
 - These were identified and detailed within Exhibit 1 of the Report and adjustments/accruals made where appropriate;
3. What actions are in place to ensure better communication between departments?
 - These will be detailed within the project plan to be undertaken, with much clearer relationships identified to provide clear milestone completion;
4. Why were key Financial Management reports late and verbal? Should financial reports not be given as evidence?
 - This was a staffing matter which is being addressed within the Finance department;
5. why were the credit targets noted in Exhibit 4 not met?
 - Every effort was made to achieve these targets, and credit targets (but not ESF targets) were met, however a variety of factors affect achievement of credit targets, and it is a balance to achieve target without going over as extra numbers are zero-funded;
6. what actions are in place to rectify the problems re systems of internal control?
 - These will be addressed within the project plan;
7. why wasn't the NFI self-assessment conducted?
 - This was the situation at the time, but this matter is now close to completion

Chair of Board sought clarification on the clear deficiencies identified by EY in their Audit, and the position reported within the Internal Audit report. Internal Auditor noted that the Internal Audit recommendations were not yet complete and statements were

	<p>partly based on work done to mitigate issues throughout the year.</p> <p>Board Member sought clarification on the assertion within the management response to Recommendation 2 that “wider Board” were aware of capacity issues within Finance at the same time as others identified. Vice Principal agreed that there were timing issues here and the wording here should be amended to reflect this.</p> <p>Board Member queried the issues asserted re accruals as this is provided as basic training at most levels within Finance departments. Financial Accountant noted that, rather than a lack of training awareness re accruals, errors were made due to insufficient information being provided to make correct decisions re accruals, indicating a requirement for increased awareness among budget holders to ensure sufficient information is provided.</p> <p>Principal extended thanks to the EY team, the Finance department and other contributors for their work, effort and co-operation during the Audit process</p>	Vice Principal/EY
6	Internal Audit Update – HR & Payroll Systems	
	<p>Internal Auditor provided an update on the fieldwork conducted re the Payroll & Pensions Contributions audit, summarising the issues identified previously around National Insurance contributions and the links to work conducted by EY for the External Audit in order to provide comfort of non-materiality.</p> <p>Internal Auditor outlined the main findings within Paper 5, drawing particular attention to the strengths and weaknesses identified within the Summary and the processes adopted to identify the scope and scale of the issue.</p> <p>Internal Auditor noted that estimating the size of overpayment at around £66,000 proved difficult due to various factors, and line-by-line analysis had not taken place, but this estimated figure did not present an issue of materiality. Internal Auditor further noted that the agreed Management Response was to focus on 2019/20 errors then tackle remedial work by end November 2020, however it was also recommended that communication to staff at various points be considered to ensure that those impacted are aware of the issue and how it may affect them.</p> <p>Staff Board member queried whether the timescales were achievable. Interim Head of Finance confirmed confidence in the timescales, as work so far had revealed the issue affecting around 15 staff.</p> <p>Principal raised the ongoing issues around systems that</p>	

	contributed to this issue, and noted the need to consider how to finance improvements in these areas.	
7	Audit Committee Annual Report to the Board of Management	
	<p>Clerk to the Board introduced the draft version of the Audit Committee Annual Report, noting that this document relies on information received from Audit Reports and Financial Statements to be completed, and is therefore a work in progress.</p> <p>Clerk sought the view of the meeting re potential amendments to the draft document.</p> <ul style="list-style-type: none"> • Internal Auditor noted there was an opportunity to provide context of areas within their scope re Section 2; • Board member requested that APUC acronym be explained in Section 5; • External Auditor recommended expanding on timings within Section 6 to provide a better reflection of process; • Board member suggested timescales within Section 7 be extended to June 2020 Board Meeting to allow appropriate time for implementation; • Vice Principal noted that Section 8 reference the disclosures summary noted in Appendix 3; • Appendix 1 should include notification to changes in membership within Terms of Reference; <p>Clerk to amend Report per these agreed amendments.</p> <p>Chair of meeting noted that all actions noted for Items 4, 5, 6 & 7 will need to be enacted and papers updated before being presented to the Extraordinary Board meeting on Thursday 20 February, with amendments made clear for Board Members.</p> <p>All present were reminded to ensure confidentiality over the draft versions of documents and discussions that had taken place until approved documents are finalised and ready to appear online.</p> <p>Meeting ENDORSED IN PRINCIPLE Papers 3, 4, 5 & 6, pending amendments per minutes.</p>	Clerk
8	<p>Date & Time of next meetings:</p> <ul style="list-style-type: none"> • Audit: 25 February 2020 10 March 2020 • F&GP: 04 March 2020 	
	<p>Chair of Audit Committee noted that a new date was required for the next scheduled meeting of Audit Committee due to a diary clash. Clerk to source alternative date with members of Audit Committee within the current Board cycle.</p>	Clerk

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open (excepting Item 5, which will remain CLOSED until approved by Auditor General)

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1998. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes** **No**



University of the
Highlands and Islands
Oilthigh na Gàidhealtachd
agus nan Eilean

UNIVERSITY OF THE HIGHLANDS AND ISLANDS
INTERNAL AUDIT SERVICE
PERTH COLLEGE UHI INVESTIGATION OF ALLEGATIONS
REPORTED TO AUDIT SCOTLAND

28 February 2020

1. BACKGROUND

- 1.1. The purpose of this report is to record the findings of an investigation into allegations reported on the 20 November 2019 by the Head of Finance at Perth College UHI to Audit Scotland under their Raising an Issue of Concern process, specifically regarding alleged financial management concerns at Perth College UHI, gathered over the course of the Head of Finance's employment since July 2018.
- 1.2. The University was first made aware of this report in an email received from the Head of Finance at Perth College UHI to the Chair of the University Further Education Regional Board on the 21 November 2019. The email had attached a completed Audit Scotland raising an issue of concern form and a zip folder including documents referenced in the form. The Scottish Funding Council (SFC) having been made aware of the report requested the University Internal Audit Service to carry out an investigation.
- 1.3. The report made to Audit Scotland by the Head of Finance alleges wide ranging concerns over several areas regarding governance and financial management practices. The report references that 'professional concerns relate to requirements set out in the Financial Memorandum (FM) and specifically that, it is a term and condition that Perth College's governing body and its designated officers comply with the FM's requirements. In addition, compliance with the FM further require the governing body and officers of Perth College to comply with the Code of Good Governance and the Scottish Public Finance Manual'.
- 1.4. The Head of Finance raised numerous areas of alleged concern and provided extensive supporting documentation as evidence. The alleged areas of concern were wide ranging and the following list provides summarised excerpts from part of the submission to Audit Scotland.

1) Historic accounting practices breaching the requirement in the FM that public funds be used in accordance with relevant legislation. Further, that Strategic, Capital or other grant funding must only be used for the purpose for which it is provided by SFC.

I have witnessed the recognition of SFC Capital Grants into the Management Accounts (and subsequently the Financial Statements for 2017/18) of Perth College for no reason other than "to balance the books" and with no corroboration of underlying qualifying spend that has then gone unchecked by the wider Management Team. This accounting practice was also witnessed by another finance colleague and occurred in September 2018.

The College had been accumulating £1,3M of unrecognised income on their balance sheet (expanded upon in note 5) for a number of years. Operationally, this may mean that Capital Grant funding has been recognised in prior year accounting records to increase income flowing to College accounts without appropriate Estates investment being made to trigger its release whilst genuinely recognisable income was being deferred under erroneous accounting practices.

2) Perth College is required to achieve value-for-money and is economical, efficient and effective in its use of public funding under the banner of "Best Value" per the Scottish Public Finance Manual. Specifically, the FM directs that non-competitive awards of contracts valued at over £25k cannot be made without prior approval from SFC. Perth College have recently awarded a contract that I am concerned was awarded with a value in significant excess of this value with no competitive process. Historically, Perth College have repeatedly re-awarded their Catering contract (commercial and academic) costing the College around £100k each year to the same supplier without due procurement process.

The lack of proper Procurement processes and potential Procurement Law non-compliance poses huge financial and reputational risk to Perth College.

3) The financial books and records of Perth College do not provide sufficiently detailed, accurate or reliable financial management information, most materially around salary costs.

College Management have instigated a consultation with Unions and Staff on the basis of an openly and frequently challenged teaching load allocation model used to inform their academic salary budget with a view to making a staffing cost reduction of £600k to be completed in 2019/20.

The College have historically never analysed their actual staffing costs and in order to begin to create this most critical of financial information, I contracted a salary model expert in April 2019 who then became a substantive staff member in September 2019. This member of staff has created a fully costed staffing "establishment" for permanent posts and has been used to inform the 2019/20 staffing budget. As yet, Perth College's actual staffing costs have not been analysed against the budget model and so College Managers do not have confidence in the robustness of the budgeted salary costs.

4) Timely and accurate recognition of Financial and Reputational risk is not undertaken by Senior Management at Perth College as required by the FM. The FM directs that Perth College must have an effective policy of risk management and risk management arrangements. During my 16 months at Perth College, I have advised the Senior Management Team of numerous and significant failings in their payroll processes, resulting in significant financial and reputational risk to the College. The first of these risks were communicated in February 2019 with further detail becoming known around significant issues in March concerning the under calculation and payment to HMRC of National Insurance contributions. As far as I am aware, these risks have not been incorporated into the College's Risk Register and were made known to the Audit Committee on 8th November 2019 despite being known by the Senior Management Team since March 2019.

The issue described above may also contravene the requirement for the governing body of Perth College or its Officers to notify the SFC of any serious weakness, such as a significant and immediate threat to the institution's financial position, significant fraud or major accounting breakdown or any material non-compliance with any requirement of this FM.

For context, it is my belief that it is likely that these errors have come into existence due to the appointment of an unqualified and unexperienced finance assistant into the College's Payroll Officer role some years ago. Neither the College nor the individual pursued appropriate training or performance management processes that would mitigate the obvious financial and reputational risk resulting from the appointment of a novice into such a specialist position. This appointment and subsequent lack of training and performance management indicates potential non-compliance with Staff Governance requirements of the Code of Good Governance.

I have enclosed the Internal Audit report on HR/Payroll processes undertaken by Henderson Loggie (the College's Internal Auditors) and concluded in September 2019. This was presented to the Audit Committee, but the presentation failed to specifically quote the calculated National Insurance liability of £108k for a scope of three financial years 2016/17 - 2018/19.

5) I advised the SMT of Perth College of a long term, material accounting error regarding income recognition, in February 2019. The source of the error was non-compliance with FRS 102 after the significant change to the Standard in 2014/15. The result of this accounting error is a release of prior year deferred income totalling £1.3M and relates to income generated in financial years 2015/16 to 2017/18 inclusive. 2018/19 income has been corrected in year.

Perth College's Management Team made this error known to the SFC in July 2019 after its initial discovery in February of the same year. However, the magnitude and the time span of the recurring and unchecked error brings into question the Institution's policies of internal control, appropriate oversight and proper accounting checks and balances as required by the Audit and Accounting section of the document. This is further required of the Board under the Code of Good Governance section C12.

The error has also been made known and subsequently reviewed by Ernst & Young, the College's external auditors and will be audited as part of their review of the 2018/19 Financial Statements.

1.5. Context

1.6. The previous Head of Finance left employment at Perth College UHI in April 2018. An interim agency Head of Finance provided cover until August 2018. In July 2018 a new Head of Finance (that raised the concerns) was employed by Perth College UHI who had previously worked as a senior management accountant at a Scottish university, the appointment as Head of Finance was a promotion to a position with greater responsibility. The Head of Finance was line managed by the Perth College UHI Chief Operating Officer who was the senior financial officer. The Chief Operating Officer left the College at the end of December 2018 and the post of Chief Operating Officer was not replaced. The Head of Finance then reported to the Vice Principal External after the Chief Operating Officer left, taking on some of the responsibilities of the more senior role. The Perth College UHI Principal was of the view that this was a minimal change of duties.

1.7. A disciplinary proceeding was raised against the Head of Finance resulting in a final written warning being issued on the 4 October 2019. The final written warning was appealed by the Head of Finance with a hearing to be held on the 12 December 2019. On the 20 November 2019 the Head of Finance raised a separate grievance against the Perth College UHI Senior Management Team. The disciplinary proceedings, appeal and grievance have not formed part of this investigation.

1.8. The Head of Finance discussed financial management concerns with the Chair of the Board on 24 October 2019 and in an email of the 25 October 2019 and then providing documentation on the 4 November 2019.

1.9. The Head of Finance resigned on the 7 October 2019 and reportedly sought to withdraw the resignation on the 15 November 2019, the College determined that it was unable to agree this request. There was evidence of issues surrounding the Head of Finance's capacity to deliver the role (See later paragraph 2.45). An interim Head of Finance was recruited on the 4 November 2019. The Head of Finance finished work on the 21 November 2019 but had a final date of employment of the 6 January 2020.

1.10. Investigation approach

1.11. Initial meetings were held with the Perth College UHI Principal and the Vice Principal External on the 27 November 2019. The UHI Head of Internal Audit met with the Chair of the Perth College UHI Board on the 29 November 2019 and the Chair subsequently provided further documentation to support the investigation. The UHI Head of Internal Audit met with the Perth College UHI Head of Finance on the 4 December 2019.

1.12. It was apparent from the alleged concerns raised to Audit Scotland, from disciplinary proceedings and the grievance raised by the Head of Finance as well as from the meetings referenced above and documentation provided by the Chair of the Board that working relationships between the Head of Finance and College Senior Management Team had become strained and that there were opposing views held on many of the alleged areas of concern.

- 1.13. An extensive amount of information and documentation has been provided by Perth College UHI to facilitate this investigation. The Clerk to the Board of Management, Interim Head of Finance, PA to Principal and Chief Executive and Executive Team Manager as well as the Head of Human Resources and Organisational Development assisted with the provision of the information.
- 1.14. Consistent with their role the Perth College UHI's External Auditors were also provided with the documents reporting concerns to Audit Scotland. At the time of this investigation the External Auditors were in the process of carrying out their planned year end audit work. **The nature of many of the alleged areas of concern raised fall directly within the scope of the work of the External Auditors. The UHI Head of Internal Audit has therefore coordinated this investigation and shared information with the External Auditors in order to avoid duplication of effort. Where alleged areas of concern fall within the remit of the External Auditors role, work has been carried out by the External Auditors to review the areas concerned. The Annual External Audit Report should be read in conjunction with this report. The External Audit Report will be considered by the Perth College UHI Board on Thursday 20 February 2020.**
- 1.15. The UHI Head of Internal Audit has liaised with Perth College UHI Internal Auditors in carrying out this investigation and has placed reliance on their work to inform the findings of this investigation, including the internal audit of Human Resources and Payroll Systems. The College's Internal Auditors are currently in the process of carrying out additional work to quantify the extent of payroll processing errors.
- 1.16. Given the wide-ranging nature of the alleged areas of concern it was necessary for the UHI Head of Internal to summarise the alleged areas of concern under specific headings to facilitate investigation and reporting. The headings are as follows:
- Raising concerns
 - Staffing - Finance team and Human Resources team
 - Transparency and Accountability
 - Governance and Oversight
 - Financial Governance Framework
 - Financial Memorandum
 - Scottish Public Finance Manual (SPFM)
 - Financial Regulations
 - Financial Procedures
 - Value for money
 - Procurement (value for money)
 - Risk Management
 - Code of Good Governance for Scotland's Colleges

As referenced in 1.14 the following areas fall within the remit of the External Audit work:

- Financial Planning
 - Salary Forecasting
 - Capital plans and expenditure
 - Budgetary process
 - Financial Forecast Return
- Financial Control
 - Accounting processes - deferred income
 - Budgetary control
 - Payroll and Pensions
 - Fixed asset register
 - Disposal of assets

2. MAIN FINDINGS

2.1. Raising Concerns

- 2.2. The Perth College UHI Board approved on the 13 June 2018 a revised and updated Whistleblowing Policy. The Policy and procedure applies to all staff, students, members of the Board of Management, contractors and agency workers engaged at Perth College UHI.
- 2.3. The aims of the Policy are to encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected. The Policy states that whistleblowing, tends to relate to matters of serious concern where the organisation has breached generally accepted standards of legal, ethical, financial or other expected behaviour.
- 2.4. The Policy notes that if the complaint relates to one or more members of the Senior Management Team (SMT), the complaint should be submitted to the Chair of the Board of Management, who will assign the investigation team, who will be supported by a member of the Board of Management. The Chair of the Board of Management can also take the decision to appoint an external investigator. The investigator will report findings to the instigator of the investigation and will recommend one of the following steps based on the evidence found;
- take no further action save to inform the discloser of the decision and reasons for it
 - refer the matter to the police in the case of alleged criminal activities
 - refer the matter for appropriate action within existing college procedures
- 2.5. The Head of Finance discussed concerns with the Chair of the Board on 24 October 2019 and in an email on the 25 October 2019. The Chair of the Board sought legal advice from the college lawyers and on this basis established an informal confidential process to try and resolve the issues raised. On the 3 November 2019 the Head of Finance provided documentation to the Chair of the Board explicitly stating that it was provided to the Chair under the assumption that they were the prescribed person at Perth College UHI. The reported concerns related to several financial management issues and the Head of Finance was of the opinion that 'these issues are current and present real, significant risk to the College'.
- 2.6. The Chair of the Board responded in an email of the 4 November that:
- As the issues you are raising appear to relate to all of the Senior Management Team (SMT) including the Principal, it is appropriate that in the first instance they are addressed to the Chair of Perth College Board of Management.
 - As we agreed last week, it is my intention to first try and resolve the issues raised informally.
 - I will review the documents you have provided and after review, again as discussed last week, I shall then immediately involve the Principal and SMT and commence discussions on how we can move the informal process forward. I am working on the basis that you understand that it is essential to involve the Principal and SMT in that regard, and that you have submitted the email below and further documents with that understanding.
 - Should we be unable for any reason to reach a resolution of these matters by way of this informal process you are of course free to institute a more formal process. It is likely if that turns out to be the case that I would not take a part in that formal process but would nominate another Board member as my delegate.

- If you are in agreement with the process outlined above, please let me have the documents as soon as possible and I will start the process.
- 2.7. The Head of Finance provided documentation on the 4 November 2019 to the Chair of the Board¹. The documentation included an Appendix 1 - Summarised description of financial issues with the following headings.
- Reforecast/review of 2018/19 budget and accounts
 - Deferred income
 - Salary budget 2019/20
 - Budget 2019/20
 - Accelerated spend 2018/19
 - Financial forecast return
 - Payroll

Appendix 2 -Timeline of Senior Management Team Financial Management Concerns.

- 2.8. An email provided by the Chair of Board affirms that the college lawyers having reviewed documentation provided by the Head of Finance saw no reason why the Chair could not proceed to try and resolve this informally as discussed.
- 2.9. The Chair adjudicated on the areas raised having received responses from the Senior Management Team (SMT). The Chair acknowledged as 'a learning point from your submission, the SMT will now consider whether in future the most senior finance role holder should be a member of the SMT, and I look forward to receiving their view on this matter in due course'.
- 2.10. It was clear that the Chair of the Board was mindful of the difficulty of the situation and the strained working relationships between the Head of Finance and College Senior Management Team and was seeking to use an informal confidential process as a mechanism to try and facilitate a resolution to the situation.
- 2.11. It is the UHI Head of Internal Audit's opinion that the alleged areas of concern reported to the Chair of the Board fell within the scope of the College's Whistleblowing Policy. However, as referenced in paragraph 2.8 the college lawyers saw no reason why the Chair could not proceed to try and resolve this informally. The Perth College UHI Principal confirmed that the legal advice indicated that this was not whistleblowing and that an informal resolution would be acceptable acknowledging that the individual could ask at any point for the issue to be considered as whistleblowing. The informal confidential process implemented by the Chair did not enable in the first instance an independent investigation of the alleged areas of concern to be carried out. The approach taken poses a risk that the informal confidential process could prejudice any later formal independent investigation. The Chair of the Board affirmed that the process was confidential. There was therefore no formal paper to the Board reporting the decision to implement an informal confidential process or the outcome of the process.
- 2.12. Recommendation.**
- 2.13. *Where a member of staff raises concerns that fall within the remit of the College Whistleblowing Policy that the Whistleblowing Policy is followed and that the Board is formally informed of the outcomes of the process.*

¹ The areas listed were broadly consistent with those reported on the 20 November 2019 by the Head of Finance at Perth College UHI to Audit Scotland under the Audit Scotland Raising an Issue of Concern process. The Submission to Audit Scotland included additional supporting documentation.

2.14. Staffing - Finance team and Human Resources team

- 2.15. The Head of Finance was line managed by the Perth College UHI Chief Operating Officer who undertook the role as senior financial officer. The Head of Finance had previously worked as a senior management accountant at a Scottish university, and the appointment as Head of Finance at Perth College UHI was a promotion to a position with greater responsibility. The Chief Operating Officer left the College at the end of December 2018 and the post of Chief Operating Officer was not replaced. The Head of Finance then reported to the Vice Principal External after the Chief Operating Officer left, taking on some of the responsibilities of the more senior role. The Perth College UHI Principal was of the view that this was a minimal change of duties. While the Chief Operating Officer was still in post, the Head of Finance attended some meetings of the Finance and General Purposes Committee, Audit Committees and the Senior Management Team. After the Chief Operating Officer left there was evidence of the Head of Finance being in regular attendance at Senior Management Team meetings for relevant agenda items as well as at the Finance and General Purposes Committee and Audit Committee.
- 2.16. The Audit Committee at its meeting of the 19 February 2019 discussed financial risks and management of them particularly in the light of the Chief Operating Officer leaving the College. The Committee noted that the Head of Finance was a qualified accountant and had access to professional support networks. The minute of the Audit Committee did not record any concerns over the changes to the Finance role.
- 2.17. As part of this investigation, given the alleged areas of concern, information on the staffing in the Finance team and Human Resources team was reviewed.
- 2.18. Information provided by Perth College UHI shows evidence of continued high staff turnover within the finance team.
- Six staff left in 2018, a further 4 left in 2019. With one in 2020².
 - Out of 10 current staff, six have been in post less than a year. (3 of which started in the last 4 months).
 - the issues with staff turnover were in existence before the appointment of the Head of Finance.
- 2.19. Information provided by Perth College UHI on Human Resources staff changes presents a similar picture.
- Five staff left in 2018, a further five left in 2019.
 - Out of 10 current staff, six have been in post less than a year.
 - Eight out of ten staff have been in place for a year or less.
 - There was reference to three agency staff being employed.
- The Perth College UHI Principal confirmed that the College experienced difficulty in recruiting to finance roles and therefore used agency and fixed term staff to plug the gap to ensure services continued to be delivered. This was the same model as used within the Human Resources team.
- 2.20. There was evidence of significant issues surrounding high staff turnover in both the Finance and Human Resources teams. This increased the potential risk of a weakened control environment due to:
- Loss of/ or gaps in organisational knowledge;
 - Inhibition of effective team working;
 - Lack of knowledge transfer between staff;
 - Processes and procedures not being followed; and

² The Head of Finance.

- Human errors occurring.

2.21. The human resources report provided to the Finance and General purposes Committee on the 25 September 2018 also provided information on college staff turnover. The human resources report provided to the Finance and General purposes Committee on the 23 September 2019 did not contain information on staff turnover.

2.22. Recommendation

2.23. *Conduct a review and establish the reasons for high staff turnover in the Finance and Human Resources teams and ascertain whether any other departments or teams are in a similar situation.*

2.24. *Ensure that monitoring statistics on staff turnover form part of the Human Resources report to the Finance and General Purposes Committee. Additional statistics on staff turnover should also be reported so that there is transparency surrounding any departments or teams with high staff turnover.*

2.25. Transparency and Accountability

2.26. The Code of Good Governance for Scotland's Colleges under principle C.7 states that the board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes: a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance c) the retention of all key documentation which help justify the decisions made by the board and its committees.

2.27. There was evidence in the form of a spreadsheet provided by the Head of Finance and also confirmed in records of the Head of Finance disciplinary hearing to suggest that issues surrounding errors in processing payroll and pensions were known in February 2019. At its meeting on the 17 September 2019 the Audit Committee received an internal audit report on human resources and payroll systems. In summary the report found a large number of weaknesses regarding payroll transactions tested, with some staff being underpaid and others being overpaid.

2.28. Issues surrounding accounting for deferred income were also identified and verbally reported to the Finance and General Purposes Committee in February 2019. The College's External Auditors confirmed to the UHI Head of Internal Audit that there were delays in notifying them of the issues and providing detailed information.

2.29. The minutes of 14 May 2019 Audit Committee note that the Head of Finance reported that the College had been asked by the External Auditor to undertake a piece of investigative work, which was almost complete. A report would be brought to the next meeting of the Committee. It was noted that the matter was also being monitored by the Chairs' Committee.

2.30. The Audit Committee received a paper on the 17 September 2019 from the Head of Finance on Deferred Income. This paper was reviewed by the committee without the Internal Auditors and External Auditors present. The paper stated that the issue of deferred income had been discussed at the Board over the last cycle of meetings and that the appendix (provided in the paper) is intended to clarify the position and to give members details of the income source, the year the income was received, the purpose of the income and the reason why this income can now be released. The appendix contained a spreadsheet referencing deferred income of ~£1.3M. The paper noted that the Senior Management Team agreed to accelerate spend to 2018/19 in order to minimize the carry over to the current year. This leaves a balance of £667k to be carried over into 2019/20. The draft minute of the meeting notes that:

- Principal summarised difficulties caused by lack of a clear audit trail relating to treatment of deferred income over a number of years, without much traction in terms of guidance and written guarantees, and noted that the figure finally arrived at needs to be dispersed within the Scottish Funding Council (SFC)'s financial year, i.e. before March 2020.
- Principal outlined that there was a need to protect both the College and her personal position in this matter as an Accountable Officer, and that the use of these funds would therefore be in the furtherance of known College objectives.
- Board Member sought clarification that, as funds come from numerous sources, the College will not be in breach of any conditions of funding. Head of Finance confirmed that there was no risk in this regard, and that the College has produced the required outputs in all cases, therefore the matter is a purely accounting issue rather than an operational one.
- Chair expressed concern that the agreement from SFC was verbal in nature, particularly given the short-term nature of the opportunity to disperse the funds. Principal noted that the intention was to send SFC a non-committal email by exception to ensure protect the College's position.
- Chair proposed that Audit Committee fully support Principal's position in the commitment of the deferred income funds based on advice provided that issues were an accounting matter. This proposal was agreed.

The Perth College UHI Principal confirmed to the UHI Head of Internal Audit that 'this advice was given to the Principal from the Scottish Funding Council on the basis of the information which was available at the time and is clearly no longer relevant given the findings of the External Auditors in relation to the issue of deferred income'.

- 2.31. Review of the Board and Finance and General Purposes Committee papers found that there was a lack of formal written papers presented on the deferred income issue. There was a lack of transparency surrounding the issue whether options for resolution were presented for review and approval, whether any action plans were established, how they would be monitored and any actions or approval process to accelerate any expenditure.
- 2.32. The Clerk to the Board of Management acknowledged in an email to the UHI Head of Internal Audit that some of the references to deferred income (particularly during the early stages of the colleges own investigation) not being overt, plus some of the minutes recorded perhaps not best reflecting the discussions that took place on this matter.
- 2.33. The External Audit report provides additional information on deferred income (see earlier paragraph 1.14).
- 2.34. A review by management of procurement processes in September 2018 was completed. This identified several significant weaknesses in procurement processes, including areas of noncompliance. (See later section on Procurement 2.77).
- 2.35. The Financial Memorandum between the University and Perth College UHI states that the Chief Executive Officer of the College must inform the Regional Strategic Body's Chief Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the College to deliver its education programs, and other related activity, including delivery of its commitment to the Regional Outcome Agreement with SFC. He or she must also notify the Regional Strategic Body's Chief Officer of any serious weakness, such as a significant and immediate threat to the College's financial position, significant fraud or major accounting breakdown or any material non-compliance with any requirement of this Financial Memorandum.
- 2.36. The Principal is required as Chief Officer to provide assurance to the Accountable officer of the Scottish Funding Council to enable assurance to be provided to the Principal Accountable officer of

the Scottish Government to sign a governance statement as part of the Scottish government consolidated accounts.

- 2.37. The 2018/19 certificate covers the period from April 2018 to March 2019 and includes a detailed schedule of required assurances. The certificate requires the Principal: to confirm that I have undertaken a review of the internal control arrangements in my college and obtained required assurances. Based on that review, and my own knowledge of the internal control matters in my college: I can confirm that these controls have been, and are, working well. There are in my opinion no significant matters arising in the college which would require to be raised specifically in the governance statement. The Perth College UHI Principal confirmed that 'assurance was received from the Head of Finance that the Certificate of Assurance was robust - with hindsight this was obviously not the case'. The Certificate of assurance for 2018/19 was signed by the Perth College UHI Principal and dated 24 April 2019.

2.38. Recommendations

- 2.39. *Improve processes to ensure that where potential issues are identified that could indicate control weaknesses these are formally reported (in the form of written reports) at the earliest opportunity to the Board (including through appropriate committees) and to the University as required under the Financial Memorandum. Formal investigations should be carried out to establish the facts, options for resolution presented for approval, action plans established, and implementation monitored.*
- 2.40. *The Board through the Audit Committee should seek assurance from the College Principal that Certificates of Assurance (including schedule of required assurances) provided to the Accountable Officer of the Scottish Funding Council to provide assurance to the Principal Accountable Officer of the Scottish Government are prepared robustly.*

2.41. Governance and Oversight

- 2.42. The Board had established subcommittees with clear remits and placed reliance on these committees to effectively fulfil their remits. The Board relied on the judgement of the subcommittees on whether an issue should be raised to Board level. Chairs of subcommittees are given the opportunity to raise items in advance of the Board meeting or to refer to them at the meeting. Membership of both the Finance and General Purposes Committee and the Audit Committee included a member with financial expertise. At each meeting the Board received the minutes of the subcommittees and was reliant on the subcommittee minutes to inform its view of subcommittee business. Review of the Board agendas and papers between June 2018 and December 2019 found that the Board received the annual accounts at its December 2018 meeting but did not routinely receive the college management accounts and only received the college risk register at its December 2019 meeting.
- 2.43. The Code of Good Governance for Scotland's Colleges requires under principle A.7 that the board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.
- 2.44. The Board reviewed at its meeting in June 2018 the college balanced scorecard including measures for Academic Year 2016/17, limited performance information was provided for 2017/18. In December 2019 the Board received a revised format balanced scorecard for 2018/19. It was noted that the Perth College UHI website provided accessible information on the Scottish Funding Council (SFC) Further Education performance indicators to inform stakeholders about the college's performance. The balanced scorecard contained a wider range of indicators and was more difficult to access by searching the Board or its subcommittee papers.

- 2.45. Review of the Finance and General Purposes Committee agendas and papers found that the committee routinely received and reviewed among other things key financial documents such as the College and the Air Service Training (a College subsidiary company) management accounts, the budget, Financial Forecast Return and end of year accounts. It did not review or receive the full college risk register or information on performance indicators other than the indicators specific to its role. It was noted that the Estates Update was routinely provided verbally to the committee (See also later paragraph 2.87). It was noted that at the May 2019 meeting that there were a number of key financial papers recorded as to follow. At the September 2019 meeting the College Management Accounts (12 months to 31 July 2019) were only presented at the meeting without commentary.
- 2.46. The Audit Committee reviewed the annual accounts and was responsible for oversight of the college risk register and had regular reviewed this as well as the internal and external audit activities. At the 17 September 2019 Audit Committee meeting the committee received a paper on the deferred income issue (see earlier paragraph 2.29 and 2.30). See also later section on Procurement 2.77.
- 2.47. The Audit Committee also received the internal audit report on Human Resources and Payroll Systems. The report found significant weaknesses requiring improvement. A large number of issues have been noted regarding payroll transactions tested, with some staff being underpaid and others being overpaid. These errors can partly be attributed to issues arising from systems change, and also to changes in Human Resources and payroll staffing. Nine recommendations for improvement in control were made with last agreed completion date of 31 March 2020. The minutes of the meeting state that the 'Principal noted that College had asked for this audit to be brought forward as it was known that there were issues in the feed-through between the 3 systems in use. Principal further noted that College still has work to do in terms of having correct systems in place, and that a single integrated end-to-end system is some way off due to the costs involved, but that significant steps had been made to ensure that HR, Payroll and Finance were working much more closely together. The Head of Finance noted that Payroll Manager had been proactive in identifying issues and had pulled together a Payroll Risk Register to solidify issues identified. It was also noted by the Internal Auditors that HM Revenues and Customs control areas perhaps need additional attention to minimise potential reputational risk. Chair noted that there needs to be clarity on control mechanisms, and that there should be a report on those systems implemented to come before a future Audit Committee.

2.48. Recommendation

- 2.49. *Management should provide timely information in the form of written papers to all relevant committees as well as the Board to enable absolute transparency surrounding issues as well scrutiny of any decisions making, or action proposed or required. The Board should be regularly provided with the management accounts and the college risk register.*

2.50. Financial Governance Framework

2.51. Financial Memorandum

- 2.52. The Governance Manual for Perth College UHI (approved by the Board in March 2016) and published on the college website includes a copy of the Financial Memorandum between the University and Perth College UHI as an appendix.
- 2.53. There was evidence to suggest a lack of awareness of the reporting requirements placed on the College as a result of the Financial Memorandum between the University and Perth College UHI. The Head of Finance was not aware of the Financial Memorandum between the University and Perth College UHI. At the time of this investigation it was established that the current interim Head of Finance was also unaware of the Financial Memorandum between the University and Perth College UHI although this could be a timing issue. The Perth College UHI Principal confirmed that the Interim Head of Finance was newly in the role when the discussion relating to the Financial Memorandum took place and was still going through induction. In the course of this investigation evidence of

examples of non-compliance with the Financial Memorandum were found regarding the timely reporting of requirements such as:

- control weaknesses surrounding deferred income and payroll
- settlement agreements
- non-competitive procurement in excess of £25K
- compliance with the Code of Good Governance for Scotland's Colleges

2.54. Recommendation

2.55. *Ensure that the requirements of the Financial Memorandum between the College and the University are communicated to all relevant staff and that that processes are implemented to ensure compliance.*

2.56. Scottish Public Finance Manual

2.57. The Scottish Funding Council (SFC) issued in February 2016 guidance to colleges and regional strategic bodies on meeting the requirements in the Scottish Public Finance Manual (SPFM) in relation to severance schemes and settlement agreements. The guidance was for Principals and directors of Scotland's colleges and regional strategic bodies. The guidance states that Colleges and regional strategic bodies must familiarise themselves with the requirements set out in the SPFM. It states that it is particularly important for those committees dealing with severance schemes and arrangements, for example the Remuneration Committee, and the Board to understand the implications of the SPFM. Colleges should ensure that all Board members and appropriate college personnel are provided with a copy of this guidance. The guidance requires that the Remuneration Committee, or equivalent Board committee, must undertake robust scrutiny of proposed severance schemes and settlement agreements before recommending approval to the Board. The guidance notes that there should always be a presumption against the use of settlement agreements and colleges will have to justify their use and require the completion of form (Annex C) submitted to the University as Regional Strategic body and SFC for approval.

2.58. The Governance Manual for Perth College UHI (approved by the Board in March 2016) details membership and the terms of reference of the Remuneration Committee. The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to consider and agree severance arrangements in respect of Senior Management post holders and ensure such arrangements are in accordance with SFC Guidance. Settlement agreements are not explicitly referenced in the Remuneration Committee Terms of Reference.

2.59. The Perth College UHI Principal confirmed that there were two Settlement Agreements where appropriate permissions were not sought, as there was no financial gain to the individuals beyond contractual entitlements. This was an error on the part of the Perth College UHI Principal and guidance from UHI is awaited on the process for retrospective permission. The Perth College UHI Principal has now confirmed completion of mandatory training provided by the Scottish Government on the issue of Settlement Agreements.

2.60. There was a lack of evidence to demonstrate robust scrutiny of settlement agreements, Board approval being sought, approval being sought from the University and SFC or adherence to the requirements of the SFC guidance and SPFM regarding settlement agreements.

2.61. Recommendation

2.62. *Ensure that the requirements established in the SFC guidance and SPFM regarding settlement agreements are implemented and complied with.*

2.63. Financial Regulations

2.64. The Colleges Financial Regulations were approved by the Board of Management on the 20 March 2013. The Financial Regulations do not reflect the College's current operating environment and require updating as they contain a number of references that were inaccurate or out of date. For example, the regulations do not reference the current Financial Memorandum between University and Perth College UHI and its requirements, they reference the prior Financial Memorandum between the Scottish Funding Council and Perth College.

2.65. Recommendation

2.66. *Review, update and communicate to all staff the Financial Regulations.*

2.67. Financial Procedures

2.68. There was a lack of robust documented procedures to set out financial and accounting processes. The procedures provided were very limited in scope. Those provided consisted of abridged lists of system-based instructions. They did not provide sufficient detail of tasks, roles and responsibilities or key control processes. Systems logins and passwords were also recorded in several of the procedure notes provided.

2.69. Recommendation

2.70. *To assist in the proper operation of the finance department, financial procedures should be documented. These should provide sufficient detail of tasks, roles and responsibilities and key control processes. Procedures should be prepared in a way that readily assists and facilitates knowledge transfer to new staff.*

2.71. *System login details and passwords should not be recorded in procedure notes.*

2.72. Value for Money

2.73. The College's Financial Regulations state under the heading Value for Money that 'it is a requirement of the Financial Memorandum that the Board of Management of Perth College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by SFC, Audit Scotland, the National Audit Office, the Scottish Parliament Audit Committee or other relevant bodies. Internal audit is to have regard to value for money in its programme of work. This will be used to enable the audit committee to refer to value for money in its annual report. These requirements are addressed within the Procurement Policy'. (See later section on Procurement paragraph 2.77).

2.74. The Audit Committee terms of reference³ define the role of the committee for value for money as:

- Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols and reporting to the Board of Management thereon.
- Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
- Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

³ Defined in the Perth College UHI Governance Manual

- 2.75. The 2018/19 planned internal audit review of Procurement and Creditors / Purchasing was not carried out as resources were reprioritised in year to allow additional work to be conducted on the Human Resources and Payroll review and the review deferred until 2019/20 (see paragraph 2.79).
- 2.76. The Internal Audit Annual Report 2018/19 was presented to the Audit Committee at its meeting on the 11 December 2019. The internal auditor's opinion provided was qualified with exceptions relating to significant issues surrounding the Human Resources and Payroll Systems audit and that the College had made limited progress in implementing the internal audit recommendations followed-up as part of their 2018/19 follow up reviews. The Internal Auditor found that with the exception of the issues highlighted above, that the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2018/19 and in prior years since our first appointment in 1998/99.

2.77. Procurement

- 2.78. The Head of Finance reported on the 10 September 2018 to the Chief Operating Officer the findings of a two-day audit carried out by Advanced Procurement for Universities and Colleges (APUC) of Perth College UHI's procurement systems, processes and procedures. APUC found that there were several areas of noncompliance. At the time the college could not demonstrate regulatory compliance under the Procurement Reform Act due to disorganised, incomplete and missing procurement documentation. This report was not provided to the Audit Committee (See recommendation 2.39 and 2.49)
- 2.79. At the 28 November 2018 Audit Committee meeting the Committee noted the final Internal Audit Plan for 2018/19 which had been updated following the last meeting of Audit Committee. The Principal informed the Committee that a decision had recently been made to outsource procurement to APUC. The timing of the procurement audit may alter as a result and if it was no longer appropriate to undertake, the audit the days would be held in reserve for another topic. The Four days originally allocated for a review of Procurement and Creditors / Purchasing in 2018/19 were reprioritised in year to allow additional work to be conducted on the HR and Payroll review and the review deferred until 2019/20.
- 2.80. The Audit Committee reviewed the Procurement Strategy and Annual Action Plan at its meeting on the 19 February 2019. The College Procurement Strategy outlined the College regulatory and operational requirements under the Procurement Reform (Scotland) Act as well as the aspirational aims of the Procurement function at the College. The paper had two parts: a review of procurement activity against the action plan for the year past (calendar year 2018) and the action plan continuing objectives for calendar year 2019. The strategy had the same three objectives as the prior year. The first objective states we will ensure fair and transparent opportunity for all current and potential suppliers including small and medium sized enterprises (SME's), third sector and voluntary organisations.
- 2.81. The Committee noted the paper which set out the review of procurement activity for the year past and the action plan for the 2019 calendar year. The Committee noted that in November 2018, the College decided to outsource procurement to APUC under their shared services scheme, and a new member of staff was currently being recruited to a new post. As a result, there would be much greater procurement and planning support as well as the ability to source suppliers from the APUC Framework.
- 2.82. At the time of this investigation information was requested on the college Procurement Policy and Procedures as well as procedures for awarding contracts without competition. Responses received from Perth College UHI confirmed that the Procurement Policy was in draft at December 2019 and that procurement procedures need updating. A non-competitive action policy was also in draft at December 2019.

- 2.83. At the 27 February 2019 Finance and General Purpose Committee a verbal update was provided on tenders - catering contract and residences by the Head of Estates and the Depute Principal (Academic). On the basis of this verbal report the Committee agreed to recommend to the Board the extension of the catering contract tender for a further year. The committee noted this would provide sufficient time for a tender timeline to be established and the advert to be placed in the Official Journal of the European Union (OJEU). The residences tender would also be extended for one year.
- 2.84. The Interim Head of Finance provided a spend analysis report which detailed a large volume of procurement expenditure that was recorded as non-compliant, had no contract, spend type reoccurring, had no exercise completed and require retendering⁴. The catering contract tender referenced above was the highest value supplier listed in the spend analysis as non-compliant.
- 2.85. There was evidence to suggest that procurement processes require review in order to provide assurance that they are compliant and assist in demonstrating value for money. Procedures should be implemented to ensure the requirements of the Financial Memorandum regarding proposals to award a contract greater than £25K without competition (non-competitive action) are approved, through the University, in advance of the SFC.
- 2.86. Recommendation**
- 2.87. *That the planned Internal Audit review of Procurement is carried out without delay to provide assurance that the College procurement processes are fit for purpose.*
- 2.88. *That the Procurement Policy and Procedures as well as procedures for awarding contracts without competition are finalised and communicated to appropriate staff.*
- 2.89. *That processes are implemented to ensure that the requirements of the Financial Memorandum are followed. 'Any proposal to award a contract without competition (non-competitive action) must be approved, through the University, in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval'.*
- 2.90. Risk Management**
- 2.91. The Audit Committee approved the risk appetite in September 2018. The Risk Appetite states that the portfolio of risk will be regularly reviewed by the Senior Management Team, Audit Committee and the Board of Management. At its 10 October 2018 meeting the Board did not formally review the risk appetite however it did note the Audit Committee Minute of the 10 September 2018.
- 2.92. The College risk register was prepared at a senior management level. The College does not have a risk identification process where departments, teams and projects identify, record and report risks that feed into an overarching college risk register. The current process reduces the transparency of the college's risk environment as departments, teams and projects are not actively contributing to the identification of risk on the College Risk Register.
- 2.93. Information Communications Technology (ICT) risks were included in the risk register on the 19 February 2019 as these were previously held in a separate risk register.
- 2.94. The Audit Committee routinely received and reviewed the risk register at each of its meetings. Review of the Board papers between June 2018 and October 2019 found that the Board had not received the risk register, at its December 2019 the Board reviewed the risk register. The Finance and General Purposes Committee had not received the risk register between May 2018 to 11 December 2019.
- 2.95. The following new risks were added to the risk register in December 2019:
- Risk 26 - Payroll: following the Internal Audit report and actions received by the Board, this risk area provides detail on progress to date and further actions required.
 - Risk 27 – Deferred Income: As discovered during 2018/19, this risk area highlights the potential impacts to the College should there be a challenge to the approach adopted.

⁴ Detail testing was not carried out by the UHI Head of internal Audit to verify the accuracy of this submission.

- Risk 28 – Procurement: Identified and commissioned as an area of investigation for Internal Audit during 2019/20.

2.96. Recommendation

- 2.97. *The College should review its risk management processes to ensure that risk identification processes are robust. Consideration should be given to departments, teams and projects establishing processes to identify, record and report on risks that feed into the overarching college risk register.*
- 2.98. *The Finance and General purposes committee should also review the risk register at regular intervals.*
- 2.99. *The Board should regularly review the risk register and ensure that risks are being managed in accord with its risk appetite.*

2.100. Code of Good Governance for Scotland's Colleges

- 2.101. The Clerk to the Perth College UHI Board confirmed that the evidence base for providing justification of compliance with the Code of Good Governance for Scotland's Colleges had not been prepared or reviewed ahead of the year end and would not have been in place to meet the required timescales of preparing and finalising the accounts for the year end.

2.102. Recommendation

- 2.103. *A robust evidence base to demonstrate compliance with the Code of Good Governance for Scotland's Colleges should be completed for scrutiny of the Audit Committee and the Board ahead of preparation of the governance statement in the annual accounts.*

3. CONCLUSION

- 3.1. The Head of Finance had reported concerns to the Chair of the Board prior to reporting them to Audit Scotland. The Chair of the Board was mindful of the difficulty of the situation and the strained working relationships between the Head of Finance and College Senior Management Team and sought to use an informal confidential process as a mechanism to try and facilitate a resolution to the situation. The Head of Finance agreed to participate with the informal confidential process established by the Chair and was advised that concerns could be reported formally. It is the UHI Head of Internal Audit's opinion that the alleged areas of concern reported to the Chair of the Board fell within the scope of the College's Whistleblowing Policy. However, the college lawyers saw no reason why the Chair of the Board could not proceed to try and resolve this informally in the first instance. The Perth College UHI Principal confirmed that the legal advice indicated that this was not whistleblowing and that an informal resolution would be acceptable acknowledging that the individual could ask at any point for the issue to be considered as whistleblowing.
- 3.2. There was evidence of significant issues surrounding high staff turnover in both the Finance and Human Resources teams. The staffing issues were in existence before the appointment of the Head of Finance. The Chief Operating Officer undertook the role of senior financial officer and left the College at the end of December 2018 and the post of Chief Operating Officer was not replaced. The Head of Finance then reported to the Vice Principal External after the Chief Operating Officer left, taking on some of the responsibilities of the more senior role. The Perth College UHI Principal was of the view that this was a minimal change of duties. A lack of awareness of the requirements of the Financial Memorandum between the University and Perth College UHI as well as the Scottish Public Finance Manual has led to several areas of non-compliance. Key supporting documentation that would aid compliance and assist staff in performing their roles, such as the Financial Regulations, procurement policies and financial procedures require update or further development. These factors have contributed to a weakened control environment due to loss of, or gaps in organisational knowledge, inhibition of effective team working, lack of knowledge transfer between staff and errors being made.
- 3.3. The college needs to improve processes to ensure transparency where potential issues are identified that could indicate control weaknesses and that these are formally reported (in the form of written reports) at the earliest opportunity to the Board (including through appropriate committees) and to the University as required under the Financial Memorandum. Formal investigations should be carried out to establish the facts, options for resolution presented for approval, action plans established, and implementation monitored.
- 3.4. Eighteen recommendations for improvement have been identified.

Draft Report Issued	6 February 2020
Main Report Accepted	21 February 2020
Action Plan Completed	27 February 2020

Appendix A - Action Plan

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.13	<i>Where a member of staff raises concerns that fall within the remit of the College Whistleblowing Policy that the Whistleblowing Policy is followed and that the Board is formally informed of the outcomes of the process.</i>	Perth College UHI will ensure all policies/procedures are followed. The policy will be reviewed this year, going to F&GP for approval in May 2020 and then Board in June 2020.	Head of HR & OD	End June 2020
2.23	<i>Conduct a review and establish the reasons for high staff turnover in the Finance and Human Resources teams and ascertain whether any other departments or teams are in a similar situation.</i>	A review of staff turnover will be carried out and any policy changes/lessons learned will be identified, evaluated and implemented.	Head of HR & OD	End March 2020
2.24	<i>Ensure that monitoring statistics on staff turnover form part of the Human Resources report to the Finance and General Purposes Committee. Additional statistics on staff turnover should also be reported so that there is transparency surrounding any departments or teams with high staff turnover.</i>	Systems issues have been identified and are in the process of being fixed. Additional statistics on staff turnover will be analysed and evaluated.	Head of HR & OD	End March 2020
2.39	<i>Improve processes to ensure that where potential issues are identified that could indicate control weaknesses these are formally reported (in the form of written reports) at the earliest opportunity to the Board (including through appropriate committees) and to the University as required under the Financial Memorandum. Formal investigations should be carried out to establish the facts, options for resolution presented for approval, action plans established, and implementation monitored.</i>	All policies/ processes are subject to review as defined in our review schedule, this finding will be taken into account when individual policies/processes are reviewed as part of the cycle. Most process improvements have been highlighted in our internal auditor's report and will be addressed through the accompanying action plan.	Policy owners	As per schedule

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.40	<i>The Board through the Audit Committee should seek assurance from the College Principal that Certificates of Assurance (including schedule of required assurances) provided to the Accountable Officer of the Scottish Funding Council to provide assurance to the Principal Accountable Officer of the Scottish Government are prepared robustly.</i>	This requirement will form part of the process which defines the steps in concluding our accounts sign off.	Clerk to the Board of Management	At appropriate time within the Board cycle
2.49	<i>Management should provide timely information in the form of written papers to all relevant committees as well as the Board to enable absolute transparency surrounding issues as well scrutiny of any decisions making, or action proposed or required. The Board should be regularly provided with the management accounts and the college risk register.</i>	This requirement will be built into our way of working going forward. The risk register is now present at multiple board committees and is updated regularly. All board papers are disseminated 1 week before the committee.	All authors of Board papers	Immediate
2.55	<i>Ensure that the requirements of the Financial Memorandum between the College and the University are communicated to all relevant staff and that that processes are implemented to ensure compliance.</i>	An appropriate communication will be sent to all relevant staff members. For new members of staff (appropriate), this will be included in their induction.	Interim Head of Finance	End March 2020
2.62	<i>Ensure that the requirements established in the SFC guidance and SPFM regarding settlement agreements are implemented and complied with.</i>	This will be implemented immediately; the Principal has undertaken the mandatory training as required by Scottish Government.	Principal	Immediate
2.66	<i>Review, update and communicate to all staff the Financial Regulations.</i>	This will be reviewed, and training provided to all relevant staff.	Head of HR & OD/Interim Head of Finance	End July 2020

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.70	<i>To assist in the proper operation of the finance department, financial procedures should be documented. These should provide sufficient detail of tasks, roles and responsibilities and key control processes. Procedures should be prepared in a way that readily assists and facilitates knowledge transfer to new staff.</i>	These procedures will be reviewed with the staff in the Finance team to ensure an accurate reflection of the processes to ensure smooth handover. A more detailed induction process will also be developed for all new staff.	Vice Principal	End April 2020
2.71	<i>System login details and passwords should not be recorded in procedure notes.</i>	Noted. This has now been rectified.		Completed
2.87	<i>That the planned Internal Audit review of Procurement is carried out without delay to provide assurance that the College procurement processes are fit for purpose.</i>	This forms part of the schedule of work for the current year.	Principal	End July 2020
2.88	<i>That the Procurement Policy and Procedures as well as procedures for awarding contracts without competition are finalised and communicated to appropriate staff.</i>	APUC have completed the draft documentation for discussion/agreement. This will now go through the Board approval process.	Vice Principal	End March 2020
2.89	<i>That processes are implemented to ensure that the requirements of the Financial Memorandum are followed. 'Any proposal to award a contract without competition (non-competitive action) must be approved, through the University, in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval'</i>	Noted – this is incorporated in action 2.88.	Interim Head of Finance	As above

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.97	<i>The College should review its risk management processes to ensure that risk identification processes are robust. Consideration should be given to departments, teams and projects establishing processes to identify, record and report on risks that feed into the overarching college risk register.</i>	This process has been on-going through the current year's Board cycle and will be completed and reviewed at the end of the cycle.	Clerk to the Board of Management	End of Board cycle 2019/20
2.98	<i>The Finance and General purposes committee should also review the risk register at regular intervals.</i>	Noted – as above.	Clerk to the Board of Management	End of Board cycle 2019/20
2.99	<i>The Board should regularly review the risk register and ensure that risks are being managed in accord with its risk appetite.</i>	Noted – as above.	Clerk to the Board of Management	End of Board cycle 2019/20
2.103	<i>A robust evidence base to demonstrate compliance with the Code of Good Governance for Scotland's Colleges should be completed for scrutiny of the Audit Committee and the Board ahead of preparation of the governance statement in the annual accounts.</i>	This will be amended immediately and incorporated in the accounts process for 2019/20.	Clerk to the Board of Management/Vice Principal	Immediate

Committee	Audit Committee
Subject	Audit Action Plan
Date of Committee meeting	10/03/2020
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	05/03/2020
Executive summary of the paper	<p>The attached paper provides Committee with the DRAFT Project Status Table for the combined Audits Action Plan.</p> <p>Committee's views are sought on the layout and format of the Status Table.</p> <p>The following points are to be noted:</p> <ul style="list-style-type: none"> • This document remains a work in progress, and it is expected that additional lines will require to be added. In addition, a Culture stream is planned for addition. • The Table shows the top-line information only; the full document includes planning mechanisms, workflows, etc.
Consultation How has consultation with partners been carried out?	<p>Action Leads were consulted to provide information and context where available.</p> <p>An updated version of this document is due to be tabled at the Board of Management meeting, 18 March 2020.</p>
Action requested	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval

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<p>Resource implications (If yes, please provide details)</p>	<p>No</p>
<p>Risk implications (If yes, please provide details)</p>	<p>No Click or tap here to enter text.</p>
<p>Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>Paper collates areas recognised as risks to the College.</p>
<p><u>Equality and diversity</u> Yes/ No If yes, please give details:</p>	<p>No</p>
<p>Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No If yes, please give details: Click or tap here to enter text.</p>

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<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>Open business</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

<p>Its disclosure would substantially prejudice a programme of research</p>	<input type="checkbox"/>	<p>Its disclosure would substantially prejudice the effective conduct of public affairs</p>	<input type="checkbox"/>
<p>Its disclosure would substantially prejudice the commercial interests of any person or organisation</p>	<input type="checkbox"/>	<p>Its disclosure would constitute a breach of confidence actionable in court</p>	<input type="checkbox"/>
<p>Its disclosure would constitute a breach of the Data Protection Act</p>	<input type="checkbox"/>	<p>Other [please give further details] Click or tap here to enter text.</p>	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Audit Action Plan Project Status Table

Ref	Project	Lead	Timescale	Source	Current Status	Status Update
Finance Action Plan						
1	Commission internal Audit Action Plan	VPEE/PPO	Feb-20	EY Appendix D: 7	In progress	
2	Utilise the programme of internal and external audits	HoF	Dec-20		In progress	
3	Positively engage with Auditors (UHI/ Internal/ External)	HoF	Feb-20		In progress	
4	Relevant staff informed of steps to be taken from Audit Action Plan	P&CE/VPEE	Feb-20	EY Appendix D: 7	Complete	
5	Utilise the Risk Register as a proactive tool to inform internal and external audit plan	HoF				
6	Review Finance staffing structure	HoF	Feb-20	EY Appendix D: 1 & 5	Complete	All positions are now filled with the exception of the Interim Head of Finance who is appointed to a fixed-term contract pending a revised structure
7	Appoint Finance Director	HROD	Mar-20	EY Appendix D: 1 & 5	In progress	Appointment of Director of Finance approved by Remuneration Committee Feb-20.
8	Complete transition to Government Bank Service	HoF	Mar-20	EY Appendix D: 7	In progress	
9	Review and Improve Induction Process for all staff	HROD	Dec-20	EY Appendix D	In progress	
10	Implement a documented set of financial procedures for the Finance Team	VPEE	Apr-20	UHI Action Plan: 2.70	In progress	These will be reviewed with team members to ensure accurate reflection of processes, aligned with review of induction procedures for new
11	Secure storage of system logins and passwords		Feb-20	UHI Action Plan: 2.71	Complete	This has been rectified with logins/passwords no longer kept alongside procedures
12	Implement Training Needs Analysis and CPD for Finance Team	HoF	Dec-20	EY Appendix D: 5	In progress	
13	Generate £600k savings within 2019/20 budget to achieve a balanced budget	HoF	Jun-20		In progress	College consultation process is currently underway
14	Develop a robust 2020/21 budget plan	HoF	May-20		In progress	
	FFR to be presented in a timely manner to allow Board sufficient scrutiny	HoF	Sep-20	EY Appendix D: 9	In progress	This will be carried out through closer scrutiny of the risk attached to the draft International and Business Development Strategies
15	Revisit assumptions within Financial Forecast Return (FFR) 2019 to 2024	HoF	Sep-20	EY Appendix D: 9	In progress	
16	Develop scenario planning, modelling and fiscal/budget assumptions	HoF	Sep-20	EY Appendix D: 10		
17	Implement scenario planning exercise with College Board	HoF/BOM	Sep-20	EY Appendix D: 9		
18	Undertake CMT and BOM development sessions for FFR	HoF	Jul-20	EY Appendix D: 10		
19	Implement combined financial reports	HoF/VPEE	Jul-20			
20	Complete impact assessment on implementation of the revised Statements of Recommended Practice (SORP)	HoF	Jul-20	EY Appendix D: 4		
21	Create a common costing model across all strands of income	HoF/VPEE	Jul-20			

22	Provide financial reports and metrics to support AST Board reporting	HoF/VPEE	Jul--20			
23	Create and implement a financial plan for the Aviation Academy for Scotland	HoF	Jul--20			
24	Provide timely financial reports and metrics to Board and Committees	HoF/BOM	Feb-20	EY Appendix D: 6		
25	Implement an information pack to manage the business	HoF/BOM/ Budget Holders	Dec-20	EY Appendix D: 6		
26	Effective communication of the Financial Memorandum between College and University to relevant college staff	HoF	Mar-20	UHI Action Plan: 2.55		A communication will be sent to relevant staff and will be included in the induction process for new staff
27	Update college Financial Regulations approved by BOM March 2013	HoF/BOM	Jul-20	UHI Action Plan: 2.66		
28	Communicate Financial Regulations to all staff	HoF	Jul--20	UHI Action Plan: 2.66		This will be reviewed and training provided to all staff
29	Complete all statutory financial returns to government and funding bodies	HoF	Jul-20			
30	Proactively engage with UHI as the Regional Strategic Body	HoF	Jun-20			
31	Increase engagement with UHI Finance	HoF	Jun-20	EY Appendix D: 9		
32	Create KPI financial sustainability metrics for the Balanced Scorecard	HoF/PPO	Jun-20			
33	Develop a transition plan to move from manual to electronic processes	HoF	Jul--20	EY Appendix D : 7		
34	Reduce Manual Processes	HoF	Sep-20	EY Appendix D: 1		
35	Implement improved management of cash flow	HoF	Jul-20			
36	Develop a revised approach and timetable for the production of financial statements/YE processes	HoF	Jul-20	EY Appendix D: 1 & 7		
37	Improve year end efficiencies	HoF	Aug-20	EY Appendix D: 1		
38	Prepare audit ready year end accounts in compliance with the Code of Good Governance	HoF	Aug-20	EY Appendix D		
39	Implement quality control and review processes across all transactions	HoF	Sep-20	EY Appendix D: 2		
40	Implement an improved budgeting and contract management process	HoF/VPEE	Jun-20	EY Appendix D: 3		
41	Improve communication between Finance and College Teams	HoF	Jun-20	EY Appendix D: 3		
42	Carry out planned internal audit review of procurement	P&CE	Jul-20	UHI Action Plan: 2.87	In progress	Agreed calendar of internal audits for 2020 is in progress
43	Put APUC contract in place	VPEE	Feb-20	EY Appendix D: 14	Complete	
44	Approve and implement the College's Procurement Strategy	HoF/APUC/ VPEE	Jul--20	EY Appendix D: 14 UHI Action Plan: 2.88	In progress	Draft procedure/policy going to Audit Committee for approval on 10 March
45	Approve and implement the College's Procurement Policy	HoF/APUC/ VPEE	Jul--20	EY Appendix D: 14 UHI Action Plan: 2.88	In progress	Draft procedure/policy going to Audit Committee for approval on 10 March
46	Implement procurement process for non-competitive action	HoF	Mar-20	UHI Action Plan: 2.89		This is incorporated into draft Procurement Policy/Procedure going to March Audit Committee for approval
47	Implement compulsory PO's across all supplies and services	HoF/APUC	Jul--20	EY Appendix D: 14		

48	Implement greater supplier management systems	HoF/FinAsst	Jul-20			
49	Implement Procurement Training across all teams	HoF/APUC/HROD	Aug-20	EY Appendix D: 14 UHI Action Plan:		
50	Update procurement contracts register to track 3 year contract values	VPEE/APUC	Jul--20	EY Appendix D: 14		
51	Re-tender non-compliant contracts	VPEE/APUC	Jul--20	EY Appendix D: 14		
52	Implement NFI self-assessment form	HoF	May-20	EY Appendix D: 8		Self-assessment form agreed and launched
53	Update Fraud Response Plan	HoF	Jun-20	EY Appendix D: 8		
54	Implement Fixed Asset Register	HoF/HoE	Jul-20	EY Appendix D: 7		To ensure up to date financial systems are in operation
Future Financial Planning						
55	Review financial risk attached to Business Development Strategy	HoF/VPEE	Jun-20	EY Appendix D: 9		
56	Review financial risk attached to International Strategy	HoF/VPEE	Jun-20	EY Appendix D: 9		
57	Review financial risk attached to Scholarship and Research Strategy	HoF/VPEE	Jun-20	EY Appendix D: 9		
Payroll Systems						
58	Implement payroll action plan	Payroll/HROD	Feb-20	2018/19 Internal Audit: R1	Complete	
59	Ensure differences between gross salaries on HR & Payroll systems are rectified	Payroll/HROD	Dec-19	2018/19 Internal Audit: R1	Complete	A monthly review following each payroll run is carried out to identify and amend any real time errors
60	Consider an annual reconciliation between gross salaries on HR & Payroll systems	Payroll/HROD	Dec-19	2018/19 Internal Audit: R1	Complete	A monthly review following each payroll run is carried out to identify and amend any real time errors
61	Amend payroll user rights to ensure appropriate levels of access/currency/accuracy	Payroll/HROD	Oct-19	EY Appendix D: 7 2018/19 Internal Audit: R2	Complete	Payroll Manager deleted the old user names leaving only themselves, Payroll Asst, and secondary Supervisor with user rights
62	Strengthen controls around variations to staff salaries	Payroll/HROD	Feb-20	EY Appendix D: 7 2018/19 Internal Audit: R4	Complete	From November Head of HR&OD will physically sign a hard copy of the final tracker document, prior to this being scanned and sent to Payroll Manager. Any changes made after the tracker is sent must have the Head of HR
63	Implement more robust procedures to calculate union/pension employee deduction	Payroll/HROD	Dec-19	2018/19 Internal Audit: R3	Complete	A review was carried out to check and amend bandings to reflect any salary changes
64	Implement more robust systems to ensure that payroll amounts are correctly calculated	Payroll/HROD	May-20	2018/19 Internal Audit: R5	In progress	HR team will create an error log signed off by Head of HR&OD as an interim measure to understand any errors/learning from the process/procedure. Future actions include looking at the high number of pay elements defaulted onto employee records which increases the opportunity for error
65	Provide formal training to the Payroll Finance Assistant	Payroll/HROD	May-20	2018/19 Internal Audit: R5	In progress	This will form part of the training needs analysis and cpd action plan for the Finance Team
66	Rectify errors in NI	Payroll/HROD	Jun-20	EY Appendix D: 7	In progress	An issue has been identified of incorrect NI contributions for both employer/employee for staff members with multiple posts

67	Inform staff of errors in NI payments	Payroll/HROD	Apr-20	EY Appendix D: 7 2018/19 Internal Audit Report: R9	In progress	The number of staff whose multiple tax codes comes to over S1250L is now 2. Staff are completing additional new starter checklists to prevent this happening for new staff
68	Introduce payroll checklist mechanisms	Payroll/HROD	Feb-20	EY Appendix D: 7 2018/19 Internal Audit R7	Complete	System in place for independent sign off of payroll checklists each month
69	Ensure that variance reports have been checked and signed off	Payroll/HoF	May-20	2018/19 Internal Audit: R6	In progress	The current report has been identified as not fit for purpose. Using the Payslip summary report to check would be more effective in identifying
70	Consider an independent check of the Payroll Team's own payroll salaries	Payroll/HoF	Dec-19	2018/19 Internal Audit: R6	Complete	There has to be an element of trust that Payroll staff are not processing overpayments to themselves. The payroll reports used by the
71	Ensure regular reconciliation of payroll accounts	HoF/ Fin Acctnt	May-20	2018/19 Internal Audit: R8	In progress	Payroll Manager/College Financial Accountant looking to carry out monthly reconciliations of payroll accounts as part of closing down payroll period for the month. Further progress required.
72	Invest in a managed service for Ciph	Payroll/ HROD	Feb-20	EY Appendix D: 7	Complete	One year managed service now in place
73	Carry out internal audit of pensions and tax payments	Payroll/ HROD	Feb-20	EY Appendix D: 7	Complete	
74	Voluntary disclosure to HMRC on internal control issues eg tax payments & pensions contributions	Payroll/ HROD	Feb-20	EY Appendix D: 7	Complete	
75	Pension - 2 contracts	Payroll/ HROD				
76	Lump Sum	Payroll/ HROD				
HR Systems						
77	Review of high staff turnover in Finance & HR	HROD	Mar-20	UHI Action Plan: 2.23	In progress	
78	Incorporate formal processes for 'movers' into existing starter/leavers processes	HROD	May-20	2018/19 Internal Audit	In progress	Monthly change report will be implemented from May 2020 once work in
79	Roll out training on Financial Regulations to all staff	HROD/HoF/BO M	Jul--20	UHI Action Plan: 2.66	Not yet started	This will be done once the review and approval of the College Finance Regulations has been completed by HoF/BOM
Governance and Board of Management						
80	Review College Risk Register process	P&CE/Clerk to BOM	Jun-20	EY Appendix D: 11 UHI Action Plan: 2.97. 2.98	In progress	Process has been reviewed and is managed by the Clerk to the Board. The process has been on-going through current year's Board cycle and will be reviewed at the end of the academic year
81	College Board to regularly review Risk Register and ensure risks are in accord with risk appetite	Clerk to BOM/BOM	Jun-20	EY Appendix D: 11 UHI Action Plan: 2.99	In progress	Process has been reviewed and is managed by the Clerk to the Board. The process has been on-going through current year's Board cycle and will be reviewed at the end of the academic year
82	Review College Annual Governance Plan	P&CE/Clerk to BOM	Jul-20	EY Appendix D: 11		
83	Include financial monitoring updates on Board agendas	P&CE/Clerk to BOM	Jul--20	EY Appendix D: 11		
84	Compliance with requirements set out by SFC and SPRM re settlement agreements	P&CE	Feb-20	UHI Action Plan 2.62		This will be implemented with immediate effect; the College Principal has completed the mandatory training required by the Scottish Govt.
85	Review process for reporting and approval of settlement agreements by Board	P&CE/Clerk to BOM	Jul--20	EY Appendix D: 11	In progress	

86	Review college Governance Statement	P&CE/Clerk to BOM	Jul--20	EY Appendix D: 12	In progress	This will be incorporated with immediate effect into the accounts process for 2019/20
87	Provision of robust evidence base demonstrating compliance with Code of Good Governance to Audit Committee and BOM as part of preparation of governance statement	Clerk to BOM	Feb-20	UHI Action Plan: 2.103	In progress	This will be incorporated with immediate effect into the accounts process for 2019/20
88	Implement further improvements to Balanced Scorecard	P&CE/Clerk to BOM	Jul--20	EY Appendix D: 13	In progress	
89	Include staff turnover HR report to Finance & General Purposes Agenda	HoHR&OD/ Clerk to BOM	Mar-20	UHI Action Plan: 2.24	In progress	
90	Timely management reporting to relevant committees	SMT/CMT/Clerk to BOM et al	Feb-20	UHI Action Plan: 2.49	In progress	This requirement will form part of a new college approach to management reporting.
91	Timely management accounts reporting to Board and committees	SMT/CMT/Clerk to BOM et al	Feb-20	UHI Action Plan: 2.49	In progress	This requirement will form part of a new college approach to management reporting.
92	Report outcomes of Whistleblowing Procedure to Board	P&CE/BOM	Jun-20	UHI Action Plan: 2.13	In progress	System issues have been identified and in the process of being fixed, this will remedy the problem and allow for full reporting
93	Review of Whistleblowing Policy to go to F&GP for approval	HROD	Jun-20	UHI Action Plan: 2.13	In progress	
94	Confirm robustness of Certificates of Assurance with Audit Committee & Board	Clerk to BOM	Mar-20	UHI Action Plan: 2.40	In progress	This requirement will form part of the process for accounts sign-off
95	Ensure control issues, ie material non-compliance are formally reported to Board & Committees	P&CE	Jun-20	UHI Action Plan: 2.39	In progress	
96	Ensure control issues ie material non-compliance, are formally reported to the UHI as required under Financial Memorandum	P&CE	Feb-20	UHI Action Plan: 2.49	In progress	
97	Implement formal investigations of control issues ie issues of material non-compliance	P&CE	Feb-20	UHI Action Plan: 2.49	In progress	
Equality Action Plan						
98	Embed equality actions are built into self-evaluation and operational objectives processes Direct academic team focus to courses with >25% gender gap	SMT/PPO/E&D	Dec-20	2018/19 Internal Audit: R3	In progress	Will be built into guidance for 2020/21 team self-evaluation and operational objectives processes
99	Develop an Equality and Diversity Strategy	HROD	Mar-20	2018/19 Internal Audit: R1	In progress	Covered by Equalities Mainstreaming Report and action plan due for publication by the end of March 2020.

100	Develop an Equality and Diversity operational plan	HROD	Mar-20	2018/19 Internal Audit: R2	In progress	Covered by Equalities Mainstreaming Report and action plan due for publication by the end of March 2020.
101	Benchmarking of college protected characteristics statistics for staff and students	HROD, HoSE, E&D	Feb-20	2018/19 Internal Audit: R4	Complete	
102	For staff and students, identify areas with disproportionately low representation by those with protected characteristics	HROD, HoSE, E&D	Feb-20	2018/19 Internal Audit: R4	Complete	Analyse impact of related EREP 2019-21 areas for development
103	Publish a map of equalities documents showing how they relate to one another	HROD, E&D	Mar-20	2018/19 Internal Audit: R5	In progress	Covered by Equalities Mainstreaming Report and action plan due for publication by the end of March 2020.
104	Review and clarify remit of EDIT	HROD, E&D	Nov-19	2018/19 Internal Audit: R6	Complete	The work commenced at November 2019 EDIT meeting has now been completed
105	Clarify and implement role of Equality Champions	HROD, E&D	Jun-20	2018/19 Internal Audit: R7	In progress	Paper setting out Equality Champion role/purpose presented to SMT and EDIT autumn 2019. Discussions have taken place at staff conference, at EDIT and with HISA. Revised completion date 30 June 2020
106	Review the Equality Impact Assessment (EIA) process to ensure all policies and procedures are compliant	HROD, E&D, Quality	Jun-20	2018/19 Internal Audit: R8	In progress	Quality Office hold the master schedule of policies and procedures. All policies under review will have an EIA, and a accessible record kept centrally by Quality. A new full EIA form is being drafted.
107	Review and check for accuracy calculations for the College's equalities reports	HROD	Mar-20	2018/19 Internal Audit: R9	In progress	The reports created by the E&D Adviser are checked by the Head of HR&OD. Report is due by end of March 2020.
Policies and Procedures						
108	Review master schedule of policies and procedures		Jun-20			
109	Set up SLWG looking at approval process for policies and procedures	Quality Manager/Clerk to BOM	Mar-20		In progress	Members for this SLWG have been identified and a meeting will be scheduled for March 2020
Communications						
110	Develop a Communications Strategy for internal and external stakeholder	VPEE/ Marketing	Aug-20			This is a key objective for VPEE
111	Take forward staff Intranet Project		Mar-20			
Public Sector Reporting Duties						
112	Publish annual gross carbon footprint on college website	Estates/FOI	Jun-20			Information is currently reported externally through Sustainable Network portal and internally through the college's Balanced Scorecard

Committee	Audit Committee
Subject	Business Continuity Plan - Coronavirus Update
Date of Committee meeting	10/03/2020
Author	Ian McCartney, Clerk to the Board
Date paper prepared	04/03/2020
Executive summary of the paper	Attached documentation provides Audit Committee with the Global Incident section of the Business Continuity Plan updated to reflect management approach to the recent Coronavirus outbreak. A full risk assessment is also provided.
Consultation How has consultation with partners been carried out?	Members of the Strategic Direction and Tactical Management Team, and the Health, Safety & Wellbeing Adviser have been engaged in the process
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No Click or tap here to enter text.
Link with strategy	

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<p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u> Yes/ No If yes, please give details:</p>	No
<p><u>Data Protection</u> Does this activity/ proposal require a Data Protection Impact Assessment?</p>	No Click or tap here to enter text.
<p>Status (e.g. confidential/non confidential)</p>	Non-Confidential
<p>Freedom of information Can this paper be included in “open” business?*</p>	Open business

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

<p>Its disclosure would substantially prejudice a programme of research</p>	<input type="checkbox"/>	<p>Its disclosure would substantially prejudice the effective conduct of public affairs</p>	<input type="checkbox"/>
<p>Its disclosure would substantially prejudice the commercial interests of any person or organisation</p>	<input type="checkbox"/>	<p>Its disclosure would constitute a breach of confidence actionable in court</p>	<input type="checkbox"/>

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Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>
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For how long must the paper be withheld? Click or tap here to enter text.

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and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



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CHAPTER 5: BUSINESS CONTINUITY PLAN

Part 4 – Actions Required for: Global Incident (e.g. Pandemic Flu, Volcanic Ash, Norovirus)

UPDATED	March 2020
AUTHOR	Depute Principal
DOCUMENT OWNER	Depute Principal
VERSION No	5.0
NEXT REVIEW	January 2023

Section 1: Plan Owner

STRATEGIC DIRECTION TEAM MEMBER (Plan Owner / Maintainer)	TACTICAL MANAGEMENT TEAM MEMBER (Deputy Owner / Plan Implementer)
Depute Principal	Head of HR and OD

Section 2: Threat background and threat strategy

Risk Number	Description	Mission Critical Areas impacted
1	Global incident (eg pandemic flu, volcanic ash, Norovirus)	1-7
<p>Threat strategy and status of strategy – significant likelihood – critical impact: C2 Significant number of staff and students unable to undertake work or studies due to serious illness which is contagious or unable to travel. All areas, randomly, affected. No immediate solution available and long term absence of those affected likely. The strategy is to close the college or reduce availability of services to avoid further infection and exacerbation of long term illness. To comply with national guidelines.</p>		

Note

- There is a tracking system for attendance or illness in place to monitor levels and trigger the “incident”.
- That the incident is a national/international, not purely college-wide issue.
- That national guidelines are in place to support implementation strategy.
- That national communication is effective and can be applied locally.
- That there is a cascading system for responsibility if SMT and HR are all affected.
- That the generic communication plan is in place and includes source of data, external relevant contacts etc

Section 3: Response Actions

No	Actions to maintain service	Priority / Timing	Accountability	Complete
	[how will you maintain a 'minimum acceptable' level of service]	Timing (High < 24 hours, Medium 2 – 3 days, Low (relative) > 3 days)	[responsibility for actions]	
1	Attendance or sickness monitoring information identifies a growing level of absence impacting on business services.	When absence level reaches 15% of workforce “monitoring” is triggered on a daily basis.	SMT	
2	Access list of key external and internal contacts as appropriate	High	SMT, Head of HR and OD	
3	Refine and communicate with relevant staff the cascade of responsibility process in light of key managers being affected.	High	Depute Principal, Head of HR and OD	
4	At 15% absence: contact relevant government agencies to advise of circumstances and seek advice about future actions;	Medium	Head of HR and OD	
5	Prepare press release and customise generic communication plan for students, staff and employers.	Medium	Vice Principal, External	
6	Review generic e-mail listings or mailings of staff, students and employers. Create draft press release Review press contact lists	Medium	Vice Principal, External	
7	Readjust student activities in light of teaching staffing available	Medium	Associate Principal, Academic	
8	Readjust support staff roles and responsibilities to ensure minimum level of service	Medium	Head of HR and OD	

No	Actions to maintain service	Priority / Timing	Accountability	Complete
9	Communicate all of above to staff, students, employers	Medium	Depute Principal and Vice Principal, External	
10	At 30% absence consider college open/closed status and range/level of services to be made available	High	Principal, SMT	
11	Communicate college closure or reduced services using planned communication plan	High	Vice Principal External	
12	Make decision of length of college closure or reduction in services	High	Principal, SMT	
13	Review Government or Government Agency instructions and adjust incident plan accordingly.	Medium	Head of HR and OD	
14	Incident group communication maintained on daily basis until decision to re-open college or return to full operation. Group leader to telephone all members at 11am each morning.	On-going	Vice Principal External	

Section 4: Strategic Direction Team

Person (role / specialist area)	Contact	Deputy	Contact	Outside contact
Principal	Margaret.Cook.perth@uhi.ac.uk 07552211669	Clerk to Board of Management	ian.mccartney2.perth@uhi.ac.uk	Chair of the Board
Depute Principal	Lorenz.Carins.perth@uhi.ac.uk 07979436098	Head of Student Experience	Deborah.lally.perth@uhi.ac.uk	
Vice Principal, External	Veronica.Lynch.perth@uhi.ac.uk 07968602939	Marketing Team Leader	lisa.findlay.perth@uhi.ac.uk	
Associate Principal Academic	Catherine.etri.perth@uhi.ac.uk 07834269560	Head of HR and OD	katy.lees.perth@uhi.ac.uk	Relevant Scottish Gov contact Relevant PKC contact

Note: it is not necessary to list all managers and staff that may be involved in carrying out actions as this depends on the exact nature of the incident and who is available.

Please refer to Appendix 1 for additional details re role Strategic Direction Team.

Section 5: Additional information

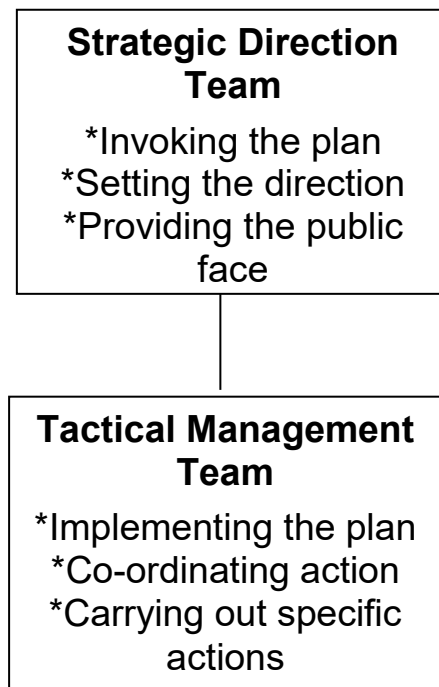
Area	Description	
Staff communication methodology	Adaptation of generic communication plan for staff	
Staff welfare issues (if applicable)	Communicate availability of helplines for welfare advice – continue after incident	
Specific key stakeholders (including contact details)		
Scottish Gov contact For further information and guidelines on Influenza and Pandemic Flu please follow the links below. http://www.hps.scot.nhs.uk/index.aspx http://www.dh.gov.uk/en/Publichealth/Flu/PandemicFlu/index.htm http://www.who.int/csr/disease/swineflu/en/index.html http://www.nhs.uk/AlertsEmergencies/Pages/Pandemicflualert.aspx	Role - advice and guidance	Contact: 0800 1 513 513 Pandemic Flu Information 08454 24 24 24 – NHS 24 NHS 111
Perth & Kinross Council contact	Role – advice and guidance	Contact: 01738 475000
Perth & Kinross Council contact/Tayside SCG	Role – Health, Safety and Wellbeing Manager	01738 475879 Emergency pager 24/7: 07659105740
HPA http://www.hpa.org.uk/Topics/InfluenzaAZ/PandemicInfluenza/	Role – advice and guidance	pandemicflu@hpa.org.uk
Scottish Funding Council	Role – advice and guidance	Chief Executive 0131 313 6502
Documents and Records recovery (if appropriate)		
Pandemic Flu Guidelines for FE and HE Institutions (Scottish Govt) Preparing Scotland: Resilience Guidance (Scottish Govt, June 2016) https://www.readyscotland.org/ready-government/preparing-scotland/		

Appendix 1: Incident Management Structure

The purpose of the incident management structure is to form and react as soon as possible to the incident. On forming, those present can take decisions to apply appropriate resources to deal with an event as it occurs (ideally to prevent it becoming a crisis). It is essential for this reason that the team be made up from individuals representing core areas of the college.

A two-layer level of response is in place depending on the nature and scope of the incident, per below.

Structure Chart



	Role	Identified Person	Contact Details
Strategic Direction Team	<p>The Strategic Direction Team is made up of the senior managers and those that would represent the College in the media.</p> <ul style="list-style-type: none"> • Provides strategic direction. • Holds ultimate responsibility. • Represents the public face of the organisation. • Liaison with those invoking Emergency Procedures. 	Principal Depute Principal Vice Principal Associate Principal Chair of Board of Management	07550 011669 07979 436098 07968 602939 07834 269560 07990 557466
Tactical Management Team	<ul style="list-style-type: none"> • Assumes responsibility for co-ordinating incident management. • Provides detailed direction to managers and staff to effectively manage the incident at an operational level. • Reports up to and advises the Strategic Direction Team. 	Head of Business Development Head of Student Experience Head of Finance Head of HR and OD Head of Learning & Teaching Enhancement Acting ICT Manager Estates Team Leader AST General Manager Marketing Team Leader Clerk to the Board of Management Sector Development Directors: <ul style="list-style-type: none"> • BMCL • STEM • CCI • ALS 	07967 170078 07812 669201 07552 211661 07557 139090 07812 669240 07967 170073 07920 703903 07971 114461 07976 049881 07530 568821 07779 252179 07792 234915 07557 211521 07812 669228

Appendix 2: Communications Plan

Communications with the Media and Staff in the Event of Pandemic Virus

Description	Primary Responsibility
External Communications	
Web page (updated twice daily): www.perth.uhi.ac.uk	Marketing Team Leader
Facebook (sharing of agency updates): http://www.facebook.com/perthcollegeuhi	Marketing Team Leader
Twitter (sharing of agency updates) http://twitter.com/PerthUHI	Marketing Team Leader
Media: Radio Tay; Perth Advertiser: Courier	Marketing Team Leader
Internal Communications	
All-Staff and All-Student Emails	Acting ICT Manager
Student Portal: MyDay	Head of Student Experience
Poster advice on entrance doors	Marketing Team Leader
Edutext	Head of Student Experience
Switchboard	Acting ICT Manager

Sample Messages (to be amended to suit media):

1 - Initial Awareness

A Perth College UHI spokesperson said: “Perth College UHI will continue to take advice from Health Protection Scotland, NHS Tayside and the Scottish Government. We are supporting any new information that comes to light and our business continuity procedures will be actioned with immediate effect if required.

“Educational institutions and partner agencies across Scotland – including Perth College UHI – have been preparing for a pandemic virus for some time and there are robust procedures in place to deal with the impact on our staff and students.

“For Perth College UHI-specific updates, please see our website: www.perth.uhi.ac.uk or Facebook or Twitter.

“We all have a vital role to play in helping contain any outbreak by following the latest health and travel advice and by washing our hands frequently and making sure we sneeze and cough into a tissue before putting the tissue straight into the bin.”

2 - Outbreak worsening (localised threshold = 15% absence – subject to change based on Government guidelines)

A Perth College UHI spokesperson said: “We have been closely monitoring attendance and sickness levels and identified the growing level of absence due to the recent **[virus/infection]** is now impacting on our business services. Educational institutions and partner agencies across Scotland – including Perth College UHI – have been preparing for a pandemic virus for some time and there are robust procedures in place to deal with the impact on our staff and students.

“We are working with Health Protection Scotland, NHS Tayside and the Scottish Government to advise on current circumstances and taking advice on future actions.

“For Perth College UHI-specific updates, please see our website: www.perth.uhi.ac.uk or Facebook or Twitter.”

3 – Outbreak critical (localised threshold = 30% absence – subject to change based on Government guidelines)

A Perth College UHI spokesperson said: “The impact of the **[virus/infection]** is now at a critical point and due to government advice, we have had to make the necessary decision to close, in order to protect the welfare of our student, staff and the wider community.

“We are continuing to inform and take advice from Health Protection Scotland, NHS Tayside and the Scottish Government for future measures.

“For Perth College UHI-specific updates and timeframes, please see our website: www.perth.uhi.ac.uk or Facebook or Twitter.”


General Risk Assessment Form

(Management of Health and Safety at Work Regulations 1999)

Form A



Reference No: HSWA-01-20

Curriculum Area/ Department:	College Campus	Risk Assessors (Name/Position):	Ian Bow (HSWA)	Date of Assessment:	03/03/2020
Description of Activity:	<p>Routes of Infection and control of spread of new Coronavirus (COVID-19) throughout Perth College Campus.</p> <p>Information about the virus: A coronavirus is a type of virus. As a group, coronaviruses are common across the world. COVID-19 is a new strain of coronavirus first identified in Wuhan City, China in January 2020. The incubation period of COVID-19 is between 2 to 14 days. This means that if a person remains well 14 days after contact with someone with confirmed coronavirus, they have not been infected.</p> <p>Symptoms may develop in the 14 days after exposure to someone who has COVID-19 infection, cough, difficulty in breathing, high temperature, fever. Generally, these infections can cause more severe symptoms in people with weakened immune systems, older people, and those with long-term conditions like diabetes, cancer and chronic lung disease.</p> <p>This assessment shall be kept under constant review and follow guidance from the UK and Scottish Governments, NHS Tayside Healthcare Professionals and Medigold Occupational Health Provider</p>				
Approved By (Name/Position):	Date Approved/Signature:		Review Date:		
Lorenz Cairns, Depute Principal, Academic	04/03/2020 				

Date Reviewed	Name	Position	Signature

Please refer to General Risk Assessment Form B 'Guidance for Completion' prior to using this form.

Ref No	Hazard/Harm	Person at Risk	Existing Controls	Severity	Likelihood	Risk Score	Further Controls if Required	Residual Risk Score	Person to Action Control	Date Action to Complete	Date Action Completed
01	<p>Hazard</p> <p>Persons travelling back to UK, Perth College from Category 1 and 2 Areas (see Perth College Website) https://www.perth.uhi.ac.uk/guidance-on-the-current-wuhan-novel-coronavirus-wn-cov-outbreak/</p> <p>Harm</p> <p>Risk of viral contamination abroad with potential to spread to others</p>	<p>Staff</p> <p>Students</p> <p>Visitors</p>	<p>Individual reports to local health authority who determine if testing is appropriate or not, self isolation advised or not, medical advice given.</p> <p>Individual declares to employer of stay/transit through infected areas.</p> <p>Individual declares (if known) to local health authority and employer if family member or personal contact has period of stay/transit through infected areas.</p>	4	1	4	Communicate reporting procedures to all staff and students	4	Head of HR & OD		
02	<p>Hazard</p> <p>Persons carrying or at risk of carrying COVID-19 without knowing.</p> <p>Harm</p> <p>Risk of viral contamination passing to others.</p>	<p>Staff</p> <p>Students</p> <p>Visitors</p>	<p>Individual follows protocol if displaying or suspects symptoms of COVID-19, reports to local health authority who determine if testing is appropriate or not, self isolation advised or not, medical advice given.</p> <p>Persons who have not had close contact with the original confirmed case do not need to take any precautions and can continue to attend work.</p>	4	1	4	Communicate reporting procedures to all staff and students	4	Head of HR & OD		
1	2	3	4	5	6	7	8	9	10	11	12

Ref No		Person at Risk	Existing Controls	Severity	Likelihood	Risk Score	Further Controls if Required	Residual Risk Score	Person to Action Control	Date Action to Complete	Date Action Completed
03	Hazard/Harm Hazard Infection Spread (1) Harm Risk of viral contamination passing to others in close proximity, handling of personal items/objects.	Staff Students Visitors	Persons who have not had close contact with a confirmed case do not need to take any precautions and can continue to attend work. Individuals to observe and practice good hand hygiene, cover coughs and sneezes disposing of any tissues safely. Avoid direct hand with others and direct hand contact with your eyes, nose and mouth.	4	1	4	Communicate procedures to all managers	4	Head of HR & OD		
04	Hazard Infection Spread (2) Harm Risk of viral contamination passing to others in close proximity, handling of personal items/objects.	Staff Students Visitors	Avoid direct contact with people that have a respiratory illness and avoiding using their personal items such as their phone, mobile phone, computer keyboard etc.	4	2	8	Communicate procedures to all managers to ensure staff and students only return when fit	8	Head of HR & OD / Associate Principal		
1	2	3	4	5	6	7	8	9	10	11	12

Ref No	Hazard/Harm	Person at Risk	Existing Controls	Severity	Likelihood	Risk Score	Further Controls if Required	Residual Risk Score	Person to Action Control	Date Action to Complete	Date Action Completed
05	Hazard/Harm	Staff Students Visitors	If showing symptoms at College, Individual to get at least 2 metres (7 feet) away from other people. Individual to go to a room or area behind a closed door, such as a first aid room or vacant office. Individual to avoid touching anything cough or sneeze into a tissue and put it in a bin, or if they do not have tissues, cough and sneeze into the crook of their elbow	4	2	8	Ill person or representative to call NHS advice: 111 or call 999 for an ambulance, if they're seriously ill or injured or their life is at risk. They should tell the operator their symptoms, which country they've returned from in the last 14 days or if they have been in contact with any person with symptoms and/or virus. HR to be informed	8	Person to Action Control		
	Hazard Infection Spread (3)										
06	Hazard	Staff Students Visitors	Provide hand rub stations at building entry points. Ensure sufficient supply of soap solution for handwashing. Ensure sufficient supply of paper towels. Increase cleaning of toilet areas, contact surfaces (door handles, bannisters, switches etc.); If confirmed case increase cleaning protocol	4	3	12	Review requirement and placing of additional hand rub stations. Review cleaning protocols and schedules	12	Depute Principal, Academic Depute Principal, Academic		
	Hazard Infection Spread (4)										
1	2	3	4	5	6	7	8	9	10	11	12

Ref No	Hazard/Harm	Person at Risk	Existing Controls	Severity	Likelihood	Risk Score	Further Controls if Required	Residual Risk Score	Person to Action Control	Date Action to Complete	Date Action Completed
07	<p>Hazard/Harm</p> <p>Infected Persons (1)</p> <p>Harm</p> <p>Risk of infected persons attending work, college, using College facilities. https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-covid-19</p>	<p>Staff</p> <p>Students</p> <p>Visitors</p>	<p>If case confirmed, closure of the workplace is not recommended.</p> <p>The management team of the office or workplace will be contacted by the local Health Protection Team to discuss the case, identify people who have been in contact with them and advise on any actions or precautions that should be taken</p>	4	2	8	Communicate procedures to all managers	8	SMT		
08	<p>Hazard</p> <p>Infected Persons (2)</p> <p>Harm</p> <p>Risk of infected persons attending work, college, using College facilities. https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-covid-19</p>	<p>Staff</p> <p>Students</p> <p>Visitors</p>	<p>If case confirmed, a risk assessment of each setting will be undertaken by the Health Protection Team with the lead responsible person.</p> <p>Advice on the management of staff and members of the public will be based on this assessment.</p> <p>The Health Protection Team will also be in contact with the case directly to advise on isolation and identifying other contacts and will be in touch with any contacts of the case to provide them with appropriate advice.</p>	4	2	8	Communicate procedures to all managers	8	SMT		
1											

Ref No	Hazard/Harm	Person at Risk	Existing Controls	Severity	Likelihood	Risk Score	Further Controls if Required	Residual Risk Score	Person to Action Control	Date Action to Complete	Date Action Completed
09	<p>Hazard/Harm</p> <p>Cleaning of potentially contaminated or contaminated areas</p> <p>Harm</p> <p>Risk of contamination during cleaning and sterilisation process. (see link below) https://www.gov.uk/government/publications/covid-19-decontamination-in-non-healthcare-settings/covid-19-decontamination-in-non-healthcare-settings</p>	Staff	<p>Ensure sufficient disposable gloves and aprons are provided, Ensure area is isolated from general use. Dispose of contaminated cleaning materials, PPE and infected items as Clinical Waste.</p>	4	3	12	<p>Review cleaning and sterilisation procedures. Supplementary training required.</p> <p>Ensure sufficient supply of sterilisation agents (bleach, sodium hypochlorite)</p>	12	Depute Principal, Academic		
10	<p>Hazard</p> <p>Maintaining Business</p> <p>Harm</p> <p>Risk of contamination after an event of contamination from persons affected</p>	Staff Students Visitors	<p>Management team to take advice for business continuity. Exclusion of staff and students affected to be determined by SMT acting on advice. Where practicable and appropriate working from home arrangements will be made. Arrangements in place to review assessment, procedures etc.</p>	4	2	8	<p>Maintain updates of medical advice from appropriate agencies and Government departments.</p> <p>Regular meetings to review processes and impact on business</p>	8	SMT		
1	2	3	4	5	6	7	8	9	10	11	12

Assign values for the hazard severity (a) and likelihood of occurrence (b) (taking into account the frequency and duration of exposure) on a scale of 1 to 5, then multiply them together to give the rating band.

Hazard Severity (a)	Likelihood of Occurrence (b)
1 – Trivial (eg discomfort, slight bruising, self-help recovery)	1 – Rare (almost never)
2 – Minor (eg small cut, abrasion, basic first aid need)	2 – Unlikely (occurs rarely)
3 – Moderate (eg strain, sprain, incapacitation > 3 days)	3 – Possible (could occur, but uncommon)
4 – Major (eg fracture, hospitalisation >24 hrs, incapacitation >4 weeks)	4 – Likely (recurrent but not frequent)
5 – Fatal (single or multiple)	5 – Very likely (occurs frequently)

CONSEQUENCE	LIKELIHOOD				
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Very Likely (5)
Fatal (5)	5	10	15	20	25
Major (4)	4	8	12	16	20
Moderate (3)	3	6	9	12	15
Minor (2)	2	4	6	8	10
Trivial (1)	1	2	3	4	5

The risk rating (high, medium or low) indicates the level of response required to be taken.

Rating Bands (a x b)			
Low Risk (1 to 8)	Medium Risk (9 to 12)	High Risk (15 to 25)	
Continue, but review periodically to ensure controls remain effective	Continue, but implement additional reasonably practicable controls where possible and monitor regularly	STOP THE ACTIVITY Identify new controls. Activity must not proceed until risks are reduced to a low or medium level	

Committee	Audit
Subject	Risk Review – Audit
Date of Committee meeting	10/03/2020
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	03/03/2020
Executive summary of the paper	<p>Board of Management agreed at the meeting of 18/12/19 to Risk being discussed at each sub-Committee meeting to ensure risks were owned and discussed at the appropriate level. This paper provides Audit Committee with an opportunity to scrutinise and assess those Strategic Risks determined to be within the Committee's purview.</p> <p>Committee members are asked to:</p> <ul style="list-style-type: none"> i) Discuss the appropriateness of each Risk for the Committee; ii) Consider the accuracy of the level of Risk and actions recorded; iii) Consider any additional areas of Risk not identified within the current Register. <p>The full Strategic Risk Register will be reviewed by the Board of Management at the scheduled meeting on 18 March 2020</p>
Consultation How has consultation with partners been carried out?	Members of SMT have ownership of the risks within the register and have been consulted on Committee allocation.
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval

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<p>Resource implications (If yes, please provide details)</p>	<p>No</p>
<p>Risk implications (If yes, please provide details)</p>	<p>Without continual review of the risk register there are potential implications that strategic objectives are not met.</p>
<p>Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>The Strategic risk register is the core risk management tool used within Perth College UHI.</p>
<p><u>Equality and diversity</u> Yes/ No If yes, please give details:</p>	<p>No</p>
<p><u>Data Protection</u> Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>
<p>Freedom of information Can this paper be included in “open” business?*</p>	<p>Open Business</p>

Perth College UHI

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

UHI STRATEGIC RISK REGISTER TEMPLATE

PARTNER: Perth College UHI

DATE: Nov 2019

All items in red are where updates were made during the last edition of the risk register

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
12*	Active	Developing a successful and sustainable organisation.	Threat to Business Continuity Audit	<ul style="list-style-type: none"> Major incident. Pandemic. Major fire. Terrorist Activity. UHI ICT loss of service. Radicalisation 	<ul style="list-style-type: none"> College closure. Reduced/loss of service. 	Principal	2	4	8	<ul style="list-style-type: none"> Annual Reviews of Business Continuity Plan. Fibre ring installed. ICT Risk Register developed and dynamic review. Live ICT shutdown test. Desktop exercise with CMT successfully completed. UHI wide live exercise concluded All actively involved in Single Policy Work Environment. Significant increase in input to the UHI L&T Review documentation. 	6 (2,3)	↔	<ul style="list-style-type: none"> Update of Business Continuity Plan the framework for compliance with most recent BSI guidelines. 	Principal	Dec 2019
17	Active	Developing a successful and sustainable organisation.	Non-compliance of Statutory Health and Safety Legislation and Equality Legislation Audit	<ul style="list-style-type: none"> Introduction of amendments to existing legislation or new unforeseen and unplanned legislation. <p>Failure to comply with Equalities Duties and contingent statutory reporting</p>	<ul style="list-style-type: none"> Introduces financial and staffing resources to administer. Legal Action. Risk of Business Continuity. Financial fines. Reputational damage. 	Depute Principal Academic	5	4	20	<ul style="list-style-type: none"> Produced and implemented a detailed Health and Safety Operational Risk Management Register. Updated quarterly and reviewed by Audit Committee every 6 months. Produce Annual Report on Health and Safety. Competent Health & Safety Officer. Internal audit actions/recommendations achieved. Equalities Outcomes and Mainstreaming Report. Regular review of HSE publications, website and notifications. Health and Safety Management System annual review Equality & Diversity lead appointed July 2019, with specific initial focus on statutory reporting requirements 	16 (4,4)	↑	<ul style="list-style-type: none"> Internal inspection and audit actions/recommendations actioned <p>Complete Equalities Mainstreaming action plan</p>	HoD, Estates Manager, HSWA Equality Diversity & Inclusivity Adviser	Nov 2019 March 2020

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
21	Active	UHI Common Risk	Non-compliance with relevant statutory regulations. Audit	Lack of awareness of relevant laws and penalties. Management failures. E.g. new General Data Protection Regulation from 25th May 2018, Bribery Act, Health and Safety Regulations etc.	GDPR will provide new rights for individuals and impose additional obligations on data controllers and processors. GDPR will also introduce an increased penalty framework for non-compliance/ data breaches and includes new requirements for authorities to ensure that they maintain evidence to demonstrate compliance with the Law. Potential requirement for disclosure of technical non-compliance discovered via reporting and internal/external audit (eg accounting procedures, data protection, payroll, settlement agreements, pensions, procurement, etc)	Depute Principal Academic	4	3	12	<ul style="list-style-type: none"> •Robust governance policy. •Robust management policies, procedures and systems in place. •Dedicated Health & Safety officer. •IT/Data Protection staff in place. •Mandatory staff training. •Close working relationship within UHI. •GDPR Implementation Plan • GDPR policies and procedures agreed. 	6 (2,3)	↔	<ul style="list-style-type: none"> • Continuous update and reinforcement of GDPR policies and procedures. 	Principal	Ongoing
22	Active	UHI Common Risk	Governance Failure. Audit	Governing body does not have an appropriate balance of skills and experience. Role of a governor/director is onerous and it is difficult to attract a broad range of high calibre individuals to serve for non-remunerated roles	Recent advertisements for new members have attracted few applications	Chair, Board of Management	3	3	9	<ul style="list-style-type: none"> •Recruitment process robust, transparent and open. •Skills matrix approach in place. •Networking/proactively encouraging diversity of applicants. 	4 (2,2)	↔			

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
26	Active	Developing a successful and sustainable organisation	Failure of payroll system results in non-compliance with standards Audit	Lack of integrated HR, Payroll and Finance systems	Recorded instances of erroneous NI payments Incorrect reporting of pensions liabilities and tax payments arising from erroneous NI payments	Vice Principal External	5	3	15	<ul style="list-style-type: none"> Internal Audit Action Plan commissioned and partially actioned Affected staff informed of issue and steps being taken to rectify and recompense Amended the payroll system user access rights to ensure that that these are appropriate for user roles and remove all generic users from the payroll system Strengthened controls around variations to staff salaries on the payroll system to reduce the opportunity for unauthorised entries to be added to the tracker and inadvertently processed Introduced mechanisms to ensure that payroll checklists are always completed and held on file and that these checklists are always checked and signed off by someone independent of the payroll team prior to processing of the payroll. Internal Audit commissioned to conduct evaluation of pensions and tax payments Voluntary HMRC Disclosure made 	12 (4,3)		<ul style="list-style-type: none"> Ensure that all differences noted as part of this audit between gross salaries on the HR and Payroll system are followed up Implement more robust procedures over the calculation of union and pension employee deductions Put in place more robust systems to ensure that payroll amounts are correctly calculated, processed and paid. This should include the provision of formal training to the Payroll Finance Assistant. Ensure that variance reports have been reviewed and signed off. Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved. Review internal pensions arrangements to ensure full compliance with pensions legislation 	Payroll Manager/ Head of HR&OD Payroll Manager Payroll Manager/Head of HR&OD Head of Finance/ Payroll Manager College Financial Accountant Head of HR&OD	31 Dec 2019 31 Dec 2019 31 March 2020 31 Dec 2019 31 Dec 2019 31 March 2020

Note: Risks 4, 5, 7, 8, 10, 12, 15, 19-24 are UHI Common Risks.

LIKELIHOOD CRITERIA **TIMESCALE 3 YEARS**

Score	Descriptor	Probability
5 - Almost Certain	More than likely – the event is anticipated to occur	>80%
4- Likely	Fairly likely – the event will probably occur	61-80%
3 - Possible	Possible – the event is expected to occur at some time	31-60%
2 - Unlikely	Unlikely – the event could occur at some time	10-30%
1 - Very Rare	Remote – the event may only occur in exceptional circumstances	<10%

IMPACT CRITERIA **TIMESCALE 3 YEARS**

Score	Descriptor	Financial	Operational	Reputational (need to link to communications process for incident management)
5 - Catastrophic	A disaster with the potential to lead to: <ul style="list-style-type: none"> loss of a major UHI partner loss of major funding stream 	> £500,000 or lead to likely loss of key partner	<ul style="list-style-type: none"> Likely loss of key partner, curriculum area or department Litigation in progress Severe student dissatisfaction Serious quality issues/high failure rates/major delivery problems 	<ul style="list-style-type: none"> Incident or event that could result in potentially long term damage to UHI's reputation. Strategy needed to manage the incident. Adverse national media coverage Credibility in marketplace and with stakeholders significantly undermined.
4 - Major	A critical event which threatens to lead to: <ul style="list-style-type: none"> major reduction in funding major reduction in teaching/research capacity 	£250,000 - £500,000 or lead to possible loss of partner	<ul style="list-style-type: none"> Possible loss of partner and litigation threatened Major deterioration in quality/pass rates/delivery Student dissatisfaction 	<ul style="list-style-type: none"> Incident/event that could result in limited medium – short term damage to UHI's reputation at local/regional level. Adverse local media coverage Credibility in marketplace/with stakeholders is affected.
3 - Significant	A Significant event, such as financial/ operational difficulty in a department or academic partner which requires additional management effort to resolve.	£50,000 - £250,000	<ul style="list-style-type: none"> General deterioration in quality/delivery but not persistent Persistence of issue could lead to litigation Students expressing concern 	<ul style="list-style-type: none"> An incident/event that could result in limited short term damage to UHI's reputation and limited to a local level. Criticism in sector or local press Credibility noted in sector only
2 - Minor	An adverse event that can be accommodated with some management effort.	£10,000 - £50,000	<ul style="list-style-type: none"> Some quality/delivery issues occurring regularly Raised by students but not considered major 	<ul style="list-style-type: none"> Low media profile Problem commented upon but credibility unaffected
1 - Insignificant	An adverse event that can be accommodated through normal operating procedures.	<£10,000	<ul style="list-style-type: none"> Quality/delivery issue considered one-off Raised by students but action in hand 	<ul style="list-style-type: none"> No adverse publicity Credibility unaffected and goes un noticed

Note: Select criteria most appropriate. Use highest score if more than one criterion applies.

RISK MAP (for Gross risk & residual risk)

TIMESCALE 3 YEARS

IMPACT					
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Significant	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Insignificant	1	2	3	4	5
	1 -Very Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost Certain
LIKELIHOOD					

Attention should also be paid to risks that are very rare or unlikely that could cause a catastrophic impact.

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Paper No. 7

Committee	Audit Committee
Subject	Procurement Annual Action Plan
Date of Committee meeting	10/03/2020
Author	Charyleen Emslie, Procurement Manager
Date paper prepared	29/02/2020
Executive summary of the paper	<p>The Perth College Procurement Strategy for the period Dec 2019-Dec 2021 was recently approved by F&GP Committee.</p> <p>The current strategy (2016-2019) is due to expire this year and therefore a new strategy has been created that will address the anticipated procurement related issues for the following 2-year period. The next strategy will then align with the new Strategic Plan that is due to be published in 2021.</p> <p>The Action Plan falling from the Strategy details the aims and actions the Procurement team will take to support the delivery of the corporate aims within the current academic year.</p>
<p>Consultation</p> <p>How has consultation with partners been carried out?</p>	<p>Click or tap here to enter text.</p> <p>n/a</p>
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval

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<p>Resource implications (If yes, please provide details)</p>	<p>No</p>
<p>Risk implications (If yes, please provide details)</p>	<p>No Click or tap here to enter text.</p>
<p>Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>This strategy succeeds the 2016-2019 Procurement Strategy. It defines and sets out objectives to deliver the most effective procurement processes to support the aims of the College's Strategic Plan (2016-2021).</p> <p>An action plan defines specific tasks that will deliver the Strategic Plan aims.</p> <p>The strategy also supports the compliance to legislative regulations such as Procurement Reform Act 2014 and GDPR 2018.</p> <p>The strategy also supports procurement risk management and effective contract management processes to mitigate risk to the college and maximise cash and non-cash efficiencies.</p>
<p><u>Equality and diversity</u> Yes/ No If yes, please give details:</p>	<p>No</p>
<p>Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No If yes, please give details: Click or tap here to enter text.</p>

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<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>Yes</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

<p>Its disclosure would substantially prejudice a programme of research</p>	<input type="checkbox"/>	<p>Its disclosure would substantially prejudice the effective conduct of public affairs</p>	<input type="checkbox"/>
<p>Its disclosure would substantially prejudice the commercial interests of any person or organisation</p>	<input type="checkbox"/>	<p>Its disclosure would constitute a breach of confidence actionable in court</p>	<input type="checkbox"/>
<p>Its disclosure would constitute a breach of the Data Protection Act</p>	<input type="checkbox"/>	<p>Other [please give further details] Click or tap here to enter text.</p>	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

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and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Appendix 1: Action Plan for August 19 to July 2020

Aim 1: Inspire and empower our students, regardless of background to recognise and achieve their potential

Objective	Target/Outcome	Main Action	KPI	By Whom	By When
Where students are impacted, we will involve them in the specification writing and the evaluation process.	HISA representative to be involved in specification and evaluation of the Promotional Goods and Catering Contracts	<ul style="list-style-type: none">•HISA reps identified and invited to participate in tender exercises	<ul style="list-style-type: none">• HISA reps have contributed to a minimum of 2 tender exercises	<ul style="list-style-type: none">• Procurement team• Key Stakeholders• HISA Reps	July 2020

Aim 2: Working in partnership to foster and drive positive change and growth in local, regional, national and international economies.

Objective	Target/Outcome	Main Action	KPI	By Whom	By When
<p>We will support the government's directive to drive change through engagement with supported businesses, recognising the positive impact that these have in addressing stubborn inequalities.</p>	<p>Perth College to award contracts to Supported Business</p>	<ul style="list-style-type: none"> Investigate and document opportunities where supported business can be engaged in contracts and award where appropriate 	<ul style="list-style-type: none"> Min of 1 contract awarded to a Supported Business 	<ul style="list-style-type: none"> Procurement Team Key Stakeholders 	<p>July 2020</p>
<p>We will ensure that we engage with our local supply chain through formal and informal engagement events to increase their knowledge of competitive tendering opportunities allowing the college to receive more competitive bids and deliver sustainable outputs.</p>	<p>Increase the number of SME bids received by the college</p>	<ul style="list-style-type: none"> Represent Perth College at an organised "Meet the buyer" event 	<ul style="list-style-type: none"> Attend a min of 1 Buyer Event Supply Chain Code of Conduct included in all Regulated tender exercises Provide a statistical report of all SME contracts 	<ul style="list-style-type: none"> Procurement Team Budget Holders 	<p>July 2020</p>

Aim 3: Provide a dynamic learning and research experiences within a curriculum that meets economic and societal needs and aspirations

Objective	Target/Outcome	Main Action	KPI	By Whom	By When
<p>We will drive value added services in contracts to enhance the Student experience. In addition to value for money, we will drive value added services and sustainable benefits throughout our contracts.</p>	<p>Deliver Added Value services to the college that enhances the Student Experience</p>	<ul style="list-style-type: none"> Investigate and document where Added Value services can be offered in the contract 	<ul style="list-style-type: none"> Provide a Statistical annual report that demonstrates the delivery of added value opportunities 	<ul style="list-style-type: none"> Procurement Team 	<p>July 2020</p>

Aim 4: Optimise the sustainable use of our systems, processes and resources to provide the best possible student experience and outcomes.

Objective	Target/Outcome	Main Action	KPI	By Whom	By When
We will review our procurement policies and procedures to align with best practice	Ensure all relevant staff are aware of the Procurement Regulations to reduce noncompliance within the college.	<ul style="list-style-type: none"> Review, amend, agree and effectively communicate Procurement Policy 	<ul style="list-style-type: none"> Amended Procurement Policy signed off and communicated. 	<ul style="list-style-type: none"> Procurement Team Senior Management Team Perth College Board 	July 2020
We will ensure effective risk management by creating, maintaining and communicating a procurement risk register that identifies procurement related risks such as financial, reputational, legislative and continuity of supply through Brexit issues	Mitigate risk to the college through analysis and monitoring of potential procurement related risks and having control measures in place.	<ul style="list-style-type: none"> Risk Register completed and signed off by board and documented in College Policy Register New Terms and Conditions to be agreed, published and issued with contracts Work with Centres of expertise to analyse all framework agreements for Brexit Impacts (staffing, supplies shortages, increased risk of modern slavery, waste impacts, border blockages etc) and categorising them into low / medium / high risk & impact Work with internal Data Protection Officer to maintain a GDPR Vendor Register and 	<ul style="list-style-type: none"> Risk Register completed and signed off internally New Terms and Conditions to be agreed and signed off internally A Brexit risk register to be created for Framework agreements GDPR Register completed for all regulated exercises 	<ul style="list-style-type: none"> Procurement Team with assistance from Centres of Expertise Data Protection Officer 	Feb 2020

		<p>address GDPR issues within the supply chain.</p> <ul style="list-style-type: none"> • For each medium / high impact agreements, list the risks and against each the action required / being taken to further assess / mitigate the risk. 	<p>where GDPR is relevant.</p> <ul style="list-style-type: none"> • GDPR requirements considered and addressed for all exercises at contract strategy, within tender documentation and prior to award. 		
<p>We will ensure that sustainability criteria are considered as part of each tendering exercise and, where appropriate, evaluated and measured.</p>	<p>The college to benefit from the delivery and transparency of sustainable outputs driven through tendering opportunities (BT14 benefits)</p>	<ul style="list-style-type: none"> • Sustainability benefits are considered, documented and delivered throughout the tender process and documentation 	<ul style="list-style-type: none"> • Evidence that all regulated tender exercise includes a Fair Work Practices question between 5-10% • Evidence that all relevant regulated exercises have completed a sustainability test, and the outputs included in tender documents. 	<p>Procurement Team</p>	<p>July 2020</p>
<p>We will support the enhancement of the learning experience by providing advice and guidance to staff across the organisation in relation to the acquisition of goods and services.</p>	<p>Reduce the Colleges Risk of Non-Compliance and increase value for money and sustainable outputs.</p>	<ul style="list-style-type: none"> • Create and maintain a 4 year spend analysis that identifies areas of non-compliance • Embed a Non-Competitive Action Process • Create and maintain a 2 year Forward Contracting Plan 	<ul style="list-style-type: none"> • Non-Compliant report available and communicated to Key Stakeholders • NCA documentation in place and a report of usage to be published in the annual report • 2 year forward contracting plan to be published with annual report 	<p>Procurement Team Key Stakeholders</p>	<p>July 2020</p>

Aim 5: Developing staff fully to deliver our vision

Objective	Target/Outcome	Main Action	KPI	By Whom	By When
Through initial induction and ongoing training, we will ensure that all staff who purchase goods and services are aware of the legislative requirements and the College's internal policies and procedures in respect of procurement, tendering and selection of suppliers and supported throughout the procurement process.	<p>Staff to be aware about the legislative requirements pertaining to the procurement of goods and services.</p> <p>Provide the facility for procurement elearning for staff</p>	<ul style="list-style-type: none"> • Deliver Procurement Training Workshops to Key Stakeholders and Requisitioners • Review and update current Procurement E-Learning module to align with legislative changes • Current employees and new staff to complete Procurement E-Learning Module 	<ul style="list-style-type: none"> • 4 Training Workshops delivered per annum • 100% of all new employees to complete Procurement Module as part of HR induction • 90% of staff to have completed Procurement E-Learning Module 	<ul style="list-style-type: none"> • Procurement Team • HR 	July 2020
We will endeavour to embed the principles of effective contract management across the organisation, providing guidance and training where appropriate, focussing on high spend and high-risk areas.	Through effective Contract Management we will maximise operational and financial performance while reducing risk.	<ul style="list-style-type: none"> • Contract Management Process created and embedded • Key Contracts identified • Work with key stakeholders to deliver a consistent contract management process 	<ul style="list-style-type: none"> • All regulated contracts assessed and assigned a contract management level • For all Strategic Level Contracts, a 6-month report is submitted to the Finance Director • Medium and Strategic contracts to have minutes documented and filed 	<ul style="list-style-type: none"> • Procurement Team • Key Stakeholders 	July 2020

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Paper No. 8

Committee	Audit Committee
Subject	Safeguarding Management Processes
Date of Committee meeting	10/03/2020
Author	Deborah Lally, Head of Student Experience
Date paper prepared	04/03/2020
Executive summary of the paper	<p>Audit Committee requested, at the meeting in May 2019, information on the management processes underpinning Safeguarding processes at Perth College.</p> <p>The attached flow diagram seeks to provide this information.</p>
<p>Consultation</p> <p>How has consultation with partners been carried out?</p>	<p>Click or tap here to enter text.</p> <p>n/a</p>
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<p>Resource implications</p> <p>(If yes, please provide details)</p>	No
<p>Risk implications</p> <p>(If yes, please provide details)</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p>	Click or tap here to enter text.

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<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	No
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	No Click or tap here to enter text.
<p>Status (e.g. confidential/non confidential)</p>	Non-Confidential
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	Yes

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

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For how long must the paper be withheld? [Click or tap here to enter text.](#)

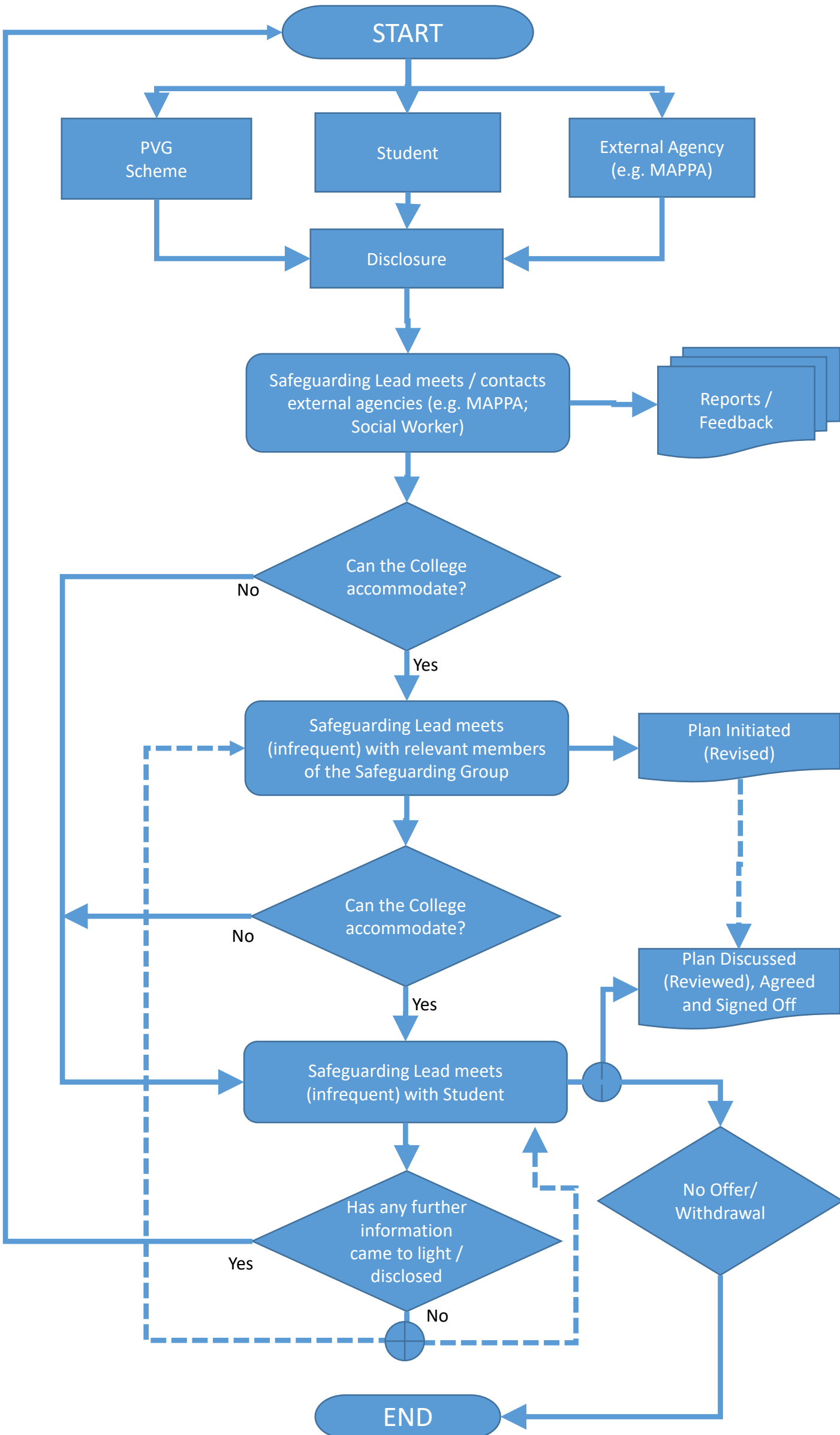
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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Safeguarding @ Perth College



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Paper 9

Committee	Audit Committee
Subject	FOI & Data Protection Quarterly Update
Date of Committee meeting	10/03/2020
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	24/02/2020
Executive summary of the paper	Summary of data relating to FOI requests received and data protection issues raised for the Quarter to 31 January 2020
Consultation How has consultation with partners been carried out?	Discussed at meeting of SMT
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	Informs Risk Register
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management 	Informs Risk Register

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<ul style="list-style-type: none"> other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	No
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	No
<p>Status (e.g. confidential/non confidential)</p>	Non-Confidential
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	Open Business

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

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Quarterly Freedom of Information & Data Protection Update

Academic Year 2019/20 | Quarter 2 | November 2019 – January 2020

1. Executive Summary

Quarter 2 saw a similar number of FOI requests to Quarter 1, albeit more focused in nature and more complex in scope.

Other Data Protection request and Data Breaches remained broadly consistent, with a reduction year-on-year.

A number of documents remain due for review following the recent change in FOI/Data Protection responsibilities, including the Data Protection Guidance documentation utilised during a Subject Access Review. Updates are likely to be relatively minor.

The Records Management Policies & Procedures fall for review during Board Cycle 4.

2. Freedom of Information

a. Total Number of Requests – Year to Date

2019/20 Q1	2019/20 Q2	2019/20 YTD	2018/19 Full Year
11	10	21	39

b. Total Number of Requests – Year-on-Year Comparison

2019/20 Q2	2018/19 Q2
10	1

c. Request Topics

Type	Q2	YTD
Academic-Related	0	1
Student-Related	0	2
Compliance	1	2
Financial	4	5
Estates	1	2
HR	4	8
Operational Management	0	1
TOTAL	10	21

d. Request Sources

Type	Q2	YTD
Legal Representative	0	1
NUS	0	1
Press	3	7
Staff	0	1
Union (National)	2	2
University Research	0	1
Unknown/Anonymous	5	8
TOTAL	10	21

e. Response Times

	Q2	YTD
Replied within Statutory Time	5	12
Late	5	9
To be completed	-	-

f. FOI Narrative

The number of FOI requests show a significant increase, however overall numbers appear to be broadly on track with 2018/19.

For information, 5 of the 8 Unknown/Anonymous requests were received from the same single requestor.

Of the 5 Late responses, 3 were completed to an amended timescale following a request to the originator, and the remaining 2 were requests linked to audited accounts information only released following the Extraordinary Board meeting in February 2020.

3. Data Protection

a. Total Number of Requests – Year to Date

	2019/20 Q1	2019/20 Q2	2019/20 YTD	2018/19 Full Year
Subject Access Requests	1	2	3	10
Data Breaches	4	3	7	13

b. Total Number of Requests – Year-on-Year Comparison

	2019/20 Q2	2018/19 Q2
Subject Access Requests	2	4
Data Breaches	3	5

c. Subject Access Request Information

Of the 2 SAR requests received during Q2, one related to a staff member requesting information from their own employee file, and the other concerned a staff member requesting details of emails in which they were referred to.

d. Data Breach Information – Q2

Incident	Action Taken	ICO informed?
Staff member (1) left PC screen open to page containing confidential information related to ongoing internal complaint investigation.	Meetings held with both complainant and Staff member (1) to ascertain level and scope of breach. Identified as self-contained within brief time window, therefore no other parties directly affected.	Yes, as a precautionary measure while investigation completed.
Staff member (2) involved in investigation left message at desk, identified their name on the open document and reported breach.	Staff member (1) agreed to attend additional Data Protection training to ensure best practice followed in future.	No further action taken.
Email sent in error containing student details	Email recalled. Recipient contacted to delete & confirm deletion.	No
Email sent in error containing student details	Email recalled. Recipient contacted to delete & confirm deletion.	No

Downward trend of data breaches indicates improved practices, which is backed up by the number of requests for clarity on data protection issues before communications being sent.

Ian McCartney
24 February 2020

Committee	Audit Committee
Subject	Balanced Scorecard
Date of Committee meeting	10/03/2020
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	04/03/2020
Executive summary of the paper	<p>The attached paper is the Balanced Scorecard, aligned with the aims and measures for the strategic plan Vision 2021, outlining where possible, the final measures for AY 2018-19.</p> <p>The data is presented in 2 parts:</p> <p>Part One - is a summary of the measures in a simple table layout with measures of current performance categorised as Red (worsening), Amber (stable) and Green (improving)</p> <p>Part 2 – Provides more detailed analysis and insight with a trendline giving a pictorial representation of data over the past 3 years.</p> <p>The following points are to be noted:</p> <p>This revised design for the Balanced Scorecard is a work in progress and work will continue with SMT and business owners to identify and include tolerances and sector averages where possible.</p> <p>Work is due to begin Autumn 2020 on the College's next Strategic Plan.</p>
Consultation How has consultation with partners been carried out?	The Head of Finance was consulted and provided the data for these measures.

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Action requested	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	The Balanced Scorecard KPI's stems directly from the Perth College UHI Strategic Plan 2016-21.
<u>Equality and diversity</u> Yes/ No If yes, please give details:	No
Island communities	No

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Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	No Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	Open business

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Strategic Plan Targets and KPIs: Progress Report 2018-19

1. Summary of Performance Status (Red, Amber, Green)

Key: KPI performance status

Improving	↑
Maintaining	↔
Worsening	↓


Key: Target performance status

Target achieved	
Target progress maintained	
Target missed	

Measure	Key Performance Indicator or Target	Performance
	Sustainability	
10	Financial:	
	a) Outturn	↓
	b) Non-core funding income (inc. Knowledge Transfer)	↓

Section 2: Detail of Performance by Measure

Detail of Performance: Measure 10a

Sustainability			
Measure	Key Performance Indicator or Target	Performance	Trend
10	Financial		
	a) Outturn	↓	

Baseline: **-£4,000**

Target: Achieve a break-even underlying operating position

Trend: A worsening position overall offset by a marked improvement from 2017/18 to 2018/19

Tolerance: tbc
(+/-)

Sector Average: tbc
(+/-)

Note on 2018/19 performance

Indicator

Deficit for financial year 2018/19 was £243k before Revaluation and Actuarial adjustments.


Source:

Perth College UHI, Reports & Financial Statements 2018/19
Consolidated and College Statements of Comprehensive Income for the year ended 31st July 2019

Commentary:

The College reported a consolidated deficit of £0.243 million for the year (2017/18: £1.45 million deficit). Following an actuarial loss of £1.7 million (2017/18: actuarial gains of £7.1 million), the College reported total comprehensive expenditure of £1.9 million (2017/18: £9.6 million income).

Detail of Performance: Measure 10c

Sustainability			
Measure	Key Performance Indicator or Target	Performance	Trend
10	Financial		
	b) Non-core funding income (to include Knowledge Transfer)	↓	

Baseline: 42%

Target: An increase in the percentage of income from non-SFC sources (including Knowledge Transfer)

Trend: Maintaining slightly below target for previous 3 years

Tolerance: tbc
(+/-)

Sector Average: tbc
(+/-)

Note on 2018/19 performance

Source:

Perth College UHI, Reports & Financial Statements 2018/19

Commentary:

Figures have been pulled from the notes to the accounts on the following basis:

Note 3 Tuition Fees & Education Contracts	£6,521k
Note 4 Other Grants & Contracts	£652k
Note 5 Other Income	£4,066k
Note 6 Investment Income	£13k
Total	£11,252k

£11,252/ Total Income £27,613 = 40.7%

Perth College UHI

Internal Audit Annual Plan 2019/20

Internal Audit Report No: 2020/01

Draft issued: 26 November 2019

2nd Draft issued: 4 December 2019

Final issued: 2 March 2020



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1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2020. The plan is based on the proposed allocation of audit days for 2019/20 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2020 (Report 2017/01, issued 6 September 2016), which was approved by the Audit Committee at its meeting on 20 September 2016.
- 1.2 The annual operating plan for 2019/20 shows a number of changes to the allocation for 2019/20 set out in the original Strategic Plan. Following discussion with College management and the Audit Committee:
- The four days originally allocated for a review of the appropriateness of the College's staff skills profile, staff productivity and performance management in 2018/19 were deferred into the 2019/20 plan because it was considered beneficial to undertake this audit after the planned Curriculum Review was complete as the latter would inform the College's People Strategy;
 - Four days originally allocated for a review of Procurement and Creditors / Purchasing in 2018/19 were reprioritised in year to allow additional work to be conducted on the HR and Payroll review and the review deferred until 2019/20;
 - The three day review of Key Financial Controls - AST Limited has been deferred from 2018/19 into 2019/20 given the linkages with ongoing work around HR and Payroll;
 - The separate four day reviews of Corporate Planning / Regional Outcome Agreement and Curriculum and Quality have been combined into a single six day output, thereby reducing the overall days from eight days to six days. This decision was taken because of the synergies between the scope of both reviews and the overlap in the managers who will provide input;
 - A new five day review of Payroll - Pension Contributions has been injected into the annual plan for 2019/20 at the request of management given the identification of increased risk around this area;
 - A new five day review of Asset Management has been injected into the annual plan for 2019/20, at the request of management, given the identification of increased risk around this area; and
 - From 2018/19 the audits of the College's Bursary, Childcare, Hardship and Educational Maintenance Allowance (EMA) Funds were added to the internal audit programme.
- 1.3 A copy of the revised Strategic Plan is included at Section 2 of this report.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2019/20, together with the audit approach. These have been arrived at following consideration by the Interim Head of Finance and some members of the Senior Management Team. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area.
- 1.5 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.

2. Strategic Plan 2016 to 2020

Proposed Allocation of Audit Days

		Actual	Actual	Actual	Planned
	Priority	16/17	17/18	18/19	19/20
		Days	Days	Days	Days
Regionalisation Governance Structure					
<i>Regional Outcome Agreement*</i>	H				
<i>Compliance with Partnership Agreement and Financial Memorandum</i>	H				
Funded Student Numbers					
<i>Recruitment and retention</i>	H	4			
<i>Student support</i>	M				
<i>College Nursery</i>	M	4			
<i>Student funding</i>	M				
International Business					
<i>International products and partnerships)</i>	H			4	
<i>International student recruitment)</i>	H				
Corporate Identity and Reputation					
<i>Publicity and communication</i>	M				
Resources – Physical and Infrastructure					
<i>Building maintenance</i>	M				
<i>Estates strategy and capital projects</i>	M	5			
<i>Health and Safety legislation</i>	L				3
<i>Space management</i>	M		4		
<i>IT network arrangements</i>	M		4		
<i>IT strategy / systems development and implementation</i>	M				
<i>Asset management</i>	H				5
Resources – People					
<i>Recruitment and retention</i>	L				
<i>Appropriate staff skills profile, staff productivity and performance management</i>	L				4
<i>Change management</i>	M				

Internal Audit Annual Plan 2019/20

Proposed Allocation of Audit Days (Continued)

	Priority	Actual 16/17 Days	Actual 17/18 Days	Actual 18/19 Days	Planned 19/20 Days
Products and Markets					
Commercial developments)	M				
Research and Development / IPR)	H/M				
Curriculum and Quality*	M				3
Distance learning	M				
Corporate Infrastructure					
Risk Management / Business Continuity	M				
Partnership working / shared services	M				
Corporate Governance	M				
Corporate Planning*	M				3
Data protection / FOI	M/L				
Equalities mainstreaming	M		4		
Financial Issues					
Budgetary control	H/M				3
Student fees and contracts / registry	M				
General ledger	L				
Procurement and creditors / purchasing	H				4
Contract management	M				
Debtors / income	M				
Cash & bank / Treasury Management	M			8	5
HR and Payroll systems	M				3
Key financial controls – AST Ltd	M				
Other Audit Activities					
Credits Audit	Required	5	5	5	5
Bursary, Childcare and Hardship Funds	Required			4	4
EMA Audit	Required			1	1
Management and Planning)	-	3	3	3	3
External audit / SFC)	-				
Attendance at audit committees)	-				
Follow-up reviews		2	2	2	2
ANA	-	2			
Total		25	22	27	48
		=====	=====	=====	=====

Key

Priority: H – High; M – Medium; L – Low

* these projects will be linked and reported as a single output.

3. Outline Scopes and Objectives

Audit Assignment:	Health and Safety Legislation
Priority:	Low
Fieldwork Timing	May 2020
Audit Committee Meeting:	September 2020
Days:	3

Scope

This audit will review the arrangements in place within the College to deal with Health and Safety (H&S) issues.

Objectives

The main objective of this audit will be to review the College's overall arrangements for dealing with H&S issues and to consider whether these are adequate.

We will seek to obtain reasonable assurance that the College has:

- a H&S policy and documented procedures which are communicated to all staff;
- a H&S training programme which includes induction training, refresher training and training for new equipment or legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board of Management.

Our audit approach will be:

From discussion with the Health, Safety and Wellbeing Adviser, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Asset Management
Priority:	High
Fieldwork Timing	October 2020
Audit Committee Meeting:	December 2020
Days:	5

Scope

Our audit will cover controls over the College's asset registers, covering:

- ◆ capitalised items of equipment;
- ◆ non-capitalised computer hardware and related equipment; and
- ◆ other portable non-capitalised equipment where management is of the opinion that the nature and value of the items requires records to establish physical and financial control.

Objectives

The objectives of this audit will be to ensure that:

- assets are recorded with sufficient and appropriate information (e.g. unique identification numbers, quantity, description, age etc.) and are tagged;
- there is a process to control additions to the asset registers;
- processes are in place to control and authorise the transfer of assets and the removal of assets from the registers; and
- management processes are in place to ensure compliance and monitor the asset registers, including physical checks that recorded assets exist.

Our audit approach will be:

Staff within the Finance Department, Estates, IT, Curriculum Areas and other Support Teams will be interviewed to determine current working practices and identify key controls within the systems. Compliance with the College's Financial Regulations and the adequacy of these controls will be considered.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Staff Skills Profile, Staff Productivity and Performance Management
Priority:	Low
Fieldwork Timing	September 2020
Audit Committee Meeting:	December 2020
Days:	4

Scope

This audit will consider whether the College is making best use of its staff and include a review of workforce planning; staff utilisation; training; and the personal development plan system.

Objectives

The objective of our audit will be to obtain reasonable assurance that:

- the College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these;
- teaching staff are efficiently utilised;
- the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps;
- the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact;
- there is a systematic approach for translating business objectives into actions / tasks for members of staff;
- a systematic approach is used for communicating objectives and performance expectations to staff;
- a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance; and
- there is a systematic approach for ensuring that the College makes full use of the skills and knowledge of its staff.

Our audit approach will be:

The Head of Human Resources and Organisational Development, Human Resources staff, and a sample of senior managers will be interviewed, and the College's policies, procedures and structure will be reviewed, to assess compliance with the above objectives.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Corporate Planning / Regional Outcome Agreement / Curriculum and Quality
Priority:	Medium
Fieldwork Timing	October 2020
Audit Committee Meeting:	December 2020
Days:	6

Scope

The scope of this audit will be to consider whether the College's planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement, and the detailed operational plans. This audit will also consider the key risks in relation to the planning of the College's curriculum.

Objectives

The overall objective of the audit will be to obtain reasonable assurance that the College's planning process accords with good practice.

Specific objectives will be to obtain reasonable assurance that:

Corporate Planning and Regional Outcome Agreement

- the corporate planning process was adequately planned and challenged for robustness;
- linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated;
- Operational plans are robust and include detailed prioritised action plans;
- the Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators; and
- there is effective linkage between planning and budgeting at all levels.

Curriculum Planning

- the core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners;
- there is a process in place to review and refresh existing programmes on a regular basis;
- adequate controls are in place over the development of new programmes covering the preparation of a business case, costing and pricing;
- the College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience;
- the curriculum planning process takes sufficient cognisance of the College's Credits and FTE targets; and
- systems are in place to accurately forecast the Credits / FTE outturns enabling management to take the necessary corrective action where required.

Internal Audit Annual Plan 2019/20

Our audit approach will be:

Through discussions with the Principal, Depute Principal – Academic, and other relevant members of the Senior Management Team and Corporate Management Team, we will document the planning process adopted by the College covering the setting of aims and objectives; operational planning; budgeting; implementation; monitoring and control. This will incorporate the curriculum planning process. A sample of the operational plans will be obtained and reviewed to ensure there are clear linkages to the Regional Outcome Agreement, the Strategic Plan and the key strategies that relate to the core activities of the College. Interviews will be held with the, a sample of Sector Development Directors and Managers and other relevant staff to assist in documenting the systems and processes in place for Curriculum Planning and Quality Assurance.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Budgetary Control
Priority:	High / Medium
Fieldwork Timing	May/June 2020
Audit Committee Meeting:	September 2020
Days:	3

Scope

This audit will examine the College's budgetary control practices and protocols. It will specifically consider budget monitoring procedures in place centrally and within a sample of Curriculum Areas and Support Teams, as well as cash flow reporting to senior management, the Board and to the SFC.

Objectives

The objectives of the audit will be to ensure that:

- budgets are controlled in accordance with the Financial Regulations and Procedures;
- budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change, or funding targets are not achieved;
- information is available to management in Curriculum Areas and Support Services which is up-to-date and in a format that can be easily understood;
- budget holders have the necessary skills for managing budgets;
- budget variations are reported and acted upon;
- there is accurate cash flow reporting; and
- senior management and the Board regularly review the College's overall financial position.

Our audit approach will be:

Through discussions with Finance staff and a sample of budget holders in Curriculum Areas and Support Teams, and review of relevant reports, we will determine current working practices in budget monitoring, and the information and training provided to budget holders.

We will also establish and review the budget monitoring information provided to the College senior management team and to the Finance and General Purposes Committee and to the Board.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Procurement & Creditors / Purchasing
Priority:	High
Fieldwork Timing	March/April 2020
Audit Committee Meeting:	May 2020
Days:	4

Scope

This audit will focus on the systems of internal control in place for the ordering of goods and services and the payment of invoices.

We will also consider whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

Objectives

The specific objectives of the audit will be to ensure that:

- the College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations');
- procurement procedures ensure that:
 - ◆ areas of high spend across the College are monitored appropriately;
 - ◆ opportunities for pooling of expenditure are identified in order to achieve best value; and
 - ◆ collaborative procurements and frameworks available to the College are utilised where appropriate;
- purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised;
- the College's procurement guidance on quotes and tenders are being complied with;
- all liabilities are fully and accurately recorded;
- all payments are properly authorised, processed and recorded; and
- appropriate controls are in place over the amendment of standing supplier data on the finance system.

Our audit approach will be:

From discussions with Procurement staff, and a sample of budget holders, we will establish what procurement strategies, procedures and monitoring arrangements are in place within the College. These will then be evaluated to establish if they follow recognised good practice.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Payroll - Pension Contributions
Priority:	High
Fieldwork Timing	December 2019
Audit Committee Meeting:	February 2020
Days:	5

Scope

This review will build on the internal audit work conducted during 2018/19 (Internal Audit report 2019/06 - HR and Payroll which was graded as 'Requires Improvement'.) This report highlighted issues around multiple pay numbers and the corresponding potential implications for employers and employees National Insurance and Pension Contributions. Additional analysis was conducted in 2018/19 around National Insurance Contributions for employees with multiple employee numbers and therefore the 2019/20 will be to conduct a similar analysis of employer and employee pension contributions going back three financial years (to 1 August 2017).

Objectives

To obtain reasonable assurance that:

- the calculation of employer pension contributions are accurate and are in line with the pension regulations for the relevant pension schemes which the employee is enrolled in;
- the calculation of employee pension contributions are accurate and are in line with the pension regulations for the relevant pension schemes which the employee is enrolled in;
- pension contributions have been deducted and remitted to the relevant pension fund body correctly;
- the College has arrangements in place to communicate to current or former employees any over or underpayment of pension contributions identified so that proportionate corrective action can be taken to avoid detriment.

Our audit approach will be:

Through discussion with HR and Payroll staff we will obtain the raw payroll data required to conduct detailed testing to recalculate the employer and employee pension contributions due for all employees with multiple pay numbers for financial years 2017/18, 2018/19 and 2019/20 to identify any over or underpayments. We will also carry out testing on the pension contributions for staff from a variety of disciplines across the College, who have only one employee number to ensure that these deductions have been calculated in line with the relevant pension scheme regulations. We will also reconcile the deductions made and check that these deductions have been reconciled to the payment to the relevant pension scheme administrator.

Once the analysis has been completed, we will discuss with senior management how stakeholders will be informed of any over or underpayments and an action plan will be developed to manage any corrective action for current and former employees.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Key Financial Controls - AST Limited
Priority:	Medium
Fieldwork Timing	July 2020
Audit Committee Meeting:	September 2020
Days:	3

Scope

This review will seek to ensure that the key financial controls that can be relied upon to produce the figures for the financial statements and management accounts are operating effectively.

Objectives

To obtain reasonable assurance that:

The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure:

Payroll

- Calculations of gross pay and deductions are accurate;
- Overtime and other variations to pay are properly authorised, processed and recorded.;
- Starters and leavers are processed accurately;
- There is robust approval and checking of changes to employee standing data;
- There is proper authorisation, processing and recording of payments;

General Ledger

- The chart of accounts, coding structure, reports and procedures are adequate in respect of production of the company's monthly management accounts and year-end financial statements;
- There is regular reconciliation of control and suspense accounts;
- There is adequate control over input of journal entries;

Budget Monitoring

- Information is available to management which is up-to-date and in a format that can be easily understood;
- Budget variations are reported and acted upon;

Purchase Ledger

- purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers;
- the company's procurement guidance on quotes and tenders are being complied with;
- Adequate checks are carried out on receipt of a purchase invoice to ensure that details conform to the order and that the goods or services have been received;
- Invoices are properly authorised and are promptly and accurately recorded on the financial ledger; and
- Payments are properly authorised, processed and recorded.

Internal Audit Annual Plan 2019/20

Audit Assignment: Key Financial Controls – AST Ltd (Continued)

Objectives (continued)

Sales Ledger

- invoices / claims are raised promptly in respect of income due to the company;
- credit notes are appropriately authorised before issue; and
- adequate debt management and recovery procedures are in place and are consistently followed in practice.

Our audit approach will be:

For all areas included in this review, we will assess whether the above objectives are being met by documenting the systems and controls through interviews with Finance (and other relevant staff) and through review of relevant procedures. We will seek to establish whether the expected key controls are in place by reference to standard control risk assessment templates for these systems. Finally, we will perform compliance testing, where necessary, to determine whether these controls are working effectively in practice.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Credits Audit
Priority:	Required audit
Fieldwork Timing	24 September 2019
Audit Committee Meeting:	25 November 2019
Days:	5

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

Objectives

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return contains no material mis-statements.

Our audit approach will be:

Through discussion with the Head of Student Records and Team Leader Student Records, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous years.

Our testing will be designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to the Credits Audit Guidance and the key areas of risk identified in Annex D.

We will also review the final error report from the FES on-line checks.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Bursary, Childcare and Hardship Funds Audit
Priority:	Required audit
Fieldwork Timing	26 September 2019
Audit Committee Meeting:	25 November 2019
Days:	4

Scope

We will carry out an audit on the College's student support funds for the year ended 31 July 2019 and provide an audit certificate.

Objectives

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC and SAAS;
- payments to students are genuine claims for hardship, childcare or bursary, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2019 is in agreement with underlying records.

Our audit approach will include:

- Reviewing new guidance from the SFC and SAAS and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries; and the Further Education Hardship and Childcare Funds.

Internal Audit Annual Plan 2019/20

Audit Assignment:	EMA Audit
Priority:	Required audit
Fieldwork Timing	26 September 2019
Audit Committee Meeting:	25 November 2019
Days:	1

Scope

Guidance on the audit requirements for Education Maintenance Allowances (EMAs), issued by SFC, includes the requirement to have a separate audit of EMAs on an academic year (August to July) basis.

Objectives

To obtain reasonable assurance that:

- the information set out in the EMA returns is in agreement with the underlying records;
- the College used the funds in accordance with SFC's conditions and the principles of the EMA programme; and
- the systems and controls for the administration and disbursement of the funds are adequate.

Our audit approach will be:

Through discussion with Student Funding staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the EMA returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Internal Audit Annual Plan 2019/20

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	October 2020
Audit Committee Meeting:	December 2020
Days:	2

Scope

This review will cover reports from the 2018/19 internal audit programme and reports from earlier years that had either not already been subject to follow-up or where previous follow-up identified that recommendations were outstanding.

Objectives

To establish the status of implementation of recommendations made in previous internal audit reports.

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry, review of supporting documentation or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit Committee.



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Appendix I – Updated Action Plan

Internal Audit Report 2019/06 – HR and Payroll Systems

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
<p>R1 Ensure that all differences noted as part of this audit between gross salaries on the HR and Payroll system are followed up.</p> <p>In addition, a periodic (possibly annual) reconciliation between the gross salaries by staff member on the HR and Payroll systems should be undertaken. The Excel VLOOKUP formula (using staff references) is an efficient way to achieve this.</p>	2	<p>Neil's notes:- I think the issue here was a timing one of when auditors looked at data as CIPHR can be updated daily but Payrite is only updated once a month when CIPHR paylink is imported. A comparison done immediately after paylink is imported would identify any real time errors.</p>	Yes	Neil McGovern, Payroll Manager and Katy Lees, Head of HR & OD	31 December 2019	<p>Head of HR and Payroll Manager to conduct this review after the November payroll has run (using the data from November's salaries)</p> <p><i>Partially Implemented</i></p>	<p>Monthly review takes place following each payroll to review differences between Payroll and HR system. All differences are checked and amendments made and approved by Head of HR & OD.</p> <p><i>Fully Implemented</i></p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
R2 Amend the payroll system user access rights to ensure that that these are appropriate for user roles and remove all generic users from the payroll system.	2		Yes	Neil McGovern, Payroll Manager	31 October 2019	Payroll Manager deleted the old user names of staff no longer here. Leaving myself and Claire's log ins plus secondary Supervisor and Assistant log ins. Fully Implemented	
R3 Implement more robust procedures over the calculation of union and pension employee deductions.	2		Yes	Neil McGovern, Payroll Manager	31 December 2019	Payroll Manager did a review on pension and union deductions to correct any errors in the bandings as it appeared that bandings hadn't been adjusted for new yearly bandings levels. Now when we receive the CIPHR paylink we are checking and amending these bandings to reflect any salary changes. We still have the issue of incorrect national insurance contributions both employee and employer for staff members with multi posts Partially Implemented	Payroll Manager has implemented processes to ensure all union and pension employee deductions are now correct. Fully Implemented

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
<p>R4 Consider ways to strengthen the controls around variations to staff salaries on the payroll system. This could include HR printing out the list of all proposed changes listed on the tracker; having two HR staff review this list of changes; and then signing the list of changes as being correct. The signed list could then be scanned before being sent to Payroll for processing. This would reduce the opportunity for unauthorised entries to be added to the tracker and inadvertently processed.</p>	2		Yes	Katy Lees, Head of HR & OD	31 March 2020	<p>From November's payroll Head of HR will physically sign a hard copy of the final tracker document, prior to this being scanned and sent to Payroll Manager.</p> <p>Any changes made after the tracker is sent must have the Head of HR authorisation and Payroll Manager should only process any which have this signature</p> <p><i>Fully Implemented</i></p>	

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
<p>R5 Put in place more robust systems to ensure that payroll amounts are correctly calculated, processed and paid. This should include the provision of formal training to the Payroll Finance Assistant.</p>	2		Yes	Katy Lees, Head of HR & OD and Neil McGovern, Payroll Manager	31 March 2020	<p>HR team will create HR error log for review and sign off by Head of HR to understand any errors and so learnings can update processes/procedures Neil's notes: - the problem payroll have with the zero hour contract rates of pay is that the rate of pay isn't currently held on the payroll system. Something that could be looked at including on an employee's record. The high number of pay elements that are defaulted onto an employee's record also makes it easy for the wrong rate to be entered. This is something to be discussed with payroll provider to enable improvement of this part of system. Now that HR are checking timesheets before they are passed through for payment, HR could enter the rate of pay on the timesheet to prevent wrong rate being used. Katy's comments: This is not a long term solution, as it is a manual process and very time consuming for HR and there is the risk of error.</p> <p>Partially Implemented</p>	<p>March 2020 update: Plans are in place to ensure hourly rates will feed through the paylink from HR system, this will be implemented by May 2020. As interim measure HR are checking all timesheets.</p> <p>Fully Implemented</p>

<p>R6 Ensure that variance reports have been reviewed and signed off.</p> <p>Also have someone independent of the payroll team check the payroll details of payroll staff to ensure that payroll staff have not amended their own payroll salaries.</p>	<p>2</p>		<p>Yes</p>	<p>Graham Little, Interim Head of Finance and Neil McGovern, Payroll Manager</p>	<p>31 December 2019</p>	<p>Neil's notes: - variance report that is currently being reviewed isn't the best report to use as it only shows totals and not the breakdown of an employee's pay. Also gross may be same as last month but net significantly different due to for example a new tax code causing a tax refund. I wouldn't carry on using this report.</p> <p>I would suggest comparing basic salary from one month to next alongside the monthly check between payroll and HR mentioned earlier. This would highlight amendments received via the HR link which would appear on the tracker that had already been authorised.</p> <p>A double check on additional payments to be made that are over a certain amount, before any processing is commenced to make sure properly authorised. E.g. a timesheet claim of more than 100 hours in a month.</p> <p>Using the Payslip Summary report to check input would be a better way than currently checking input via the employee's screen. This would enable a sense check to be made of all employees pay which would help identify anomalies.</p> <p>For payroll staff's own wages there has to be an element of trust that they are not processing overpayments to themselves. The payroll reports used by management accountant would highlight any issues with payroll staff's wages.</p> <p><i>Partially Implemented</i></p>	<p>March 2020 update:</p> <p>Limited further progress</p> <p><i>Partially Implemented</i></p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
R7 Introduce mechanisms to ensure that payroll checklists are always completed and held on file and that these checklists are always checked and signed off by someone independent of the payroll team prior to processing of the payroll.	2		Yes	Graham Little, Interim Head of Finance and Neil McGovern, Payroll Manager	31 December 2019	Neil's notes: - Happy for these to continue to be used, will ensure that going forward they are always completed and signed off for each month. Fully Implemented	
R8 Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved.	3		Yes	Henry Nicholson, College Financial Accountant	31 December 2019	Neil's notes: - I'm happy to do the reconciliations of payroll accounts as part of closing down payroll period for the month. Was part of my role in previous employment to reconcile these accounts for reporting to Finance Director. Would also enable me to spot any use of wrong payroll elements when paying someone, this will not have affected their pay but if for instance element used was for childcare rather than cyclescheme then the invoice received would not match what the total payroll element is saying. Partially Implemented	March 2020 update: Limited further progress Partially Implemented

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019	Progress at March 2020
R9 Write to all members of staff who a) did not have a correct S tax code and/or b) who have multiple staff numbers, to advise them that they should contact HMRC directly to verify that they have paid the correct amount of income tax.	2		Yes	Neil McGovern, Payroll Manager	31 October 2019	<p>Scottish Rate of Income Tax. All staff now have S prefix codes, checks in place to ensure new starts have the S code entered with their starter information, and tax codes received from HMRC are checked to ensure also have S codes. There has been recent instances when HMRC have issued codes without the prefix but addresses have been checked that employee is domiciled in Scotland and S prefix used. Staff with Multiple Staff numbers. Currently there are 4 members of staff whose multiple tax codes come to over S1250L. 1 of the employees hasn't been paid on one of the records this tax year. The other 3 have had tax codes issued recently from HMRC which to me would suggest the employees should be contacting HMRC about their own tax as they may have other income/expenditure outside college employment that affects their tax code, however I think this is unlikely in these cases as the codes are around the standard S1250L. Going forward we have asked HR to get employees who are starting secondary roles to complete the starter checklist stating that this is a second job. This would prevent the full allowance being allocated to the second job as well as the first. Katy's comments: requesting staff to complete the starter checklists for secondary jobs is not popular with staff, as they are still employed by us. This is not a long term solution and is causing discontent with staff.</p> <p>Partially Implemented</p>	<p>March 2020 update:</p> <p>The number of staff whose multiple tax codes comes to over S1250L is now 2.</p> <p>Staff are completing additional new starter checklists to prevent this happening for new staff.</p> <p>Partially Implemented</p>

Appendix I – Updated Action Plan Internal Audit Report 2018/04 – IT Network Arrangements

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
<p>RI Consider implementing additional controls whereby HR issue monthly reports on joiners, leavers and staff that have changed role to departmental leads and ask them to confirm membership based on departmental composition and job roles. Any amendments would then be notified to HR who would in turn notify IT by raising a Helpdesk ticket.</p>		<p>We are happy to work on this basis. ICT is currently notified on starters and leavers (frequency and timings of this may need scrutiny) but additionally “movers” information is required systematically to ensure that privileged access is either enabled or disabled appropriately when staff change roles.</p>	Yes	<p>Susan Hunter, Head of HR</p> <p>Now: Jen McGillivray, HR Team Leader</p> <p>Richard Fyfe HR Advisor</p> <p>Now: Katy Lees Head of HR</p>	1 May 2018	<p>A formal system is in place for staff account creation, suspension and deletion and is controlled by HR.</p> <p>It has been agreed that a formal process for ‘movers’ is to be incorporated into the existing formal system. Partially Implemented</p> <p>Revised Completion Date: 30 August 2019 Update: November 2019 Process of starters and leavers is fully implemented. Process of movers has not progressed, monthly change report will be implemented from December 2019 but full review needed for current staff to be done in January 2020. Update: March 2020 Changes report will be created by May 2020 as works needs to be done in CIPHR to achieve this. Partially Implemented</p>

Appendix III – Updated Action Plan Internal Audit Report 2018/06 – Equalities Mainstreaming

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
RI Develop an equality and diversity strategy. This may be included within existing equalities documents, or as a separate document.	3		Yes	<p>Stuart Hall and Susan Hunter</p> <p>Now: Jen McGilvary, HR Team Leader</p> <p>Now: Katy Lees</p>	31 October 2018	<p>The College is currently recruiting for the position of Equality and Diversity Adviser. This position has been vacant for a period of time and the recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>Update: November 2019 The priority has been on statutory reporting, this item is partially covered within the Mainstreaming report and will be reviewed once this is completed Partially Implemented</p> <p>Revised Completion Date: 31 March 2020</p> <p>Update: March 2020 This is within the Equality Mainstreaming report and associated action plan which will be published by 31 March 2020.</p> <p>Partially Implemented</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
R2 Develop an equality and diversity operational plan.	3		Yes	<p>Stuart Hall, Richard Ogston, David Gourley and Susan Hunter</p> <p>Now: Richard Ogston, David Gourley and Jen McGilvary</p> <p>Now: Katy Lees and Anna Kaczmarek</p>	31 July 2018	<p>An Equality and Diversity Action Plan was agreed and actioned via the EDIT Committee in April 2019. Progress on an operational plan is still to begin.</p> <p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>November 2019 update: This is covered within the mapping exercise in the mainstreaming report. Further work needs to be undertaken to identify operational activities.</p> <p>Partially Implemented</p> <p>Revised Completion Date: 31 March 2020</p> <p>Update: March 2020 This is within the Equality Mainstreaming report and associated action plan which will be published by 31 March 2020.</p> <p>Partially Implemented</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
R3 Ensure that appropriate equality actions are built into Faculty and Departmental operational plans.	3		Yes	<p>CMT</p> <p>Now: Jen McGilvary</p> <p>Now: Katy Lees and Anna Kaczmarek</p>	30 September 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><i>Little or No Progress Made</i></p> <p>November 2019 update: The E&D Advisor has met with all Directors to gather information for the mainstreaming equalities actions. She is now working with the Project and Planning Officer to look at how it can be built into operational plans</p> <p>Partially Implemented</p> <p>Revised Completion Date: 29 February 2020</p> <p>Update: March 2020 This is currently being undertaken through the EREP action plan.</p> <p>Fully Implemented</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
<p>R4 Compare College protected characteristics statics against a suitable benchmark and from this identify any areas where there is disproportionately low participation by those with protected characteristics.</p>	3		Yes	<p>Stuart Hall and Aishling Fagan (staff) Deborah Lally and Stuart Hall (students)</p> <p>Now: Katy Lees, Deborah Lally and Anna Kaczmarek</p>	31 July 2018	<p>For students: KPI data has been identified and compared against the sector where available. Actions have been identified in the College’s EREP action plan and these are ongoing – the impact will not be known until the end of academic year 2018/19 and KPI data is finalised.</p> <p>For staff: The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>November 2019 update: This is covered within the mainstreaming report</p> <p><i>Partially Implemented</i></p> <p>Revised Completion Date: 31 January 2020</p> <p>Update: March 2020 The Equality and Diversity This is currently being undertaken through the EREP action plan.</p> <p><i>Fully Implemented</i></p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
<p>R5 Prepare a summary of the equality documents and how they relate to one another. This should be published on the College website. In addition, ensure that all equalities documents are easy for readers to identify what is planned, what has been achieved, and what the key issues are.</p>	3		Yes	<p>Stuart Hall</p> <p>Now: Jen McGilvary</p> <p>Now: Katy Lees and Anna Kaczmarek</p>	30 September 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>November 2019 update: This is included within the Mainstreaming report</p> <p>Partially implemented</p> <p>Revised Completion Date: 29 February 2020</p> <p>Update: March 2020 This is within the Equality Mainstreaming report and associated action plan which will be published by 31 March 2020.</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
R6 Review the remit of EDIT (including ensuring this makes it clear how it fits into the College's equality work), its membership, who EDIT reports upwards to and what is reported upwards.	3		Yes	Susan Hunter Now: Jen McGilvary Now: Katy Lees and Anna Kaczmarek	31 July 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. <i>Little or No Progress Made</i> November 2019 update: This review has commenced. <i>Partially implemented</i> Revised Completion Date: 31 January 2020 March 2020 Update: Fully completed

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
<p>R7 Clearly set out the role of the Equality and Diversity Champions, how often they will meet, what they will discuss, and who they will report up to. Ensure the role of the Equality and Diversity Champions is communicated to all staff and students.</p>	3		Yes	<p>Stuart Hall</p> <p>Now: Katy Lees and Anna Kaczmarek</p>	31 August 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><i>Little or No Progress Made</i></p> <p>November 2019 update: E&D champion role outline has been created. It has been discussed at EDIT and also staff conference. Discussions have also taken place with HISA</p> <p><i>Partially implemented</i></p> <p>Revised Completion Date: 31 January 2020</p> <p>March 2020 Update:</p> <p>No further progress made</p> <p>Revised Completion Date: 30 June 2020</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
<p>R8 Review the EIA process to ensure:</p> <ul style="list-style-type: none"> all policies and practices are identified; where an EIA has not been undertaken for a policy or procedure, ensure that there is a formal justification for this; all EIAs are on the College website; as part of the process for reviewing policies and practices undertaken by the Quality department ensure that this includes the requirement for an EIA or justification for not requiring an EIA to be done; and all EIAs are kept centrally. 	3		Yes	<p>Stuart Hall</p> <p>Now: Katy Lees and Anna Kaczmarek</p>	31 August 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>November 2019 update: This review will commence in January 2020</p> <p>Little or No Progress Made</p> <p>Revised Completion Date: 31 January 2020</p> <p>March 2020 update: Quality Office has updated full list of policies and procedures. All policies under review will have an EIA. Copies of all EIA will be kept centrally by Quality and held on PerthNet, with a reference of how external people can access them being placed on the website. Where EIA are not currently in place, they will be done when the policy is next reviewed. A new full EIA form is being drafted and will be going through EDIT committee for consideration.</p> <p>Revised Completion Date: 30 June 2020</p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
R9 Once the calculations for the College's equalities reports are prepared, have a second person review the calculations for accuracy of compilation, and to ensure that all required data has been included in compliance with statutory definitions.	3		Yes	Sarah Macfarlane Now: Jen McGilvary Now: Katy Lees	30 June 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>November 2019 update: The E&D Advisor creates the reports, and all elements are checked by the Head of HR & OD to ensure compliance with statutory definitions</p> <p>Partially implemented</p> <p>Revised Completion Date: 31 January 2020</p> <p>March 2020 update:</p> <p>Reports to be published by end of March 2020</p> <p>Partially implemented</p>

Perth College UHI
Internal Audit Report 2013/07 – Health & Safety

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at March 2020
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Perth College UHI
Internal Audit Report 2013/07 – Health & Safety

<p>RI Risk assessments should be reviewed annually by College managers. The H&S Adviser should also perform an annual review of risk assessments in place to ensure that these have been updated.</p>	<p>B</p>	<p>During 12/13, a centralised risk assessment system was established which, by each College area, identified the Duty Holder, Responsible Person, and Risk Assessor for each area, training requirements, number of risk assessments required / in place and annual review date. From this system, it was identified that there were a number of risk assessments that had passed their review date and over the past 2 – 3 months this has been addressed. Almost all risk assessments have now been reviewed and updated, and will now be monitored using the centralised system to ensure on-going annual review and update. All risk assessments will be reviewed and updated by the end of May 2013.</p>	<p>Lorenz Cairns</p>	<p>31 May 2013 Revised Completion Date: 31 December 2016</p>	<p>At April 2015 A desktop review of risk assessments was carried out by H&S Officer in early 2015 and this identified that some areas needed new Risk Assessments (RAs) and others needed to be improved to ensure they were robust and not all had been reviewed on an annual basis. General H&S Risk Assessment Guidance and College Management Arrangements have been reviewed and a file has been set up on the College’s network for all risk assessments to be stored. The H&S Officer plans to further review these to ensure all are uploaded and robust.</p> <p>At May 2016 The H&S Officer has carried out a significant amount of work in this area including continuing to review and upload College RAs received from departments onto Perth Net. A new RA form has been implemented and RAs are being converted to the new format as they are reviewed. This is an ongoing process. We noted some RAs on Perth Net that were past their stated review date however the H&S Officer advised that they were still relevant. Some departments have still to provide electronic copies of RAs for upload however the H&S Officer is confident that RAs are all in place and reviewed.</p> <p>(Continued on next page)</p>	<p>March 2020 Departmental reporting has highlighted that CMT members do not know where gaps in risk assessments exist, and there is a lack of trained risk assessors.</p> <p>Information related to Hazard Surveys was shared at the H&S Committee in February 2020 to facilitate identification of risk assessment needs. This was also discussed at the Sector Manager meeting on the 25/02/20.</p> <ol style="list-style-type: none"> 1) Hazard surveys need to be done in all areas to identify risk assessments which are missing by end of May 2020 2) A workplan for 2020-2023 to undertake audits in remaining areas is now in place. 3) Additional risk assessment training is taking place in June 4) A paper was accepted by the SMT outlining the base level training for CMT members in relation to H&S and this is currently being implemented with 6 CMT members undertaking IOSH Managing Safely training in May – July 2020
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Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at March 2020
<p>RI (Continued)</p>					<p>The recommendation has been left open until all RAs are uploaded onto Perth Net and the H&S Officer will continue to assist departments to convert RAs into an electronic format using the new form. The aim would be to complete this by the end of the calendar year and departments will be advised of this timescale.</p> <p>The H&S Officer has provided RA training to 65 staff throughout the College to assist them in reviewing and preparing / updating RAs.</p> <p>At May 2017 The Health and Safety Officer has reviewed where the College is at and is satisfied this action is now 95% complete and will be 100% complete by August 2017.</p> <p>The 5% outstanding is a mixture of: risk assessments in place but need a review; and risk assessments where some gaps have been identified.</p> <p>(Continued on next page)</p>	<p>5) All risk assessments for the Caretaking and Cleaning staff (59) have been completed which is an achievement</p> <p>6) Departmental Health and Safety reporting has commenced</p>

Perth College UHI
Internal Audit Report 2013/07 – Health & Safety

<p>RI (Continued)</p>				<p>At May 2018 The new Health, Safety and Wellbeing Adviser has now met with all areas of the College and has been unable thus far to find evidence of the completion rate reported in 2017.</p> <p>There is very little held electronically and a mix of missing assessments, out-of-date assessments and assessments on the old form.</p> <p>The plan is to work with all areas to look at their paper-based reporting and move this onto the correct electronic forms and have a centrally held register and manage this through reporting of the status to Health and Safety Committee.</p> <p>Partially Implemented</p> <p>Revised Completion Date: 31 October 2018</p> <p>At May 2019 Improvements have been made with risk assessments being completed, reviewed and stored electronically. More areas are utilising the central registry and additional assessments have been conducted for Estates Caretakers and Cleaners and Nursery. Some areas still maintain hard copy assessments for Student Training and reference. Internal Inspections by the Health, Safety and Wellbeing Adviser shall indicate if current hard copies are suitable and sufficient.</p>	
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				<p>At November 2019</p> <p>Minor improvements have been made in the completion of risk assessments as evidenced in the audits conducted by the HSWA. There are still many in hard copy only and not uploaded to the central storage area on PerthNet. A review of those already uploaded by departments and curriculum areas has shown that many have not been reviewed, are compiled on an out of date format or where one would expect risk assessments, there are none. Those areas audited have been advised in their audit action plans to review, re-do on the current format and upload their assessments. Work is continuing to assist and support those areas having difficulties.</p> <p>Identified actions to improve current situation:</p> <ol style="list-style-type: none"> 1) Hazard surveys need to be done in all areas to identify risk assessments which are missing. 2) CMT members are being provided prior to Christmas with information about risk assessments which need to be reviewed/completed where known. 3) A new departmental Health and Safety reporting requirement to be implemented from January 2020 will give greater visibility for departments of where identified work needs to be completed. 4) A workplan for 2020-2023 to undertake audits in remaining areas is being created. 5) The Health and Safety committee will review quire visibility of updates to action plans from audits. 	
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Perth College UHI
Internal Audit Report 2013/07 – Health & Safety

<p>Training</p> <p>R3 The College should ensure that all staff with outstanding mandatory H&S training receive this as soon as practical.</p>	<p>B</p>	<p>As noted in the report there was a planned change in on-line training provider which resulted in a number of staff not completing the health & safety module. This is being addressed and outstanding staff have or are in the process of completing the module.</p>	<p>Lorenz Cairns</p>	<p>31 May 2013 Revised Completion Date: 31 August 2015</p>	<p>At April 2015 Since June 2014 an e-Learning module has been brought in to replace training previously run through Blackboard. As the new reports from the e-Learning module do not include training records from Blackboard it is not clear whether all staff have received their mandatory training. It is planned to analyse staff who have not received this training and ensure they receive this.</p> <p>At May 2016 The completion rate for the mandatory on-line training module was not available at the time of finalising this report.</p> <p>At May 2017 Approximately 80% of staff have completed online H&S training. For those still to complete, there are quite a significant number who are new and within their first six months of employment. There are however a number of other staff who have still to complete the updated on-line module.</p> <p>(Continued on next page)</p>	<p>March 2020 update</p> <p>In reviewing the data for Marshall's training it is clear that the figures reported in November were incorrect.</p> <p>They should have been</p> <p>Stress Management 23% Health & Safety (1) 17% Health & Safety (2) 18%</p> <p>Following the relaunch of the Marshalls training current completion at 25/02/20 is</p> <p>Stress Management 53% Health & Safety (1) 43% Health & Safety (2) 50%</p> <p>Manager are provided with monthly list of staff who still need to complete the training.</p> <p>Work needs to be done in relation to Mental Health and Fire Awareness as both of these trainings are currently not available to staff due to the conversion from Blackboard to Brightspace.</p> <p>Revised Completion: 31 July 20</p>
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<p>R3 (Continued)</p>					<p>The Vice Principal, Human Resources and Communications has sent reminders to staff and will do so again however, with the current strike action, this may not be a priority therefore a deadline has been set for 100% completion by August 2017.</p> <p>At May 2018 The e-modules completion rate is reducing. The plan is to report on this regularly and work with managers to achieve completion.</p> <p>In addition, additional mandatory training has been identified for specific roles. It is proposed that this is formalised in an action plan and then monitored and reported to Health and Safety Committee.</p> <p>Partially Implemented</p> <p>Revised Completion Date: 31 January 2019</p> <p>At May 2019 A review of current staff employed and completion of online Health and Safety related training has indicated a fall from previous years. Figures indicate 44% of current staff have completed modules with 38% not having started any. Reminders have been forwarded to Managers and raised at the Health and Safety Committee to ensure specific training is completed by all staff.</p>	
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Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at March 2020
					<p>At November 2019</p> <p>Although being promoted through the Health and Safety Committee and direction being given to line managers, online Health and Safety Training still remains an issue. A further review took place in October and November using the current staff list and reports from both online training platforms, Blackboard and Marshalls. This review indicated that completed training remains low as indicated below.</p> <p>Mental Health, 32% Fire Awareness 34% Stress Management 45% Health & Safety (1) 48% Health & Safety (2) 51%</p> <p>Although there has been a significant number of new starts, the figures also indicate some employees with over 1 year of service have not started or completed training.</p> <p>We are working with our training providers to implement automatic reminders, with significant progress to complete all mandatory trainings identified above expected by the end of January 2020 with monthly reporting to the Head of HR & OD.</p>	

Health and Safety Committee

Minutes

Date and time: Thursday 06 February, 2.00pm
Location: Room 019, Brahan

Members present: Katy Lees, Head of HR and Organisational Development (Chair)
Lorenz Cairns, Depute Principal Academic
Ian Bow, Health, Safety and Wellbeing Advisor
Charlie Shentall, Board of Management
Les Hutchinson, Head of Estates
Stewart Fraser, Sector Manager, Humanities and Social Sciences
Mark Jones, AST
Steve Scott, EIS H&S Rep
Jennifer Brickwood, SDD - STEM
David Gourley, Head of Learning and Teaching Enhancement
Amy Studders, HISA Perth President
Jill Elder, SDD Business Management, Computing and Leisure
Nick Green, Sector Manager, Audio Engineering & Theatre Arts
Jane Edwards, UNISON H&S Rep

Apologies: Charlie Collie, Subject Leader, Social & Vocational Studies
Ian Gibb, Sector Manager, Food Studies and Hospitality
Christiana Margiotti, SDD, Creative and Cultural Industries
Eleanor Brown, SDD, Applied Life Sciences
Deborah Lally, Head of Student Experience

Note Taker: Trudy Guthrie

Summary of Actions

Ref	Action	Responsibility	Time Line
5.	Absence Statistics KL to bring detailed breakdown of cold/flu instances	Katy Lees	For next mtg
6.	Health and Safety Risk Management Profile – update All to feedback comments to IB on risk register. All to pinpoint risk assessment and H & S training needs in teams and send to IB. IB to arrange training days. DG to add DSE Assessments and Mandatory Training sessions to the agenda for June staff conference.	ALL IB DG	ASAP June 2020 June 2020

Summary of Actions

Ref	Action	Responsibility	Time Line
7.	Health & Safety Quarterly Report IB to send out a reminder to all to register near misses	IB	ASAP
8.	Health & Safety Inspection Update IB to bring action plan of all inspections/audits to next meeting and to send out Nursery and Motor Vehicle audits to all	IB	30.04.2020
9.	Online Mandatory Training Update KL to circulate stats on Mandatory training once received	KL	ASAP
10.	Departmental Health & Safety Reporting IB/JBR to meet to discuss reporting. IB to contact all areas re unsubmitted reports	IB/JBR IB	ASAP ASAP
12.	AED Proposal LC to take proposal to SMT for final approval	LC	11.02.2020
15.	AOCB ALL to review Driving to Work policy with a view to amending the wording. LC to hold meetings to discuss procedure and communications surrounding Coronavirus	ALL LC	30.04.2020 Immediately

Minutes

Item	Action
<p>1. Welcome and Apologies</p> <p>KL welcomed all to the meeting.</p> <p>Apologies were noted.</p>	
<p>2. Additions to the Agenda for AOCB</p> <p>Driving to Work.</p>	
<p>3. Minutes of Meeting held on 14 November 2019</p> <p>The minutes of the meeting held on 14 November 2019, having been previously circulated, were approved, as a true and accurate record of discussions.</p>	
<p>4. Matters arising not included elsewhere on the agenda/review of actions from previous meeting</p> <p>a) LH advised he has received prices for filling the potholes and this will take place next week</p>	
<p>5. Absence Statistics</p> <p>KL took Committee through detailed report advising that the stats were higher than we would like for the academic year, especially within academic staff. CS asked for more detail in particular detailing cold/flu cases, KL to bring this to next meeting.</p> <p>JE queried if we have a new provider for Occupational Health. KL advised the tender process is complete but no decision has yet been circulated. KL will update all when decision is known.</p> <p>Action: KL to bring detailed breakdown of cold/flu instances.</p>	KL
<p>6. Health and Safety Risk Management Profile – update</p> <p>IB advised that, after some issues, he has added Manual Handling and Lone Working to the matrix. He has added a traffic light system to the risk register along with a column including the names of responsible individuals. A long discussion took place resulting in the Chair asking all to look over the document and feed back to IB. LC asked IB to liaise with Ian McCartney who has recently completed a project on responsibilities re risk. NG highlighted that neither himself nor his team have received any risk assessment training, after discussion it was agreed that all would go back to their teams and decide who needed this training, and</p>	

Item		Action
	<p>any other H & S training, then all to contact IB with their requirements and he will put 4 hour training slots in place in June. CS and JE voiced strong concerns over non compliance with legislation re DSE assessment and Mandatory training.</p> <p>JBR asked for DSE assessments and Mandatory Training sessions to be added to the agenda for the June staff conference day. DG to action</p>	
	<p>Action: All to feedback comments to IB on risk register. All to pinpoint risk assessment and H & S training needs in teams and send to IB. IB to arrange training days. DG to add DSE Assessments and Mandatory Training sessions to the agenda for June staff conference.</p>	<p>ALL IB DG</p>
7.	<p>Health & Safety Quarterly Report</p> <p>IB took Committee through stats and gave a detailed breakdown of all incidents. Stats are up on last quarter, mostly due to sports injuries. IB clarified that the First Aid stats are in relation to first aid given to injuries that have been sustained outside college. JE asked IB to send out a reminder about registering near misses.</p>	
	<p>Action: IB to send out a reminder to all to register near misses.</p>	<p>IB</p>
8.	<p>Health & Safety Inspection Update</p> <p>IB apologised to committee as relevant papers have not been forwarded for the completed Nursery and Motor Vehicle audits. IB to send out to committee. KL asked IB to bring an action plan detailing all previous inspections/audits to the next meeting. IB advised there are a further 5 H & S audits in the pipeline.</p>	
	<p>Action: IB to bring action plan of all inspections/audits to next meeting and to send out Nursery and Motor Vehicle audits to all.</p>	<p>IB</p>
9.	<p>Online Mandatory Training Update</p> <p>Discussed in detail in Item 6. KL advised she has asked the provider for an update on stats for this and will circulate when received. Item to stay on the agenda.</p>	
	<p>Action: KL to circulate stats on Mandatory training once received.</p>	<p>KL</p>
10.	<p>Departmental Health & Safety Reporting</p> <p>KL reminded the Committee that this had been instigated by them at a previous meeting and the concept is to take H & S reporting to Sector manager level. IB advised he has received 10 responses.</p>	

Item	Action	Action
	<p>A discussion took place to determine who should have responsibility for investigating low and high level accidents and incidents. JE queried if we should have Sector managers carrying out low level investigations if they have not been trained. IB advised the document is being reviewed and he will bring to committee once updated. JBR voiced concerns over the reporting form as she found it confusing and complicated reporting form and stated she was unable to complete it due to this. All discussed at length and it was decided that IB and JBR will meet to discuss department reporting. IB to contact all other areas who have not submitted reports to find out why.</p> <p>JBR suggested managers go through H & S Training. KL stated she is currently reviewing training needs for all staff.</p> <p>Action: IB/JBR to meet to discuss reporting. IB to contact all areas re unsubmitted reports.</p>	
11. Health, Safety & Wellbeing Adviser - update	<p>Reviewed and updated the First Aid Risk Assessments for Perth Campus</p> <p>Reviewed Building Fire Risk Assessments for all buildings and residences, yet to discuss findings with Estates Officer</p> <p>Conducted 8 Personal Emergency Evacuation Plans (6 students, 2 staff) and awaiting 5 students to complete as they never attended appointments</p> <p>Conducted 2 Health & Safety Audits, Nursery and Automotive Engineering</p> <p>Conducted numerous risk assessments for individual employees, including full DSE and assisted some departments with theirs</p> <p>Delivered CPR & AED Training to 7 ASW Commercial staff</p> <p>Provided UHI with Perth College Health & Safety Risk Register on their proposed format</p> <p>Worked with NHS Tayside Healthy Working Lives (HWL) for review of Gold Award for the College which has been retained</p> <p>Compiled HWL Employee Wellbeing Survey, closing date 28 Jan 2020, only 118 respondents. The HWL Group will be invited to a meeting to discuss the findings.</p> <p>Attended a one day Mentally Healthy Workplace training session through NHS Tayside Healthy Working Lives</p> <p>* Not mentioned at meeting, apologies.</p> <p>Conducted a stress survey with one department to determine the levels of stress felt by the staff as a start point for a team, department or individual Stress Risk Assessment if required.</p> <p>Responses indicated pressures and frustrations in the workplace but all indicated they were capable of coping and there were no issues impacting on their health. Those taking part stated they did not think a Stress Risk Assessment necessary. They have been</p>	KL/IB/JBR KL/IB

Item		Action
	advised they should speak to their line manager should the situation alter or if necessary as a secondary action approach the Health, Safety and Wellbeing Adviser or HR.	
12.	AED Proposal	
	IB took committee through proposal document to purchase and AED for the Brahan Building. All discussed and approved. LC to take to SMT for final approval	
	Action: LC to take proposal to SMT for final approval	LC
13.	Hazard Survey Form	
	IB gave a brief overview of the form and advised more information will be sent out re training.	
14.	Estates Team Leader – Update	
	LH advised the lead caretaker has been reviewing all risk assessments and the team are currently reviewing H & S work for the summer.	
15.	AOCB	
	Driving for Work Policy – IB raised the point that the current policy states a member of staff cannot be alone in a car with a student. This is causing issues when staff need to shuffle students from campus to Goodlyburn, Hospital Appointments, Project Supervision Meetings etc. IB asked that an amendment is made to the policy to reflect this. All to think about the changes needed and to bring back to next meeting.	
	Coronavirus – JBR raised concerns re the lack of communication about the current outbreak of Coronavirus and what procedures we have in place for this. JE stated she had previously requested a risk assessment for this but had no response. LC was meeting with Lin Shen tomorrow to discuss. KL advised she is in touch with authorities and we are complying with all current government and health advice. CS asked that the item be added to the risk register and discussed at SMT.	
	Action: ALL to review Driving to Work policy with a view to amending the wording. LC to hold meetings to discuss procedure and communications surrounding Coronavirus.	ALL LC
16.	Date of Next Meetings	
	<ul style="list-style-type: none"> • 30th April 2020 	

Audit Committee - Terms of Reference

Membership

No fewer than 4 members of the Board of Management.

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the persons elected by the teaching staff and the non teaching staff of the College and the persons appointed by the Perth College Students' Association.
- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.
- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.
- The College Executive will attend meetings at the invitation of the Committee Chair and provide information for Agenda items

In attendance

Vice Principal (External)

Depute Principal (Academic)

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet no less than three times per year.

Objectives

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.
- There are systems in place to ensure the Committee engages with financial reporting issues

Terms of Reference

Internal Control

1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.
3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

Internal Audit

1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
2. Advising the Board of Management on the terms of reference for the internal audit service.
3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
4. Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
8. Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.

9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.
10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
11. Ensuring good communication between the Committee and the internal auditors.
12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
13. Reviewing the Risk Management Register.

External Audit

The appointment of external auditors to the College is directed by Audit Scotland.

1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
2. Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
3. Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
4. Reviewing the statement of corporate governance.
5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
6. Reviewing the external audit strategy and plan.
7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
8. Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
9. Securing appropriate liaison and co-ordination between external and internal audit.

Value for Money

1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
2. Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

Advice to the Board of Management

1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
2. Producing an annual report for the Board of Management.
3. Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.
4. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Update by Committee – 17 September 2019 (amended job roles)