Audit Committee

Agenda
Meeting reference: Audit 2019-20/02
Date: Wednesday 11 December 2019 at 6:00pm
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.

The Audit Committee will join the Finance and General Purposes Committee at 6:00pm to discuss shared business

	Agenda Items	Author	Led by	Paper
1	Joint Welcome and Apologies		Chairs of F&GPC and Audit	
*2	External Audit 2018-19: Status	Principal	Principal	Paper 1
3	**Business Development**			
*3.1	Business Development Strategy	Head of Business Development ASW	Vice Principal (External)	Paper 2
*3.2	International Strategy	Director of Partnerships – China and SE Asia	Vice Principal (External)	Paper 3
	After consideration of the Management Accounts and Financial Statements & Business Development items, F&GP Committee will leave the meeting and Audit Committee will continue with its Committee business			
4	Additions to the Agenda			
5	Declaration of a Conflict of Interest in any Agenda Item			
6	Minutes of the Meeting of the Audit Committee held on September 17 2019			Paper 4
7	Actions arising from previous minutes			

8	**Risk Management**			
*8.1	Strategic Risk Register	Clerk	Depute Principal (Academic)	Paper 5
9	**FOI & Data Protection**			
9.1	Freedom of Information & Data Protection update report	Clerk	Clerk	Paper 6
10	**Internal Audit**			
*10.1	Internal Audit Annual Report 2018-19	Henderson Loggie	Henderson Loggie	Paper 7
*10.2	Revised Internal Audit Plan 2019-20	Henderson Loggie	Henderson Loggie	Paper 8
*10.3	Internal Audit Report: 2018-19 Student Activity Data	Henderson Loggie	Henderson Loggie	Paper 9
*10.4	Internal Audit Report: Student Support Funds 2018-19 Audit Report	Henderson Loggie	Henderson Loggie	Paper 10
*10.5	Internal Audit Update – HR &Payroll Systems	Henderson Loggie	Henderson Loggie	Paper 11
10.6	Internal Audit Report 2013/07 – Health & Safety – Management Update	Head of HR & Organisational Development	Head of HR & Organisational Development	Paper 12
10.7	Internal Audit Report 2018/04 – Equalities Mainstreaming – Management Update	Head of HR & Organisational Development	Head of HR & Organisational Development	Paper 13
11	**Performance Management**			
	Balanced Scorecard	Project & Planning Officer	Clerk	Paper 14
12	**Committee minutes**			
12.1	Health and Safety Committee: • 14 November 2019		Chair	Paper 15
13	Date and time of next meeting: • 25 February 2019	Clerk		
*14	Review of meeting (to include check against the Terms of Reference to ensure all competent business has been covered)			Paper 16
*15	Executive Team leave the meeting for Audit Committee discussion with internal and external auditors			

Committee	Audit Committee
Subject	Financial Statements 2018/19
Date of Committee meeting	11/12/2019
Author	Veronica Lynch, Vice Principal External Engagement
Date paper prepared	06/12/2019
Executive summary of the paper	This paper seeks approval to extend the date for approval of Perth College UHI Financial Statements for the year ended 31 July 2019. It is recommended that the Committee: 1. Note the rationale for the extended date for completion of fully audited Financial Statements for the year ended 31 July 2019 2. Note the disclosures for inclusion within the Financial Statements for the year ended 31 July 2019. These will be kept under review until the conclusion of the financial reporting and audit processes are complete. 3. Note and Approve the College's revised approval timeline. 4. Endorse the proposed dates for completion of these statements.
Consultation How has consultation with partners been carried out?	Consultation has been undertaken with External Auditors, EY and with the Regional Strategic Body.
Action requested	☐ For information only ☐ For discussion ☐ For recommendation ☒ For approval

Resource implications (If yes, please provide details)	**Yes**/ No There will be staff time required to complete the audit which may impact other finance priorities.
Risk implications (If yes, please provide details)	**Yes**/ No There is a risk that the audit work may not be completed on time to meet the revised Board meeting dates. Mitigation –UHI EO have been approached for support. Agreement on delay of other deadlines has been offered. The investigation process may identify further disclosures. Mitigation – Action plans to address and mitigate further risks.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	Provide a summary of the how the paper links to key College priorities and what they are This project supports the delivery of the strategic aim Financial sustainability This paper assists with risk management, compliance with legal duties and with the Code of Good College Governance.
Equality and diversity Yes/ **No** If yes, please give details:	Click or tap here to enter text.
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)?	Yes/ **No** If yes, please give details: Click or tap here to enter text.

Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	Yes/ **No** Set out any data protection aspects and whether a data protection impact assessment is needed
Status (e.g. confidential/non confidential)	Confidential
Freedom of information Can this paper be included in "open" business?* -**Yes**	Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below

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

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

For how long must the paper be withheld? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

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

FINANCE AND GENERAL PURPOSES COMMITTEE　　　　**FOR APPROVAL**
AUDIT COMMITTEE

FINANCIAL STATEMENTS 2018/19　　　　　　　　**11 DECEMBER 2019**

INTRODUCTION

This paper seeks approval to extend the date for approval of Perth College UHI Financial Statements for the year ended 31 July 2019.

The Committee are requested to approve the recommended actions to complete the year end accounts for approval at an extraordinary meeting of the College Board on 12 February 2020. The intention is to schedule an extraordinary joint audit and finance and general purposes committee in advance of the extraordinary meeting of the board.

RATIONALE

In discussions with the College's External Auditor, EY, the College's Senior Management Team has agreed that the timescales for completion of a fully audited set of accounts for 2018/19 within the Scottish Funding Council/RSB reporting deadline of 31 December 2019 will be unable to be met. The factors leading to this recommendation are:

- Draft financial statements were not prepared until 15 November, against an originally planned and agreed timetable of 21 October. Further work is underway to ensure that the draft Financial Statements are compliant with the requirements of the SFC Accounts Direction. Revised and updated draft financial statements will be passed to EY for audit on 6 January 2020. This was as a result of high levels of staff turnover throughout 2018/19 leading to limited institutional knowledge, including within the College's Finance Team, exacerbated by the recent resignation of the Head of Finance in October 2019 and the former Chief Operating Officer in December 2018
- EY identifying areas requiring further evidence to support the information within the draft financial statements and allow the Accountable Officer to provide assurance to the Board on the effectiveness of internal controls.
- The level of staff time required to undertake these actions has resulted in the planned audit completion dates being unachievable
- The investigation process underway by UHI Internal Audit into the Issue of Concern raised to Audit Scotland on 20 November 2019 will require the Board to consider the implications for the financial statements, and the adequacy of disclosures.

DISCLOSURES FOR INCLUSION WITHIN THE FINANCIAL STATEMENTS

There are a number of governance and other matters identified during 2018/19 that will require disclosure within the governance statement. The Committee is asked to note each disclosure and the planned actions being undertaken to address these issues. All disclosures are included within the risk register. These will be kept under review until the financial reporting and audit processes are complete.

Issue Identified	Action Taken
Payroll Errors relating to staff with more than one contract. These came to light following the conclusion of the internal auditor's review and receipt of their report in September 2019.	Where underpayment of National Insurance contributions, voluntary HMRC disclosure undertaken and meetings with staff impacted. Provision of £250k has been allowed as a contingent liability for 2018/19. Potential overpayment of pension contributions – work to review value and extent of overpayment and associated errors in tax payments. Communications to staff impacted and support to recover overpayment. Provision of contingent asset of £TBC included within accounts. Where staff registered in 2 pensions – rectify anomalies and work with impacted staff to consolidate pension contributions.
Equalities Duties Reporting non compliance within agreed timescales	Equality and Diversity Staff member now appointed. Work is progressing on outstanding statutory reporting requirements Draft Equal Pay Statement, Gender pay report being reviewed by the Head of HR & Organisational Development. Draft Mainstreaming report completed at end of October 2019.
Non reporting of Settlement Agreements to the RSB / SFC in accordance with requirements.	Payments made in lieu of notice with no severance payment included. Reporting to RSB and SFC undertaken retrospectively
A review by management of procurement processes in September 2018 was completed. This identified a number of significant weaknesses in procurement processes, including areas of non-compliance	Contract with APUC implemented with staff member now in place. Reviewing the contracts register to track and manage compliant procurement of contracts requiring renewal Implementing an updated Purchase Order process and communicating with suppliers to comply prior to payment
Implementation of contract terms and conditions	Implement robust terms, contract management, monitoring and recovery.
Deferred Income relating to 2015/16 and 2017/18 was released during 2018/19.	Budget holders and contract managers undertaking closer engagement with College Finance Team to ensure income released on completion of delivery in line with FRS 102 regulations.

CONCLUSIONS

It is recommended that the Committee:

1. Note the rationale for the extended date for completion of fully audited Financial Statements for the year ended 31 July 2019
2. Note the disclosures for inclusion within the Financial Statements for the year ended 31 July 2019. These will be kept under review until the conclusion of the financial reporting and audit processes are complete.
3. Note and Approve the College's revised approval timeline.
4. Endorse the proposed dates for completion of these statements.

Perth College UHI

Paper No. 2

Committee	Audit Committee
Subject	Business Development Strategy
Date of Committee meeting	11/12/2019
Author	Gareth McKenna
Date paper prepared	29/11/2019
Executive summary of the paper	This Business Development Strategy sets out Perth College UHI's ambition to significantly impact the growth and development of the Perth and Kinross and Tay Cities Regional Economy. It outlines the purpose, vision and strategic approaches the College will undertake to achieve that impact.
Consultation How has consultation with partners been carried out?	n/a
Action requested	☐ For information only ☒ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes/ No tbc
Risk implications (If yes, please provide details)	Yes/ No tbc

Perth College UHI

Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	~~Yes~~/ No
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)?	~~Yes~~/ No If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	~~Yes~~/ No Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Non-confidential

Perth College UHI

Freedom of information	Yes/ ~~No~~
Can this paper be included in "open" business?*	

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Perth College UHI Business Development Strategy 2019-2024

Introduction

This Business Development Strategy sets out Perth College UHI's ambition to significantly impact the growth and development of the Perth and Kinross and Tay Cities Regional Economy. It outlines the purpose, vision and strategic approaches the College will undertake to achieve that impact.

1. Executive Summary

Perth College UHI plays an influential role in increasing the business competitiveness and productivity of our customers through supplying and developing the regional workforce of our industry and stakeholder partners across the Tay Cities region. This Business Development Strategy outlines the market context, future vision and strategic focus required to address the market opportunities and challenges open to the College over the next 5 years to 2024. It includes our Strategic Implementation Plan for the period to 2024.

In summary this strategy and structure will allow Business Engagement Team to interface with curriculum and businesses by:

- Developing and implementing with each academic sector a "sector development plan". This plan will outline our business engagement approach with all academic sectors. The plan will bring together a clear understanding of the skills and other business needs within the region, how we can support those needs and how we work together to maximize our business relationships.

- Scoping out the potential of a separate commercial subsidiary that enhances our competitiveness in our business markets.

- Developing a clearly defined plan for Perth College Development Trust and upcoming projects/initiatives

- Developing a key account system with each business that we are engaging and working with in order to plan, monitor and review our position. In addition, gathering intelligence and trends in order to best serve their needs.

- Assigning a member of Business Engagement Team to each academic sector. This person will have a dedicated remit with each academic sector. In some instances, the Development Trust Manager will be assigned to support projects/initiatives involving Development Trust.

- Ensuring the Business Engagement Team work with academic sectors to support each sectors development plan, strategically and operationally and in addition build knowledge within each sector to support academic colleagues and gain trust.

- Ensuring each member of the Business Engagement Team will work across FWDF and MA's and be pivotal to driving commercial development opportunity and growth with academic colleagues.

- Supporting the Business Engagement Team with access to the equivalent of a 0.5 marketing post to promote and communicate with all relevant partners through modern day communication platforms and channels. Enhancing our ability to influence and educate our business partners on opportunities we can provide and in addition showcase other work we are delivering or have completed.

- Ensuring this new structure enhances our ability to have joint and aligned intelligence and approach to each business account/partner. This require us to have a "customer relationship management" system that is populated accordingly and enables us to maximize opportunities across all areas of Perth College UHI, whilst providing greater value to our business partners.

- Supporting other internal commercial opportunities ensuring we maximize our internal assets, enhance our potential to offer benefits to our business partners, further enhance student experience and raise profile of college even further.

- Ensuring the fundamental outcome of this structure is to meet all our strategic and operational objectives, maximizing our business opportunities through enhanced knowledge, expertise, resource, networks and innovation.

- This strategy and structure be supported by investment that allows for:

  o Academic colleagues and or Associate staff to support business opportunities and delivery
  o Business Engagement Team trained/recruited with remit to drive business and enhance partnerships across all areas of each academic sector
  o The structure, roles and skill-set of Business Engagement Team to be aligned with strategic and operational outcomes
  o Marketing and communication support
  o CRM system to be developed and supported
  o Knowledge exchange across all college departments through collaboration
  o Culture of "business success" established in our work and across all strategic aims
  o Clearly identified and agreed plans and projects that can be supported by the Development Trust

2. Strategic and Market Context

As both a College and a University, Perth College UHI is uniquely placed to support the strategic opportunities and challenges within the Perth and Kinross region, while impacting the Scottish economy in key industry areas including Aviation, Engineering, the Rural Environment, Health, Hospitality, Teaching, Business Management and the Creative Economy. This is due to a combination of teaching and research expertise as well as our location being within 50 miles of 90% of Scotland's population.

Perth College UHI's Regional Connectivity

Perth College UHI is one of the largest partners in the University of the Highlands and Islands and is proud to serve the needs of its local area, as a key partner within the Tay Cities Region as well as the wider Highlands and Islands Region and beyond. Our Business Development activities will predominantly support the Perth and Kinross business and stakeholder community, our niche expertise in specific areas will widen the market opportunity across Scotland and internationally.

The Perth and Kinross regional economy is extremely strong, demonstrated by the following characteristics:

Perth and Kinross Regional Workforce

A population of 151,300 a 0.3% increase from 2016. The region has had a 5% population growth since 2008, 1% above the national average. This is however forecasted to slow to 1% growth by 2028, slightly behind the national average.

The projected population rates across the term of this strategy in Perth and Kinross are

2019   152,748

2020   153,537

2021   154,303

2022   154,990

2023   155,650

2024   156,924

Unemployment rates are at 2.9% (below the Scottish average of 4.1%). Workless households reduced from 15.3% to 13.9% since 2017 compared to 17.1% nationally down from 18%. Alongside this, there is a higher level of economic inactivity, not looking for work, primarily impacted by a higher than average retired population of 27.7% compared to 15.3% nationally.

The 2018 Annual Participation Measure showed that 94% of 16-19 year olds were in education, employment or training and personal development above the national average at 91.8%. In addition, the workforce is more highly qualified at all levels of qualifications on average by 3-8% compared to the national average.

With these lower levels of unemployment and higher participation rates, employers finding skilled staff can be more challenging. Perth College UHI has a key role to play in supporting our regional businesses to find their new recruits, expand their workforce and upskilling their existing staff to progress to higher level roles. This will create openings for our students and those looking to get back into work, as well as increasing the productivity of those businesses.

Perth and Kinross Business Base

The region comprises 6,165 enterprises. Of these, 5,435 (88%) are micro businesses, 620 (10.1%) small, 100 medium (1.6%) and 15 large (0.2%) all employing a total of 60,000 employee jobs with a net outward migration of 4,000 people who live in the region but work outside. A further 12,200 people are self-employed.

Perth and Kinross 5 year business survival rate is higher than the Scottish average and self-employment sits at 11.6%, compared to 8.6% nationally.

The region's weekly earnings sits slightly above the national average at £569.70 compared to £562.70 coupled with regional productivity (GVA per job) at £49,500 compared to £47,300 nationally. The growth projections to 2028 are at 1.3% in line with the national average. This despite overall regional GVA growth projections to 2028 being at 1.4% against 1.6% nationally.

Businesses are facing uncertainties in accessing the right skills, exacerbated by Brexit, potentially leading to restrictions on free movement of people and potential lower inward migration of people from EU. Attracting new entrants into the workforce, offering equality of opportunity across the region and increasing productivity within the existing workforce will be key to achieving sustainable economic growth.

In order to match other OECD countries, Scotland's productivity would need to increase by 20%. With Perth and Kinross GVA growth projected to be 0.2% slower than the national projection, this will require an estimated 22% growth to compete with other nations. Increased levels of innovation coupled with stronger levels of workforce development and work based learning approaches, particularly apprenticeships and vocational qualifications undertaken on the job within the workplace will be required to support that growth.

Re-alignment of Perth and Kinross Skills Profile

Labour market forecasts predict a changing profile of role types across the Perth and Kinross Region. Across the 10 year period, there is a predicted requirement for 18,100 workforce. This includes an expansion demand of 500 people and 17,600 replacement demand to account for leavers and retirements.

P&K Growth Industries to 2028	P&K Industries in Decline to 2028
Health and Social Care Construction Administration Support Services Business and Public Service Professionals Financial and business services Tourism Clean Energy Elementary occupations – Clerical, Sales, Wholesale, Retail	Primary Industries Manufacturing Public Administration Defence Overall decline in demand for mid-level skills

Across that 10 year period, the job profile roles are predicted to realign towards a higher proportion of staff across the region within elementary occupations.

- Lower proportion of workforce in professional and technical occupations (39% in 2018 to 36% in 2028)
- Intermediate skilled occupations (33% in 2018 to 19% in 2028)
- Higher proportion of workforce within elementary occupations (28% in 2018 to 45% in 2028)

This changing employment profile has the potential to reduce the diverse strength of Perth and Kinross regional economy, potentially leading to:

- Greater levels of In-work poverty
- Under employment and reduced productivity
- Reduced levels of Innovation
- Limiting GVA/GDP per head

The Changing World of Work

The OECD predicts that around 14% of jobs in the UK will be at high risk from automation and digital technologies, mostly in the intermediate skilled occupations. In 10-15 years' time, jobs not impacted by automation and artificial intelligence will be the exception.

Industries will be forced to deploy their workforce more efficiently to remain competitive. Labour intensive businesses will need to review and reinvent their business models, making better use of smart technologies and using their staff more effectively. This will all require higher levels of upskilling and reskilling with all staff requiring continued learning throughout their lives to keep pace with rapidly changing working environments.

The nature of work will focus on shorter, flexible contracts, staff being willing to be mobile, and working with a number of companies during their careers, higher levels of, home working, reduction of traditional hours working and undertaking multiple roles concurrently.

Although less conventional working models demonstrate advantages for businesses and for individuals, particularly in terms of flexibility, there are concerns about their perceived disadvantages, including their impact on equality, productivity and growth.

Those not in employment typically have less investment in learning, however with these changing demands of work, a focus on this target group to ensure their skills remain current and ensure they can rejoin the workforce, will be a key focus of this strategy.

The Scottish Government recognises the impact that Colleges have in engaging with employers in shaping and developing the skills needed to address the future challenges faced by business and in re-building the lifelong learning ethos.

This strategy focusses on how Perth College UHI will utilise the range of tools and interventions available from across our range of stakeholder partners to address these opportunities to increase engagement with business to adapt the learning and teaching to support the current and future skills requirements of business, to influence the regional skill mix, to increase the availability of skilled entrants to the market and to upskill and reskill the existing workforce.

3. **Competitor Analysis**

The College has a range of competitors delivering similar services to business that will impact different strands of activity at various times. These include:

Other Colleges – Inverness, Dundee and Angus, Fife and Forth Valley Colleges all have dedicated Business Development teams with a track record over a longer period of time compared to Perth College UHI. All of these Colleges are active within the Perth and Kinross region with existing commercial relationships with customers for whom Perth College UHI should be their 'home College'. This will require a re-engagement with those businesses to recognise the role that we can play in supporting the full needs of their business.

There are a number of Private Training companies in our region (e.g. NGT Training, Goal Training. Many of these providers are particularly prevalent within the Work based learning space. Industry bodies such as CITB, SECCT, SNIPEF etc. act as Managing Agents for apprenticeships and subcontracting that service to Colleges and other training providers. This means that as a subcontractor, the College receives a proportion of the fee. This can also cause confusion in the marketplace. In addition, many of the larger employers operate their own Modern Apprenticeship contract or in-house training programmes and would not necessarily invest in external training.

4. **SWOT Analysis**

Strengths

- Knowledge of Regional Business community needs
- Connected to regional business community through Business Development and Curriculum teams
- Current work and impact with regional business community
- Current impact within FWD and MA's
- ASW growing as a commercial business – this can be used as template for other internal commercial opportunities
- Connected and visible through Colleges Scotland forums

Weaknesses

- Business approach not aligned within Perth College UHI
- Departments are working individually rather than collectively
- Lack of cohesive strategy and approach surrounding Business Development
- Lack of pricing/costing model that provides clarity to all our work
- Lack of marketing and communication strategy to business community and our own internal commercial activities
- Lack of any business development plans for each academic sector
- Lack of appropriate systems to manage business relationships
- Generic rather than industry specific knowledge within BD team
- Time and capacity within academic sectors to support BD opportunities and delivery

Opportunities

- To re-start, re-centre and refresh our approach to our regional business community with "professional" aligned approach supported by SMT and driven through modern marketing and communication platforms as well as influencing through strong networks of people and customer relationships
- Develop a cohesive approach to all business opportunities for PC UHI
- Develop a cohesive and aligned business marketing and communication strategy
- Develop a clear and competitive pricing structure for all our business opportunities
- Develop clear understanding of our ambition to drive commercial opportunities internally with our own assets
- To create a commercial culture across all agreed areas of PC UHI
- To reward and celebrate commercial success
- Develop fully functional systems to enable business engagement and improved co-ordination and communication of opportunities including a Business Opportunity process and a CRM system
- To employ/train talented individuals to enhance BET (Business Engagement Team), in turn enhancing confidence of our curriculum sectors to work cohesively
- To develop academic sector business development plans that prioritise work in each sector and provide and more cohesive approach between BET, curriculum sectors and regional business community
- Build marketing and communication platforms/collateral that ensure clarity of our services, products, prices and impact
- To further develop commercial opportunities on campus that complement and enhance current commercial assets enabling greater impact commercially and enhance business and community relationships

<u>Threats</u>

- A lack of resource to support above (failure to speculate to accumulate)
- Trying to move too quickly and only serve to damage reputation further
- Opening doors for other competitors to impact in our region
- Not matching our competitor ambitions
- Not having the appropriate individual and organisational talent to maximise our potential
- Not embedding the appropriate systems and processes to ensure cohesive, aligned and analytical approach to businesses
- Negative press coverage

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- Negative press coverage

5. Mission, Vision & Strategic Aims

Mission
"Maximise the potential of our students, staff, partners and commercial assets"

Vision
"A business engagement team that makes a difference. We inspire, support and deliver by working in partnership" – Alternative suggestion – 'A Successful Regional College that positively impacts business skills, competitiveness and productivity through the provision of high quality industry focussed learning, qualifications, workforce development and innovation.

Strategic Aims

Profit

"To be focused on securing a diverse source of revenue, whilst managing resources efficiently and sustainably with optimal impact"

Programmes

"To deliver exemplary programmes and levels of service that meet the needs of our students, staff, partners and customers, ensuring sustainable business relationships"

Processes and systems

"To develop and implement processes and systems that cultivate an environment of joint working, alignment, knowledge exchange and enhance our business intelligence and outcomes"

People

"To invest in, support and empower people by developing and creating opportunities that lead to a high quality workforce that can meet the needs of our region, our partners and our own internal commercial opportunities"

Places

"To develop and create a business development environment that attracts and enables people, services and facilities to maximise their potential"

Profile

"To ensure our Business Engagement Team is able to promote, inform and influence through modern marketing and communication channels"

Partnerships

"To develop relevant partnerships that realise business opportunities, enhance our reach and foster sustainability"

Values

- To develop relationships that make a positive difference in the lives of our students, staff, partners and customers
- To provide an outstanding service and deliver premium value
- To work together to meet the needs of our students, staff, partners and customers
- Value our people, encourage and support their development and performance- their success is our success
- We exhibit a will to win in the marketplace, we celebrate success and we encourage it
- We encourage entrepreneurial thinking and practice
- We are personally accountable as individuals and as a team to deliver on our commitments

We want to be recognised as:

- Fully understanding, supporting and influencing the demographic and economic needs of our region
- Welcoming and encouraging stakeholder involvement
- Enabling our staff, students and partners to excel
- Fully understanding the potential of our own assets and how we maximise their value
- Being innovative and successful
- Being a valued and integral partner that supports the local, regional and national economy
- Securing a diversity of resource by constantly developing and enhancing our reach and influence through innovative, sustainable partnership working

Strapline:

#WORKINGWITHYOU

6. Strategy Map & Balanced Scorecard

Strategic Objective	KPI	Target	RAG Status
"To be focused on securing a diverse source of revenue, by making us more competitive in the marketplace, whilst managing resources efficiently and sustainably with optimal impact"	To increase our income generation on MA's and FWDF by 10% year on year from 20-21	Scope out the potential for a separate subsidiary company for all commercial work undertaken by the Business Engagement Team	20-21
	To increase our private training contract to business partners by 10% year on year from 20-21	To develop business plans for all internal commercial opportunities/operations	20-21
	To increase revenue in ASW by 5-10% year on year from 19-20	To put in place appropriate staffing model for all our work, that enables us to be competitive and maximize return	20-21
	To increase the number of public contracts applied for and being successful by 10-15% year in year from 20-21 To ensure the Development Trust has clearly defined plans to meet income targets	To identify projects for the Development Trust through clearly defined plans for fundraising	20-21
	To always ensure a margin/profit in all our business negotiations/bids/contracts	To develop a costing model that ensure competitiveness in our market places Review our current budget structure to encompass range of activity within Business Engagement Team, ascertain and mitigate risk and develop financial foot-print for all things commercial	20-21

"To deliver exemplary programmes and levels of service that meet the needs of our students, staff, partners and customers, ensuring sustainable business relationships"	To spend time significantly enhancing our business intelligence on the needs of our business partners to support targets above	Develop and install a key account system/process with each our business partners and within our operations	20-21
	To increase the number of industry advisory Boards we currently work with by 2-3 each year	Through our key account system and networks within industry look to have 1-2 industry advisory Board meetings per year that support our requirement for regional and industry needs	20-21
	Ensure we continually understand the needs of our customers/users of all our internal commercial operations	Set up a number of user forums for all internal operations in order we are delivering needs of customer and are businesses are relevant to demand/market changes. Ensure we are up to date with industry competitors/trends through research and appropriate networks in place	20-21

"To develop and implement processes and systems that cultivate an environment of joint working, alignment, knowledge exchange and enhance our business intelligence and outcomes"	To significantly improve the way as a College we engage and monitor our position with business partners To have maximum of 2 points of contact for each business partner To openly share intelligence and networks between all colleagues to ensure we are maximizing our business potential with each partner To ensure the systems and processes we use and operate continually enhance business intelligence and allow us to enhance our service provision and generate additional and sustained business	Develop a CRM system that is populated through our 1. Sector development planning and operation 2.Sharing of intelligence across all the sector plans. 3Training on CRM and continual updates of CRM are embedded in our operation 4. Commitment to allow time for key personnel to develop and continually improve our planning, operation, process and systems across BET and academic sectors Continually improve systems and processes within our own internal commercial assets including XN leisure management Review our system provision in relation to point of sales systems at ASW, catering provision and other commercial areas. One system approach across College?	20-21
	Develop "dashboard" monitoring tools that allow us to monitor our business impact	Quantitative and Qualitative measures (see paragraph 11 for examples)	

"To invest in, support and empower people by developing and creating opportunities that lead to a high quality workforce that can meet the needs of our region, our partners and our own internal commercial opportunities"	To employ/train people to have required skill set required to develop and meet our business targets	Develop an enabling staffing structure within BET to increase revenue across the College.	20-21
	Develop a platform to continually engage with business partners that provides alignment, business intelligence, builds trust and sustainable relationships and in doing so ensures PC UHI has the intelligence to develop regional workforce and attracts greater share of business	To assign each staff member with agreed KPI's and targets both quantitative and qualitative to internal and external partners using key account system and process	20-21
	Ensure our BET and internal commercial assets are staffed by appropriately skilled people. Create an environment of commercialism with key staff.	In developing our separate subsidiary company ensure key staff have the ability to be incentivized by meeting targets and that our staffing awards are matched to others in the industry in order to keep key staff and also ensure we are competitive in other staffing areas.	20-21
"To develop and create a business development environment that attracts and enables people, services and facilities to maximise their potential"	To create a culture with staff we employ within the BET of understanding the business and people of each business in all our negotiations and work with each business partner	To develop industry advisory boards across all academic sectors that inform further our understanding of business needs and ability to provide be-spoke opportunities. To develop a business partner benefits programme that enhances our position with each business we work with and provides support for employees of each business and their families. Build Loyalty to Perth College UHI.	21-22 19-20

	To ensure within all our commercial assets that our customer service is at the forefront of our culture to ensure growth and sustained business loyalty	To develop an environment where "we go the extra mile" to provide a service that others cannot match (quality of partnership/ service /partner benefits, in doing so we become "destination of choice" for our partners/customers	20-21
"To ensure our Business Development Department is able to promote, inform and influence through modern marketing and communication channels"	To continually showcase our services, our people and our impact in addition to growing our reach and profile.

To enhance our social media reach by 50% in 20-21 within the BET and also grow our commercial internal marketing and communication reach (ASW) by 10% each year. | To develop a marketing and communication strategy and operation that allows us to better inform all our partners and customers of our services, in doing so also showcase our successes. | 20-21 |
| | When working with business ensure we can meet with them and present to them in a professional and be-spoke manner | Develop FB/LinkedIn /Twitter pages for BET

Develop appropriate marketing collateral that enhances our ability to sell our services and leaves a lasting impression with business contacts. | 20-21 |
| | Create a culture that understands the essential need for continuous marketing support, initiatives and operation within a commercial environment. Ensuring we are relevant to today's society and up to date with new forms of marketing and communication | Support from marketing (equivalent 0.5) post to cover BET and all commercial assets including ASW | 21-22 |
| "To develop relevant partnerships that realise business opportunities, enhance our reach and foster sustainability" | Continually grow our "live" business accounts as highlighted above.

In addition also recognize business accounts and sectors that are not bearing fruit in order to focus resources on "best return" | Through our sector development planning and effective use of our CRM system and staff working within our business region develop our ability to prioritize the focus of our work for best return on investment. | 20-21 |

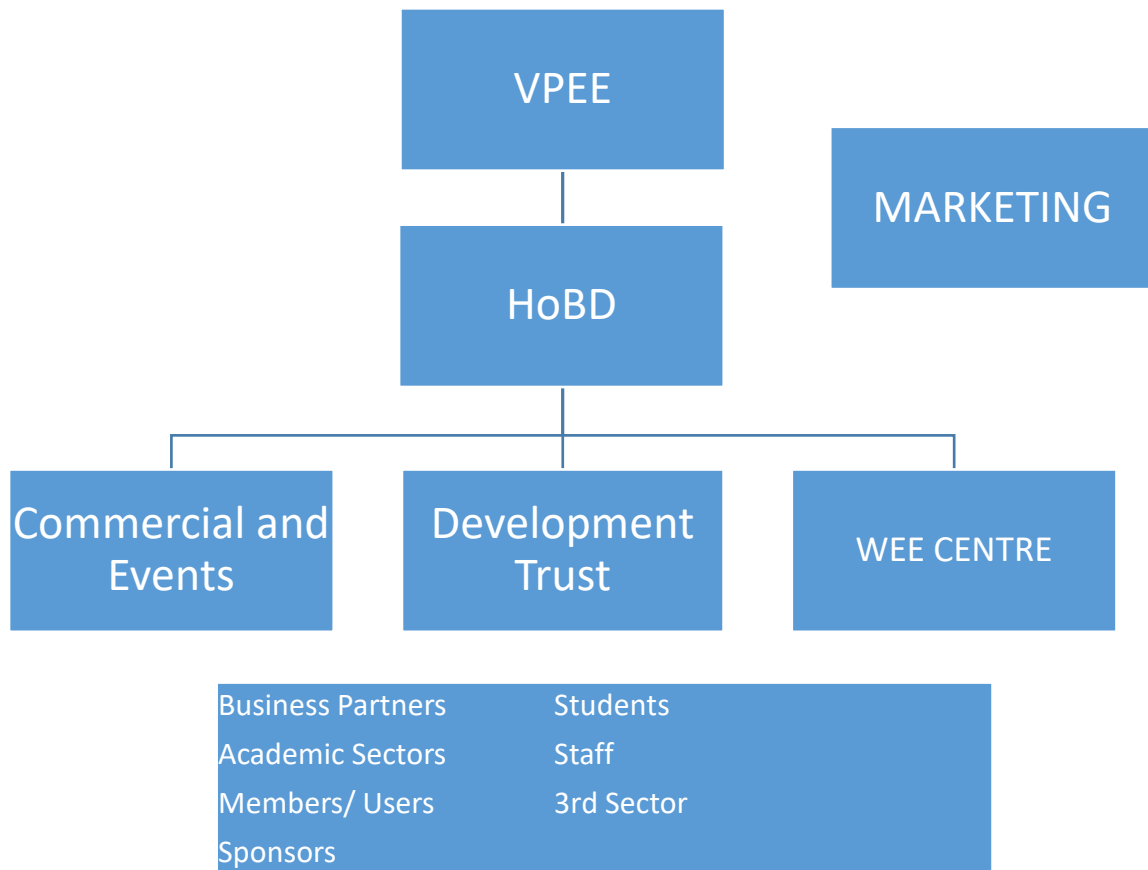|	Develop initiatives with BET, internal and external colleagues that may open up new partnerships and environments, improve position on existing environments leading to business opportunity, greater reach and advanced position in the market place with other competitors	Embed a collaborative commercial culture across the College with a view to: 1.Winning more, competiveness in marketplace 2. Aligned and joint approach to winning business 3. Profit. 4. Sustainable partnerships. profile and reach 5. Establish customer relationships within each business that give access to influence decision makers	21-22

7. Key Initiatives to Achieve the Strategic Objectives

Phase 1 (2019/20	Phase 2 (2020-2022)	Phase 3 (2023-2024)
a. Introduce Industry Advisory Boards and sector development plans across sectoral teams in order to: Influence skills and programmes Capture and utilise market intelligence Offer opportunities to attract new skilled workforce Support existing workforce development needs Ensure aligned and joint approach Grow Knowledge between BET and Academic Departments Increase capacity to grasp opportunity and maximize outcomes b. Identify Key Target customers, donors and alumni for range of commercial and sponsorship services c. Implement Key Account Approach introducing a tiered service across customer base d. Introduce CRM System with a cross College implementation plan e. Introduce range of cohesive services to business including Work based learning portfolio (FA, MA, GA, VQs) Commercial, short and bespoke courses	a. CRM system in place, used and supported and updated by all areas within College, assisting us with business intelligence and increased business across all sectors of Perth College UHI b. FWD and MA's increased by minimum of 10% each year from 2020-21 being met c. Increase in private training contracts to business partners by 10% year on year from 20-21 met d. increased revenue in ASW by 5-10% year on year from 19-20 met e. increase in the number of public contracts applied for and being successful by10-15% year in year from 20-21being met e. One to one business meetings with key business partners carried out, supported by professional presentation and collateral and impact as above f. significantly improved our position to react and be proactive to funding opportunities that are available through our sector development	Industry Advisory Board set up across all 4 academic sectors Our targets for public and private commercial work have been met and are now showing sustainable trends Business relationships with all business partners are now well established through joint planning and delivery with all partners Be-spoke and off the shelf programmes are now being delivered across our business partners and we are making impact with industry focused projects Our marketing and communication strategy and operation has ensured we have significantly increased our reach and influence. In addition we now have a "bank" of professional presentations, marketing collateral that is relevant to generic and specific business operations. Our sector development plans and interaction with academic colleagues and associate staff now allow us to work with more trust, agility and velocity Development Trust and Development Committee are now more pro-active with funding generated for strategic projects and pipeline projects in place for next 3 years with

Innovation, consultancy and research Business Partner benefits package f. Industry Focused Projects g. Recruit all staff into new BET structure h. Develop and implement sector development plans with all academic sectors i. Develop marketing and communication strategy supported by appropriate platforms and collateral j. Develop marketing and communication strategy supported by appropriate platforms and collateral k. Agree monthly meetings with all academic sectors with view to supporting current opportunities and planning for 20-21 l. Recruit all staff into new BET structure m. Development Trust to have agreed income targets and identified projects for next 2-3 years (Scholarships, Scottish Aviation Academy and others)	approach and increased knowledge and trust between colleagues and departments Established various new commercial contract and businesses within Perth College UHI, all of which are making financial surplus and in doing so adding value to our business partner employees, families etc and creating enhanced student experiences Development trust has met its targets and is now working with new projects for the next 2 years to support College initiatives Development trust through its networks and contacts has increased scholarships by 15% Dashboard monitoring now in place across all commercial activities Marketing modern apprentice/support in place for 20-21 Marketing reach target is met through above support and growing reputation in market place	sustainable annual growth in scholarships Enhanced networks and our position in the regional marketplace result in hosting major employers forums, with speakers, workshops in collaboration with our partnership network Perth College UHI is now a destination of choice for business partners when investing in training and looking for business support

8. Strategic Roadmap

See Appendix A

9. Proposed Structure to Deliver Strategy

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Business Partners	Students
Academic Sectors	Staff
Members/ Users	3rd Sector
Sponsors	

10. Principles of Success

This strategy and organisational structure will specifically allow the Business Engagement Team to meet its strategic aims and have appropriate:

- Leadership
  - Clear vision and priorities
  - Cohesive leadership team/s
- Decision making and structure
  - Clear roles and accountabilities
  - Organisational structure that support objectives- focused/committed
- People
  - Organisational and individual talent necessary for success
  - Performance measures and incentives aligned to objectives
- Work processes and systems
  - Effective and efficient support process and systems that enhance operation and outcome
  - Superior execution of work processes
- Culture
  - High performance values and behaviours
  - Capacity to innovate, change, adapt, be proactive and enjoy challenge/success/meeting targets

11. Measures of Success

The strategy, structure and operation will also be measured with a number of "dashboards" to track & manage progress both quantitative and qualitative

- Number of business accounts
- Number of live business accounts
- Number of companies interested in MA'S/FWD
- Number of companies engaged in MA's/FWD
- Income generated from MA's and FWD
- Number of companies investing in training programmes/contract
- Income generated from training programmes/contracts
- Number of public contract bids submitted
- Number of successful public contract bids
- Marketing and communication reach
- Income generation targets
    - ASW- gym/climbing/sports hall/sports injury clinic
    - Merchandising shop
    - Theatre
    - Others
- Feedback from partners on benefit/impact of working partnership
- Feedback from partners on quality of our programme content/delivery

Business Development Strategy - References to Government National Strategies

Enterprise and Skills Strategic Board

SFC Strategic Framework 2019-2022

Scotland's Wellbeing – Delivering the National Outcomes

SDS Skills Investment Plan and Regional Skills Assessments for Perth and Kinross/ Tayside

NOMIS Labour Market Data 2018

Tay Cities Deal Strategic Plan

https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/perth-and-kinross-council-profile.html#tables

Strategic roadmap — objectives by quarter (green = scheduled activity)

Theme	Objective	Action	Y1 Q1	Y1 Q2	Y1 Q3	Y1 Q4	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Y4 Q1	Y4 Q2	Y4 Q3	Y4 Q4
		(months)	Aug, Sept, Oct	Nov, Dec, Jan	Feb, Mar, Apr	May, Jun, July	Aug, Sept, Oct	Nov, Dec, Jan	Feb, Mar, Apr	May, Jun, July	Aug, Sept, Oct	Nov, Dec, Jan	Feb, Mar, Apr	May, Jun, July	Aug, Sept, Oct	Nov, Dec, Jan	Feb, Mar, Apr	May, Jun, July
PROFIT	To be focussed on securing a diverse source of revenue, whilst managing resources efficiently and sustainably with optimal impact	To increase our income in MA's and FWDF by 10% year on year from 20-21				■				■								■
		To increase our training delivery to busines partners by 10% year on year from 20-21								■								■
		To increase income in ASW by 5-10% year on year from 19-20			■					■								■
		Increase number of public contracts applied for and being succesful by 10% year on year from 20-21								■								■
		To continually develop costing model that ensures competitiveness in our markets			■													■
		Our taregts for public and private commercila work have been met and are sustainable								■								■
PROGRAMMES	To deliver exemplary programmes and levels of service that meet the needs of our students, staff, partners and custiners, ensuring sustainable business relationships	Ensure Development Trust has clearly defined plan and programmes for fundraising projects and income for next 3 years					■											
		Develop and implement sector development palns with each academic sector					■											
		Deliver programmes and products within our internal commercila assets that meet customer needs and drive increased revenue				■				■				■				■
PROCESSES & SYSTEMS	To develop and implement processes and systems that cultivate an environment of joint working, alignment, knowledge exchange and enhance our business intelligence and outcomes	Review our current budget structure to encompass range of work within BET and develop financla footprint for all commercial activity						■										
		Develop a CRM system that enahnces our internal and external alignment and communication					■											
		Develop and implent key account system with all our business partners				■												
		Review our current system provison in relation to point of sales across college-one system?					■											
		Develop dashboards that monitor progress of kpi's/targets both quantitative and qualitative				■												
PEOPLE	To invest in, support and empower people by developing and creating opportunities that lead to a high quality workforce that can meet the needs of our region, our partners and our own internal commercial opportunities	To review current staffing structure with view to aligning model that will met needs of the 19-24 strategy		■														
		To employ/train/recruit people with required skill-set to develop and meet our business targets			■													
		To support the outcomes of business development across the College find a mechanism that increases capacity to maximise outcomes (e.g. associate staff)					■											
		Marketing personnel/support agreed to ensure BET can promote and ommunicate effectively and professionally					■											
PLACES	To develop and create a business environment that attracts and enables people and partners, through our services, programmes and facilities to maximise their potential	Ensure Perth College UHI is "destination of choice" for our buisness partners when investing in business support/solutions					■							■				■
		To develop sector development teams to support sector development plans and ongoing work/projects					■											
		To develop buisness partner benefits programme that enhances loyalty and buy in			■													
		To develop business advisory Boards and user forums across all acdemic sectors and commericl products that further our undersanding of business needs and ability to deiiver appropriate products				■				■				■				■
PROFILE	To ensure our business development services and our internal commercial opportunities are able to promote, inform and influence through modern marketing and communication channels	To develop a marketing and communication strategy and operation that allows us to nehance our reach, influence and profile					■											
		Develop appropriate socila media provision for BET and all internal communcaetion assets					■											
		Develop appropriate marketing collateral that enhance our ability to sell services and leave professional impression with partners and customers					■											
		To support BET equivalent of 0.5 marketing position/commitment					■											
PARTNERSHIPS	To develop relevant partnerships that realise business opportunities, enhance our reach and foster sustainability	Embed a culture of collaboration across the college that enables1. competivenss in marketplace2.alligned and joint approach3. winning/profit 4.sustainable partnerships 5. building of loyalty					■											
		BET staff aligned to specific interbal and external partners			■													

Perth College UHI

Committee	Audit Committee
Subject	International Strategy
Date of Committee meeting	11/12/2019
Author	Lin Shen
Date paper prepared	29/11/2019
Executive summary of the paper	This International Strategy sets out Perth College UHI's ambition to significantly impact the growth and development of the College and the University of the Highlands and Islands through deepening and diversifying its International Partnerships and Recruitment. It outlines the purpose, vision and strategic approaches the College will undertake to achieve that impact.
Consultation How has consultation with partners been carried out?	n/a
Action requested	☐ For information only ☒ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes/ ~~No~~ tbc
Risk implications (If yes, please provide details)	Yes/ ~~No~~ tbc

Perth College UHI

Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	~~Yes~~/ No
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)?	~~Yes~~/ No If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	~~Yes~~/ No Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Non-confidential

Perth College UHI

Freedom of information Can this paper be included in "open" business?*	Yes/ ~~No~~

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

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

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

Perth College UHI International Strategy 2019-2024

Introduction

This International Strategy sets out Perth College UHI's ambition to significantly impact the growth and development of the College and the University of the Highlands and Islands through deepening and diversifying its International Partnerships and Recruitment. It outlines the purpose, vision and strategic approaches the College will undertake to achieve that impact.

1. Executive Summary

Perth College UHI plays an influential role in increasing the international business of the University through delivery of Transnational Education Partnerships as well as hosting international students and staff from partner universities, thereby broadening the cultural diversity of the experience of students on campus. This International Strategy outlines the market context, future vision and strategic focus required to address the market opportunities and challenges open to the College over the next 5 years to 2024. It includes our Strategic Implementation Plan for the period to 2024.

2. Strategic and Market Context

There are a number of strategic drivers to support the College's increasing investment into international development. Internationalisation is one of the 4 key pillars of Scotland's Economic Strategy and through the Scottish Funding Council's Strategic Framework, Colleges and Universities are encouraged to develop International Partnerships to increase the financial sustainability of our organisations. This will become increasingly necessary as projections for the sector by Audit Scotland predict a widening gap between income and expenditure. Increasing the proportion of non-government income to counter the increased cost base will be required. Targeting the domestic market alone would limit the opportunities open to the College. Building on and diversifying existing international partnerships will support the College's strategic aim to achieve continued financial sustainability.

The UK's planned departure from the EU will further increase the risk of reducing revenue streams as a result of uncertainties over the mobility of EU nationals. The College's reliance on revenue from EU sources equates to approximately 7% and with potential year on year reductions in EU students, particularly with a No Deal Brexit, non-EU revenue streams will become increasingly important.

A positive announcement in April 2019 by the Scottish Government confirmed that students from EU27 countries starting an undergraduate degree in 2020-21 will continue to be funded for the duration of their studies. There is a risk, that the Scottish Government might remove some or all of the funded places currently filled by EU students from 2021-22 onwards. This will be kept under review to minimise the impact on the College, however targeting an increase in the numbers of non-EU students would be prudent.

Depending upon the outcome of Brexit negotiations, the UK Government White paper proposes EU students ultimately requiring a Tier 4 visa to study in the UK beyond 2022. This scenario will be likely to significantly reduce the number choosing the UK to study. With comparatively lower RUK and International student numbers, UHI will be likely to see a bigger per capita reduction in EU students than other universities and therefore growing the international and RUK student numbers will widen the diversity of the student population and the broader cultural experience on campus.

The proposed re-introduction of the Post Study Work visa will open non-EU markets, particularly India and Perth College UHI would benefit from being fully prepared for this opportunity.

Perth College's role within UHI

At University level, UHI's proportion of students from outwith Scotland are much lower than other universities. Approximately 50% of the university's international business originates from Perth College led recruitment and delivery. The University's strategic objective is to increase International revenue from £2m to £4m within 5 years. Perth College will play a key role in the achievement of this target. To achieve this, international revenue streams will require 50% year on year growth from the projected £900k budgeted in 2019/20. Appendix 1 provides an overview of that projected revenue to 2024/25.

An International Steering Group has been established with 6 Workstreams involving representation from all Academic Partners with the goal of creating a UHI International Strategy to achieve this £4m target. Based on the current MicroRam funding model, any Academic Partner generating increased International students on campus-based network programmes or delivered on a TNE basis, receive a share of that revenue.

Perth College is working with EO and Academic Partners to review the continued suitability of the MicroRam funding model and how it is applied within the International student delivery context to provide some recognition for the partner sourcing and managing the international business. Alongside this, agreement will be sought on an agreed approach to offering scholarships, particularly in the context of UHI Networked programmes to ensure that the scholarship value offered to students applies proportionately across all academic delivery partners.

Current Market Reach

On behalf of the University, Perth College leads international partnership relationships in China, Japan, India, North America and Europe. Targeting AST international partnerships for the benefit of Perth College will provide another growth opportunity. The first of these will be within Kuwait for the BSc Aircraft Engineering and Management. Appendix 1 provides a breakdown of these partnerships, and the current status.

Target Market Growth Projections

The College will further develop existing and new relationships within markets where we already have partnerships.

Established Markets

China – The University of the Highlands and Islands Perth College has existing Chinese Ministry of Education partnerships for delivery of Electrical, Mechanical and Aircraft Engineering degrees. These partnerships result in delivery of degrees in China with a total of 310 students registered for UHI degrees in 2019/20. As part of the 3+1 arrangements with our partner universities, a number of those students can then choose to study for their Honours degree in Perth. A total of 8 students have taken up this offer in 2019/20.

Guest lecturing is also delivered in China to Zhoukou Normal University where 55 students receive lectures from Perth College's Music and Music Business staff.

Future China Business Opportunities

There are further pipeline projects at different stages of development, including Sichuan University of Arts and Science where a decision on MoE approval is awaited for the delivery of degrees in Visual Communication and in Music. If this partnership obtains MoE approval, this will be the final MoE partnership allowed for UHI and the opportunity for growth within this market will be to grow student numbers within existing partnerships and to broaden the range of programmes that will gain MoE approval.

This will be particularly relevant with our existing Henan Institute of Engineering partner where the UHI Micro Campus was opened in November 2018 and which includes the potential for research collaborations, the delivery of Masters programmes and the opportunity to deliver broader degree programmes as part of an Institutional Partnership agreement.

There is also interest from Chengdu Aeronautics Polytechnic to jointly deliver Diplomas in Engineering.

Japan – The College has a number of partnership agreements with schools in Japan who send students for language tuition to Perth. Many partnerships have been established for a number of years and continue to send students annually for Summer Schools and one semester English programmes.

Further work will be undertaken during 2019/20 and for the duration of this strategy to target additional schools and Universities in Japan to establish new partnerships for English language tuition. The Market Entry strategy for Japan is through an Agent based in market who receives a commission per student.

This market relies upon successful British Council Accredited Language School status. As the top ranked school in Scotland in the 2019 review, this stands Perth College in good stead.

Factors limiting growth include the current language school capacity, however, increased recruitment from Japan will balance the projected reduction in EU students as a result of Brexit. Growth of the Home Stay provision within Perth city will be another key factor in attracting additional Japanese students, primarily due the demand from under 18 year old students.

Growing/ Emerging Markets

India – This market has been a dormant one for the College until 2017. The re-introduction of the Post Study Work visa will bring India back as a key target market. This is a highly price sensitive market with the availability of scholarships critical to success. The focus of the India market is on employability skills and where work experience can be built into the programme, this makes these courses even more appealing.

The MBA is a key product of interest to Indian students as are undergraduate courses in Engineering, Computing, Business and for Teaching.

Longer term, there are opportunities to deliver TNE in India with partner universities for years one and 2 as a feeder for recruitment to Perth in years 3 and 4.

Recruitment in the market will be undertaken on an agency basis with a commission based approach.

AST Partnerships – With the introduction of the BSc in Aircraft Design and Maintenance, there is an opportunity for the College to target partners of AST in order to increase the international business. The first AST customer to undertake the degree will be College of Aviation Technology, Kuwait. This will be subject to PUC Approval with a start date projected of September 2020.

Further AST customers will be targeted for future years to determine the demand for the degree.

Other Target Markets

North America – The US market will be a key target for Summer schools and credit bearing programmes for 1 Semester. The College has 7 US Universities where opportunities are being progressed. One partnership is already at the point of implementing a Student Exchange Agreement for 1 Semester student recruitment in the area of Sport Management. Other opportunities exist for Business programmes, particularly where companies are involved within the programme.

The most appropriate time to offer an international experience for US students is after 2nd year moving into 3rd year.

Generally, the USA system operates in 2 semesters, from August to December and from January to May so approximately one month ahead of PCUHI semesters. The preference is for students to travel in May. In addition, this month is particularly important for students studying at public universities, normally students will apply for either loans, bursaries a scholarships in the period between May and July, to be eligible to apply students must complete 6 credits worth of study, many universities offer summer schools abroad that provide this opportunity.

The Market Entry approach is through an external consultant bringing contacts to Perth College UHI.

Europe – With Brexit, EU students will potentially require a Tier 4 visa to continue to study in the UK if they apply from September 2021 onwards. While it will be less likely that students will apply for full time courses, there may still be an opportunity to continue offering Summer language school programmes.

Malaysia - By 2025, the Ministry aspires to increase access to and enrolment in higher education. If Malaysia were to successfully improve tertiary enrolment rates from 36% currently to 53% (and higher education enrolment from 48% to 70%), this will bring Malaysia on par with the highest enrolment levels in ASEAN today. This growth scenario will require an additional 1.1 million places by 2025, mainly through growth in technical and vocational education and training (TVET), private HLIs and online learning. The exact pace and nature of the expansion plan will be determined in close collaboration with industry to ensure supply matches demand.

Malaysia is transforming its HE sector with higher levels of online learning. There are potential opportunities for 3+1 or 2+2 degree programmes that are industry focussed.

Vietnam - Vietnam remains one of the fastest-growing economies in Asia. The solid increase pace is projected to reach €248.8 billion by 2020. The government of Vietnam spends significantly more on education than other countries in the region, with 20% of its total public spending going to education in 2020.

Young Vietnamese are more proficient in English, as the predominant foreign language in Vietnam. Vietnam ranked 34th on the Education First English Proficiency Index in 2017, and 7th among Asian countries. With the launch of the ASEAN Economic Community and the country's desire to compete in a global marketplace, it is crucial for Vietnam to improve its English learning system. In that effect, the Vietnamese government has ordered that public universities implement English as a second language. English has been compulsory from grade 3 onward since 2018. Greater investment in English language is required across all programmes.

There are 235 Higher Education Institutes in Vietnam, 65 of those are private universities targeting high income Vietnamese citizens and ex-pats.

This market will be targeted for Summer School and one semester language programmes potentially leading into partnerships to deliver TNE opportunities for a 2+2 programme approved by the Ministry of Education and Training. International qualifications are rated as providing a competitive advantage in increasing employment opportunities, particularly in STEM areas. Business and accounting.

Networks will be generated in Vietnam through British Council who have a strong presence in the country, particularly for English language provision, academic exchange and cultural promotion.

3. Competitor Analysis

In UK terms, other universities have a greater track record in recruiting International students. Appendix 3 shows the UHI's relative undergraduate and postgraduate recruitment in the context of other Scottish universities, with Appendix 4 showing the comparison in relation to TNE where UHI fares better and punches above its weight relative to its size.

Other countries which are often more appealing than the UK to international students are Australia, US and Canada, primarily as a result of the Post Study Work (PSW) opportunities provided. The reintroduction of PSW will enable the UK to compete again, however the proposed offer is for 6 months initially with other countries offering longer PSW visas.

4. SWOT Analysis

CHINA

Strengths	Weaknesses (internal)
Expertise in market knowledge and contacts Experience in TNE delivery, developed over 7 years. Understanding of market entry and approval processes Successful models with strong attainment rates, recognised by Chinese Ministry of Education Actively contributing towards China's programme of education reform Student support Good facilities in Perth/ UHI and within Chinese partner institutions Very strong relationships with supportive partners Responsive Competitive Fees Small class sizes Location – safe and secure	Location - rurality VC delivery can impact student satisfaction Staffing capacity and person dependency in key areas, particularly in Engineering
Opportunities	**Threats (UHI)**
Institutional agreements Re-introduction of PSW Developing new types of business/ research Broaden into wider curriculum areas Developing new partnerships – Tier 3 and 4 cities progressing into Tier 2 cities. Review delivery models for greater financial sustainability English language development Marketing – Chinese website Alumni engagement to broaden education and industry partnerships	Academic Ranking Structure Limited international support Limited product recognition for the market Research profile Competitors Immigration regulations In-country approval policies English language proficiency limiting to student attainment levels

INDIA

Strengths	Weaknesses (internal)
Responsive Supportive Market knowledge In-country representation with strong networks of academic contacts Competitive Fees Student support Our niche programmes currently fit market demand AST Location – safe and secure	VC delivery not always conducive to international student engagement Limited international development resources Location – rurality. Not so well known outwith UK Admissions processes – students are asked to pay full tuition fee in advance Lack of internationalisation Scholarship policy is limited Fee structure within market is low. Student volume required for sustainability.
Opportunities	**Threats (UHI)**
Aircraft Engineering and Management is a high priority area in India AST Demand for MBAs in India Re-introduction of PSW opportunities Quality Assurance of Learning and Teaching	High tuition fee Limited marketing support Limited brand awareness Brexit Competitors Immigration regulations Student Quality

5. Mission, Vision and Strategic Aims

Mission - To change lives through excellence in education, research and innovation, developing knowledge and skills and the experience to succeed.

Vision - To be an inspirational partner in international education, research and social transformation.

Values – Ambition, Integrity and Respect

Strapline – Adding Value and Inspiration in Learning. Alternatives – Broaden your Future

Strategic Aims

  i.   To deliver high quality programmes that will generate mutually beneficial international partnerships leading to increased student recruitment and collaborative research opportunities
  ii. To internationalise the curriculum to broaden the education and cultural experiences of students and staff
  iii. To raise the international profile of University of the Highlands and Islands Perth Campus

6. Strategy Map & Balanced Scorecard

Theme	Strategic Objective	KPI	Target	RAG Status
Financial	Increase the Financial Sustainability of the College	International Revenue (£)	Yr 1 - £900k Yr 5 - £2.7m	🟩
		Margin	Yr 1 - 30% Yr 5 – 40%	🟧
Customer	Increase the quality of mutually beneficial international partnerships and student recruitment	International Partnerships	Yr 1 – 16 Yr 5 - 30	🟧
		Student satisfaction	85%	🟩
		New Markets	Yr 5 - 4	🟧
		TNE students	Yr 1 – 365 Yr 5 - 669	🟩
		On Campus students	Yr 1 – 25 Yr 5 - 100	🟧
	Deliver increased attainment through an enhanced student experience	Student attainment	Yr 1 – 80% Yr 5 – 85%	🟩
		Student retention	Yr 1 – 85% Yr 2 – 90%	🟩
	Create opportunities for visiting international scholars	International scholars	Yr 2 – 2 Yr 5 - 10	🟧
Process	Deliver quality programmes internationally	New programmes	Yr 5 - 6	🟧
	Adapt delivery models to support customer and market needs	Student satisfaction	85%	🟧
	Retain UKVI Tier 4 License	Visa refusals	<10%	🟩
		Enrolment	>90%	
		Student Completion	>85%	

Theme	Strategic Objective	KPI	Target	RAG Status
	Increase international partnerships and recruitment through improved marketing and communications	Positive international coverage	International Communications Strategy Chinese website Social Media In-market Alumni Network	(amber)
	Introduce commercial subsidiary for international business	Dedicated international staff	Yr 1 –0 Yr 5 - 6	(red)
		Increased margin	Yr 1 – 30% Yr 5 – 40%	(amber)
	Introduce Scholarship policy tailored to market demands	Increased recruitment	Yr 5 - 100	(red)
	Increase accommodation options for Perth international students	Increased host families	Yr 1 – 35 Yr 5 - 70	(amber)
		Increased residences	Yr 1 – 0 Yr 5 - 25	(amber)
People	Embed a collaborative commercial culture across the College	Staff delivering international programmes	Yr 1 – 6 Yr 5 - 16	(amber)
		Academic programmes delivered internationally	Yr 1 – 2 Yr 5 - 10	(green)

7. Key Initiatives to Achieve the Strategic Objectives

Phase 1 (2019/20	Phase 2 (2020-2022)	Phase 3 (2023-2024)
i. Deepen and establish new relationships- £900k ii. Review delivery models inc commercial subsidiary iii. Develop exchange opportunities for students and staff iv. Enhance comms incl Chinese website and social channels	China – Implement Micro Campus, ZUA, HUUC new delivery AST Partnerships – develop new relationships for PC India – establish VES MBA and create opportunities to develop learning centres	China – Implement Research collaborations China – Szechuan University of Arts and Science new delivery Develop Partnerships in new South East Asian markets Establish Learning Centres in India

	North America – establish sport, business and music	

8. Resources

For international student activity, there are a number of delivery approaches which result in varying levels of margin, thereby varying the cost effectiveness of the business. The table below shows the relative resourcing requirements, the impact on the student experience and the level of margin generated from the delivery.

International Delivery	Resource requirements	Impact on Home Student Experience	Margin
On campus (taught with home students)	Low	Positive Limited disruption/ High cultural impact	High
On campus (dedicated group delivery)	Med	N/A Med cultural impact	Med (numbers dependent)
In market (flying faculty)	High	Increased risk of disruption	Low
In market (dedicated staff)	High	N/A	Medium/ Low

 For new international activities in market where Perth College and other UHI staff travel to the international partner institution, consideration will be given to recruiting dedicated delivery staff. These staff may be recruited through the College's commercial subsidiary with those staff falling outwith the National Bargaining arrangements, in a similar way to AST staff contracts.

References

Scotland's Economic Strategy, Scottish Government, 24 October 2018

National Performance Framework, Scottish Government, 1 July 2019

Strategic Framework 2019-2022, SFC

Scotland's Colleges 2019, Audit Scotland June 2019

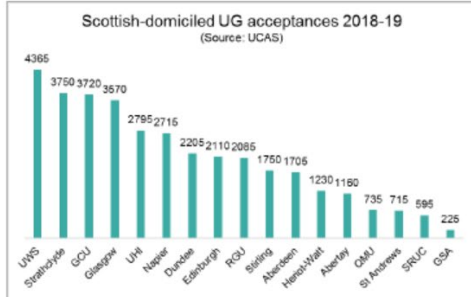The Quality Assurance Agency for Higher Education Market Report for China, 2017

Malaysia Education Blueprint – 2015-2025 (Higher Education)

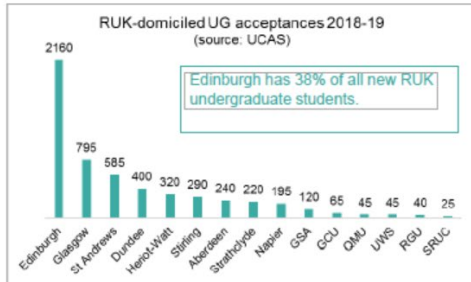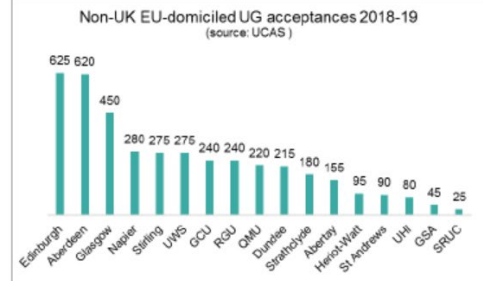EU Vietnam Business Network Education Report, 2018

Appendix 2

Scottish sector: 2018 undergraduate acceptances

This data show UCAS undergraduate acceptances to Scottish universities for entry in academic year 2018-19. It is the most recent snapshot available.
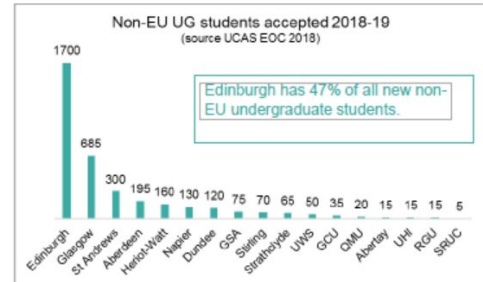
Scottish-domiciled UG acceptances 2018-19 (Source: UCAS)

UWS 4365, Strathclyde 3750, GCU 3720, Glasgow 3570, UHI 2795, Napier 2715, Dundee 2205, Edinburgh 2110, RGU 2085, Stirling 1750, Aberdeen 1705, Heriot-Watt 1230, Abertay 1160, QMU 735, St Andrews 715, SRUC 595, GSA 225

SFC-funded students (Home and EU)

Modern universities = 30% of Scottish-domiciled acceptances

Non-UK EU-domiciled UG acceptances 2018-19 (source: UCAS)

Edinburgh 625, Aberdeen 620, Glasgow 450, Napier 280, Stirling 275, UWS 275, GCU 240, RGU 240, QMU 220, Dundee 215, Strathclyde 180, Abertay 155, Heriot-Watt 95, St Andrews 90, UHI 80, GSA 45, SRUC 25

RUK-domiciled UG acceptances 2018-19 (source: UCAS)

Edinburgh has 38% of all new RUK undergraduate students.

Edinburgh 2160, Glasgow 795, St Andrews 585, Dundee 400, Heriot-Watt 320, Stirling 290, Aberdeen 240, Strathclyde 220, Napier 195, GSA 120, GCU 65, QMU 45, UWS 45, RGU 40, SRUC 25

Non-SFC funded (RUK and non-EU)

Modern universities =

7% of acceptances from RUK

8% of the international non-EU students

Non-EU UG students accepted 2018-19 (source UCAS EOC 2018)

Edinburgh has 47% of all new non-EU undergraduate students.

Edinburgh 1700, Glasgow 685, St Andrews 300, Aberdeen 195, Heriot-Watt 160, Napier 130, Dundee 120, GSA 75, Stirling 70, Strathclyde 65, UWS 50, GCU 35, QMU 20, Abertay 15, UHI 15, RGU 15, SRUC 5

Scottish sector: international (non-EU) taught postgraduate (PGT) students

Over half of the new PGT students from outwith the EU who came to Scotland in 2017-18 registered at the universities of Glasgow and Edinburgh.
Only **14%** went to the modern universities

39% of non-EU PGT students in Scotland are studying on a business programme.

36% of those non-EU business students are studying at the University of Glasgow.

NEW NON-EU PGT 20117-18	TOTAL	share
The University of Glasgow	3090	27%
The University of Edinburgh	2815	24%
The University of Strathclyde	1135	10%
The University of Aberdeen	730	6%
Heriot-Watt University	595	5%
The University of Stirling	510	4%
The University of Dundee	470	4%
Edinburgh Napier University	425	4%
The University of St Andrews	415	4%
The University of the West of Scotland	375	3%
Glasgow Caledonian University	370	3%
The Robert Gordon University	270	2%
Glasgow School of Art	195	2%
Queen Margaret University, Edinburgh	85	1%
Royal Conservatoire of Scotland	60	1%
University of Abertay Dundee	35	0%
University of the Highlands and Islands	20	0%
SRUC	0	0%
TOTAL	11595	100%

NEW NON-EU PGT 20117-18	TOTAL	share
(D) Business & administrative studies	4515	39%
(9) Engineering & technology	940	8%
(B) Social studies	885	8%
(I) Education	670	6%
(8) Computer science	590	5%
(3) Biological sciences	510	4%
(C) Law	490	4%
(2) Subjects allied to medicine	450	4%
(H) Creative arts & design	425	4%
(A) Architecture, building & planning	395	3%
(6) Physical sciences	350	3%
(G) Historical & philosophical studies	330	3%
(F) Languages	315	3%
(7) Mathematical sciences	270	2%
(1) Medicine & dentistry	165	1%
(E) Mass comms & doc	165	1%
(5) Agriculture & related subjects	125	1%
(4) Veterinary science	5	0%
(J) Combined	0	0%
TOTAL	11595	100%

This data show registered students at Scottish universities. Source: HESA. 2017-18 is the most recent data available..

Appendix 3 - Perth College UHI International Strategy Summary

Mission Statement	To change lives through excellence in education, research and innovation, developing knowledge and skills and the experience to succeed.
PC International Vision	To be an inspirational partner in international education, research and social transformation.
Values	Ambition, Integrity, Respect
Strapline	Adding Value and Inspiration in Learning
Impact towards achievement of National Performance Framework Outcomes	Our people: • Are creative citizens where their vibrant and diverse cultures are expressed and enjoyed widely. • Have a globally competitive, entrepreneurial, inclusive and sustainable economy. • Are well educated, skilled and able to contribute to society. • Are open, connected and make a positive contribution internationally.
Strategic Aims	To deliver high quality programmes that will generate mutually beneficial international partnerships leading to increased student recruitment and collaborative research opportunities To internationalise the curriculum to broaden the education and cultural experiences of students and staff To raise the international profile of University of the Highlands and Islands Perth Campus

Strategic Themes	*Financial Sustainability*	*Improved Student and Staff Experience*	*Quality Programmes, Partnerships, Recruitment and Research*	*Growing International Profile*
KPI's	**Revenue** Yr 1 - £900k Yr 5 - £2.7m **Margin** Yr 1 - 30% Yr 5 – 40%	**Student Satisfaction** 95% **Student Growth** Yr 5 – 300% **Student Attainment** -85% **Student Retention** - 90%	Retain Tier 4 License New International Programmes(6) International Partnerships (30) Commercial Subsidiary	International Communications Strategy Chinese website Social Media In-market Alumni Network

Phase	**Priority Countries / Markets**		
1. 2019/20	**Established markets**	China Japan	Europe
2. 2020/22	**Growing / Emerging Markets**	AST Partnerships US	India
3. 2022/24	**Other Target Markets**	Vietnam Malaysia	

Appendix 4 - Target Market Background Information

China - People's Republic of China (China) is the largest country in Asia and the world's most populous country, with a population of 1,379 million. Population growth is currently set at a 0.5 per year increase. Just over 58 per cent of the population comprises people below the age of 30, and around 17 per cent below the age of 15.

China's Gross Domestic Product (GDP) is estimated by the World Bank at 11,199 trillion USD, with an annual growth of 6.7 per cent, and a GDP per capita of 7,924 USD. China is the world's 2nd largest economy, after the United States, with a 15 per cent share of global economy; it is expected to become the largest world economy by 2050.

National GDP spent on education is 1.9%, (World Bank 1999). This percentage has been increasing steadily over the years with a view to reaching the target of 4% set in the National Plan for Medium and Long Term Educational Reforms and Development 2010-20 (the Plan).

Key policy drivers

The Plan, issued by the State Council, is currently the key guidance document in Chinese education. It sets a series of concrete goals to be achieved by 2020 to support reform and development of education at all levels during these years, including:

- increasing national GDP spent on education to 4%
- increasing the higher education gross enrolment rate to 40%
- supporting the development of western and middle regions of China
- improving the quality and international reputation of education and research
- promoting different forms of international exchanges and cooperation.

The implementation of these goals is supported by the 13th Five Year Plan for Economic and Social Development of China which stresses the need to modernise the education system, raise the overall quality of education and promote fairness in education, at all levels.

With regard to further and higher education, the 5 Year Plan outlines the need to:

- improve the vocational education system and to better integrate it with higher education as part of an integrated system for lifelong learning and training
- support the development of a number of world-class universities and disciplines and improve universities' capacity for innovation
- improve the system for ensuring the quality of higher education
- strengthen and develop higher education in the central and western regions to ensure a more equitable access to higher learning across the country
- support the development of teacher training
- continue to support the internationalisation of higher education,

The Chinese higher education sector currently comprises a total of 2,914 higher education intuitions. Among these institutions, 2,631 are regular higher education institutions, and 283 are adult higher education schools.

The regular sector includes universities and vocational colleges, offering four-year bachelor's degrees and three-year diplomas (dazhuan) more focused on vocational and occupational skills. Adult higher education institutions offer 2 and 4 year diploma programmes, with a more flexible teaching format, including distance learning and part-time study.

The China Transnational Education (TNE) landscape

Overseas providers in China cannot offer their own degree programmes without a Chinese partner. TNE, therefore, takes the form of partnerships between Chinese and overseas universities, which are referred to as China-Foreign Cooperation in Running Schools (CFCRS). CFCRS include both joint institutes and joint programmes delivered at Chinese universities in partnership with overseas providers.

Significantly, UK TNE in China plays an important role in facilitating student mobility to the UK. It has been calculated that 55 per cent of Chinese students studying in England start their studies on UK TNE programmes in China. This importance cannot be underestimated given that China is by the far the main country sending international students to the UK.

The regulatory landscape in China is complex. At national level, the Ministry of Education (MoE) is the agency of the State Council that oversees education, devising macro policies and more specific measures to implement the broader strategic guidelines set out at government level. At the provincial and municipal level in China, there are departments of education or commissions that are in charge of implementing the policies and strategies designed by the MoE at a local level.

The MoE, working with the provincial and municipal educational authorities, regulates education through a licensing system, with three-year diploma programmes requiring provincial or municipal approval, and programmes leading to bachelor's degrees or above requiring approval from the MoE itself. The MoE and local authorities decide on a number of specific issues including how many students can be admitted to individual institutions each year through the national quota system, what subject areas may be taught, and how much institutions can charge for tuition (primarily a local authority decision).

Similar sharing of responsibilities applies to the approval of applications for foreign education provision in China. The MoE is responsible for the approval of CFCRS at undergraduate and above levels, while the provincial or municipal education departments are responsible for the approval of diploma-level CFCRS. These will, however, still need registering with the MoE, which retains the overall responsibility for issuing licenses to operate as a CFCRS.

The current MoE position is that overseas providers should deliver at least 1/3 of a CFCRS programme, preferably by core faculty to ensure the same quality of the CFCRS programme to similar programmes delivered at the home campus of the overseas university.

The MoE now encourages the majority of time spent at joint programmes and institutes to be conducted in China. At the bachelor's level, this means that programmes with a '3+1' model (three years of study in China plus one year abroad) or '4+0' model (four years in China, with or without a period of study overseas) are favoured, while '2+2' programmes are seen less as CFCRS and more as mechanisms for student mobility.

CFCRS are encouraged to focus on subject areas that address provincial and national development needs, while programmes in oversupplied subject areas, such as business, finance and management, will be looked upon much less favourably.

India

Political

2014 – With a new Government came new policies. Major reforms were put in place in such as demonetisation and the introduction of GST (Goods and Services Tax).

Economic

Economic Forecast   - 7.4% growth for 2018

Government Priorities for economic growth

Faced with weakening export growth the government is looking to achieve balanced and diversified growth by investing in less labour-intensive, world-class manufacturing, major infrastructure projects, government and key services as well as innovation and protecting intellectual property under the 'Make in India' plan. Under this plan, the high-value areas of: **Defence, Railways and Construction** have been opened up to foreign investors and the following key sectors have been identified:

Cars and car parts, **Aviation,** Biotechnology, Chemicals, **Electrical machinery, Electronic systems,** Food processing, IT, Business process management (BPM), Leather, **Media and entertainment, Mining, Oil and gas,** Pharmaceuticals, **Transport (ports, railways, roads and highways),** Space, Textiles and garments, Thermal power, **Tourism** and **hospitality**, **Wellness**.

India has significant potential in its tourism sector, which accounted for 6.2 per cent of GDP and 4.9 per cent of jobs in 2013 and grew at the fastest rate in the G-20, alongside China, in 2014 (World Tourism Council).

Other high-potential job creation areas are IT under the Digital India project, which could create 50 million jobs, as well as **renewable energy**, **transport**, **construction** and start-ups.

Demographics

Two-thirds of India's 1.3 billion (as of 2017) are below 35 years of age. 50% of the population is under the age of 25.

In order to harness the potential of this demographic the Government needs to invest in education, health and employment. Education and skills training is a large part of the focus.

Youth unemployment is a key issue with some reports estimating up to 10% unemployment within this section. It is highest among recent graduates.

While constituting roughly 20.3% of India's population in 2015-16, the middle class is projected to grow to 37.2% by 2025-26. India needs 10 million jobs every year in the coming decade to meet demand.

Education

In 2013 the Ministry of Human Resources and Development set a target of raising the HE gross enrolment ratio (GER) from 18 to 30 per cent by 2020. Coupled with the youth population bulge this requires India to accommodate an additional 14 million students in tertiary education. Demand is outstripping supply, especially of good quality education. While government funding for HE is rising, the private sector is being relied upon to meet the demand. Rapidly rising incomes and aspirations coupled with the high costs associated with education mean that household education spending is rising.

In a response to the perceived poor quality of India's universities by international standards, the Government has pushed for increased internationalisation and greater autonomy for its best institutions. This opens up the opportunities for international educators.

Additional Drivers for Indian institutions to internationalise:

- Lack of internationalisation holds back rankings
- They require more foreign and foreign qualified faculty
- The would like a good proportion of international students
- There is a need for international research collaborations
- High demand vs short supply
- Quality/rankings

Education institutions in India in 2016

- 799 universities (254 in 2000)
- 39,000 colleges
- 12,000 stand-alone institutions (diploma-level technical and teacher training institutes)

Education Demand

India is the world's second largest source of international students and the only market with the potential to displace China from the top spot. The number of Indian students enrolled abroad doubled from 2005 – 2015

HESA Stats – Indian Students Abroad

Scotland - 2012/13   - 1665 (Indian domiciled students on UK courses)
Scotland - 2016/17   - 1430 (430 UG, 220 PGR, 780 PGT)

UK - 2014   - 21,000
UK - 2016/17   - 17,700 (less than half as compared with 2010/11)
World - 2017   - 278,000 (UNESCO) Up 21% from previous 5 years.

Traditionally India has predominantly been a PG market for UK recruiters.

Competition – USA is number one for recruitment of Indian students. Australia is about to overtake the UK to become 2nd place – it has a simplified visa system. Canada offers Post Study Work and immigration possibilities. Germany offers free education - 1 million Indian students now learning German at school level and access to graduate jobs in engineering make it an attractive study destination. France is also starting to compete.

Perth College UHI International Strategy Appendix 1

	International Business In-country delivery							
	2019/20			2020/21	2020/21	2021/22	2021/22	2021/22
	Tuition fee	Students	Total	Students	Total	Tuition fee	Students	Total
Hunan Institute of Engineering	£2,000	115	£230,000	155	£310,000		220	£440,000
Zhoukou Normal University	£1,000	55	£55,000	55	£55,000	£1,500	65	£97,500
Zhengzhou University of Aeronautics	£2,200	94	£51,700	94	£103,400		94	£155,100
Henan University of Urban Construction	£1,500	101	£151,500	100	£150,000		100	£150,000
College of Aviation Technology Kuwait	£2,100		£0	70	£177,000		90	£366,000
India Partnerships	£1,000		£0					£0
			£488,200		£795,400			£1,208,600

	International Business On-campus delivery							
	2019/20			2020/21	2020/21		2021/22	2021/22
	Tuition fee	Students	Total	Students	Total	Tuition fee	Students	Total
International Recruitment	7000	30	£210,000	50	£350,000		80	£560,000
HIE Year 4 Recruitment	£11,264	7	£78,848	8	£90,112		10	£112,640
Language School Commercial Recruitment			£50,000		£55,000			£55,000
Language School Summer School			£20,000		£20,000			£20,000
Language School Pre-sessional	2350	5	£11,750	5	£11,750		5	£11,750
US Summer Schools	2000		£0	12	£24,000		12	£24,000
Short-term training (2 groups)	£13,500	2	£27,000	2	£27,000		2	£27,000
			£397,598		£577,862			£810,390

Total International Revenue £885,798 £1,373,262 £2,018,990

	International Business In-country delivery (Pipeline)							
	2019/20			2020/21	2020/21	2021/22	2021/22	2021/22
	Tuition fee	Students	Total	Students	Total	Tuition fee	Students	Total
Hunan Institute of Engineering (new Programme	£2,000		£0		£0		300	£600,000
Sichuan University of Arts and Science	£3,000		£0	120	£90,000		120	£180,000
Zhengzhou University of Aeronautics	£2,200		£0		£0		94	£51,700
Chengdu Aeronautic Polytechnic	£2,000		£0		£0		40	£80,000

College of Aviation Technology Kuwait	£2,100	£0	£0	70	£177,000
India Partnerships	£1,000	£0		100	£100,000
		£0	£90,000		£1,188,700

2022/23 Students	2022/23 Total	2023/24 Students	2023/24 Total	IS Plan Total
220	£440,000	220	£440,000	£1,860,000
65	£97,500	65	£97,500	£402,500
94	£206,800	94	£206,800	£723,800
100	£150,000	100	£150,000	£751,500
120	£471,000	120	£534,000	£1,548,000
	£0		£0	£0
	£1,365,300		£1,428,300	£3,411,630

2022/23 Students	2022/23 Total	2023/24 Students	2023/24 Total	IS Plan Total
80	£560,000	80	£560,000	£2,240,000
10	£112,640	10	£112,640	£506,880
	£55,000		£55,000	£270,000
	£20,000		£25,000	£105,000
5	£11,750	5	£11,750	£58,750
12	£24,000	12	£24,000	£96,000
2	£27,000	2	£27,000	£135,000
	£810,390		£815,390	£3,411,630

£2,175,690 **Total** £2,243,690 £6,823,260

2022/23 Students	2022/23 Total	2023/24 Students	2023/24 Total	IS Plan Total
300	£600,000	300	£600,000	£1,800,000
120	£270,000	120	£360,000	£900,000
94	£103,400	94	£155,100	£310,200
40	£80,000	40	£80,000	£240,000

70	£324,000	70	£324,000	£825,000
100	£100,000	100	£100,000	£300,000
	£1,477,400		£1,619,100	£4,375,200

Audit Committee

DRAFT Minutes

Meeting reference: Audit 2019-20/01
Date and time: Tuesday 17 September 2019 at 5.30pm
Location: Room 019

Members present: Jim Crooks, Board Member
    Andrew Comrie, Board Member
    Ann Irvine, Board Member
    Lynn Oswald, Board Member
    Anna Zvarikova, Board Member

In attendance: Stuart Inglis (Henderson Loggie)
    Grace Scanlin (EY)
    Margaret Cook (Principal)
    Lorenz Cairns, Depute Principal (Academic)
    Veronica Lynch, Vice Principal (External)
    Andrea Saunders (Head of Finance)
    Ian McCartney, Clerk to the Board of Management

Apologies: David Archibald (Henderson Loggie)

Chair: **Jim Crooks**
Minute Taker: Ian McCartney
Quorum: 3

Summary of Action Items			
Ref	**Action**	**Responsibility**	**Time Line**
7.1	**Health & Safety Policy** Audit Chair to liaise with Board Chair re Board link to Health & Safety Committee	Chair	November Audit Committee
7.2	**Health & Safety Report 2018/19** Improve readability of future Reports. Review position of Health & Wellbeing Group given widening remit of Health & Safety Committee	HS&W Adviser Depute Principal (Academic)	Next Report November Audit Committee
9.2	**HR & Payroll Systems** Provide report on systems implemented re control systems	Head of Finance	Future Audit Committee

University of the Highlands and Islands
Perth College

Ref	Action	Responsibility	Time Line
9.3	**Follow-Up Reviews** Progress report on Equalities & Mainstreaming actions	Depute Principal (Academic)	November Audit Committee
11.1	**Health & Safety Committee** Consider matters of wellbeing more directly within remit of Health & Safety Committee	Board	Future Audit Committee
13	**Review of Meeting** Reports on Freedom of Information and Data Protection to be provided at future Audit Committee meetings	Clerk	November Audit Committee

Minutes:

Item		Action
1.	**Welcome and Apologies** The Chair welcomed everyone to the meeting, and noted apologies from David Archibald.	
2.	**Additions to the Agenda** There were no additions to the agenda.	
3.	**Declaration of Interest in any Agenda Item** There were no declarations of a conflict of interest.	
4.	**Minutes of Meeting held on 14 May 2019** It was noted that Ann Irvine had submitted apologies to the meeting. Following this, the minutes were approved as a correct record.	
5.	**Matters Arising from Previous Minutes**	
	5 Actions Arising from Meeting on 19 February 2019 **Action 1:** Health & Safety Committee – Terms of Reference – confirm introduction of template for common reporting. **Action Update**: Issue had been discussed at last meeting of Health & Safety Committee and added for future meetings. **Action 2**: Confirm staff who use own vehicles for College business are reminded about terms of business insurance.	

Action Update: Reminder had been issued.

6 Safeguarding

Action: Provide schematic to show safeguarding management processes

Action Update: Head of Student Services had asked for extension for completion of this work until next Audit meeting.

7 Balanced Scorecard

Action: Pass Committee feedback to Principal.

Action Update: Completed, new format on Agenda under Item 6.

8/9.4 Risk management/Internal Audit follow-up reviews.

Action 1: Appraise Board of Committee's view on compliance risk arising from Equality & Diversity Lead vacancy.

Action Update: Completed, Equality & Diversity Adviser employed from July 2019; full HR team now operational. New Equality & Diversity Adviser has prioritised compliance issues within role.

Action 2: Assess status and urgency of above risk.

Action Update: No impact noted against Risk Register.

10 Deferred Income Matter

Action: Report on outcome of investigation

Action Update: On Agenda under Item 14

15/16 Evaluation of Internal Audit Service/ Evaluation of External Audit Service

Action 1: Provide Chair of Audit Committee with editable evaluation forms.

Action Update: Completed.

Action 2: Circulate draft evaluation responses to Committee Members for comment and agreement.

Action Update: Responses circulated. Matter on Agenda under Items 15 & 16.

6	**Balanced Scorecard**		
	Depute Principal (Academic) introduced new format of Balanced Scorecard, noting that the Balanced Scorecard was a work in progress and that views of members of all Committees were being sought.		
	Members agreed that the new format was an improvement in a number of areas, including the clarity of layout, positional arrows re trends, sector comparisons and separation of the summary page from additional granular detail.		
	It was further noted that the addition of information related to Tolerances will be a useful addition as this will deal with those areas where "red" items are not necessarily poor outcomes.		
7	**Health & Safety**		
7.1	**Health & Safety Policy**		
	Depute Principal (Academic) noted the changes made to the Policy per the Version Control History and presented the Policy for approval.		
	Board Member asked how Board ensures effective implementation of Policy from an evidential point of view. Depute Principal (Academic) noted that a Board Member sits on Health & Safety Committee, and that there is appropriate alignment of health and safety within organisation, for example the Head of HR and Organisational Development chairs both Health & Safety and Equality & Diversity committees.		
	Board Member noted that link from Board Member sitting on Health & Safety was straight to Board of Management, not via Audit Committee. It was **agreed** that this link should be reviewed and that the Chair of Audit Committee would involve the Chair of the Board of Management in discussions. It was noted that one of the members of the Audit Committee would be willing to be available for such duties.		Chair
	Board Member noted that Policy had not been tabled at Health & Safety Committee. This was down to timing issues to ensure timeous approval by Board.		
	The Health & Safety Policy was **APPROVED** in principle.		
7.2	**Health & Safety Report 2018-19**		
	Depute Principal (Academic) presented the Report, noting in particular that some issues re training and capacity need to be		

	addressed, that most of the training is now delivered in-house, and that new reporting mechanisms are being put in place to address uptake levels for statutory training provided online. Depute Principal (Academic) further noted that there is a need to ensure that both current and new staff are captured via such reporting mechanisms and other routes such as performance review systems, particularly around compulsory training.	
	Board Member complimented those involved in the improvements shown within the Report, which provides a great deal of comfort compared to the past.	
	Following a Board Member's observation, it was **agreed** that there needs to be some focus on the readability of the Report, including clear numbering and also demonstrating clearer links between the Report and the Strategy, which is referred to within the Report.	HS&W Adviser
	Board Member queried where the Health & Wellbeing Group fits in within the committee structure. After it being noted that this Group is informal but can feed into EDIT or Staff Engagement committees where relevant, Depute Principal (Academic) would review Group's position given the widening remit of Health & Safety Committee.	Depute Principal (Academic)
	Following a query by Henderson Loggie regarding progress on the Monitoring Report, it was suggested that there may be a preference for reports by exception to the Committee.	
8	**Risk Management**	
8.1	**Strategic Risk Register**	
	Clerk to Board of Management noted that Paper 5 was intended to provide Committee with an understanding of the time-sensitive actions on the Risk Register pending a broader review and provision of the total risk picture to the Board.	
	Principal noted that there had been some slippage in timings, identifying in particular the significant work undertaken by Estates within a very restricted window, meaning that any works not completed by end August could not be tackled again until the October break.	
9	**Internal Audit Plan**	
9.1	**Internal Audit Progress Report – 2018-19 Annual Plan**	
	Henderson Loggie noted change of document provided to Committee and summarised the main points, noting in particular that the overdue report regarding key control systems in AST would be issued shortly.	

	Work had commenced on the 2019/20 Plan, with a deadline of early October to provide this to the Scottish Funding Council.		
9.2	**HR & Payroll Systems** Henderson Loggie presented HR & Payroll Systems audit update, noting the change in Report Number from that originally circulated, and summarised the main points therein. 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. 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. In response to a query from a Board Member, Henderson Loggie noted satisfaction with progress made, however suggested that HMRC control areas perhaps need additional attention to minimise potential reputational risk. In response to a query from a Board Member, Head of Finance noted that any staff member personally affected had been dealt with on an individual basis and agreements reached where over-payments had occurred. 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.		Head of Finance
9.3	**Follow-Up Reviews** Depute Principal (Academic) introduced Paper 8, summarising next steps in progressing outstanding actions in Equalities Mainstreaming, noting that the key staff member was now in place and is working on identified key priorities with a primary focus on compliance issues. Depute Principal (Academic) further noted that significant progress is expected by November and beyond, with a detailed progress report to be brought before Audit Committee at the November meeting. In response to a question from a Board Member re potential exposure due to non-compliance, Principal confirmed that there had		Depute Principal (Academic)

		been no issues raised or received regarding non-compliance.	
9.4	**Business Continuity Plan**		
		Clerk to Board of Management presented Paper 9, which updated Section 1 of the College's Business Continuity Plan from an out-dated British Standard to the relevant ISO standard.	
		Clerk noted that other Sections still need to be reviewed, with particular reference to numerous job role changes with the various sections of the Plan.	
10	**External Audit – Annual Audit Plan**		
		EY provided a verbal update on the Annual Audit Plan, noting that the week of 20 October 2019 had been identified for fieldwork, and a list of specific items would be provided to the Head of Finance ahead of this visit.	
11	**Committee Minutes**		
11.1	**Health & Safety Committee**		
		Minutes of the Health & Safety Committee meeting of 29 August 2019 were accepted by the Committee.	
		The Minutes prompted a discussion around increasing attendance at Health & Safety meetings and issues around work-related stress. Following this discussion, it was agreed that the Board should give some consideration to including matters of wellbeing more directly within the remit of Health & Safety Committee, and renaming the Committee accordingly	Board
12	**Date & Time of Next Meeting**		
		Wednesday 27 November 2019	
13	**Review of Meeting**		
		Board Member noted that the Internal Control section of Terms of Reference for Audit Committee referred to "oversight of Freedom of Information and Data Protection on behalf of the Board".	
		Clerk to the Board of Management to provide appropriate reports at future meetings to ensure this requirement is complied with.	Clerk
		The Committee agreed the meeting had otherwise covered its Terms of Reference.	
		Representatives of Henderson Loggie and AY left the meeting.	

	Part 2		
14	**Deferred Income - CLOSED** 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, ie 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**.		
15 & 16	**Evaluation of Internal Audit Service &** **Evaluation of External Audit Service - CLOSED** Following on from Item 14, Chair noted that it was clear an apportionment of blame lies with the Auditors for not dealing with the deferred income issue over the last 18 months. Head of Finance advised that the Statement Of Recommended Practice (SORP) relating to public bodies made accounting of deferred income much clearer, therefore difficult to see how items of this size and nature could have been missed. Vice Principal (External) noted that there was an expectation that External Auditors would have picked up this matter rather than the College, but that was not the case.		

	Given the nature and severity of these failures, Audit Committee **agreed** that Chair find a form of words to amend the evaluation report, and that the matter be escalated to Audit Scotland for their consideration.	Chair

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 ☑ (Except for Items 14, 15 & 16)

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 ☑**

Paper 5

Committee	Audit Committee
Subject	Strategic Risk Register Update
Date of Committee meeting	11/12/2019
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	29/11/2019
Executive summary of the paper	Perth College UHI's Strategic Risk Register is a live document that is continually managed, reviewed and updated on a regular basis, and appropriate action taken, as required.
	All new updates within the document have been highlighted in red.
	There have been amendments to the following Risk References:
	Risk 4: Cognisance has been taken over the increased risk relating to reputational damage linked to the ongoing Consultation process, and to the change in nature of current FOI requests
	Risk 9: Specific reference has been made to the risks associated with the Tay Cities Deal, with the Residual Risk increased accordingly due to the increased financial exposure linked to the project
	Risk 17: Specific reference has been made to the requirement to disclose non-compliance over Equalities Duties, albeit this is mitigated in part by the appointment of a new Equality & Diversity Lead in July
	A significant effect of the knowledge of non-compliance has been a material change to both the Gross and Residual risks in this area due to the resultant possibility for prosecution.
	Risk 21: Additional reference has been made to a range of areas potentially identifiable within an audit cycle to ensue this risk area is not solely focused on GDPR-related issues
	Risk 25: Updated to note the successful recruitment of a General Manage for AST
	In addition, 3 new Risks have been added to the Agenda:

Perth College UHI

	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.
	Risk 28 – Procurement: Identified and commissioned as an area of investigation for Internal Audit during 2019/20
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 updates for the period.
Action requested	☒ For information only ☐ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	Without continual review of the risk register there are potential implications that strategic objectives are not met.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management	The Strategic risk register is the core risk management tool used within Perth College UHI.

• other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	No
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)?	No
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	No
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

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

Perth College UHI

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	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
1 *	Active	Working in partnership to meet the needs of our local economy and beyond.

Providing a progressive curriculum which meets economic and social needs and aspirations. | Operations limited due to outcome of central or remote decision making reducing local impact and focus.

Lack of understanding or clarity of the academic partnership within our external operating environment. | • Collective reporting
• Dilution of local need within decision making
• Changes to Partnership structures/ organisation. | • Reduced student numbers.
•Declining performance.
• Loss of commercial potential. | Principal | 4 | 4 | 16 | • College Board of Management and Chair kept informed of arising issues.
• UHI Vice Principal Further Education and Chair of Further Education Regional Board made aware of issues.
• SMT proactive in decision making forums.
• Perth & Kinross CPP single outcome agreement embedded in ROA.
• Create positive working relationships with Colleges Scotland and Scottish Government. | 16

(4,4) | ↔ | • Continue to highlight as appropriate.
• Continue to work on and implement recommendations of current Programme Board
• Work proactively within partnership and beyond.
• Be proactive in discussions re. future integration | Principal

Principal

Principal

Chair | Ongoing

Ongoing

Ongoing

Ongoing |
| 2 * | Active | Working in partnership to meet the needs of our local economy and beyond. | Non achievement of numbers.

Low allocation of funded Student Numbers from the region.

Adverse impact of Regional funding and allocation | • Lack of marketing focus
• Intra regional competition
• Curriculum offered does not meet demand
• Slow conversion of application to acceptance
• Impact of school profile and jobs market
•BREXIT | • Financial.
• Reputation.
• National appetite for increased funded numbers.
•Reduction in EU students. | Depute Principal Academic/ Vice Principal External | 4 | 3 | 12 | • Review curriculum to ensure it is up to date and fit for purpose and relevant for the identified market.
• Maintaining engagement with applicants.
• Well informed with strong/robust evidence/business case for local demand.
• Strong representation on PPF for FE and HE and on the Regional FE Committee.
• Clear understanding and management of criteria within the ROA.
• Endorsement of Community Planning Partnership.
• Liaise with adjoining regions, colleges and providers for out of region provision.
• Strategic discussions with PKC Education Department on Schools/College volume.
•Ensure student numbers align to strategic plans.
• Identify courses with highest EU student cohorts.
• Effective marketing plan in place.
• Student Number Planning using more robust data
• EREP Action Plan Implementation | 9

(3,3) | ↔ | •Model and analyse impact of trends and updates.

• Revised Marketing Strategy

• Curriculum Review

•Involvement with Tay Cities Deal | Depute Principal Academic/ Vice Principal External

Depute Principal Academic

Vice Principal External | Ongoing Review again Mar 19

Ongoing

Starting 5/19 Completion 1/20

Ongoing |

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
										ACTION PLAN					
3 *	Active	Developing a successful and sustainable organisation.	Lack of International student recruitment. Lack of RUK student recruitment. Sustaining International Partnerships	• UK Regulation Registration (UKVI) • In country adverse political environment • Availability of suitable product • Marketing and attraction strategy	• Loss of income. • Bad publicity. •Lack of student diversification	Vice Principal External	5	4	20	• Student Testimonials. • Closer links with the curriculum areas. • Working with UHI World/UHI VP International and External Engagement • Explore combined product offering between College and AST. • Delivery of Trans National Education • Protection of Tier 4 UKVI Licence • Review opportunities for employing staff in market	16 (4.4)	↔	• Wider product range to be developed. • International strategic approach for 2018/19 to be reviewed and revised. • Use strengths of AST market intelligence. • Develop International Partner Network • Rolling sales and marketing plan re. target markets and potential customers. • Influence UHI to create bespoke marketing and presentation materials. • Create Chinese website	Vice Principal External	July 2019
4 *	Active	Developing a successful and sustainable organisation. UHI Common Risk	The institution has a poor reputation.	• Financial failure. • Consistent poor student experience/ performance • Contentious investment/ divestment • Predatory merger and acquisition • Breakdown in Partner and Staff relations • Confusion of brand identity re. Perth and UHI • Adverse publicity • Negative external perceptions due to internal processes (eg Consultation)	• Loss of income • Increased costs • Staff retention/ recruitment • Student retention/ recruitment. • Loss of accreditations. • Damage to reputation • Evidence of increased FOI requests on sensitive issues • Increase in referrals to ICO related to College activity	Principal	3	4	12	• Heightened awareness of causes of poor reputation. • Heightened reinforcement of the value of Perth College. • Building trust with Partners. • Effective marketing of College and UHI. • Maintain communication via employer engagement. • Annual marketing and PR Plan in place. .	8 (2,4)	↔	•Review, update and implement communications and PR strategy	Principal	Ongoing

												ACTION PLAN		
Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
5 *	Active	Inspiring and supporting our students to achieve their potential. Developing a successful and sustainable organisation. UHI Common Risk	College estate not fit for purpose.	• Reduction of Capital Grant. • Backlog of essential maintenance. • Uncertainty of future Governance model. • Lack of available funds. •Age of current campus.	•Estate poorly maintained • Inability to deliver a new improved estate fast enough. • Availability of classrooms and academic equipment does not match demand.	Depute Principal Academic	4	3	12	• Attracting external investment. • Backlog maintenance risk register has now been developed. • Weekly 'Walk the Campus' and engage staff – Visible Management. • Approval of identified major building projects. • Priority to increase classroom accommodation. • Update estates planning to ensure optimum use of space freed up by completion of ASW • Ensure additional funding allocated by SFC for backlog maintenance is spent appropriately.	9 (3,3)	↔	• Identify estates requirements. • Develop future campus vision. • Development of estates strategy	Depute Principal Academic Head of Estates	Ongoing July 2019 September2 019
6 *	Active	Inspiring and supporting our students to achieve their potential.	Technology not fit for purpose. No replacement or upgrade of critical ICT and academic equipment.	• Changes in ICT development and technology. • Changing in Learning and Teaching practices. • Increase in network delivery of teaching. • Increased use of social networking. • Inadequate VC facilities for larger classes. • Additional requirements from curriculum development and growth. • Technological innovation. • Lack of Integrated Information Systems	• Higher investment in resources required. • Need to continually alter accommodation. • Available resources limit delivery options. •Poor student and staff feedback. • Lack of knowledge of system design • Duplication of data and processes	Vice Principal External / Depute Principal Academic	4	3	12	• Developed robust Curriculum Development Plan. • Link ICT changes in L&T practice to Estates Planning. • Review and implement working practices to optimise available space and working times through use of CELCAT Management Reports. • Operational Planning process and resource commitments system in place. • Prioritise investment required for resources for key curriculum areas. • Ongoing evaluation of VC capacity and teaching space in line with curriculum delivery plan. • ICT rolling programme of replacement • Shared licence purchases with UHI • UHI Wi-Fi Service upgrade: Continue existing Wi-Fi network service until the new service has been proved through a pilot • Bright Space implementation -Staff training sessions ongoing throughout February • VC Application change to Webex teams. • GDPR Training sessions: Awareness of issues around transferring data • New Operational Planning Process • Change tracker for Payroll Process • Communicate changes to staff and students	9	↔	• Rigorous approach to timetabling and utilisation of rooms. • ICT Budget and replacement. • UHI ICT strategy discussions. • New Learning & Teaching Enhancement Plan – will be part of the Curriculum Review • Roll out of new UHI wireless network hardware and process -Lead with Pilot in Webster Building before endo of Easter recess 2019. -Install in parallel with existing equipment -Carry out major works out of term time to reduce impact on student experience. -Publicise new service by posters: 2019/20 -Info sessions at 2019/20 • Induction periods	Depute Principal Academic Vice Principal External Depute Principal Academic ICT Manager Vice Principal External\ Depute Principal Academic	Ongoing Ongoing July 19 Semester 2, 2019 Starting Pilot for Easter recess; project completion 31 July 19 Ongoing

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
													• Integrated Systems (Payroll, HR etc.). -Identify and *evaluate replacement IS -Purchase, design and Implement IS Systems including data migration*	ICT Manager	HR\Payroll: 04\2020 Ongoing: Continual improvement
													• Creation of new digital lab to enhance digital learning and teaching approaches	Head of Learning and Teaching Enhancem ent	July 2019
7	Active	Developing staff to successfully deliver our Vision. UHI Common Risk	Disruption to services/projects and/or partnership working resulting from loss of a key staff member.	• Poor performance management of competence issues. • Fast pace of curriculum development. • Excessive demand on CPD. • Lack of staff capability. • Poor workforce planning. •Affordability/cost of staff	• Inability to compete. • Loss of business and reputation. • Potential requirement to buy in specialist staff •High staff turnover. •Poor staff satisfaction.	Principal	3	3	9	• CPD reports to SMT re progress against CPD targets for professional reviews, mandatory training etc • Prioritise an appropriate level of CPD investment linked to financial sustainability. • Staff Survey results and IIP Assessment Action Plan in place and monitored.	9 (3,3)	↔	• Develop HRIS to provide robust workforce intelligence and implement effective workforce planning model. Capability Policy and procedure in updated and implemented. • Coaching and Conflict Resolution Training delivered to Managers. • Chartered Management Institute (CMI) Training Programme developed for Managers. • Managers trained in Capability Procedure.	Head of HR & OD	July 2019

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
8 *	Active	Developing a successful and sustainable organisation. UHI Common Risk	Research outputs are sub-standard.	• Lack of experience and reputation •Insufficient staff time available • Not explicit in staff Partnership Contract. • Funding methodology	• Inability to identify and agree appropriate projects • Research strategy not clear	Principal	4	3	12	• Review of R&KE strategy. • Develop relationships with wider UHI colleagues. • Prioritise R&KE where appropriate for REF income. • Investigate SFC Innovation Funding and maximise • Work with University SMT, Research Clusters and PKC • Tay Cities Deal developments. • Effective and purposeful operation of R&KE Committee and links to UHI structures.	9	↔	• Link with KE specialists in UHI. •.Vision 2021 and City Development Plan implementation.	Principal	Ongoing
9 *	Active	Working in partnership to meet the needs of our local economy and beyond. Developing a successful and sustainable organisation.	Missing viable opportunities for development and growth Tay Cities Deal: Delay in final deal due to General Election leads to issues re: funding and market value	• Insufficient research. • Lack of horizon scanning. • Lack of ability to invest in opportunities. • Insufficient planning. • Being too risk averse. • Failing to develop at the required pace. • Funding allocations • Resource limitations • Changes to ESIF Funding.	• Loss of share of potential market/earnings. • Loss of reputation. • Miss the market. • Stagnation of product offering. • Missed opportunities for staff. • Missed opportunities for students. • Funding criteria changes. Tay Cities Deal: • Loss of capital funding • Loss of opportunity for developments	Principal	3	3	9	• Effective new product development processes/reviews. • Clear review of product development processes / communication International and Home. • Collaborative UHI Partnership process in place. • Scanning and planning cycles and process communicated. • Collecting staff ideas by their involvement. • Encouraging a staff culture of enterprising behaviour. • Legislative change mapping for new courses. • Tayside RSA + H & I RSA to be used as baseline intelligence. • Flexibility in approval Cycle and proportionate responses. • Liaison with EO & UHI World to identify partnership strengths as they pertain to curriculum. • Liaison with UHI re ESIF and LUPS. • Monitor and review international opportunities and costs. International Strategy. Tay Cities Deal: Proposal passed by Board: 5-year Plan = £320k new revenue (net of allowances for costs)	8 (2,4)	↑	• Curriculum Review FE and HE. • Target international developments towards such areas where product is requested, e.g... Business Degrees. • Schools Strategic Group to plan curriculum 2018-19 onwards. • DYW Group implementation. • SDS liaison and key employer contacts and stakeholders. • PPF UHI Curriculum Plan • MA Development Plan with SDS. • Continuing to work with local communities to provide Leisure provision Tay Cities Deal • maintain dialogue with strategic partners	Depute Principal Academic/ Vice Principal External Depute Principal Academic Vice Principal External Depute Principal Academic Head of Student Experience Vice Principal External	Ongoing Ongoing Ongoing Ongoing July 19 Ongoing July 2019 August 2019 Ongoing

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN Actions to minimise risk TO DO	Action Owner	Completion Date
10 *	Active	Inspiring and supporting our students to achieve their potential. Providing a progressive curriculum which meets economic and social needs and aspirations. UHI Common Risk	Academic quality is sub standard .	• Insufficient tracking of student. • Poor understanding of student requirements. • Product not fit for purpose. • Poor delivery. • Insufficient support for students. • Mis-selling of courses/provision..	• Loss of students. • Loss of earnings. • Adverse PR and poor reputation. • Poor future recruitment. • Poor achievement and retention.	Depute Principal Academic	3	3	9	• Student tracking programme and reviews by Student Advisers. • Heightened student focus on internal communication and training evidenced by the BRAG reporting system. • Managing student expectations. • Active listening to student voice and acting on evidenced by feedback to students. •Act on Student Survey outcomes evidenced by action planning with quality reviews. • Ensure regular/ constructive formative assessment feedback to students/ customers. • Implement Complaints Procedure in line with new legislation and refresh training. • ASW opportunities roll out. • Student Partnership Agreement • NSS Action Plans implemented for courses with poor results. • Appointment of Head of Student Experience. • Self-evaluation process redesigned. • Working with HISA to conduct student focus groups. • A Student Experience Committee has been convened • Ensure findings are reported on with regards to the complaints procedure and actions identified and followed up on • Quality review process redesigned (course KPIs by exception) • Identification of protected characteristics and KPIs • Student Support Review • Revamp website with regards to the services available to support learning	3 (1,3)	↓	• Complaints Review • Student funding at Regional and National level.	Depute Principal Academic (All)	Ongoing

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend		Actions to minimise risk TO DO	Action Owner	Completion Date
													ACTION PLAN			
11 *	Active	Providing a progressive curriculum which meets economic and social needs and aspirations. UHI Common Risk	Regional curriculum plan and delivery not aligned to local demand.	• Fragmented ownership. • Lack of planning. • Over ambitious change in delivery methodology. • Wrong blend between online and face to face. • ESIF changes.	• Lose students. • Financial risk through reallocation. • Students choose another provider. • Poor retention and achievement. • Disputed ownership/ responsibility for failings.	Depute Principal Academic	3	3	9	• Influence/engage with development. • Meetings arranged with UHI Deans. • Keep in touch/listen to student views. • Active engagement in SMCT, QAEC and PPF. • UHI to commission research on impact of changed delivery methodologies. • Work with UHI, SDS and local stakeholders to enhance demand analysis. • Regional Outcome Agreement development and implementation. • Depute now sits on SMCT. • Vice Principal now sits on EPSC. • Associate Principal now sits on PPF.	6 (2,3)	↔		• Proactively engage in implementation of UHI Strategic Plan. • Keep abreast of ESIF developments. • Tertiary working groups. • Curriculum Review	SMT Depute Principal Academic	Ongoing July 19 July 19 Starting 5/19 Completion 1/20
12 *	Active	Developing a successful and sustainable organisation.	Threat to Business Continuity	• Major incident. • Pandemic. • Major fire. • Terrorist Activity. • UHI ICT loss of service. • Radicalisation	• College closure. • Reduced/loss of service.	Principal	2	4	8	• 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)	↔		• Update of Business Continuity Plan the framework for compliance with most recent BSI guidelines.	Principal	Dec 2019
13 *	Active	Developing a successful and sustainable organisation.	Lose control of critical processes and systems through Shared Services Shared Service Model controlled by UHI EO and UHI Finance & General Purposes and University Court.	• Insufficient planning. • Inadequate backup. • Poor training and inadequate communications. • Loss of control of direct employees. • Reduced service level. • Additional cost. •Lag in service improvement. • Loss of control over capital investment.	• Disruption to business systems and student learning. • Increased costs.	Vice Principal External	3	3	9	• Involved in thorough planning. Members of the LIS Shared Service Board. • Member of the Shared Service Programme Board. • Maintain Perth College input into development of shared services. • Retain DH as nominated director of USSL.	9	↔		• Service Level Agreements – Staffing, Communication, Core Services (operational details to be fleshed out). • Proactive within commissioning board.	SMT SMT	Ongoing Ongoing

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
14 *	Active	Developing a successful and sustainable organisation.	Failure to ensure sustainability	•Change in Government control/legislation. •Ongoing Implications of ONS	• Unable to plan longer term. • Unable to save to invest in larger projects. • Capital Expenditure programme halted since depreciation cash equivalent no longer available. • Potential deferral of income out with reporting periods	Vice Principal External	3	5	15	• Lobbied Colleges Scotland providing evidence of unintended consequences. • Staff professionally updated in public sector accounting. • Raised issues with SFC and Scottish Government. • Constantly review as clarification of rules continues to roll out.	10	↔	• Keep abreast of interpretation and updates. • Maintain awareness. •Involvement with sector, Colleges Scotland and SFC working groups.	Vice Principal External	Ongoing Ongoing
15 *	Active	Developing a successful and sustainable organisation. UHI Common Risk	Financial failure/operating loss. Inability to achieve a balanced budget.	• Lack of student numbers. • AST under performance. • Reduction in commercial income. • Relaunch in international recruitment. • Underfunding of student support. •Dilution of unit of resource by increase in fees only students, topslice etc.	• Increased competition. • Reduced funding available to invest or cover operational costs. • Strategic imperatives not met. •Reduction in quality of delivery/student experience.	Principal	3	5	15	• Excellent internal control systems. • Ongoing dialogue re UKVI (Link to AST Risk Register) • Increased forecasting. • Flexing targets where appropriate. • Close working with sector and UHI partners	6 (2,3)	↔	• Review of International Recruitment Strategy. • Develop Business Plan for AST • Create Business Development Strategy	Principal Principal	Ongoing July 2019
16 *	Active	Developing a successful and sustainable organisation. Developing staff to successfully deliver our Vision.	National Pay Bargaining unaffordable	• National bargaining has local consequences. • Agreed pay awards unaffordable for individual college.	• Loss of autonomy. • Risk of national strike. • Lack of sector agreement of mandate for negotiations. • Lack of additional funding for sector pay claims.	Principal	4	4	16	• College membership of national forums via Chair and Principal. • Attend Colleges Scotland HR & OD Group and keeps abreast of national bargaining and workforce of the future developments and how these will affect the College.	16 (4,4)	↔	• Continue to participate in national bargaining. • Contribute to thinking on Workforce of the Future. •Engage fully with Colleges Scotland	Principal	Ongoing

ACTION PLAN

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	**ACTION PLAN** Actions to minimise risk TO DO	Action Owner	Completion Date
17	Active	Developing a successful and sustainable organisation.	Non-compliance of Statutory Health and Safety Legislation and Equality Legislation	• Introduction of amendments to existing legislation or new unforeseen and unplanned legislation. Failure to comply with Equalities Duties and contingent statutory reporting	•Introduces financial and staffing resources to administer. • Legal Action. • Risk of Business Continuity. • Financial fines. • Reputational damage.	Principal	5	4	20	•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)	↑	• Internal inspection and audit actions/recommendations actioned • Complete Equalities Mainstreaming action plan	HoD, Estates Manager, HSWA Equality Diversity & Inclusivity Adviser	Nov 2019 March 2020
18	Active	Developing a successful and sustainable organisation.	Implication of outcome of EU Referendum Leading to: Loss of EU Funding. Decrease in overseas (EU) students. Loss of EU national staff.	•Lack of numbers. •Students wishing to study within EU •Economic and fiscal uncertainty over EU exit. •Staff uncertainty	•Reduced numbers of students/staff •Loss of commercial potential. •Loss of EU funding	Principal	5	4	20	• Keep up to date with info flow. • Lobby through Colleges Scotland and Universities Scotland to increase funding to compensate. • Understanding the status of EU residents. • Use next two years productively as planning. • Look at opportunities, e.g. Increased fees. • Scottish Government Extension of free tuition for EU students	15 (5,3)	↔	• Scottish Government looking to protect Erasmus + programme		Ongoing
19	Active	UHI Common Risk	College does not achieve allocated HE student number targets.	Failure to recruit sufficient students due to various factors such as: over ambitious PPF target, poor marketing, curriculum gaps, poor NNS results etc.	Reduction of college income from UHI, regional student number target at risk resulting in possible claw back to SFC from UHI in year or reduction in future years grant.	Principal	5	3	15	•Review curriculum to ensure robust and up to date. •Continue close partnership working within UHI. •Ongoing dialogue with PPF and academic partners. •Plan, monitor and review student numbers/applications.	9 (3,3)	↔	• Curriculum Review	Depute Principal Academic	Ongoing

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN Actions to minimise risk TO DO	Action Owner	Completion Date
20	Active	UHI Common Risk	College does not achieve allocated FE Credit targets.	Failure to recruit sufficient students due to various factors such as: over ambitious target, curriculum gaps, ineffective marketing and engagement with local schools/ employers.	Reduction of college income from UHI, regional student number target at risk resulting in possible claw back to SFC from UHI in year or reduction in future years grant.	Principal	5	3	15	•Review curriculum to ensure robust and up to date. •Develop external partnerships with schools. DYW and employers. •Plan, monitor and review student numbers/applications.	9 (3,3)	↔			
21	Active	UHI Common Risk	Non-compliance with relevant statutory regulations.	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)	Principal	4	3	12	•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)	↔	• Continuous update and reinforcement of GDPR policies and procedures.	Principal	Ongoing

												ACTION PLAN		
Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
22	Active	UHI Common Risk	Governance Failure.	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	•Recruitment process robust, transparent and open. •Skills matrix approach in place. •Networking/proactively encouraging diversity of applicants.	4 (2,2)	↔			
23	Active	UHI Common Risk	Poor Student Experience	Poor college estate. Dispersed campus with limited facilities for social interaction. Technology failures. Limited teaching/library resources.	Poor performance in national student satisfaction surveys. Reputational damage. Impact on ability to recruit future cohorts. Risk to core income streams.	Depute Principal Academic	3	3	9	•Partnership approach with HISA •Continuous student engagement, feedback and dialogue. •Ongoing Estate Maintenance and minor Refurbishments	6 (2,3)	↑	• Goodlyburn Boilerhouse refurbishment • CCTV installation around Perth Campus • Various minor building works during summer recess 2019	Head of Estates	September 2019
24	Active	UHI Common Risk	Institutional, personal and sensitive data is corrupted, lost, stolen or misused or services are disrupted through malicious and illegal activities by external individuals or bodies.	Poor IT security measures. Equipment with security holes. Poor patching regime. Anti-virus is not up-to-date and comprehensive. Firewalls are configured incorrectly. Coordinated DDOS attack on university infrastructure. Increasing number of security alerts. DDOS attacks on UK academic institutions up to 527 in 2015 - Janet CSIRT. Increase in cyber-attacks such as ransomware reported in national media.	Information Commissioner fine of up to £500k. Adverse press coverage. Loss of confidence by regulators, stakeholders and HE sector. Ransomware encryption has been detected on UHI network.	Vice Principal External	4	4	16	•Firewalls and filters updated regularly. •Anti virus software on all corporate devices. •UHI protocols applied and adhered to. •Passwords changed regularly.	12 (3,4)	↔	• Roll out of new UHI wireless network hardware and process	ICT Manager	Starting Pilot for Easter recess; project completion 31 July 19

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
25	Active	Developing a successful and sustainable organisation	Financial failure of commercial subsidiary	Non-compliance with governance, financial and legal processes and procedures.	Contracts signed without required approvals. Failure to consult with College SMT and AST Board	Vice Principal External	5	5	25	• AST management structure reviewed. • Interim Manager in place. • Policies identified • Best practice adhered to • College Governance applied. • Advice given to AST Management Team • General Manager appointed	12 3,4)	↔	• Continue to review AST policies • Regular meetings held • Procedural Manual review	Vice Principal External	31 July 2019
26	Active	Developing a successful and sustainable organisation	Failure of payroll system results in non-compliance with standards	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	Depute Principal Academic	5	3	15	• 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)		• 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	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

Ref	Risk Status	Category	Risk Description	Causes	Impacts/ Evidence	Owner	Likeli-hood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	Actions to minimise risk TO DO	Action Owner	Completion Date
													to ensure full compliance with pensions legislation		
27	Active	Developing a successful and sustainable organisation	Deferred Income decision rescinded/ amounts overstated	Processes undertaken to determine level of Deferred Income interpreted by SFC as not permissible	Monies allocated for spend by March 2020 in accordance with SFC guidelines no longer available\n\nRescinding/ downward revision of amounts accounted for could lead to significant shortfall in 2019/20 budget	Principal	2	5	10	• Approach agreed with External Auditor re treatment of deferred income on grounds of non-materiality\n• Discussions conducted with SFC to carry over 2018/19 surplus into 2019/20\n• Board instructed that SFC be informed of intention to utilise fund by exception\n• Funds invested in College Estate during 2018/19 to ensure maximum utilisation	10\n\n(2,5)		• Review systems to ensure that income released at milestone delivery	Vice Principal External	31 July 2020
28	Active	Developing a successful and sustainable organisation	Procurement processes are not fully compliant with regulations	Internal processes not suitably robust	Contracts register incomplete	Vice Principal External	4	3	12	• APUC provision of remote services from November 2018\n• Contracted member of APUC staff engaged by College from July 2019	12\n\n(4,3)		• Update contracts register\n• Examine appropriate contracts to ensure compliance & identify areas of potential compliance shortfall\n• Amend processes and circulate to key decision-makers to ensure compliance at all times	Head of Finance	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: • loss of a major UHI partner • loss of major funding stream	> £500,000 or lead to likely loss of key partner	• Likely loss of key partner, curriculum area or department • Litigation in progress • Severe student dissatisfaction • Serious quality issues/high failure rates/major delivery problems	• 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: • **major** reduction in funding • **major** reduction in teaching/research capacity	£250,000 - £500,000 or lead to possible loss of partner	• Possible loss of partner and litigation threatened • Major deterioration in quality/pass rates/delivery • Student dissatisfaction	• 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	• General deterioration in quality/delivery but not persistent • Persistence of issue could lead to litigation • Students expressing concern	• 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	• Some quality/delivery issues occurring regularly • Raised by students but not considered major	• Low media profile • Problem commented upon but credibility unaffected
1 - Insignificant	An **adverse** event that can be accommodated through normal operating procedures.	<£10,000	• Quality/delivery issue considered one-off • Raised by students but action in hand	• 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.

Committee	Audit Committee
Subject	FOI & Data Protection Quarterly Update
Date of Committee meeting	11/12/2019
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	14/11/2019
Executive summary of the paper	Summary of data relating to FOI requests received and data protection issues raised for the Quarter to 31 October 2019
Consultation How has consultation with partners been carried out?	Discussed at meeting of SMT
Action requested	☒ For information only ☐ For discussion ☐ For recommendation ☐ 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: • Compliance • National Student Survey • partnership services • risk management	Informs Risk Register

• other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	No
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)?	No
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	No
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

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

Perth College UHI

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

Quarterly Freedom of Information & Data Protection Update

Academic Year 2019/20 | Quarter 1 | August – October 2019

1.   Executive Summary

Quarter 1 of 2018/19 saw a change of responsibility for FOI and Data Protection processing within Perth College, with Clerk to the Board of Management taking over day-to-day operations in October 2019, following a Handover period.

The College's website has been updated to reflect these changes, and a new dedicated email address for Data Protection reports has been created to avoid the use of personal emails – *dataprotection.perth@uhi.ac.uk.*

Refresher and new staff training in Data Protection issues has been organised for Staff Conference, led by James Nock, UHI Data Protection Officer.

A number of documents are due for review to reflect the change in responsibilities, including the Data Protection Guidance documentation utilised during a Subject Access Review. The Records Management Policies & Procedures are also due for review.

2.   Freedom of Information

a.   Total Number of Requests

2019/20 Quarter 1	2018/19 Quarter 1	2018/19 Full Year
11	22	39

b.   Request Topics

Type	Number
Academic-Related	1
Student-Related	2
Compliance	1
Financial	1
Estates	1
HR	4
Operational Management	1
TOTAL	11

c.   Request Sources

Type	Number
Legal Representative	1
NUS	1
Press	4
Staff	1
University Research	1
Unknown/Anonymous	3
TOTAL	11

d.   Response Times

Replied within Statutory Time	7
Late	3
To be completed	2

e.   FOI Narrative

The number of FOI requests show a significant drop against the same period in 2018/19, however the increase in the number of Press requests and HR-related enquiries does point to a change in dynamic which will need to be monitored.

Of the 3 Late responses, 2 were completed to an amended timescale following a request to the originator, and the third is a complex enquiry, still to be completed.

3.   Data Protection

a.   Total Number of Requests

	2019/20 Q1	2018/19 Q1	2018/19 Full Year
Subject Access Requests	1	4	10
Data Breaches	4	5	13

b.   Subject Access Request Information

The only SAR request received during Q1 related to a Police request for employee personal data

c.   Data Breach Information

Incident	Action Taken	ICO informed?
Email with attachment holding student results data sent to wrong recipient	Recipient contacted to delete the email from all folders, and confirm this had been done.	No
Loss in transit of external hard drive	Search was carried out to recover the missing drive. Two drives were missing in the first instance with one subsequently recovered. Both drives Bitlock encrypted and therefore approriate security mechanisms were in place.	No
Open student records for historic students		No
Email sent in error with student details	Email recalled. Recipient contact to delete & confirm deletion.	No
Email with incorrect personal data re Graduation guest -alerted by recipient	Recipient asked to delete and confirm deletion of the email.	No

Ian McCartney
14 November 2019

Perth College UHI

Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2018/19

Internal Audit Report No: 2019/07

Draft issued: 26 November 2019

Final issued: 4 December 2019

Now, for tomorrow

mha
HENDERSON LOGGIE

Contents

Annual Report and Opinion

Introduction

1.1   We were re-appointed in July 2016 as internal auditors of Perth College UHI ('the College') for the period 1 August 2016 to 31 July 2020. This report summarises the internal audit work performed during 2018/19.

1.2   An updated Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2016/17 (internal audit report 2017/01, issued September 2016). The ANA was prepared following discussion with the Vice Principal Finance and Estates and review of previous internal and external audit reports and covered the four-year internal audit cycle from 2016/17 to 2019/20. The ANA was based on the College's own Strategic Risk Register and this was supplemented by our own assessment of the risks faced by the College. Following on from the ANA, a Strategic Plan was formulated covering the four-year cycle, and this was approved by the Audit Committee, together with the ANA, at its meeting on 20 September 2016.

1.3   The annual operating plan for 2018/19 showed a number of changes to the allocation set out in the Strategic Plan:
- 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;
- The above was replaced with a review of HR and Payroll systems in 2018/19 as it was considered helpful to include a review of processes and test HR system interfaces and payments;
- The Procurement and Creditors / Purchasing review was deferred until 2019/20 at the request of management, with the four days added to the budget for the HR and Payroll Systems review to allow further transactional testing on national insurance contributions to be conducted;
- The three day review of Key Financial Controls - AST Limited has been deferred from 2018/19 into 2019/20, following discussion with management, given the linkages with ongoing work around HR and Payroll; and
- During the year, we were requested to carry out the audits of the College's Bursary, Childcare, Hardship and Educational Maintenance Allowance (EMA) Funds.

1.4   The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.

1.5   An analysis of time spent against budget is shown at Section 4.

mha
HENDERSON LOGGIE

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

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

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

1.8   The results of our self-assessment are that we are able to confirm that our service is independent of the College and complies with the PSIAS.

1.9   External assessment is built into our firm-wide quality assurance procedures. MHA Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent MHA review conducted in March 2019 included our internal audit service. This was a comprehensive independent review of our internal audit function as required every five years by PSIAS. Overall the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.

Significant Issues

1.10   With the exception of the HR and Payroll Systems audit, all work in 2018/19 was assessed systems as either 'Satisfactory' or provided an unqualified opinion on College returns.

1.11   Internal audit report 2019/06 - HR and Payroll Systems, issued in September 2019, was graded as 'Requires Improvement'. The report contained eight Priority 2 and one Priority 3 recommendation. Audit testing identified a significant number of issues regarding payroll transactions, with some staff being underpaid and others being overpaid. We noted that these errors could be partly attributed to issues arising from systems change, and also to changes in HR and payroll staffing. We also noted that the Payroll Finance Assistant had no formal payroll training. We also noted there were a range of weaknesses in existing processes including:
- the user access on the Payroll system required to be reviewed to ensure that permissions were appropriate for current roles;
- there were weaknesses that could allow HR and Payroll staff to generate unauthorised payments, although we noted that this would require collusion with other staff members which was, in practice, difficult to achieve; and
- payroll variance reports and monthly payroll checklists were not always held on file or were not signed as evidence of formal review. These are key controls to ensure that the payroll payments are correct.

Significant Issues (Continued)

1.12   Our in depth transactional analysis around national insurance contributions examined payments over the three preceding financial years and focused on staff with more than one employee pay number. Our analysis highlighted a number of issues around national insurance contributions and the analysis was forwarded to management in order that the College could take the necessary corrective actions.

1.13   We found that the College had made limited progress in implementing the internal audit recommendations followed-up as part of our 2018/19 Follow Up reviews. Only four of the 19 recommendations followed-up were assessed as 'fully implemented'. One recommendation was considered but not implemented, with six recommendations classified as 'partially implemented' and eight categorised as 'little or no progress'.

1.14   There were no other significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

1.15   In our opinion, with the exception of the issues highlighted in paragraphs 1.11, 1.12 and 1.13 above, 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.

mha
HENDERSON LOGGIE

Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2019/01	Annual Plan 2018/19	N/A	N/A	N/A	N/A	N/A
2019/02	2017/18 Student Activity Data (Credits)	N/A	2	-	1	1
2019/03	Student Support Funds 2017/18	N/A	2	-	-	2
2019/04	International Activity - Products, Partnerships and Student Recruitment	Satisfactory	2	-	-	2
2019/05	Follow-Up Reviews	N/A	14 of 19 recommendations required further action	-	3	11
2019/06	HR and Payroll	Requires Improvement	9	-	8	1

Overall gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Recommendation grades are defined as follows:

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

mha
HENDERSON LOGGIE

Summary of Results and Conclusions

2019/01 – Annual Plan 2018/19

Final Issued – November 2018

The purpose of this document was to present, for consideration by the Audit Committee the annual operating plan for the year ending 31 July 2019. The plan was based on the proposed allocation of audit days for 2018/19 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 (although refer paragraph 1.3 above).

The outline scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Chief Operating Officer and consideration by other members of the Senior Management Team, were set out in the report. The outline scopes were finalised after discussion with responsible managers in each audit area.

2019/02 –2017/18 Student Activity Data

Final Issued – October 2018

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

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

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

Our report to SFC was submitted on 5 October 2018. We reported that, in our opinion:
- The student data returns have been compiled in accordance with all relevant guidance;
- Adequate procedures are in place to ensure the accurate collection and recording of the data; and
- On the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Two recommendations were identified from our audit testing for 2017/18 including: the College should ensure that open / distance / flexible learning students who are not continuing to participate in their agreed programme are identified on a timely basis by curriculum staff and notified to the Student Records team to ensure that they are removed from the Credits claim as appropriate; and the College should ensure that, for students undertaking ECDL modules, Credits are claimed for modules that are completed during the session.

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2019/03 – Student Support Funds 2017/18

Final Issued – November 2018

We carried out an audit on the following fund statements for the 2017/18 academic year: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:
- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2018, is in agreement with underlying records.

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

From our testing of the Bursary Fund, we noted that a total of 10 students received awards from the fund to meet the costs of additional support needs where the student had not made any direct application to the fund, and instead the award was made based on need identified by the College. Although the SFC Bursary guidance does not explicitly state a requirement for colleges to ensure application forms are in place, the application form provides evidence that the student meets the eligibility requirements for entitlement to Bursary funds. Colleges should determine student need based on an evidence-based assessment and management advised that this had been done for these students through the College admissions process and identification of support needs. This was not however documented on an application form. We recommended that the College should ensure that an application form is completed for all students supported by the Bursary Fund.

We also noted that six students included in our Bursary sample were in receipt of awards for travel, additional support needs or study materials that were paid directly to the College. These elements of their award were not included in the Bursary award letters issued to the students. In each case we agreed the allocation of costs to supporting documentation including invoices and payment records. The 2017/18 national Bursary policy includes guidance on what should be contained in Bursary award letters, including: travel allowance awarded, study cost allowance, stating whether this is awarded to the student or the department; and Additional Support Needs allowance awarded. We recommended that the College should ensure that the Bursary award letters contain details of travel, additional support needs, study materials or other awards that are paid directly to the College.

From review of Bursary working papers we also noted that two Bursary students had additional support needs awards in relation to taxi costs for travel to and from the College however, due to a clerical oversight, they had also separately been awarded travel costs within their total Bursary award. This gave rise to overpayments of £520 and £515 respectively.

2019/04 – International Activity – Products, Partnerships and Student Recruitment   **Final Issued – May 2019**   **Overall grade: Satisfactory**

The scope of the audit was to examine the key internal controls in place within the College in relation to its operations in the international market, covering students and partnerships (UHI and other parties) and products.

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

Strengths

- We found that the College had identified a clear market strategy for establishing links and agreements with international educational institutions in markets such as the Middle and Far east regions. The College had developed strong links with partners in China and had ambitions to develop opportunities with these partners further;
- The College utilised a network of agents that were approved by UHI to market and recruit students under the direction of the College / UHI;
- The College provided a good level of support to overseas students who were interested in coming to study at the College, particularly in China where the majority of the College's overseas activities were focussed. This included providing English language support early in the students' University experience, information on the cultural difference between the UK and China, pastoral care and guiding students through the UK Visas and Immigration (UKVI) visa application process;
- The financial arrangements clauses contained in partnership agreements provided some financial protection to the College by ensuring that the College received a guaranteed minimum price per student where the target number of students on the course was not achieved;
- A robust process was in place for the review and approval of new agreements both by the College and UHI;
- Well established processes were in place to mitigate the risks of UKVI visa requirements; and
- Signed agreements were in place between the College / UHI and international academic partners.

The objective of this audit was to obtain reasonable assurance that:	
International Students	
1. Key markets and courses are identified for international students	**Satisfactory**
2. Marketing and agency arrangements in place support the College with the recruitment of international students.	**Good**
3. Procedures are in place to assist students who wish to attend the College, including providing advice on UK Visas and Immigration requirements.	**Good**
4. Pastoral support is provided to students.	**Good**
5. The setting of targeted international student numbers is robust and there is an adequate system in place for monitoring achievement against targets.	**Good**
International Students	
6. An effective strategic planning process and management structure have been established	**Satisfactory**
7. Key risks and opportunities in relation to international activities, including compliance with UK Visas and Immigration requirements, are identified and mitigated / exploited.	**Good**
8. Robust agreements are signed with partners which include clear objectives, income and expenditure sharing arrangements, and monitoring and review processes.	**Good**

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2019/04 – International Activity – Products, Partnerships and Student Recruitment (Continued)

Weaknesses
- Financial reporting of international activity did not include an allocation of staff costs for those staff involved in the delivery of the activity, and therefore financial reports would have benefited from ensuring that all costs were captured; and
- There was no formalised strategy in place for the development of international activities, however the Vice Principal – External was drafting an International Strategy for the College.

The objective of this audit was to obtain reasonable assurance that:	
International Students	
9. Financial information on each specific international activity is provided, reviewed and reported upwards on a timely and regular basis.	**Satisfactory**
10. Staff undertake continuous development in order to widen the range of products available.	**Good**
Overall Level of Assurance	**Satisfactory**

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2019/05 – Follow-Up Reviews 2018/19

Final Issued – May 2019

We carried out a follow-up review of recommendations made in the following Internal Audit reports issued during 2017/18:
- Internal Audit Report 2018/04 – IT Network Arrangements;
- Internal Audit Report 2017/05 – Follow-Up Reviews 2017/18; and
- Internal Audit Report 2017/06 – Equalities Mainstreaming

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that, where little or no progress had been made towards implementation, that plans were in place to progress them.

Overall, we found that the College had made limited progress in implementing the recommendations followed-up as part of this review. Only four of the 19 recommendations followed-up were assessed as 'fully implemented'.

Eight recommendations from Report 2018/06 – Equalities Mainstreaming were assessed as showing 'little or no progress'. At the time of the report the College was recruiting for the position of Equality and Diversity Adviser. This position had been vacant for a period of time and the recommendations raised in the follow-up report would be taken forward once the new Equality and Diversity Adviser was in post.

Of the six recommendations that had been assessed as 'partially implemented', two related to Report 2013/07 – Health & Safety (covered by previous year's Follow-Up Reviews). The College's Health, Safety and Wellbeing Adviser had identified that whilst improvements had been made across the College in bringing risk assessments up-to-date, further checks were scheduled during 2019 to confirm compliance in areas of the College not already reviewed; and improvement was still required in the completion rate for online health and safety training modules and plans were in place to address this. Status reports will continue to be provided to the Health and Safety Committee.

One recommendation from report 2018/04 – IT Network Arrangements had been 'considered but not implemented'. The password policy governing access to the College IT network was applied by central policy across the UHI academic partnership. There were no plans to re-configure this policy. The College intended to investigate alternative controls including a two-factor authentication process for those staff accounts that had high-level access to sensitive information.

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2019/05 – Follow-Up Reviews 2018/19 (Continued)

Our findings from each of the follow up reviews has been summarised as follow:

From Original Reports			*From Follow-Up Work Performed*			
Area	**Rec. Priority**	**Number Agreed**	**Fully Implemented**	**Partially Implemented**	**Little or No Progress Made**	**Considered but Not Implemented**
IT Network Arrangements	**1**	-	-	-	-	-
	2	1	-	1	-	-
	3	3	1	1	-	1
Total		**4**	**1**	**2**	**-**	**1**
Follow-Up Reviews 2017/18	**1**	-	-	-	-	-
	2	-	-	-	-	-
	3	2	1	1	-	-
	A	-	-	-	-	-
	B	2	-	2	-	-
	C	2	2	-	-	-
Total		**6**	**3**	**3**	**-**	**-**
Equalities Mainstreaming	**1**	-	-	-	-	-
	2	-	-	-	-	-
	3	9	-	1	8	-
Total		**9**	**-**	**1**	**8**	**-**
Grand Totals		**19**	**4**	**6**	**8**	**1**

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2019/06 – HR and Payroll Systems

Final Issued – September 2019 **Overall grade: Requires Improvement**

This audit considered the key internal controls in place over the College's spend on staff costs of approximately £16m per annum. Our audit covered the procedures in place within both Human Resources (HR) and Finance and how systems interfaced with each other.

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

Strengths
- The College had dedicated payroll and HR teams which were physically located close to each other which allowed a two-way flow of information;
- The College HR system interfaced with the Payroll system for many transactions, which reduced the chance of input errors, and allowed Payroll staff to check whether the input undertaken by HR staff was correct;
- There was an input tracker spreadsheet which was used to document changes and to calculate certain payroll amendments; and
- There were systems in place to ensure that starters were approved, and that starters and leavers had the correct initial or final pay.

Weaknesses
- A large number of issues had been noted regarding payroll transactions tested, with some staff being underpaid and others being overpaid. We noted that these errors could partly be attributed to issues arising from systems change, and also to changes in HR and payroll staffing. We also noted that the Payroll Finance Assistant had had no formal payroll training. We recommended that processes were improved, and that training was provided to the Payroll Finance Assistant;
- From our testing we noted that there were:
  - ♦ Differences in gross pay for some staff between the values recorded on the HR system and the amounts recorded on the Payroll system. We recommended that these differences were followed up and that in future there were periodic reconciliations of gross pay for each staff member to identify any variances between the HR and Payroll systems;
  - ♦ Some incorrectly calculated / paid deductions;
  - ♦ Some incorrectly paid part-time lecturer amounts; and
  - ♦ Payroll control account reconciliations had not been undertaken for all accounts, although we noted that the Financial Accountant who commenced work at the College in January 2019 had re-introduced such reconciliations;

The objective of this audit was to obtain reasonable assurance that:	
1. Correct calculation of gross pay and deductions	**Requires Improvement**
2. Correct calculation of employer national insurance and superannuation contributions	**Requires Improvement**
3. Part-time lecturers, overtime and travel & subsistence payments are properly authorised	**Requires Improvement**
4. Approval and checking of changes to employee standing data	**Good**
5. Starters and leavers are properly treated and enter and leave the system at the correct dates	**Good**
6. Proper authorisation, processing and recording of payments	**Requires Improvement**
7. Conduct a recalculation of payroll transactions in order to quantify potential errors	**Requires Improvement**
Overall Level of Assurance	**Requirements Improvement**

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2019/06 – HR and Payroll Systems (continued)

Weaknesses (continued)
- We noted there were a range of weaknesses in existing processes including:
    - ♦ The user access on the Payroll system required to be reviewed to ensure that permissions were appropriate for current roles;
    - ♦ There were weaknesses that could allow HR and Payroll staff to generate unauthorised payments, although we noted that this would require collusion with other staff members which was, in practice, difficult to achieve; and
    - ♦ Payroll variance reports and monthly payroll checklists were not always held on file or were not signed as evidence of formal review. These are key controls to ensure that the payroll payments are correct.

Time Spent - Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov'19	Days to spend / WIP	Variance
International Business						
International products and partnerships	2019/04	4	-	4	-	-
Financial Issues						
HR and Payroll systems	2019/06	8	-	8	-	-
Other Audit Activities						
Credits Audit	2019/02	5	5	-	-	-
Bursary, Childcare and Hardship Funds	2019/03	-	4	-	-	-
EMA Audit	2019/03	-	1	-	-	-
Management and Planning)	2019/01	3	1	2	-	-
External audit / SFC)						
Attendance at audit committees)						
Follow-up Reviews	2019/05	2	-	2	-	-
Total		27	11	16	-	-

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Operational Plan for 2019/20

5.1   Following our re-appointment as internal auditors for the period from 1 August 2016 to 31 July 2020 we prepared an Audit Needs Assessment and Strategic Plan for (2016 to 2020) (internal audit report 2017/01, issued September 2016).

5.2   The annual operating plan for 2019/20 shows a number of changes to the allocation set out in the above Strategic Plan. Following discussion with College management:

- 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; 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.

5.3   An extract from the revised Strategic Plan, in relation to 2019/20, is attached.

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Proposed Allocation of Audit Days

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

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Proposed Allocation of Audit Days (continued)

	Priority	Planned 19/20 Days
Financial Issues		
Budgetary control	H/M	3
Student fees and contracts / registry	M	
General ledger	L	
Procurement and creditors / purchasing	M	4
Contract management	M	
Debtors / income	M	
Cash & bank / Treasury Management	M	
HR and Payroll systems	M	5
Key financial controls – AST Ltd	M	3
Other Audit Activities		
Credits Audit	Required	5
Bursary, Childcare and Hardship Funds	Required	4
EMA Audit	Required	1
Management and Planning)	-	3
External audit / SFC)	-	
Attendance at audit committees)	-	
Follow-up reviews		2
Audit Needs Assessment	-	
		_____
Total		48
		====

Key

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

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

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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:

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Contents

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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.

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2. Strategic Plan 2016 to 2020

Proposed Allocation of Audit Days

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

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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	M				4
Contract management	M				
Debtors / income	M				
Cash & bank / Treasury Management	M				
HR and Payroll systems	M			8	5
Key financial controls – AST Ltd	M				3
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	**TBC**
Audit Committee Meeting:	**TBC**
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.

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Audit Assignment:	Asset Management
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
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.

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Audit Assignment:	Staff Skills Profile, Staff Productivity and Performance Management
Priority:	Low
Fieldwork Timing	**TBC**
Audit Committee Meeting:	**TBC**
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.

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Audit Assignment:	Corporate Planning / Regional Outcome Agreement / Curriculum and Quality
Priority:	Medium
Fieldwork Timing	**TBC**
Audit Committee Meeting:	**TBC**
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.

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Internal Audit Annual Plan 2019/20 - DRAFT

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.

Audit Assignment:	Budgetary Control
Priority:	High / Medium
Fieldwork Timing	**TBC**
Audit Committee Meeting:	**TBC**
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.

Audit Assignment:	Procurement & Creditors / Purchasing
Priority:	Medium
Fieldwork Timing	**TBC**
Audit Committee Meeting:	**TBC**
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.

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Internal Audit Annual Plan 2019/20 - DRAFT

Audit Assignment:	Payroll - Pension Contributions
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
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 20218/19 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.

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Audit Assignment:	Key Financial Controls - AST Limited
Priority:	Medium
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
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.

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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.

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.

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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.

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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.

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Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	**TBC**
Audit Committee Meeting:	**TBC**
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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Perth College UHI

2018/19 Student Activity Data

Internal Audit Report No: 2020/02

Draft issued: 21 October 2019

Final issued: 22 October 2019

Now, for tomorrow

mha
HENDERSON LOGGIE

Contents

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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 30 May 2019, '*2018-19 data return for funding purposes (FES return) and audit guidance for colleges',* requested submission by Perth College UHI ('the College') of the FES return for session 2018/19, which includes the Credits data relating to College activity for the academic year 2018/19.

Guidance on completion of the 2018/19 return was issued by the SFC on 2 July 2018.

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

Scope of Audit

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

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

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

Audit Staffing

An Audit Director with 26 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by an Assistant Manager and Audit Trainee with 14 and one-years' experience in the sector respectively.

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

The total number of audit days was 6 split 1 day for the Audit Director, 3½ days for the Assistant Manager and 1½ days for the Audit Trainee.

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Audit Findings

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

- Introduction

- Systems and Procedures for Compilation of Returns

- Analytical Review

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

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

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

Conclusion

Our report was submitted to the SFC on 21 October 2019. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;

- adequate procedures are in place to ensure the accurate collection and recording of the data; and

- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

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

Acknowledgements

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

mha
HENDERSON LOGGIE

Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.2.4	**Open / Distance / Flexible Learning** **R1** Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible to ensure that they are removed from the Credits claim.	2	Discussions will continue to take place at our Interim and End of Year Progression Boards to monitor the progress of open / distance / flexible learning students. In addition, we will introduce a series of 'mini' audits throughout the year to engage with relevant curriculum staff and highlight the importance of timely communication with the Student Records team.	Y	Student Records Manager	To be in place throughout AY 2019-20 and ongoing thereafter
2.3.1	**Classification of Programmes** **R2** We recommend that as part of the checks the Student Records team performs on courses during the curriculum planning process, staff complete reasonableness checks over the superclass and Price Group allocated, to ensure courses have been classified appropriately.	3	A sense checking process will be introduced to specifically monitor these two elements for accuracy on a regular basis.	Y	Student Records Manager / Student Records Team Leader	To be implemented during AY 2019-20

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Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 30 May 2019 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;

- classification as higher education or further education;

- classification as full-time or other than full-time;

- identification and counting of infill students;

- allocation of dominant Price Group code;

- capturing of enrolments and identification and recording of student withdrawals;

- allocation of Credit values;

- claims for related study;

- recording of fee waivers;

- recording of progress for students on open / distance learning programmes;

- claims for non-accredited work experience / placement; and

- claims for collaborative provision.

1.1.2 For academic year 2018/19 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns although there had been a change in one member of staff responsible for preparing the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; an indication of analytical review work performed; the extent of checking undertaken; details of any additional testing carried out as a result of errors found in initial sampling; the external data examined; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also includes a summary of adjusted and unadjusted errors found during the audit.

2018/19 Student Activity Data

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.

2.1.2 The following tests were carried out for a sample of 15 courses selected from the SITS system:

a) Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
b) Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
c) Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance;
d) Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
e) Checked allocation of Credits to courses is in accordance with the Credits guidance.

2.1.3 For a total of 81 students selected from the above courses the following tests were carried out, where applicable:

a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
b) Checked back to signed enrolment forms, or electronic equivalent, for the 2018/19 academic year;
c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
e) For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
f) For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.

2.1.4 The following tests were carried out by reviewing records for all College courses:

a) Confirmed that there were no claims for more than one full-time enrolment per student for 2018/19 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
c) Confirmed that Credits had not been claimed for distance learning student's resident outwith Scotland.

2.1.5 In relation to European Social Funds (ESF), for a sample of 10 students selected from the College's ESF funded programmes testing was carried out on the College's systems for administering the additional funding, in line with conditions of grant. This included:

a) reviewed the eligibility of students flagged for ESF Credits;
b) ensured that supporting documentation was held for ESF students, including: a completed participant form; proof of nationality; proof of permanent residence; and appropriate notification issued to the student; and
c) ensuring that Credits are only claimed for completed modules.

2018/19 Student Activity Data

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

2.1   Introduction (continued)

2.1.6   We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of eight part-time students we confirmed that College staff had verified the entitlement to benefit.

2.1.7   It was confirmed by the Head of Student Experience and Student Records Manager that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. No further work was therefore required in this area.

2.1.8   Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.

2.1.9   From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.

2.1.10   The remainder of this report discusses issues identified during our review of the 2018/19 student activity data.

2.2   Open / Distance / Flexible Learning

2.2.1   The Credits guidance requires that when a programme is delivered by flexible learning methods and the subjects involved have a nominal duration, the planned learning hours per student are derived from the duration of the subjects on which the student has both enrolled and completed within the session. Records of work of such students which record formal progress against a schedule with milestones agreed at enrolment must be maintained.

2.2.2   Audit testing in 2017/18 identified several instances of students enrolled on the National 5 Maths distance learning programme where there was no evidence of progression and participation. As per **R1** at Appendix VI, we recommended in 2017/18 that the College should ensure that open / distance / flexible learning students who are not continuing to participate in their agreed programme are identified on a timely basis by curriculum staff and notified to the Student Records team to ensure that they are removed from the Credits claim as appropriate.

2.2.3   In 2018/19, initial testing of 16 students across two distance learning programmes, National 5 Maths and Higher English, identified one student from each programme where a review of tutor engagement monitoring records showed that the students had withdrawn earlier than the withdrawal date recorded in SITS, and where there was no evidence of engagement on the programme. A further review of all students enrolled on the National 5 Maths programme that were marked as withdrawn was subsequently undertaken. This identified a further four students who had withdrawn earlier than the date shown in SITS and where there was no evidence of engagement in the programme. Furthermore, we identified one further student from the tutor engagement monitoring reports who had withdrawn but where the withdrawal had not been reflected in SITS.

2018/19 Student Activity Data

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

2.2 Open / Distance / Flexible Learning (continued)

2.2.4   Whilst our testing in 2018/19 noted that the College has made some improvements in recording and monitoring of engagement of students enrolled on distance learning programmes, details of withdrawn students are still not always being notified to the Student Records team. It was agreed with the College that the above seven students would be removed from the Credits claim (28 credits in total).

Recommendation
R1   Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible to ensure that they are removed from the Credits claim.

2.3 Classification of Programmes

2.3.1   We tested a sample of 15 courses to confirm whether the course had been allocated to a superclass and Price Group code that appeared reasonable and in line with SFC guidance. We noted one course that was allocated a superclass code in SITS that was not contained in the approved superclass codes as outlined in the 2018/19 Credits guidance. The superclass code entered in SITS was retired by the SFC after 2016/17. Discussions with the Head of Student Experience noted that in some cases the superclass codes used by the SFC and SQA do not align and SQA are using 'obsolete' superclass codes that SFC have retired. The error in superclass coding did not result in any potential over-claim of funding as both the original superclass selected and the subsequently amended superclass was linked to Price Group 2. We confirmed that the College has made this adjustment within the FES return. There is a risk that courses are allocated to the incorrect superclass due to a lack of secondary checks, resulting in incorrect allocations to inappropriate price groups that results in over-claiming of funding.

Recommendation
R2   We recommend that as part of the checks the Student Records team performs on courses during the curriculum planning process, staff complete reasonableness checks over the superclass and Price Group allocated, to ensure courses have been classified appropriately.

3. Analytical Review

3.1   The analytical review by DPG for the current year, included at Appendix IV of this report, showed significant variances in DPG 5, 7, 8, 14 and 15. Analytical review by dominant Price Group at Appendix III also showed variances in Price Groups 1, 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors. Overall, the main movements reflect a reduction in part-time activity to focus on core and priority programmes:

- DPG 5 Construction – there was an increase in enrolments due to additional construction programmes added in 2018/19. This increase in activity in Price Group 3 has been offset by reductions in other Price Group 3 Credits across other DPGs including Engineering;

2018/19 Student Activity Data

3.   Analytical Review (continued)

- DPG 7 Engineering – there were fewer enrolments in 2018/19 due to a reduction in provision of engineering programmes. This is reflected in the overall reduction in Price Group 3 Credits;

- DPG 8 Health & related studies – additional groups of school pupils were enrolled on hair and beauty programmes in 2017/18 and there was increased retention. In 2018/19 part-time enrolments reduced and there was lower retention. This is reflected in the decrease in activity in Price Group 2;

- DPG 14 Social studies & languages – the reduction in Credits reflects the fact that a short full time ESOL course ran in 2017/18 but not in 2018/19. There was also some movement of programmes from DPG 14 to DPG 15. This is reflected in a decrease in activity in Price Group 2; and

- DPG 15 Social work – there was an increase in enrolments due to an increase in Childcare and Early Education programmes in 2018/19. As noted above, there was also some movement of programmes from DPG 14 to DPG 15. This movement is reflected in a decrease in activity in Price Group 2.

Appendix I – Copy of Audit Certificate

PERT294/DA/SI

Perth College UHI
Crieff Road
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PH1 2NX

21 October 2019

Dear Sirs

Auditor's Report to the Members of the Board of Management of Perth College UHI

We have audited the FES return which has been prepared by Perth College UHI under the 'Credits' Guidance issued 2 July 2018 and which has been confirmed as being free from material misstatement by the College's Principal in her Certificate dated 11 October 2019. We conducted our audit in accordance with guidance contained in the 2018-19 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

•   the student data returns have been compiled in accordance with all relevant guidance;

•   adequate procedures are in place to ensure the accurate collection and recording of the data; and

•   on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

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

21 October 2019

Date FES returned: 11 October 2019

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

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Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.3 – 2.2.4	Credits claimed for students who did not show progression or participate in their distance learning programme.	Adjusted	-28 Credits

College Funded Target 2018/19   24,855 Credits

The above target figure includes 23,655 core Credits and 1,200 ESF Credits.

Final claimed 2018/19   24,675 Credits

Appendix III – Price Group Analytical Review 2017/18 and 2018/19

Price Group	2017/2018		2018/2019		Variance	Variance
	Credits		Credits		Credits	%
1	5,135		4,744		(391)	(7.6)
2	10,179		9,600		(579)	(5.7)
3	9,493		8,954		(539)	(5.7)
4	0		5		5	-
5	1,354		1,372		18	1.3
	26,161		**24,675**		**(1,486)**	**(5.7)**

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Appendix IV – DPG Analytical Review 2017/18 and 2018/19 - Figures

Dom Gp		2017/2018 Credits	2018/2019 Credits	Credits Variance	% Variance
1	Agriculture, horticulture and animal care	252	208	(44)	(17.5)
2	Business & management	569	655	86	15.1
3	Catering & food	1,429	1,328	(101)	(7.1)
4	Computers, software & information	647	551	(96)	(14.8)
5	Construction	2,243	2,510	267	11.9
6	Creative arts & design	1,588	1,594	6	(0.4)
7	Engineering	1,988	1,682	(306)	(15.4)
8	Health & related studies	4,041	3,486	(555)	(13.7)
9	Minerals, materials & fabrics	0	6	6	-
10	Personal development & self help	1,419	1,289	(130)	(9.2)
11	Printing	0	0	0	0
12	Science & maths	838	815	(23)	(2.7)
13	Secretarial/office & sales work	605	643	38	6.3
14	Social studies & languages	5,300	4,489	(811)	(15.3)
15	Social work	852	1,116	264	31.0
16	Sport & leisure	975	1,034	59	6.1
17	Transport, services & vehicle engineering	2,061	1,897	(164)	(8.0)
18	Special educational needs	1,354	1,372	18	1.3
	Totals (excluding ELS)	26,161	24,675	(1,486)	(5.7)
	Total Target Activity		24,855		
	- **including ESF Target Activity of:**		1,200		
	ESF Actual Activity		1,460		

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Appendix V – DPG Analytical Review 2015/16 to 2018/19 - Graph
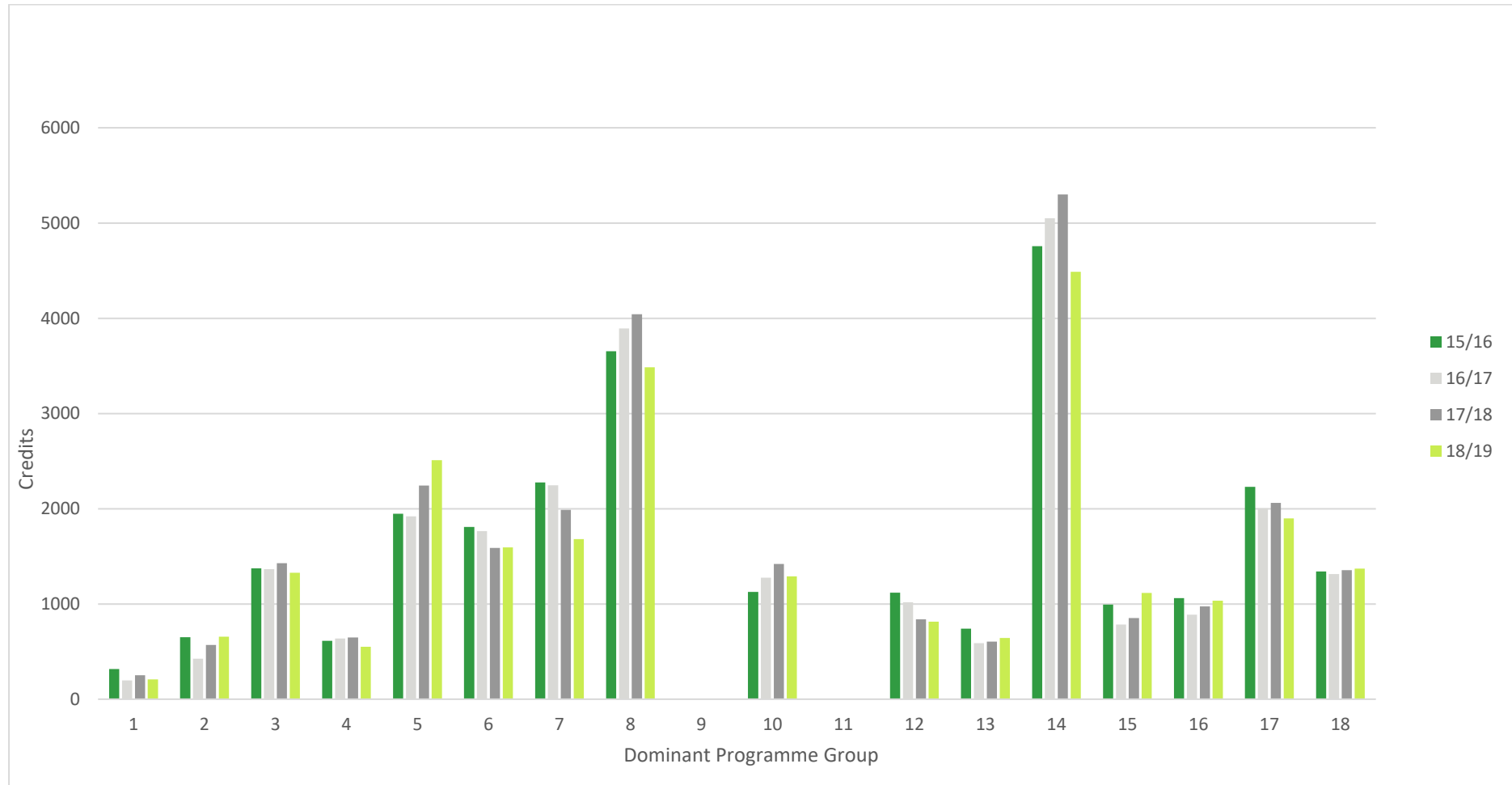
Appendix VI – Updated Action Plan – Student Activity Data 2017/18

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2019
Open / Distance / Flexible Learning **R1** The College should ensure that open / distance / flexible learning students who are not continuing to participate in their agreed programme are identified on a timely basis by curriculum staff and notified to the Student Records team to ensure that they are removed from the Credits claim as appropriate.	2	The monitoring and tracking of distance learning will be included in our BRAG tracking system which will be developed to accommodate accordingly. Discussions will also take place at Interim and End of Year Progression Boards.	Y	Head of Student Experience / Student Records Manager	To be in place throughout AY 2018-19 and ongoing afterwards	Similar issues identified during 2018/19 audit testing. See section 2.2 and **R1**, in the main text of this report.
European Computer Driving Licence (ECDL) **R2** Ensure that, for students undertaking ECDL modules, Credits are claimed for modules that are completed during the session.	3	Regular reviews will be carried out to ensure credits being claimed are accurate.	Y	Student Records Manager / Student Records Team Leader	To be implemented for AY 2018-19	No similar issued noted during audit testing in 2018/19.

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Perth College UHI

Student Support Funds 2018/19

Internal Audit Report No: 2020/03

Draft issued: 11 November 2019

Final issued: 28 November 2019

Now, for tomorrow

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Contents

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Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund is £4,000.

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

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

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

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

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

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

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Audit Scope

For the 2018/19 academic year two specific fund statements were required for audit:

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

Audit Objectives

The audit objectives were to ensure that:

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

Audit Approach

The audit approach included:

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

Audit guidance issued by the SFC was utilised.

Action Plan

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

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

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

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Findings and Conclusions

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

In our covering letter to the SFC enclosing the audited FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return we included an observation in relation to travel awards made to care experienced students. There was a weakness in College processes for 2018/19 whereby allocation of bus passes and assessment of travel allowances was performed separately by the Student Funding team (e.g. lack of integration of assessment). This had led to two care experienced students in our audit sample incorrectly receiving a bus pass plus a travel allowance paid to the student. A further two care experienced students were identified by the College who also received both a bus pass and a travel allowance in error. In total, the overpayment was calculated as £4,809.50 (the total of the travel allowances paid to the students). The College's Student Funding Adviser has indicated that processes have now been revised to ensure that this does not reoccur.

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

EMA
From our testing of EMA payments we noted that, for one student, attendance checking was not undertaken until near the end of the academic year, in mid-May 2019. The student enrolled at the College in August 2018 but did not apply for EMA funding until January 2019 with the first payment being made to the student in February 2019. Although there are controls in place to ensure that students are flagged for attendance checking by the College's Student Funding Team, in this instance there was a delay in the process. Attendance testing for the remaining students in our sample proved satisfactory.

Recommendation
R1 Review controls in place to ensure that EMA students are flagged for attendance checking with a view to minimising any delays.

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

FE Discretionary Fund
As part of our testing we checked for evidence of independent review / authorisation of BACS payment runs. These are normally signed by the Student Funding Adviser and countersigned by a member of management, usually the Student Services Manager, before passing to Finance for processing. There is also a review and approval process in Finance in respect of checking that the payments have been correctly processed. For one month selected for testing we noted that the BACS run had only been signed by the Student Funding Adviser and not countersigned. Similar testing for the Bursary and Childcare funds proved satisfactory.

Recommendation
R2 Ensure that BACS payment runs are always countersigned to evidence their independent review prior to processing.

Acknowledgements

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

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Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	**EMA** **R1** Review controls in place to ensure that EMA students are flagged for attendance checking with a view to minimising any delays.	**3**	Agreed. This one was more of an individual error rather than a systematic lapse of processes. We can build in periodic checks of the attendance list to make sure that none are missed.	Y	Scott Young (Student Funding Adviser) Lynne Taylor (Student Funding Officer)	Ongoing action from November 2019 once attendance registers fully available.

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Student Support Funds 2018/19

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	**FE Discretionary Fund** **R2** Ensure that BACS payment runs are always countersigned to evidence their independent review prior to processing.	**3**	BACS printouts prepared by the Student Funding Adviser for all student support funds are normally countersigned by a member of management, usually the Student Services Manager before sending them through to Finance for processing. Very rarely, if there is no member of management available and a payment is urgent, the Student Funding Adviser will send the BACS printout through to Finance with only his signature. The Student Funding Officer will process Bursary and EMA BACS payments for the bulk of the year from November onwards. In these cases, the Student Funding Adviser will countersign the payments as her line manager. If the Student Funding Adviser is not available, the Student Funding Officer will seek a countersignature from the Student Services Manager or other member of management if he is not available. After receiving two signatures, the payment run will be sent to Finance to process according to their procedures.	Y	Scott Young (Student Funding Adviser)	From start of Academic Year 2019/20

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

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Appendix II – Education Maintenance Allowance Return and Audit Certificate

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Appendix III – Updated Action Plan – Student Support Funds 2017/18

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2019
R1 The College should ensure that an application form is completed for all students supported by the Bursary Fund.	3	There were some students approved by the academic department for taxi travel for the ASN courses, as they could not travel independently. Since the ASN allowance is not financially means tested, we did not pursue application forms in some cases where the student only received funding for taxi travel. We will arrange for all students on the ASN taxi list to complete a shortened application form, which leaves out most of the financial income details not needed for an ASN allowance assessment.	Y	Scott Young	January 2019	Application forms are now completed for all students who receive Bursary Funds. *Fully Implemented*

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Student Support Funds 2018/19

Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2019
R2 The College should ensure that the Bursary award letters contain details of travel, additional support needs, study materials or other awards that are paid directly to the College.	3	This will require a rewrite of our award letter. As most award letters have now been issued for 18/19, we will put this in place for 19/20. This will be possible for study expenses, but not ASN taxis or bus passes, since we do not know the full cost until the end of the Academic Year when we receive the final invoices from Perth and Kinross Council for the taxis and passes.	Y	Scott Young, UHI IT	For Academic Year 2019/20	The format of bursary award letters has now been revised. *Fully Implemented*

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

29 October 2019

Dear Sirs

2018/19 Education Maintenance Allowance
Perth College UHI

In accordance with the Scottish Funding Council's EMA audit guidance we enclose an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2018/19 (copy attached).

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

Yours faithfully

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

Encs.

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DX 556003	DX DD123	DX ED551066	
Aberdeen 30	Dundee	Edinburgh 6	

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Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB.

All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP.

A list of members' names is available for inspection at each of these addresses.

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

29 October 2019

Dear Sirs

Perth College UHI: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2018 to 31 July 2019

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

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

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

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully

Stuart In

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

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

22 October 2019

Dear Sirs

Perth College UHI
Discretionary Fund, Childcare Fund and Bursary Return 2018/19

On behalf of our above named client, we enclose the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2018/19.

We have one observation to make in relation to travel awards made to care experienced students. There was a weakness in College processes for 2018/19 whereby allocation of bus passes and assessment of travel allowances was performed separately by the Student Funding team (e.g. lack of integration of assessment). This had led to two care experienced students in our audit sample incorrectly receiving a bus pass plus a travel allowance paid to the student. A further two care experienced students were identified by the College who also received both a bus pass and a travel allowance in error. In total, the overpayment was calculated as £4,809.50 (the total of the travel allowances paid to the students). The College's Student Funding Adviser has indicated that processes have now been revised to ensure that this does not reoccur.

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

Yours faithfully

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

Enc.

The SAS System   *13:54 Friday, October 11, 2019*

college=5360455 - Perth College report=Student Support Funding

College Name: Perth College			College Contact: ....Scott Young..............				
College Number: 5360455			Phone Number: ....01738....877375........				

1st August 2018 - 31st July 2019

	(AAC 1)		(AAC 2)		(AAC 3)	
Bursary Funds Expenditure	Students under 18		Parentally Supported		Self Supporting	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)	Headcount	Expenditure (£)
Maintenance Costs						
At Parental Home	0	0	172	424622	0	0
Away from Parental Home	5	5654	22	67168	340	1251753
Approved Accomodation or Lodgings	0	0	0	0	0	0
Personal Allowance	0	0	0	0	0	0
Dependents Allowance	0	0	0	0	0	0
Study Expenses	161	17750	94	9074	126	14698
Travel Expenses	144	97085	104	62180	141	94115
Special Educational Needs	3	9535	14	64398	0	0
Total Bursary	208	130023	200	627449	349	1360542

Total Bursary Fund Spend	757	2118014	[ESF Students to be included in all tables]			
(AAC 1+2+3)						

Discretionary Fund & Childcare Fund Expenditure				
	Headcount	Expenditure (£)		
Total FE Discretionary Fund	159	75422		
Total FE Childcare Fund	66	240129		
Total HE Childcare Fund *	50	196,628		

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

	Part-time		Full-time	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)
FE childcare, lone parent	0	0	25	87886

The SAS System

13:54 Friday, October 11, 2019
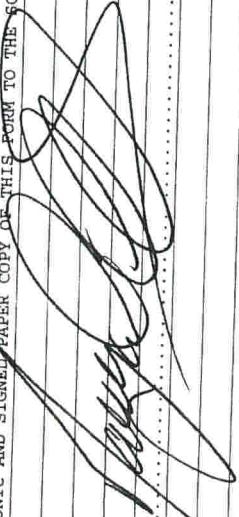
FE childcare, other	3	5776	38	146467
HE childcare, lone parent	0	0	23	86,476
HE childcare, other	0	0	27	109,650

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

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

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

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.

Subject to the observation made in our letter of 22 October 2019

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

Principals Signature ....

Auditors Name (in printed capitals) .... MHA HENDERSON LOGGIE

Auditors Signature......... *Stuart Ima....., DIRECTOR*
FOR AND ON BEHALF OF MHA HENDERSON LOGGIE, CHARTERED ACCOUNTANTS

Date of Signature......... 22 OCTOBER 2019 ....

MHA HENDERSON LOGGIE IS A TRADING NAME OF HENDERSON LOGGIE LLP.

College: Perth
AY 2018-19
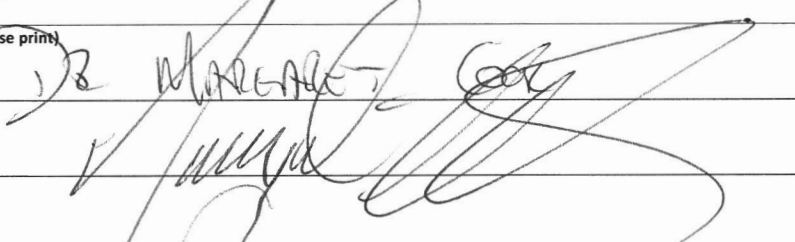
College	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Total Maintenance	Admin Claim (Jan,Feb,July)	Headcount (Oct)	Notes	College Maintenance Adjustment	SubTotal Maintenance (=G+K)	Accruals Paid	Accruals Recovered	credit / debit	Total EMA Maintenance to be paid	College Admininstration Adjustment	Annual Admin payment to be made 2018	Total EMA Admin (=G+Q+R)	Total EMA Spend (=O+T)	Month	Adminstration	Maintenance	Total	Balance
August 2018	0	£0	0	£0	£0	£0	0		£0	£0					£0	£0	£0	£0	September 2018	£0	£0	£0	£0
September 2018	86	£2,580	4	£120	£2,700	£0	0	overclaimed for admin fee by £105 in July. Please reduce our admin claim by this amount. *Amount not deducted due to a s/sheet coding error JS*	£0	£2,700					-£105	£0	-£105	£2,595	October 2018	£0	£2,700	£2,700	-£105
October 2018	438	£13,140	0	£0	£13,140	£0	96	adjustment of overclaim of £105 in respect of overclaimed Admin for 2017/18 noted last month - *Payment only adjusted this month delay due to a s/sheet coding error last month -JS Payment system would not allow net zero sum change, so £135 deducted from Maintenance not admin. DP.*	£0	£13,140					£0	£0	£0	£13,140	November 2018	-£105	£13,140	£13,035	£105
November 2018	625	£18,750	10	£300	£19,050	£0	0		£0	£19,050					£0	£0	£0	£19,050	December 2018	£0	£19,050	£19,050	£0
December 2018	307	£9,210	4	£120	£9,330	£0	0		£0	£9,330					£0	£0	£0	£9,330	January 2019	£0	£9,330	£9,330	£0
January 2019	430	£12,900	8	£240	£13,140	£2,175	0	Admin claimed for 145 students at £15 each.	£0	£13,140					£0	£0	£2,175	£15,315	February 2019	£2,175	£13,140	£15,315	£0
February 2019	499	£14,970	10	£300	£15,270	£0	0	*Additional funds for FY 2018-19 based on average claims Mar 2017 & 2018.*	£0	£15,270	£17,000	£0	£0	£32,270	£0	£0	£0	£32,270	March 2019	£0	£32,270	£32,270	£0
March 2019	426	£12,780	11	£330	£13,110	£0	£0		£0	£13,110	£17,000	£13,110	-£3,890	£0	£0	£0	£0	£0	April 2019	£0	£0	£0	£0
April 2019	195	£5,850	6	£180	£6,030	£0	0		£0	£6,030	£0	-£3,890	£2,140	£2,140	£0	£8,000	£8,000	£10,140	May 2019	£8,000	£2,140	£10,140	£0
May 2019	540	£16,200	14	£420	£16,620	£0	0		£0	£16,620	£0	£0	£16,620	£16,620	£0	£0	£0	£16,620	June 2019	£0	£16,620	£16,620	£0
June 2019	187	£5,610	6	£180	£5,790	£0	£0		£0	£5,790	£0	£0	£0	£5,790	£0	£0	£0	£5,790	July 2019	£0	£5,790	£5,790	£0
July 2019	0	£0	0	£0	£0	£210	0		£0	£0	£0	£0	£0	£0	£0	£0	£210	£210	August 2019	£210	£0	£210	£0
Totals	**3,733**	**£111,990**	**73**	**£2,190**	**£114,180**	**£2,385**	**96**		**£0**	**£114,180**				**£56,820**	**-£105**	**£8,000**	**£10,280**	**£124,460**		**£10,280**	**£114,180**	**£124,460**	**£0**

Principal's declaration

I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.

I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Principal's name (please print)	MARGARET COX
Principal's signature	
Date	

Perth College UHI

HR and Payroll Systems
2018/19

Internal Audit Report No: 2019/06

Draft issued: 12 August 2019

Final issued: 6 September 2019

LEVEL OF ASSURANCE	Requires improvement

Now, for tomorrow

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Contents

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

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

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Management Summary

Overall Level of Assurance

Requires improvement	System has weaknesses that could prevent it achieving control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Perth College UHI ('the College') Risk Register:

- Non-compliance with relevant statutory regulations (risk rating: medium).

Background

As part of the Internal Audit programme at the College for 2018/19 we carried out a review of the College's payroll systems, including related HR processes which have an impact on payroll payments and deductions. The Audit Needs Assessment, completed in September 2016, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

HR staff process payroll changes, including pay awards, and record the required changes on spreadsheets or directly on to the HR system. Some specific information from the HR system interfaces through to the payroll system, while other information is directly input into the payroll system by the payroll team. Staff expenses are also processed through the payroll system.

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Scope, Objectives and Overall Findings

This audit considered the key internal controls in place over the College's spend on staff costs of approximately £16m per annum. Our audit covered the procedures in place within both Human Resources (HR) and Finance and how systems interfaced with each other.

The table below notes each separate objective for this review and records the results:

Objective		Findings			Recommendations covered elsewhere
The objective of our audit was to:		**1**	**2**	**3**	
		No. of Agreed Actions			
1. Correct calculation of gross pay and deductions	**Requires Improvement**	0	3	0	
2. Correct calculation of employer national insurance and superannuation contributions	**Requires Improvement**	0	0	0	✓
3. Part-time lecturers, overtime and travel & subsistence payments are properly authorised	**Requires Improvement**	0	2	0	
4. Approval and checking of changes to employee standing data	**Good**	0	0	0	
5. Starters and leavers are properly treated and enter and leave the system at the correct dates	**Good**	0	0	0	
6. Proper authorisation, processing and recording of payments	**Requires Improvement**	0	2	1	✓
7. Conduct a recalculation of payroll transactions in order to quantify potential errors	**Requires Improvement**	0	1	0	✓
Overall Level of Assurance	**Requirements Improvement**	**0**	**8**	**1**	
		System has weaknesses that could prevent it achieving control objectives			

As part of this audit we also provided some additional consultancy activity around known issues in the payroll system. This activity is reported under Objective 7 below.

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Audit Approach

From discussion with HR and Finance staff, and review of procedures documentation, we identified the key internal controls in place within the College's HR / Payroll systems and compared these with expected controls. We have reported on any areas where expected controls were found to be absent or where controls could be further strengthened. Compliance testing was then carried out to ensure that the controls in place were operating effectively, concentrating on starters, leavers and variations to pay.

Summary of Main Findings

Strengths
- The College has dedicated payroll and HR teams which are physically located close to each other which allows a two way flow of information;
- The College HR system interfaces with the Payroll system for many transactions, which reduces the chance of input errors, and allows Payroll staff to check whether the input undertaken by HR staff was correct;
- There is an input tracker spreadsheet which is used to document changes and to calculate certain payroll amendments; and
- There are systems in place to ensure that starters are approved, and that starters and leavers have the correct initial or final pay.

Weaknesses
- A large number of issues have been noted regarding payroll transactions tested, with some staff being underpaid and others being overpaid. We note that these errors can partly be attributed to issues arising from systems change, and also to changes in HR and payroll staffing. We also noted that the Payroll Finance Assistant has had no formal payroll training. We have recommended that processes are improved, and that training is provided to the Payroll Finance Assistant;
- From our testing we noted that there were:
  - Differences in gross pay for some staff between the values recorded on the HR system and the amounts recorded on the Payroll system. We have recommended that these differences are followed up and that in future there are periodic reconciliations of gross pay for each staff member to identify any variances between the HR and Payroll systems;
  - Some incorrectly calculated / paid deductions;
  - Some incorrectly paid part-time lecturer amounts; and
  - Payroll control account reconciliations had not been undertaken for all accounts, although we noted that the Financial Accountant who commenced work at the College in January 2019 had re-introduced such reconciliations;
- We noted there were a range of weaknesses in existing processes including:
  - The user access on the Payroll system required to be reviewed to ensure that permissions were appropriate for current roles;
  - There were weaknesses that could allow HR and Payroll staff to generate unauthorised payments, although we noted that this would require collusion with other staff members which was, in practice, difficult to achieve; and
  - Payroll variance reports and monthly payroll checklists were not always held on file or were not signed as evidence of formal review. These are key controls to ensure that the payroll payments are correct.

Acknowledgment

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

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Action Plan

Objective 1: Correct calculation of gross pay and deductions			
Observation	**Risk**	**Recommendation**	**Management Response**
Gross pay The gross pay details on the HR and Payroll systems were compared using spreadsheet formulae and from this testing we noted there were a number of variations, including some which were due to processing errors.	Staff are being incorrectly paid.		Agreed **To be actioned by:** Payroll Manager/HR Business Partner **No later than:** 31 December 2019
			Grade 2

Objective 1: Correct calculation of gross pay and deductions (Continued)

Annual Pay Rise
We reviewed the process for uprating academic, support and management staff salaries in April 2019 and noted no issues with academic pay scales being updated on the HR system and being applied to the payroll system.

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Objective 1: Correct calculation of gross pay and deductions (Continued)

Observation	Risk	Recommendation	Management Response
Payroll System Access Rights The payroll system has two system levels - s Supervisor and Assistant. We noted that the system user access rights required to be amended because some staff members who only required read only access had editing rights on the payroll system. The payroll system also has a number of generic users, which is not good practice.	Unauthorised payroll amounts may be processed through the payroll system.		Agreed **To be actioned by:** Payroll Manager **No later than:** 31 October 2019

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Objective 1: Correct calculation of gross pay and deductions (Continued) AND

Objective 2: Correct calculation of employer national insurance and superannuation contributions

Observation	Risk	Recommendation	Management Response	
Deductions We noted from our deductions testing on a sample of five staff members with union, parking and gym deductions that one union deduction was incorrectly calculated. In addition, two staff (one from the SPPA and one from the LGPS) had employee pension deductions incorrectly calculated. This is due to the application of the wrong salary band, and hence the wrong deduction percentage. We were advised by the Payroll Manager that more robust systems for pension contributions had been introduced recently. From our testing of PAYE and employer and employee national insurance contributions for these staff members we confirmed that these were correctly calculated.	Staff are being incorrectly paid.	**R3** Implement more robust procedures over the calculation of union and pension employee deductions.	Agreed **To be actioned by:** Payroll Manager **No later than:** 31 December 2019	
			Grade	**2**

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Objective 3: Part-time lecturers, overtime and travel & subsistence payments are properly authorised

Observation	Risk	Recommendation	Management Response	
Additional Payments - Systems We reviewed the processes for inputting additional variations to pay into the payroll system (including overtime and contract amendments). We noted that any HR staff member had the ability to insert information onto the HR tracker. This could lead to unauthorised changes being made in payroll. However, we noted that there is a compensating control in that a range of HR staff review the tracker and would be in a position to identify any unauthorised change made. However, we noted that there was still a residual risk that a late unauthorised change could be made which other HR staff may not identify as unauthorised.	Unauthorised payroll amounts might be processed on the Payroll system.	**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.	Agreed **To be actioned by:** Head of Human Resources **No later than:** 31 March 2020	
			Grade	**2**

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Objective 3: Part-time lecturers, overtime and travel & subsistence payments are properly authorised

Observation	Risk	Recommendation	Management Response
Additional Payments - Testing We reviewed a sample of • Two expense claims; • Two lump sum pension payments; • Two overtime claims (covering both 1.5x and 2x overtime rates); and • Three part-time lecturer or fractional rate payments. From the testing conducted we noted one error in a part-time lecturer payment which was paid at the incorrect hourly rate. **Contract Variations** We tested a sample of five staff with contract variations to ensure that these were correctly authorised, including changes made to salary grades. From the testing carried out we identified three variations that were incorrectly processed due to incorrect hours being input by HR staff. **Payroll Errors** We noted that there have been a higher than expected number of errors in payroll, with some staff being underpaid and others overpaid. We noted that some of this is related to recent changes in HR and payroll processes, and also due to recent changes in HR and payroll staff. Staff are considering making further changes to systems to mitigate these issues. We were also advised that the Payroll Manager is planning to create a payroll manual. We identified that the Payroll Finance Assistant, who assists the Payroll Manager in processing the payroll, has not previously had any formal payroll training.	Incorrect payroll amounts might be processed on the Payroll system.	**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.	Agreed **To be actioned by:** Head of HR/Payroll Manager **No later than:** 31 March 2020
			Grade 2

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Objective 4: Approval and checking of changes to employee standing data

We reviewed the processes pain place for staff to amend their bank account details or to change other standing information, such as their address. We noted no issues from this work.

Objective 5: Starters and leavers are properly treated and enter and leave the system at the correct dates

All new posts and staff recruited to existing posts require a Recruitment Request Form to be completed and approved. We selected a sample of five new starts and checked to confirm that appropriate Recruitment Request Forms were held on file and that the first payment was correctly calculated. We noted no issues from this testing. We also checked final leavers and noted that the final pay was correctly calculated and processed.

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Objective 6 - Proper authorisation, processing and recording of payments

Observation	Risk	Recommendation	Management Response	
Variance Report Review We noted that prior to making payroll payments a variance report was reviewed and any unusual amounts were investigated to explore any unauthorised amendments or errors. We checked whether variance reports had been reviewed and we noted that for two months (September 2018 and February 2019) the variance reports were not held on file to demonstrate review. For two additional months (November 2018 and March 2019) there was a variance report on file but no evidence of the variance reports having been reviewed as there were no formal sign off. We also noted that Payroll staff completing these reviews were also checking their own salaries. So, any unauthorised payments made to their own salaries could potentially be signed off as correct.	Unauthorised payroll payments could be made	**R6** Ensure that variance reports have been reviewed and signed off. 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.	Agreed **To be actioned by:** Head of Finance/Payroll Manager **No later than:** 31 December 2019	
			Grade	**2**

Objective 6 - Proper authorisation, processing and recording of payments (Continued)

Observation	Risk	Recommendation	Management Response
Payroll Checklists The list of required payroll checks is set out on a monthly payroll checklist. Ensuring that this checklist is completed, which includes ensuring that variance reports have been reviewed by appropriate staff, is a key payroll control. We noted that checklists could not be located for the month of February 2019 and March 2019. In addition, there were no signed versions of the checklists held on file to confirm independent review of the monthly payroll checklist for November 2018, December 2018 and January 2019.	Unauthorised payroll payments could be made	**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.	Agreed **To be actioned by:** Head of Finance/Payroll Manager **No later than:** 31 December 2019
			Grade 2

Objective 6 - Proper authorisation, processing and recording of payments (Continued)

Observation	Risk	Recommendation	Management Response
Payroll Control Accounts We reviewed the payroll control accounts and noted that some of these control accounts had been inactive for some time, and that two control accounts had significant reconciling differences. We noted that the Financial Accountant who commenced work in the College in January 2019 had re-introduced the reconciliation of these accounts. The Financial Accountant advised that one of the reconciling differences was due to a mis-posting, and the other significant variation appears to have been a missed deduction payment to a third party which is now being followed up.	Incorrect payroll payments could be made.	**R8** Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved.	Agreed **To be actioned by:** Financial Accountant **No later than:** 31 December 2019

			Grade	3

Additional Testing

At the specific request of management, we conducted additional testing in areas where issues were already suspected within the payroll system including:
- Some staff not having S in front of their tax codes
- Some staff having multiple payroll numbers (where they held more than one post) which has potential implications for pension deductions, national insurance contributions and income tax payable.

We took advice from our internal MHA payroll department, who are experienced in providing outsourced payroll services to a variety of bodies. They advised us that:
- For any staff member without an S code the onus is on the individual staff member to establish whether they have paid the correct the correct amount of income tax;
- For staff members with multiple payroll numbers the tax code for these staff members should have been amended by HMRC at the end of the tax year if incorrect PAYE had not been remitted by the College.

We undertook recalculations of employer and employee national insurance contributions from 2014/15 to 2018/19 as part of our additional work and have provided the detailed calculations to the College payroll staff for their use in liaising with HMRC.

Observation	Risk	Recommendation	Management Response
Scottish Rate of Income Tax All Scottish domiciled staff should have an S at the start of their tax code. We noted that there were a number of staff with no S prefix on their tax code. There is a possibility that HMRC has identified this issue and taken steps to rectify it, but we are of the view that the College should advise employees affected that they should contact HMRC direct to verify that their income tax payments are correct. **Staff with Multiple Staff numbers - PAYE** Similar to those staff without an S code, the College should consider contacting those staff with multiple codes to advise them of the issue and to advise employees affected that they should contact HMRC to check that they have paid the correct amount of income tax.	Staff may have paid the incorrect amount of income tax	**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.	Agreed **To be actioned by:** Payroll Manager **No later than:** 31 October 2019
			Grade 2

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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
R1 Ensure that all differences noted as part of this audit between gross salaries on the HR and Payroll system are followed up. 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.	2	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.	Yes	Neil McGovern, Payroll Manager and Katy Lees, Head of HR & OD	31 December 2019	Head of HR and Payroll Manager to conduct this review after the November payroll has run (using the data from November's salaries) *Partially Implemented*
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*

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019
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*
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.	2		Yes	Katy Lees, Head of HR & OD	31 March 2020	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. 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 *Fully Implemented*

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019
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.	2		Yes	Katy Lees, Head of HR & OD and Neil McGovern, Payroll Manager	31 March 2020	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. *Partially Implemented*

R6 Ensure that variance reports have been reviewed and signed off. 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.	**2**		Yes	Graham Little, Interim Head of Finance and Neil McGovern, Payroll Manager	31 December 2019	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. 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. 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. 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. 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. ***Partially Implemented***

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2019
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*

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	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. *Partially Implemented*

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2019
R1 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.	B	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.	Lorenz Cairns	31 May 2013 *Revised Completion Date:* 31 December 2016	*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. *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. (Continued on next page)	*At November 2019* 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. (Continued on next page)

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2019
R1 **(Continued)**					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. The H&S Officer has provided RA training to 65 staff throughout the College to assist them in reviewing and preparing / updating RAs. *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% compete by August 2017. The 5% outstanding is a mixture of: risk assessments in place but need a review; and risk assessments where some gaps have been identified. (Continued on next page)	Identified actions to improve current situation: 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.

R1	(Continued)					
					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. There is very little held electronically and a mix of missing assessments, out-of-date assessments and assessments on the old form. 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. ***Partially Implemented*** ***Revised Completion Date:*** 31 October 2018 ***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.	

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2019
Training **R3** The College should ensure that all staff with outstanding mandatory H&S training receive this as soon as practical.	B	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.	Lorenz Cairns	31 May 2013 *Revised Completion Date:* 31 August 2015	*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. *At May 2016* The completion rate for the mandatory on-line training module was not available at the time of finalising this report. *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. (Continued on next page)	*At November 2019* 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: Mental Health 32% Fire Awareness 34% Stress Management 45% Health & Safety (1) 48% Health & Safety (2) 51% (Continued on next page)

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2019
R3 **(Continued)**					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. *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. 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. *Partially Implemented* *Revised Completion Date:* 31 January 2019 *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.	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. 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.

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
R1 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.		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.	Yes	~~Susan Hunter, Head of HR~~ ~~Now:~~ ~~Jen McGillivray, HR Team Leader~~ ~~Richard Fyfe HR Advisor~~ Now: Katy Lees Head of HR	1 May 2018	A formal system is in place for staff account creation, suspension and deletion and is controlled by HR. It has been agreed that a formal process for 'movers' is to be incorporated into the existing formal system. *Partially Implemented* **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. *Partially Implemented*

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
R1 Develop an equality and diversity strategy. This may be included within existing equalities documents, or as a separate document.	3		Yes	~~Stuart Hall and Susan Hunter~~ ~~Now:~~ ~~Jen McGilvary, HR Team Leader~~ Now: Katy Lees	31 October 2018	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. *Little or No Progress Made* **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* **Revised Completion Date:** 31 March 2020

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	~~Stuart Hall, Richard Ogston, David Gourley and Susan Hunter~~ ~~Now: Richard Ogston, David Gourley and Jen McGilvary~~ Now: Katy Lees and Anna Kaczmarek	31 July 2018	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. The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. ***Little or No Progress Made*** **November 2019 update:** This is covered within the mapping exercise in the mainstreaming report. Further work needs to be undertaken to identify operational activities. ***Partially Implemented*** **Revised Completion Date:** 31 March 2020

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	~~CMT~~ ~~Now: Jen McGilvary~~ Now: Katy Lees and Anna Kaczmarek	30 September 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. *Little or No Progress Made* **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 *Partially Implemented* **Revised Completion Date:** 29 February 2020

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
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.	3		Yes	~~Stuart Hall and Aishling Fagan (staff) Deborah Lally and Stuart Hall (students)~~ Now: Katy Lees, Deborah Lally and Anna Kaczmarek	31 July 2018	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. For staff: The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. **November 2019 update:** This is covered within the mainstreaming report *Partially Implemented* **Revised Completion Date:** 31 January 2020

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
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.	3		Yes	~~Stuart Hall~~ ~~Now:~~ ~~Jen McGilvary~~ Now: Katy Lees and Anna Kaczmarek	30 September 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. *Little or No Progress Made* **November 2019 update:** This is included within the Mainstreaming report *Partially implemented* **Revised Completion Date:** 29 February 2020
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. *Little or No Progress Made* **November 2019 update:** This review has commenced. *Partially implemented* **Revised Completion Date:** 31 January 2020

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
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.	3		Yes	~~Stuart Hall~~ Now: Katy Lees and Anna Kaczmarek	31 August 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. *Little or No Progress Made* **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 *Partially implemented* **Revised Completion Date:** 31 January 2020

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at Nov. 2019
R8 Review the EIA process to ensure: • 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	~~Stuart Hall~~ Now: Katy Lees and Anna Kaczmarek	31 August 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. *Little or No Progress Made* **November 2019 update:** This review will commence in January 2020 *Little or No Progress Made* **Revised Completion Date:** 31 January 2020

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	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. ***Little or No Progress Made*** **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 ***Partially implemented*** **Revised Completion Date:** 31 January 2020

Perth College UHI

Paper No. 14

Committee	Finance & General Purposes/Audit Committees
Subject	Balanced Scorecard
Date of Committee meeting	11/12/2019
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	29/11/2019
Executive summary of the paper	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.

The KPIs represented remain the same as previous years. SMT took the decision that the KPIs should stay the same for the remainder of the period covered by the college's current strategic plan 2016-21 with a view to carrying out a fuller review of the balanced scorecard and it's measures as part of the work for the next strategic plan.

The presentation of the data follows on from the proposal recommendations presented to SMT, the Board and its Committees earlier this calendar year and is based upon Design Proposal One.

The data is presented in 2 parts:

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)

Part 2 – Provide more detailed analysis and insight with a trendline giving a pictorial representation of data over the past 3 years.

The following points are to be noted: |

Perth College UHI

	The new design for the Balanced Scorecard should be seen as a work in progress and feedback from Senior Management and the Board will continue to feed into the final version of the revised Balanced Scorecard. This is also expected to form part of the work due to begin on the College's next Strategic Plan. It has not been possible to build in tolerances for the measures at this time however, the final version of the revised Balanced Scorecard will look to include tolerance levels. Where it has not been possible to give an indication of Sector Averages, work will continue with the business owners of the data on how best to identify and capture these figures to allow for benchmarking/comparison.
Consultation How has consultation with partners been carried out?	Click or tap here to enter text. For measure 10b the former Head of Estates was consulted
Action requested	☒ For information only ☒ For discussion ☐ For recommendation ☐ 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.

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Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • 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.
Equality and diversity Yes/ No If yes, please give details:	No
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)?	No 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.

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Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☒	Other [please give further details] Click or tap here to enter text.	☐

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

Strategic Plan Targets and KPIs: Progress Report 2018-19

Section 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: 1. Gross carbon footprint	

Section 2: Detail of Performance by Measure

Detail of Performance: Measure 10b

Sustainability		

Measure	Key Performance Indicator or Target	Performance	Trend
10	**Financial**		
	b) Gross Carbon Footprint	↓	

Baseline: 20

Target: Improve on previous year's performance with a reduction in CO2 emissions

Trend: Downward trend for previous 3 years

Tolerance: **tbc**
(+/-)

Sector Average: tbc
(+/-)

Note on performance

Perth College UHI Carbon Emissions 2018-2019.

The College's carbon footprint is reported each year in the Public Sector Bodies Climate Change Duties report submitted annually since 2015.

The largest elements of the carbon footprint are the gas and electricity usage, which constitute 86%. Business Travel is the next largest component with 13% of carbon footprint of which the larger elements relate to flights abroad. Water, Waste and Other sundry items contribute the final 1% of the carbon footprint.

The College waste is not sent to landfill. The waste contractor compacts general non-recycled waste and exports it for incineration and this contributes a tiny amount of 2.8 tonnes of CO2 to the total 1432 Carbon Footprint.

Since the year 2015 Perth College UHI has reduced its Carbon Footprint each of the three years by up to 10% per year. This period of reduction coincided with an expansion of the Campus by 20% with the addition of the Academy of Sport & Wellbeing in 2016.

For the coming year further LED Lighting replacement in classrooms and offices and the replacement of the Goodlyburn Boilerhouse equipment and controls in summer 2019 will potentially lead to a further modest reduction in carbon emissions via reduced gas and electricity consumption.

Health and Safety Committee

Minutes

Date and time:	Thursday 14 November 2019, 2.00pm
Location:	Room 019, Brahan

Members present:	Lorenz Cairns, Depute Principal Academic (Chair)
	Ian Bow, Health, Safety and Wellbeing Advisor
	Charlie Collie, Subject Leader, Social & Vocational Studies
	Charlie Shentall, Board of Management
	Les Hutchinson, Head of Estates
	Richard Ogston, Student Services Manager
	Mike Haufe, AST
	Tony Grant, EIS H&S Rep

Apologies:	Katy Lees, Head of HR and Organisational Development
	Jennifer Thompson-Young, SDD - STEM
	David Gourley, Head of Learning and Teaching Enhancement
	Amy Studders, HISA Perth President
	Ian Gibb, Sector Manager, Food Studies and Hospitality

In Attendance:	Lorna McWilliam, Kitchen Operations Controller, Deputy for Ian Gibb

Note Taker:	Trudy Guthrie

Summary of Actions

Ref	Action	Responsibility	Time Line
4.	**Matters arising not included elsewhere on the agenda/review of actions from previous meeting**		
	a) Maintenance of Academic/Work Equipment – update: LH to send TG list of non-respondents, TG to follow up with SDDs	Trudy Guthrie	Asap
	c) H&S ToR/Quorum – update: LC to follow-up and remind all attendees that they should be here	Lorenz Cairns	Asap
	d) Safety Culture Survey - update: IB to liaise with KL and re-circulate the paper to committee members when discussed	Ian Bow	16.01.2020
5.	**Absence Statistics**		
	Committee asked that KL provide 2nd quarter data statistic analysis for next meeting.	Katy Lees	16.01.2020

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Summary of Actions

Ref	Action	Responsibility	Time Line
6.	**Health and Safety Risk Management Profile – update**		
	IB to send updated profile to SMT and ask them to approve at their next meeting	Ian Bow	19.11.2020
8.	**Health & Safety Strategy 3 Year Plan 2018/2019**		
	IB to bring updated Strategy to H & S Meeting at end of April.	Ian Bow	30.04.2020
10.	**Online Mandatory Training Update**		
	IB to liaise with KL re sending out email reminders about training. IB to investigate all training modules are still easy to access.	Ian Bow	asap
11.	**Departmental Health & Safety Reporting**		
	IB/KL to include new reports along with 3rd quarter reports	Ian Bow/Katy Lees	3rd Quarter
13.	**Estates Team Leader Update**		
	LH to look into costs for filling potholes	Les Hutchinson	16.01.2020
14.	**AOCB**		
	RO asked which Committee the Annual Safeguard Report should go to. LC to determine and get back to RO	Lorenz Cairns	asap

Minutes

Item	Action
1. **Welcome and Apologies**	
LC welcomed all to the meeting.	
Apologies were noted.	
2. **Additions to the Agenda for AOCB**	
None.	

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Item		Action
3.	**Minutes of Meeting held on 29 August 2019**	

The minutes of the meeting held on 29 August 2019, having been previously circulated, were approved, as a true and accurate record of discussions.

| 4. | **Matters arising not included elsewhere on the agenda/review of actions from previous meeting** | |

a)   Maintenance of Academic/Work Equipment - update
LH updated re asset register detailing staff who have yet to respond

Acton: LH to send TG list of non-respondents, TG to follow up with SDDs.   **LH/TG**

b)   DSE Policy/Workplace Health Surveillance Policy/H&S Manual – update
IB highlighted that there was still some updating to be done on the H&S Manual which he aimed to bring to the next H&S Committee Meeting. IB said he had to complete an EIA to go with DSW policy.

Action: The H&S Manual update to be added to the agenda for the next H&S Committee meeting.

c)   H&S ToR/Quorum – update

LC advised that he had circulated an email to attendees, predominantly about attendance, as it numbers attending were becoming low. LC said he would follow-up as to why HISA and other staff were non-attendees at this meeting.

Action: LC to follow-up and remind all attendees that they should be here.   **LC**

d)   Safety Culture Survey - update

IB advised that although more questions had been added than the Committee asked for, this was to ensure all areas are covered. Committee approved the questionnaire but asked for a typo to be changed.

Action: IB to liaise with KL and re-circulate the paper to committee members when discussed.   **IB**

| 5. | **Absence Statistics** | |

New stats circulated. LC asked all to note dates and comparisons. LC advised he expected the trend to increase due to increased concerns over changes in college. All discussed various options

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Item		Action
	for reporting. When KL comes to next meeting Committee wants to ask for 6 monthly or quarterly reporting to view any trends.	
	Action: Committee asked that KL provide 2nd quarter data statistic analysis for next meeting.	**KL**
6.	**Health and Safety Risk Management Profile – update**	
	IB indicated that he had updated this risk management profile since the last meeting with the additional column to indicate the person with overall responsibility for the action.	
	Action: IB to send updated profile to SMT and ask them to approve at their next meeting	**IB**
7.	**Health & Safety Quarterly Report**	
	IB took Committee through stats and gave a detailed breakdown of all incidents. No major incidents noted. Most injuries were sustained through use of 'on the job' instruments e.g. catering knives, workshop tools, sports injuries. LC asked if appropriate warning signs are in place, all confirmed.	
8.	**Health & Safety Strategy 3 Year Plan – 2018/19**	
	IB advised this was a request from Committee to add another column to identify status. KL has asked IB to review strategy. All discussed and LC asked that IB brings a refined Strategy doc with an action plan attached to include 'measurable markers' to the meeting at the end of April.	
	Action: IB to bring updated Strategy to H & S Meeting at the end of April.	**IB**
9.	**Health and Safety Inspection Update**	
	Ib advised that 2 more inspections are planned for the Nursery and Automative Engineering. He will contact the areas already audited to see where they are with action plans. Plumbing/Gas Technology and Hospitality are still outstanding. LC asked IB to keep a note of all audits to enable him to produce summary reports.	
10.	**Online Mandatory Training Update**	
	IB advised he has created a spreadsheet detailing who has and has not completed training and he will work with HR to produce comparison reports. IB stated that Managers should encourage staff to complete mandatory training. IB to discuss with KL about	

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Item		Action
	sending a general email to advise staff that only 34% completed the Fire Awareness training and this represents a serious H & S affect on us all. The email will also ask that people complete this as a matter of urgency. IB to discuss with KL who this email should be sent to. An email will also be sent to all managers to check Cipher. LC asked to see stats again at next meeting. IB to investigate if all training modules are still easy to access.	
	Action: IB to liaise with KL re sending out email reminders about training. IB to investigate all training modules are still easy to access.	**IB/KL** **IB**
11.	**Departmental Health & Safety Reporting** IB and KL have revised the original formats. Their proposal is that the departmental management report on the issues for their own area. The Committee approved and agreed that this should be sent out to all managers along with the 3rd quarter reports	
	Action: IB/KL to include new reports along with 3rd quarter reports.	**IB/KL**
12.	**Health, Safety & Wellbeing Adviser - update** Training Update: First Aid Refresher training and Evac Chair training with 18 ASW Commercial staff First Aid at Work requalification training 7 staff First Aid at Work qualification training 4 staff Emergency First Aid at Work qualification training 2 staff COSHH Risk Assessor training 4 staff Health & Safety Site Induction 29 staff REHIS Elementary Health & Safety Course 9 commercial clients Meetings: UHI Health and Safety Practitioners Group (HASPG) – Single Policy Environment Group VC meetings to discuss way forward for single policies and work of HASPG Personal Emergency Evacuation Plans (Students): 13 named students, only 6 have attended meeting to formulate plans Audits and Inspections: 2 audits planned, Nursery 21 Nov and Automotive Engineering 10 Dec Hazard Reporting: Received 2, wheelchair lift in Goodlyburn not working (contractor due out – now resolved). This should have been reported to	

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Item		Action
	estates, and Joinery Workshop, student misuse of LEV. This should have been reported as a near miss.	

Automated External Defibrillator:
Currently the College have 1 sited in ASW. Compiling a "Statement of Need" for the purchase of another to be sited in Brahan. Estimated cost of £1,200 with recurring costs of £100 every 3 years for pads and £260 every 5 years for high power battery (both items have a shelf life).

13. Estates Team Leader Update

LH stated that all CCTV tests have been completed across the Campus. Emergency lighting testing will be completed in due course. The Primary School has raised an issue with their car park. LC advised that PKC are looking into parking policies. All discussed the ongoing issues with pot holes in the back car park. LC asked LH to look at previous costs for filling potholes.

Action: LH to look into costs for filling potholes **LH**

14. Health & Safety Manual Update

IB advised he has completed his First Aid refresher training and Evacuation training. Also advised that there are two Health & Safety audits planned. KL has asked that IB carry out a Statement of Need for a defibrillator for the Brahan Building. IB requested okay from Committee for new pads for the defibrillator in the ASW building.

15. AOCB

Richard Ogston discussed a request from First Aiders who want to complete the First Aid Mental Health training course. There is also an issue with the temperature at reception advising that they have ordered fleeces for the staff in the short term. Asked Committee for advice on alternative solutions. LC suggested extra heaters. RO asked which Committee the Annual Safeguard Report should go to. LC to determine and get back to RO. **LC**

LC noted that this was Mike Haufe's last committee meeting. LC, on behalf of the committee, thanked MH for all his work with H&S at AST and within this committee. Everyone wished MH well for his retirement.

16. Date of Next Meetings
- 16th January 2020

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Audit Committee

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

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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

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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)