

# Audit Committee

## Agenda

**Meeting reference:** Audit 2019-20/04

**Date:** Tuesday 19 May 2020 at 5.30pm

**Location:** Online

**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.

	<b>Agenda Items</b>	<b>Author</b>	<b>Led by</b>	<b>Paper</b>
1	Welcome and Apologies		Chair	
2	Additions to the Agenda			
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of Audit Committee held on 10 March 2020		Chair	Paper 1
5	Actions arising from previous minutes			
6	<b>Compliance</b>			
*6.1	Audit Action Plan – progress update	Project & Planning Officer	Vice Principal (External)	Paper 2
*6.2	Code of Governance – Compliance Template	Clerk	Clerk	Paper 3
*6.3	Review of Risk Register:	Clerk	Chair	Paper 4
7	<b>FOI &amp; Data Protection</b>			
7.1	Freedom of Information & Data Protection quarterly update	Clerk	Clerk	Paper 5
8	<b>Performance Management</b>			
8.1	Balanced Scorecard	Project & Planning Officer	Clerk	Paper 6

9	<b>Audit Reports &amp; Updates</b>			
*9.1	Internal Audit 2019-20 Annual Plan	Henderson Loggie	Henderson Loggie	Paper 7
*9.2	Internal Audit 2018-19 – Management Progress Report: HR & Payroll	Head of HR & OD	Head of HR & OD	Paper 8
*9.3	Internal Audit 2018-19 – Management Progress Report: Pensions Contributions	Head of HR & OD	Head of HR & OD	Paper 9
*9.3	Internal Audit 2017-18 – Management Progress Report: Equalities Mainstreaming	Head of HR & OD	Head of HR & OD	Paper 10
*9.4	Internal Audit 2017-18 – Management Progress Report: Health & Safety	Head of HR & OD	Head of HR & OD	Paper 11
*9.5	External Audit – Audit Plan y/e July 2020	EY	EY	Paper 12
10	<b>Procurement</b>			
10.1	Procurement Contract Extensions <ul style="list-style-type: none"> <li>• Catering</li> <li>• Finance System Upgrade</li> <li>• Internal Auditors</li> </ul>	Vice Principal (External)	Vice Principal (External)	Papers 13a-13d
10.2	Operational Procurement Review - Report	UHI Head of Procurement	Vice Principal (External)	Paper 14
11	<b>Committee minutes</b> (for noting by Committee)			
11.1	Health and Safety Committee: <ul style="list-style-type: none"> <li>• 30 April 2020</li> </ul>		Chair	Paper 15
12	Date and time of next meeting: <ul style="list-style-type: none"> <li>• tbc</li> </ul>	Clerk		
*13	Review of Meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)			Paper 16

# Audit Committee

## DRAFT MINUTES

**Meeting reference:** Audit 2019-20/03

**Date and time:** Tuesday 10 March 2020 at 5:30pm

**Location:** Room 019

**Members present:** Ann Irvine, Board Member  
Andrew Comrie, Board Member  
Lynn Oswald, Board Member (via teleconference)  
Debbie Das Chaudhury, Student Board Member

**In attendance:** Margaret Cook, Principal  
Lorenz Cairns, Depute Principal (Academic)  
Veronica Lynch, Vice Principal (External)  
Stuart Inglis, Henderson Loggie  
Grace Scanlin, Ernst & Young  
Graham Little, Interim Head of Finance  
Katy Lees, Head of HR & Organisational Development  
Ian McCartney, Clerk to the Board of Management

**Apologies:** No

**Chair:** Ann Irvine  
**Minute Taker:** Ian McCartney  
**Quorum:** 3

### Summary of Action Items

<b>Ref</b>	<b>Action</b>	<b>Responsibility</b>	<b>Time Line</b>
<b>7.2</b>	<b>Combined Audit Action Plan</b> Clerk to ensure that Action Plan is linked to reporting schedules within future Board cycles.	Clerk	June Board
<b>7.2</b>	<b>Combined Audit Action Plan</b> Principal and Clerk to liaise with EY to arrange date for a Board Development evening to provide training session re financial framework for Board members.	Principal/Clerk	April 2020
<b>7.4</b>	<b>Review Of Risk Register</b> Clerk to increase the Risk score for Risk 12 (Global Pandemic); add PREVENT and Compulsory Training to Risk 21; update Impacts/Evidence for Risk 22; and note links to Audit Plan when finalised.	Clerk	Next Meeting
<b>10.1</b>	<b>Internal Audit 2019-20 Action Plan</b> Head of HR & Organisational Development to produce a document which summarised work being carried out in area of skills re HR and Payroll	Head of HR	Next Meeting
<b>10.2</b>	<b>Internal Audit 2018-19 – Management Progress Report: HR &amp; Payroll</b> Alert Board to dissatisfactions with systems to in order to trigger options appraisals and costings.	Chair	March Board

**Minutes:**

Item		Action
1	<p><b>Welcome and Apologies</b></p> <p>The Chair welcomed everyone to the meeting, and noted the first attendance of a Student Board member at Audit following membership changes.</p>	
2	<p><b>Additions to the Agenda</b></p> <p>There were no additions to the Agenda.</p>	
3	<p><b>Declaration of Interest in any Agenda Item</b></p> <p>There were no declarations of a conflict of interest.</p>	
4	<p><b>Minutes of Meeting held on 11 December 2019</b></p> <p>Other than some minor typographical errors, the minutes were accepted as an accurate record.</p>	
5	<p><b>Minutes of Extraordinary Joint Meeting of Finance &amp; General Purposes Committee and Audit Committee held on 11 February 2020</b></p> <p>The minutes were accepted as an accurate record.</p>	
6	<p><b>Matters Arising from Previous Minutes</b></p>	
	<p><u>Meeting of Audit Committee, 11 December 2019</u></p> <p><u>1 Welcome</u></p> <p><b>Action:</b> Clerk to ensure that papers for Extraordinary Meetings of F&amp;GP and Audit Committee are circulates at least 1 week in advance</p> <p><b>Action Update:</b> Completed</p> <p><u>3.1 Business Development Strategy</u></p> <p><b>Action:</b> Defer to future Board for approval to allow for wider consultation</p> <p><b>Action Update:</b> Deferred to June Board</p> <p><u>3.2 International Strategy</u></p> <p><b>Action:</b> Insert additional information re product ranges and present to March Board</p>	

	<p><b>Action Update:</b> Completed</p> <p><u>6 Minutes of meeting of 17 September</u></p> <p><b>Action:</b> Review wording of Items 15 &amp; 16 following request by External Auditor</p> <p><b>Action Update:</b> Completed</p> <p><u>8.1 Strategic Risk Register</u></p> <p><b>Actions:</b></p> <p>(a) Add Asset Management onto the Register</p> <p>(b) Residual Risk in Risk 1 be to reduced to (2,4) based on trend data available.</p> <p>(c) Risk24 - Reference to UHI's Cyber Essentials accreditation be added to actions taken to minimise risk.</p> <p>(d) Risk 26 - Timescales re internal pensions arrangements be reviewed following the Audit processes and reflect any recommendation provided.</p> <p>(e) Clerk to provide alternative methods for reporting risk within the next Board cycle.</p> <p><b>Action Updates</b> for (a) to (e): Completed</p> <p>13 Date &amp; Time Of Next Meeting</p> <p><b>Action:</b> Clerk to ascertain alternative date for meeting</p> <p><b>Action Update:</b> Completed</p>	
7	<b>Compliance &amp; Risk</b>	
7.1	<p><b>UHI Investigation Report</b></p> <p>Principal presented Paper 3, the final Investigation Report received from UHI, noting the timeline of the complaint, investigation and report, and further noting the additional complexity provided by the issues raised during the External Audit process which required some separating out from the UHI process to ensure duplication of investigation was eradicated. As a result, Principal concluded, the UHI investigation report needed to be viewed alongside the External Auditors report.</p> <p>Principal extended thanks to those staff members who had contributed to the investigation process, in particular noting the</p>	

Interim Head of Finance, the Head of HR & Organisational Development and the Clerk to the Board of Management.

Principal advised that the report was presented to the Scottish Funding Council by UHI at the end of February 2020, and no response has been received on the matter from SFC or UHI as yet.

Principal drew Committees attention to the Action Plan element of the Report, and advised that UHI wished this Action Plan to remain separate from the combined Audits Action Plan (Paper 4), which was not the Colleges preferred process from monitoring purposes.

The Action Plan contains 18 recommendations, a number of which were completed or had been commenced prior to the Report being compiled.

Chair noted an expectation to see a summary of which parties spoke to whom within the process, however Principal's summary had explained this absence. Principal noted that a case could have been made to other aspects of the Report, however it was felt expedient to focus on proceeding with work on the Action Plan.

Board Member enquired as to whether clarification had been received regarding reporting processes against the Plan to SFC/Audit Scotland. Principal noted this information had not yet been received. Interim Head of Finance further noted it had been made clear during collation of the External Auditors report that SFC asked for the investigation therefore College would be unlikely to receive anything direct from Auditor General.

Board Member noted that, should the document be made public, College will need to have affective communications strategy in place.

Chair asked for clarification of where the full Action Plan was to be presented. Principal noted that the Plan is an internal document not intended for publication.

Board Member asked a question from within the main Report re teaching load allocation model, querying whether the £600k figure quoted had been picked up by UHI or by External Auditors. Principal noted that the figure was arrived at during budget process, and accurate at time budget was produced.

Board Member referred to Section 2.16, noting the minutes of the meeting identified "no record" of concerns being raised, yet Board Member recalls that there was concern raised. While noting the lessons learned regarding effective minute-taking and Committee's collective responsibility to ensure accuracy of minutes, Board Member asked whether any members of Audit Committee were spoken to during investigation. Principal noted that no independent members of any Board Committee other than the Chair of the

	Board had been contacted.	
7.2	<p><b>Combined Audits Action Plan</b></p> <p>Vice Principal presented draft Audits Action Plan (Paper 4), which details the response to the various audits and investigation reports recently received by the College. The 112 Action Points have been grouped under key headings, and an additional section is planned for Culture Change.</p> <p>Vice Principal stressed that the Plan was a work in progress, with a significant element of development still required, and welcomed feedback from Committee prior to draft Plan being submitted to next Board of Management.</p> <p>Chair expressed concern that the number of Actions would leave management running to catch up, and asked about levels of staffing resource to deal with the Plan. Vice Principal noted that staff had been aligned to address main priorities, and that the Project &amp; Planning Officer, who pulled the Plan together, will be dedicating a significant proportion of their time on the project.</p> <p>Principal noted that the Plan covered a number of areas across the College, therefore this work will not be seen as the responsibility of one individual, and that there will need to be new processes embedded within various teams to achieve results within the timescales.</p> <p>Board Member questioned governance arrangements re the recommendations, noting a need to ensure that Action Plan is linked to reporting schedules within future Board cycles. Clerk to co-ordinate.</p> <p>Board Member noted that some items would require review processes beyond the scope of the Action Plan, and this would need to be taken in to consideration.</p> <p>Board Member also noted that attention will need to be paid to connected sequencing, eg training after new financial regulations are agreed, as this will impact on timelines.</p> <p>In response to query from Chair, Vice Principal identified that agreed Plan would be scrutinised at future Audit Committees then reported to subsequent Board meetings.</p> <p>External Auditor offered to provide training session re financial framework for Board members. This was <b>AGREED</b>, with Principal and Clerk to liaise with EY for a potential late April date within a Board Development evening.</p>	<p>Clerk</p> <p>Principal/ Clerk</p>



<p><b>7.3</b></p>	<p><b>Business Continuity Plan – Coronavirus Update &amp; Risk Assessment</b></p> <p>Committee received Paper 5 for information, which provided an updated Business Continuity Plan and Risk Assessment related to Coronavirus.</p> <p>Board Member suggested that the Plan be expanded to include additional operational items and scenario planning, eg home working arrangements and scoping out what would happen for exams if College is closed. Depute Principal welcomed feedback, noting that the plan was generic in nature with a focus on containment, and scenario-planning may be rendered irrelevant if issues proceed at current pace due to Government public health interventions.</p> <p>Committee discussed scenario planning, communications with students and impact of interdependencies for key functions such as IT and Finance.</p>	
<p><b>7.4</b></p>	<p><b>Review of Risk Register</b></p> <p>Clerk presented Paper 6, which detailed an abridged Strategic Risk Register for those items related specifically to Audit Committee, per agreed arrangements for reviewing,</p> <p>It was <b>AGREED</b> to increase the Risk score for Risk 12 (Global Pandemic); add PREVENT and Compulsory Training to Risk 21; update Impacts/Evidence for Risk 22; and note links to Audit Plan when finalised.</p>	<p>Clerk</p>
<p><b>7.5</b></p>	<p><b>Procurement Annual Action Plan for 2020</b></p> <p>Interim Head of Finance presented Paper 7 for information, which had been prepared by the APUC Procurement Manager.</p> <p>The Action Plan presented was designed to support the Procurement Strategy recently passed at Finance &amp; General Purposes Committee, and seeks to address anticipated procurement issues for the following 2-year period when the Procurement Strategy will be aligned to the main College Strategy cycle.</p> <p>Head of HR &amp; Organisational Development noted that the timescales in Aim 5 were not achievable as training would not be commenced until August 2020.</p> <p>Board Member queried the practicality of achieving targets re SME bids within Aim 2. Principal noted that Perth &amp; Kinross Council were very keen to promote use of local businesses. Interim Head of Finance noted that target relates to “bids” as opposed to</p>	

	“successful bids”.	
<b>7.6</b>	<p><b>Safeguarding Management Processes</b></p> <p>Depute Principal presented Paper 8 for information, which represented a flowchart for safeguarding processes, requested previously by Audit Committee following a presentation on the matter at a previous Committee meeting.</p>	
<b>8</b>	<b>FOI &amp; Data Protection</b>	
<b>8.1</b>	<p><b>Freedom of Information &amp; Data Protection – Quarterly Update</b></p> <p>Clerk summarised Paper 9, which was presented for information and provided an update on FOI requests and other Data Protection requests and responses.</p>	
<b>9</b>	<b>Performance Management</b>	
<b>9.1</b>	<p><b>Balanced Scorecard</b></p> <p>Clerk summarised Paper 10, the Audit Committee Balanced Scorecard for items due to be reported in this cycle.</p> <p>Clerk advised that, following feedback from other Committees, the format and layout of the Balanced Scorecard is to undergo further review.</p>	
<b>10</b>	<b>Scheduled Audit Reports &amp; Updates</b>	
<b>10.1</b>	<p><b>Internal Audit Plan 2019-20 Annual Plan</b></p> <p>Internal Auditor summarised Paper 11, the final Annual Audit Plan for 2019/20, noting the addition of fieldwork timings and reporting dates since the previous draft, and reiterating the significant increase in Audit Days over previous years.</p> <p>Board Member noted there was a planned audit of staff skills profile, and wondered whether this could be linked to HR &amp; Payroll skills work. Internal Auditor noted that this could be built into the model.</p> <p>Head of HR &amp; Organisational Development offered to produce a document which summarised work being carried out in area of skills re HR and Payroll, which was being conducted with Interim Head of Finance and could inform the Audit process. This was AGREED by Committee.</p>	Head of HR
<b>10.2</b>	<p><b>Internal Audit Action 2018-19 – Management Progress Report: HR &amp; Payroll</b></p> <p>Head of HR &amp; Organisational Development provided an update on progress per Paper 12.</p>	

	<p>Board Member suggested that consideration should be given to commission a full costing of installation of new system to address this long-standing issue, as without this approach, resources are being expended to apply sticking plasters over a serious wound. Principal agreed that the College cannot be in same position in another 5 years.</p> <p>Interim Head of Finance noted that Symmetry, suppliers of the current finance system, had recently visited the College to provide upgrades – while this provides better presentation, it is not integrated with other systems. Principal noted that College is currently working with a 2007 version of CIPHR (HR system).</p> <p>Board Member noted that Audit Committee have a responsibility to flag dissatisfactions with systems to the Board in order to trigger options appraisals and costings. Committee <b>AGREED</b> that Board should be alerted to this matter at next meeting.</p>	Chair
10.3	<p><b>Internal Audit Report: 2017-18 – Management Progress Report: IT Networks &amp; Equalities Mainstreaming</b></p> <p>Head of HR &amp; Organisational Development provided brief update per Paper 13, noting that, with some key deadlines imminent, position should be considerably improved by next Update to Audit Committee</p>	
10.4	<p><b>Internal Audit Report 2017-18: Management Progress Report: Health &amp; Safety</b></p> <p>Head of HR &amp; Organisational Development presented Paper 14, noting that 59 outstanding risk assessments within the Estates department have now been completed, and that, while progress had been made on Mandatory Training, issues with Brightspace meant that College is still not where it should be on this issue.</p>	
11	<p><b>Committee Minutes</b></p> <p>Committee received minutes of Health &amp; Safety Committee from 06 February 2020 for information.</p>	
13	<p><b>Date &amp; Time of Next Meeting</b></p> <p>Tuesday 19 May 2020 at 5:30pm</p>	
14	<p><b>Review of Meeting</b></p> <p>Committee agreed that the Terms of Reference had been complied with.</p>	

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

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

**Status of Minutes – Open\*  Closed**

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 2018. 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

<b>Committee</b>	Audit Committee
<b>Subject</b>	Audit Action Plan
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Kirsty Campbell, Project & Planning Officer
<b>Date paper prepared</b>	12/05/2020
<b>Executive summary of the paper</b>	<p>The attached paper provides Committee with the DRAFT Project Status Table for the combined Audits Action Plan.</p> <p><b>The following points are to be noted:</b></p> <ul style="list-style-type: none"> <li>• This document remains a work in progress, and it is expected that additional lines will require to be added. In addition, a Culture stream is planned for addition.</li> <li>• The Table shows the top-line information only; the full document includes objectives and progress updates etc</li> <li>• KPIs/Metrics have been added to the table and identification of baselines and targets to track progress and the impact of activities is underway</li> </ul>
<b>Consultation</b> How has consultation with partners been carried out?	Action Leads were consulted to provide information and context where available.
<b>Action requested</b>	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation

## Perth College UHI

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

## Perth College UHI

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

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

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

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

## Perth College UHI

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)



# Audit Action Plan

## Interim Progress Update



University of the  
Highlands and Islands  
Perth College

11 May 2020

# Purpose

The purpose of this progress update is to provide the current view on where the college sits against the completion of all the activities set out within each of the audit action plans we are currently working to.

- **UHI Internal Audit Report 28 February 2020**

- **Perth College Annual Audit Report to the Board of Management and the Auditor General for Scotland – year ended 31 July 2019**

- **Internal Auditor Reports – IT Network Regulations, Health & Safety, Equalities, Payroll & HR**

# What information was captured?

The Audit Action Plan Progress Update table contains the following categories of information:

**Action Plan** – Identifies the key department or college service for each activity

**Theme** – identifies the area for development that will benefit from the activity

**Project** – a brief description of the activity

**Lead Owner/Accountable** – identifies where the responsibility and accountability sits for each activity

**Anticipated Completion Date** - Understanding of the timelines and working with Leads in order to give a realistic timescale for completion

**Source** – reference to the Audit Report action taken from

**Current Status** - A drop-down menu looking to clarify at what stage the activity is currently at (drop-down options can be seen in Appendix 1)

**Status Update** – a brief description of progress to date

**KPIs/Metrics** – how the impact and performance improvement for the activity will be measured

# Overview

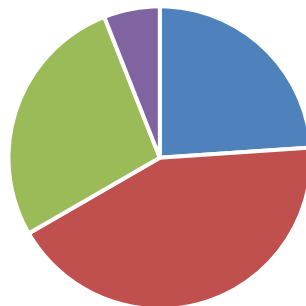
The Data-set is comprised of actions from the 3 main college audit reports previously mentioned and contains

## 117 Activities

- 50% of activities are currently on-going,
- 44% have already been fully or partially completed
- 6% are paused or yet to start

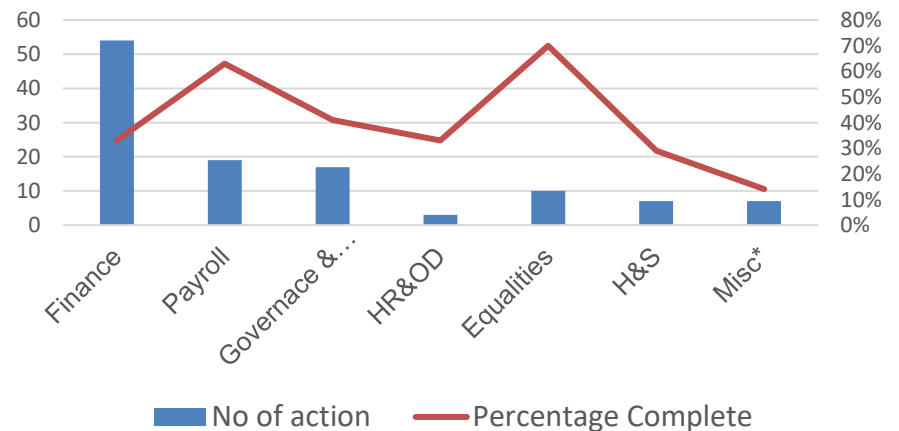


The 117 activities split by theme...



- Future Financial Planning
- Compliance
- Manual processes
- Culture

The activities by dept/percentage complete



# Measuring the impact

## KPIs/Metrics



By focusing on the tracking of measurements (quantitatively or qualitatively), it will be possible to show the progress and impact of progress at any one time.

## Baseline



A measure of the current position as a starting point for tracking progress and improvement over a period of time

## Target

By setting ambitious targets it will be possible to see the value of the measure and the progress and improvement that has been made. Meeting targets is key to evidencing how well the College is doing.



# Appendix 1

## Complete

The activity is complete, no further action required.

## Complete-Monitoring

The activity is complete, and will be monitored for improvement/impact..

## Partial Completion

The activity has started and is in progress at any point (just started to almost finished)

## In progress/on track/pending

The activity has started and is in progress/on track to meet deadline/pending completion

## Not Yet Started/Paused

The activity will start on completion of dependant actions / paused due to other circumstances eg COVID-19

## Stopped

The activity has been superseded .

Audit Action Plan Project Status Table 2020-21								
Action Plan	Theme	Project	Lead	Accountable	Anticipated Completion Date	Source	Current Status	KPIs/Metrics
Finance	2. Compliance	Commission internal Audit Action Plan	VPEE/PPO	VPEE	Feb-20	EY Appendix D: 7	Complete	No of Audit recommendations
Finance	2. Compliance	Utilise the programme of internal and external audits	HoF	VPEE	Feb-20	VPEE	Complete	No of Audit recommendations
Finance	2. Compliance	Positively engage with Auditors (UHI/ Internal/ External)	HoF	VPEE	Feb-20	VPEE	Complete	No of Audit recommendations
Finance	2. Compliance	Relevant staff informed of steps to be taken from Audit Action Plan	P&CE/VPEE	VPEE	Feb-20	EY Appendix D: 7	Complete	No of staff informed
Finance	2. Compliance	Review Finance staffing structure including Finance Director for SMT	HoF	VPEE	Feb-20	EY Appendix D: 1 & 5	Complete	Rate of staff turnover
Finance	2. Compliance	Secure storage of system logins and passwords	HoF	VPEE	Feb-20	UHI Action Plan: 2.71	Complete	No of Audit recommendations
Finance	2. Compliance	Provide timely financial reports and metrics to Board and Committees	HoF	VPEE	Dec-20	EY Appendix D: 6	Complete-Monitoring	Percentage of reports/statements submitted on time
Finance	2. Compliance	Put APUC contract in place	VPEE	VPEE	Feb-20	EY Appendix D: 14	Complete-Monitoring	No of Audit recommendations
Finance	2. Compliance	Implement procurement process to ensure the requirements of the Financial Memorandum for non-competitive action are followed	HoF	VPEE	Dec-20	UHI Action Plan: 2.89	Complete-Monitoring	Percentage of non-compliant contracts over £25K
Finance	2. Compliance	Complete transition to Government Bank Service	HoF	VPEE	Aug-20	EY Appendix D: 7	In progress	No of maintained bank accounts
Finance	2. Compliance	Effective communication of the Financial Memorandum between College and University to relevant college staff	HoF/VPEE	VPEE	May-20	UHI Action Plan: 2.55	In progress	No of Audit recommendations
Finance	1. Future financial planning	Utilise the Risk Register as a proactive tool to inform internal and external audit plan	HoF	VPEE	Apr-20	VPEE	Complete-Monitoring	No of Audit recommendations

Finance	3. Manual Processes	Implement a documented set of financial procedures for the Finance Team	HoF	VPEE	Dec-20	UHI Action Plan: 2.70	In progress	Percentage of written procedures
Finance	1. Future financial planning	Develop a robust 2020/21 budget plan	HoF	VPEE	Jun-20	VPEE	In progress	Audit recommendations/customer satisfaction
Finance	2. Compliance	Update Fraud Response Plan	HoF	VPEE	May-20	EY Appendix D: 8	Partial completion	Updated plan
Finance	1. Future financial planning	Generate £600k savings within 2019/20 budget to achieve a balanced budget - superseded by COVID-19	HoF	VPEE	Jun-20	VPEE	Complete	Savings target met
Finance	1. Future financial planning	Proactively engage with UHI as the Regional Strategic Body	HoF	VPEE	Jun-20	VPEE	In progress	Enhanced working relationship by end of financial year
Finance	1. Future financial planning	Increase engagement with UHI Finance	HoF	VPEE	Jun-20	EY Appendix D: 9	In progress	Enhanced working relationship by end of financial year
Finance	1. Future financial planning	Create KPI financial sustainability metrics for the Balanced Scorecard	HoF/PPO	VPEE	Jun-20	VPEE	In progress	Embed KPIs into monthly reporting by end of financial year.
Finance	1. Future financial planning	Review financial risk attached to Business Development Strategy	HoF/VPEE/Clerk to BOM	VPEE	Jun-20	EY Appendix D: 10	In progress	Achieve BOM approval of strategy by end of financial year
Finance	1. Future financial planning	Review financial risk attached to International Strategy	HoF/VPEE/Clerk to BOM	VPEE	Jun-20	EY Appendix D: 11	In progress	Achieve BOM approval of strategy by end of financial year
Finance	1. Future financial planning	Review financial risk attached to Scholarship and Research Strategy	HoF/VPEE/Clerk to BOM	VPEE	Jun-20	VPEE	In progress	Variances in income
Finance	3. Manual Processes	Implement an improved budgeting and contract management process	HoF/VPEE	VPEE	Jun-20	EY Appendix D: 12	In progress	Contact Register in place for end of financial year
Finance	4. Culture	Improve communication between College Teams and Finance. Linked to contract process.	HoF/CMT	VPEE	Sep-20	EY Appendix D: 13	In progress	Variances in income
Finance	2. Compliance	Procurement Policy and Procedure including procedures for awarding contracts without competition are finalised and communicated to all staff	HoF/APUC	VPEE	Jun-20	EY Appendix D: 14 UHI Action Plan: 2.88	In progress	Percentage of staff completing cpd
Finance	2. Compliance	Update college Financial Regulations last approved by BOM March 2013	HoF/BOM	VPEE/Chair to BOM	Sep-20	UHI Action Plan: 2.66	Partial completion	Financial Regulations agreed at August F&GP
Finance	2. Compliance	Communicate Financial Regulations to all staff	HoF	VPEE	Jul-20	UHI Action Plan: 2.66	Not yet started	Percentage of staff completing cpd



Finance	1. Future financial planning	Undertake CMT and BOM development sessions for Financial Forecast Return (FFR)	HoF	VPEE	Oct-20	EY Appendix D: 10	In progress	Percentage of staff completing cpd
Finance	4. Culture	Implement combined financial reports	HoF/VPEE	VPEE	Nov-20	VPEE	In progress	Financial reports to be generated by Symmetry during first half of 20/21
Finance	1. Future financial planning	Complete impact assessment on implementation of the revised Statements of Recommended Practice (SORP)	HoF	VPEE	Jul--20	EY Appendix D: 4	In progress/on target	Fully SORP compliant 2019/20 accounts
Finance	1. Future financial planning	Create a common costing model across all strands of income	HoF/VPEE	VPEE	Jul--20	VPEE	In progress/on target	Robust costing in place for new financial year
Finance	1. Future financial planning	Provide financial reports and metrics to support AST Board reporting	HoF/VPEE	VPEE	Jul--20	VPEE	Complete-Monitoring	Variances in budget
Finance	1. Future financial planning	Create and implement a financial plan for the Aviation Academy for Scotland	HoF	VPEE	Aug-20	VPEE	In progress	Readiness to proceed
Finance	3. Manual Processes	Develop a transition plan to move from manual to electronic processes	HoF	VPEE	Sep-20	EY Appendix D : 7	Partial completion	Percentage of electronic-based procedures
Finance	4. Culture	Develop process for managing cash in short, medium and long term flow models	HoF	VPEE	Sep-20	VPEE	In progress	Symmetry generated cashflow for 2020/21
Finance	1. Future financial planning	Monitor performance against cash flow forecast	HoF	VPEE	Jul-21	VPEE	In progress	Days cash availability
Finance	2. Compliance	Develop a revised approach and timetable for the production of financial statements/YE processes	HoF	VPEE	Jun-20	EY Appendix D: 1 & 7	In progress	Time taken to produce financial statements
Finance	2. Compliance	Carry out planned internal audit review of procurement	HoF/VPEE/Clerk BOM/APUC	P&CE	Jul-20	UHI Action Plan: 2.87	In progress/on target	No of Audit recommendations
Finance	2. Compliance	Ensure internal working for statutory financial returns to government and funding bodies	HoF	VPEE	Jul-21	VPEE	Complete-Monitoring	No of financial errors
Finance	3. Manual Processes	Implement compulsory PO's across all supplies and services	HoF/APUC	VPEE	Jul--20	EY Appendix D: 14	In progress	Percentage of invoices quoting purchase orders
Finance	3. Manual Processes	Implement greater supplier management systems	HoF/FinAsst	VPEE	Jul-21	VPEE	Partial completion	Time taken to produce financial statements
Finance	2. Compliance	Update procurement contracts register to track 3 year contract values	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	Complete-Monitoring	Time taken to produce reports

Finance	2. Compliance	Re-tender non-compliant contracts	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	In progress	No of non-compliant contracts
Finance	4. Culture	Implement Fixed Asset Register	HoF/HoE	VPEE/DP	Dec-20	EY Appendix D: 14	In progress	Variances in value
Finance	2. Compliance	Tender of PPE evaluation	APUC	VPEE	Jul-20	VPEE	In progress	
Finance	2. Compliance	Prepare audit ready year end accounts in compliance with the Code of Good Governance	HoF/Clerk to BOM	VPEE	Sep-20	VPEE	In progress/on target	No of days to produce year end accounts
Finance	1. Future financial planning	Fincancial Forecast Return (FFR) to be presented in a timely manner to allow Board sufficient scrutiny	HoF	VPEE	Sep-20	EY Appendix D: 9	In progress	Completion with time for review
Finance	1. Future financial planning	Revisit assumptions within Financial Forecast Return (FFR) 2019 to 2024	HoF	VPEE	Sep-20	EY Appendix D: 9	In progress	Revised FFR completed and approved
Finance	1. Future financial planning	Develop scenario planning, modelling and fiscal/budget assumptions for BOM	HoF	VPEE	Oct-20	EY Appendix D: 10	In progress	Delivery of scenario planning exercises for September Board
Finance	1. Future financial planning	Implement scenario planning exercise with College Board	HoF/Clerk to BOM	VPEE	Dec-20	EY Appendix D: 9	In progress/pending	Delivery of scenario planning exercises for September Board
Finance	3. Manual Processes	Implement quality control and review processes across all transactions within accrual accounting	HoF	VPEE	Sep-20	EY Appendix D: 10	In progress	Number of adjustments to financial statements noted by Auditors
Finance	4. Culture	Review and Improve Induction Process for Finance staff	HoF	VPEE/DP	Jul-21	VPEE	In progress	Fully implemented induction process
Finance	1. Future financial planning	In consultation with BOM and budget holders implement an information pack for managing the business	HoF	VPEE	Dec-20	EY Appendix D: 6	In progress	Fully implemented Information Pack
Finance	2. Compliance	Implement Training Needs Analysis and CPD for Finance Team	HoF	VPEE	Dec-20	EY Appendix D: 5	In progress	No of staff completing TNA and CPD
Payroll Systems	3. Manual Processes	Amend payroll user rights to ensure appropriate levels of access/currency/accuracy	Payroll	VPEE	Oct-19	EY Appendix D: 7 2018/19 Internal Audit: R2	Complete	Auditor recommendations

Payroll Systems	3. Manual Processes	Ensure differences between gross salaries on HR & Payroll systems are rectified	Payroll/HROD	VPEE	Dec-19	2018/19 Internal Audit: R1	Complete	Number of errors highlighted
Payroll Systems	3. Manual Processes	Consider an annual reconciliation between gross salaries on HR & Payroll systems	Payroll/HROD	VPEE	Dec-19	2018/19 Internal Audit: R1	Complete	All gross salaries match
Payroll Systems	3. Manual Processes	Implement more robust procedures to calculate union/pension employee deduction	Payroll	VPEE	Dec-19	2018/19 Internal Audit: R3	Complete	Number of errors highlighted
Payroll Systems	3. Manual Processes	Consider an independent check of the Payroll Team's own payroll salaries	Payroll/HoF	VPEE	Dec-19	2018/19 Internal Audit: R6	Complete	Number of errors highlighted in payroll reports
Payroll Systems	3. Manual Processes	Implement payroll action plan	Payroll/HROD	VPEE	Feb-20	2018/19 Internal Audit: R1	Complete	Auditor recommendations
Payroll Systems	3. Manual Processes	Strengthen controls around variations to staff salaries	Payroll/HROD	VPEE	Feb-20	EY Appendix D: 7 2018/19 Internal Audit: R4	Complete	No of payroll adjustments
Payroll Systems	3. Manual Processes	Introduce payroll checklist mechanisms	Payroll	VPEE	Feb-20	EY Appendix D: 7 2018/19 Internal Audit: R7	Complete	No of payroll errors
Payroll Systems	3. Manual Processes	Invest in a managed service for Ciph	HROD	VPEE	Feb-20	EY Appendix D: 7	Complete	Improvements to Ciph
Payroll Systems	3. Manual Processes	Carry out internal audit of pensions and tax payments	Payroll/HROD	VPEE	Feb-20	EY Appendix D: 7	Complete	No of payroll errors
Payroll Systems	2. Compliance	Voluntary disclosure to HMRC on internal control issues eg tax payments & pensions contributions	HoF	VPEE	Feb-20	EY Appendix D: 7	Complete	Agreement with HMRC
Payroll Systems	3. Manual Processes	Implement more robust systems to ensure that payroll amounts are correctly calculated	Payroll/HROD	VPEE	Sep-20	2018/19 Internal Audit: R5	In progress/on target	Streamlining of elements

Payroll Systems	3. Manual Processes	Provide formal training to the Payroll Finance Assistant	Payroll/HROD	VPEE	Sept-20	2018/19 Internal Audit: R5	Paused	Completion of cpd
Payroll Systems	3. Manual Processes	Ensure that variance reports have been checked and signed off	Payroll/HoF	VPEE	Jul-20	2018/19 Internal Audit: R6	Complete-Monitoring	No of payroll errors
Payroll Systems	3. Manual Processes	Ensure regular reconciliation of payroll accounts	College Financial Accountant	VPEE	Sep-20	2018/19 Internal Audit: R8	In progress	All errors resolved within month
Payroll Systems	3. Manual Processes	Rectify errors in NI	Payroll/HROD	VPEE	Jun-20	EY Appendix D: 7 2018/19 Internal Audit	Partial completion	No of payroll errors
Payroll Systems	1. Future financial planning	Make 2nd HMRC disclosure and identify value of overpayment of NI and staff clawback	Payroll Finance	VPEE	Jun-20	VPEE	In progress	Value of overpayment
Payroll Systems	2. Compliance	Identify right for employees to enrol on 2 pension schemes	Payroll/HROD	VPEE	Sep-20	EY Annual Audit Report, p.16; VPEE	Partial completion	No of pension errors
Payroll Systems	3. Manual Processes	Rectify errors of pension overpayments on work over 35 hours	Payroll	VPEE	Sep-20	VPEE	Partial completion	No of pension errors
HR Systems	4. Culture	Review of high staff turnover in Finance & HR and identify where other departments are at similar risk	HROD	VPEE/DP	Jun-20	UHI Action Plan: 2.23	In progress	Rate of staff turnover
HR Systems	3. Manual Processes	Incorporate formal processes for 'movers' into existing starter/leavers processes	HROD	DP	May-20	2018/19 Internal Audit	Complete	Revised policy/procedure
HR Systems	2. Compliance	Roll out training on Financial Regulations to all staff	HoF/HROD	VPEE/DP	Jul--20	UHI Action Plan: 2.66	Not yet started	Percentage of staff completing cpd
Governance & BOM	2. Compliance	Provision of timely evidence base demonstrating compliance with Code of Good Governance to Audit Committee and BOM as part of preparation of governance statement and ahead of y/e accounts	Clerk to BOM	Chair BOM	Jun-20	UHI Action Plan: 2.103	In progress	Meeting annual process of providing evidence base ahead of year end accounts
Governance & BOM	2. Compliance	Compliance with requirements set out by SFC and SPRM re settlement agreements	P&CE	Chair BOM	Feb-20	UHI Action Plan 2.62	Complete	

Governance & BOM	1. Future financial planning	Timely management reporting to relevant committees including Board and its committees	SMT/CMT/Clerk to BOM et al	P&CE	Feb-20	UHI Action Plan: 2.49	Complete-Monitoring	Percentage of reports/statements received on time
Governance & BOM	2. Compliance	Confirm robustness of Certificates of Assurance (provided to SFC/ScGov) through Audit Committee & Board	Clerk to BOM/Chair Audit Comm	Chair BOM	Mar-20	UHI Action Plan: 2.40	Complete	Annual Process to be minuted at Audit Committee
Governance & BOM	1. Future financial planning	Include staff turnover HR report to Finance & General Purposes Agenda	HROD/ Clerk to BOM	DP	Mar-20	UHI Action Plan: 2.24	Complete	Minuting of agenda item at F&GP
Governance & BOM	3. Manual Processes	Review College Risk Register process and include as an agenda item at the Finance & General Purposes committee	P&CE/Clerk to BOM	Chair BOM	Jun-20	EY Appendix D: 11 UHI Action Plan: 2.97. 2.98	In progress	No of college committee recommendations/ monitoring of references from college committees via Minutes
Governance & BOM	3. Manual Processes	Report outcomes of all instances of whistleblowing to Board as per Whistleblowing Procedure	P&CE/Clerk to BOM	P&CE	Jun-20	UHI Action Plan: 2.13	In progress	No of Audit recommendations
Governance & BOM	3. Manual Processes	Review of Whistleblowing Policy to go to F&GP for approval	HROD/Clerk to BOM	P&CE	Jun-20	UHI Action Plan: 2.13	In progress/pending	Publication of Policy
Governance & BOM	2. Compliance	Ensure control issues, ie material non-compliance are investigated and formally reported to Board & Committees and to the university as per Financial Memorandum	CMT	P&CE	Dec-20	UHI Action Plan: 2.39	In progress	Percentage of out of date policies/procedures
Governance & BOM	1. Future financial planning	Ensure control issues, ie material non-compliance are investigated and formally reported to Board & Committees and to the university as per Financial Memorandum	P&CE	Chair BOM	Dec-20	UHI Action Plan: 2.40	Complete-Monitoring	No of Audit recommendations
Governance & BOM	1. Future financial planning	College Board to regularly review Risk Register and ensure risks are in accord with risk appetite	Clerk to BOM/BOM	Chair BOM	Jun-20	EY Appendix D: 11 UHI Action	Complete	No of Board recommendations
Governance & BOM	3. Manual Processes	Review process for reporting and approval of settlement agreements by Board	P&CE/Clerk to BOM	Chair BOM	Jul--20	EY Appendix D: 11	In progress	Audit recommendations/customer satisfaction
Governance & BOM	2. Compliance	Review college Governance Statement	P&CE/Clerk to BOM	Chair BOM	Jul--20	EY Appendix D: 12	Complete	Audit recommendations/customer satisfaction
Governance & BOM	1. Future financial planning	Implement further improvements to Balanced Scorecard	P&CE/Clerk to BOM	P&CE	Jul--20	EY Appendix D: 13	In progress/on target	Customer satisfaction
Governance & BOM	1. Future financial planning	Review College Annual Governance Plan	P&CE/Clerk to BOM	Chair BOM	Jul-20	EY Appendix D: 11	In progress	Percentage of reports/statements received on time

Governance & BOM	3. Manual Processes	Review Business Continuity Plan	SMT/Clerk to BOM	P&CE	Jul-20	VPEE	In progress	Frequency of reporting
Governance & BOM	1. Future financial planning	Include financial monitoring updates on Board agendas	P&CE/Clerk to BOM	Chair BOM	Jul-20	EY Appendix D: 11	Complete	Percentage of reports/statements received on time
Equalities	2. Compliance	Review and clarify remit of EDIT	HROD, E&D	DP	Nov-19	2018/19 Internal Audit: R6	Complete	Audit recommendations/customer satisfaction
Equalities	2. Compliance	For staff and students, identify areas with disproportionately low representation by those with protected characteristics	HROD, HoSE, E&D	DP	Feb-20	2018/19 Internal Audit: R4	Complete	No of identified areas for development
Equalities	2. Compliance	Review and check for accuracy calculations for the College's equalities reports	HROD	DP	Mar-20	2018/19 Internal Audit: R9	Complete	Number of calculation errors
Equalities	2. Compliance	Develop an Equality and Diversity Strategy	HROD	DP	Mar-20	2018/19 Internal Audit: R1	Complete	Publication of strategy
Equalities	2. Compliance	Develop an Equality and Diversity operational plan	HROD	DP	Mar-20	2018/19 Internal Audit: R2	Complete	No of actions completed
Equalities	2. Compliance	Benchmarking of college protected characteristics statistics for staff and students	HROD, HoSE, E&D	DP	Mar-20	2018/19 Internal Audit: R4	Complete	No of indicators
Equalities	2. Compliance	Publish a map of equalities documents showing how they relate to one another	HROD, E&D	DP	Mar-20	2018/19 Internal Audit: R5	Complete	Customer satisfaction
Equalities	2. Compliance	Clarify and implement role of Equality Champions	HROD, E&D	DP	Jun-20	2018/19 Internal Audit: R7	Paused	No of Equality Champions
Equalities	2. Compliance	Review the Equality Impact Assessment (EIA) process to ensure all policies and procedures are compliant	HROD, E&D, Quality	DP	Jun-20	2018/19 Internal Audit: R8	In progress	Proportion of policies and procedures with current EIA
Equalities	2. Compliance	Embed equality actions are built into self-evaluation and operational objectives processes Direct academic team focus to courses with >25% gender gap	SMT/PPO/E&D	DP	Dec-20	2018/19 Internal Audit: R3	In progress	Percentage of courses >25% gender gap
Health & Safety	2. Compliance	Implement a workplan for 2020-2023 H&S audits	HROD	DP	Feb-20	Internal Audit: R1	Complete	No of audits completed to target
Health & Safety	2. Compliance	Conduct hazard surveys in all areas to identify missing Risk Assessments	HROD	DP	Oct-20	Internal Audit: R1	In progress	No of missing risk assessments
Health & Safety	2. Compliance	Undertake additional risk assessment training for staff	HROD	DP	Jun-20	Internal Audit: R1	In progress	Percentage of staff completing cpd

Health & Safety	2. Compliance	Implement departmental health and safety reporting	HROD	DP	Jun-20	Internal Audit: R1	Complete	No of reports submitted
Health & Safety	2. Compliance	Implement training plan for CMT members	HROD	DP	Jul-20	Internal Audit: R1	Paused	Completion rate
Health & Safety	2. Compliance	Ensure all staff receive mandatory H&S safety training	HROD	DP	Jul-20	Internal Audit: R3	In progress	Completion rate
Health & Safety	2. Compliance	Complete migration of mandatory training units - Mental Health and Fire Awareness to Brightspace VLE	HROD	DP	Jul-20	Internal Audit: R3	In progress	Completion rate
Policies & Procedures	3. Manual Processes	Set up SLWG looking at approval process for policies and procedures	Quality Manager/Clerk to BOM	DP	Mar-20	DP/VPEE	Partial completion	Publication of Policy and Procedure
Policies & Procedures	3. Manual Processes	Review master schedule of policies and procedures	Quality Manager/CMT	DP	Jun-20	DP/VPEE	Partial completion	Percentage of out of date policies and procedures
Policies & Procedures	2. Compliance	Review overall number of college policies and procedures	Quality Manager/CMT	DP		DP/VPEE	In progress	Number of stand-alone policies and procedures
Communications	4. Culture	Develop a Communications Strategy for internal and external stakeholders	VPEE/ Marketing	VPEE	Aug-20	VPEE	In progress	Staff/Customer surveys
Communications	3. Manual Processes	Take forward staff Intranet Project	PPO	VPEE	Jul-20	VPEE	In progress	Customer satisfaction
Public Sector Reporting Duties	2. Compliance	Publish annual gross carbon footprint on college website	Estates/Clerk to BOM	VPEE	Jun-20	VPEE	In progress	Decrease in gross carbon footprint
Public Sector Reporting Duties	2. Compliance	Publish Modern Slavery Statement on college website	APUC	VPEE	Apr-20	VPEE	In progress/pending	Publication of statement

**Perth College UHI**

Paper 3

<b>Committee</b>	Audit Committee
<b>Subject</b>	Governance Checklist
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Ian McCartney, Clerk to the Board of Management
<b>Date paper prepared</b>	12/05/2020
<b>Executive summary of the paper</b>	<p>Outline checklist of items of assurance required to meet Code of Good Governance.</p> <p>Completed Checklist should be submitted annually to 1<sup>st</sup> Audit Committee of each Board cycle to ensure compliance ahead of annual audit and financial statements being prepared.</p>
<p><b>Consultation</b></p> <p>How has consultation with partners been carried out?</p>	Checklist is consistent with work being conducted on the Audits Action Plan
<b>Action requested</b>	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<p><b>Resource implications</b></p> <p>(If yes, please provide details)</p>	No
<p><b>Risk implications</b></p> <p>(If yes, please provide details)</p>	Items of non- or reducing compliance will inform Risk Register
<p><b>Link with strategy</b></p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> </ul>	No



## Perth College UHI

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

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

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

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**ANNUAL REVIEW OF COMPLIANCE WITH THE [CODE OF GOOD OF GOVERNANCE FOR SCOTLAND'S COLLEGES](#)**

Code Principal	Evidence	Conclusion & Assurance	Lead	Action required & Date
<b>Section A: Leadership and Strategy</b>				
<b>Conduct in Public Life</b>				
<b>A1</b>	Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.			
<b>A2</b>	Every board member must ensure that they are familiar with and their actions comply with the provisions of their board's Code of Conduct.			
<b>A3</b>	<p>The Nine Principles of Public Life in Scotland, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively are:</p> <ul style="list-style-type: none"> <li>• Duty/Public Service</li> <li>• Selflessness</li> <li>• Integrity</li> <li>• Objectivity</li> <li>• Accountability and Stewardship</li> <li>• Openness</li> <li>• Honesty</li> <li>• Leadership</li> <li>• Respect</li> </ul>			
<b>Vision and Strategy</b>				
<b>A4</b>	The board is responsible for determining their institution's vision, strategic direction, educational character, values and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.			
<b>A5</b>	The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.			
<b>A6</b>	The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.			

A7	The board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.				
A8	The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its outcome agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.				
A9	The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body and support the regional strategic body to monitor performance in achieving the agreed outcomes.				
<b>Corporate Social Responsibility</b>					
A10	The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.				
A11	The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.				
A12	The board must provide leadership in equality and diversity.				
A13	The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.				
A14	The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of 'non-executive'). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in <a href="#">The Guide for Board Members in the College Sector</a>				
<b>Section B: Quality of the Student Experience</b>					

<b>Student Engagement</b>				
<b>B1</b>	The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.			
<b>B2</b>	The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.			
<b>B3</b>	The board must consider the outcome of student surveys and other student engagements, and monitor action plans that could impact on the quality of the student experience.			
<b>B4</b>	The college board must have regard to the <i>Framework for the Development of Strong and Effective College Students' Associations in Scotland</i> . It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.			
<b>B5</b>	The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.			
<b>B6</b>	The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.			
<b>B7</b>	The college board must review the written constitution of its students' association at least every five years.			
<b>Relevant and High-Quality Learning</b>				
<b>B8</b>	The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.			
<b>Quality Monitoring and Oversight</b>				
<b>B9</b>	The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high-quality services for students.			
<b>Section C: Accountability</b>				

<b>Accountability and Delegation</b>					
<b>C1</b>	The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.				
<b>C2</b>	The board must ensure delivery of its outcome agreement or in the case of an assigned college, its agreed contribution to the region's outcome agreement.				
<b>C3</b>	The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.				
<b>C4</b>	Scottish Ministers have powers to remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.				
<b>C5</b>	The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people's life chances and social and economic well-being.				
<b>C6</b>	Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate.				
<b>C7</b>	<p>The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes:</p> <p>a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public</p> <p>b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance</p> <p>c) the retention of all key documentation which help justify the decisions made by the board and its committees.</p>				
<b>C8</b>	The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the board secretary (and any other members of staff). Incorporated college boards and regional boards have no powers to delegate functions to an individual				

	board member (except the chair who has no authority to act out with their delegated powers).				
<b>C9</b>	The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.				
<b>C10</b>	The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two-way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.				
<b>Risk Management</b>					
<b>C11</b>	The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.				
<b>C12</b>	The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.				
<b>Audit Committee</b>					
<b>C13</b>	The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework.				
<b>C14</b>	The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit and must work with management and auditors to resolve any issues in relation to financial reporting.				
<b>C15</b>	The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.				
<b>C16</b>	The membership of the Audit Committee cannot include the board chair or the principal. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.				

<b>C17</b>	The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.				
<b>C18</b>	At least one member of the Audit Committee should have recent relevant financial or audit experience.				
<b>Remuneration Committee</b>					
<b>C19</b>	It essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.				
<b>C20</b>	The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.				
<b>C21</b>	The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).				
<b>Financial and Institutional Sustainability</b>					
<b>C22</b>	The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.				
<b>C23</b>	The board must ensure that: <ul style="list-style-type: none"> <li>• funds are used as economically, efficiently and effectively as possible</li> <li>• effective monitoring arrangements are in place</li> <li>• college staff report relevant financial matters to it.</li> </ul>				
<b>C24</b>	For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See <a href="#">OSCR Guidance and Good Practice for Charity Trustees</a> .				
<b>Staff Governance</b>					
<b>C25</b>	The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.				

<b>C26</b>	The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.				
<b>C27</b>	The board must comply with the nationally agreed college sector <a href="#">Staff Governance Standard</a> .				
<b>C28</b>	The college board must comply with collective agreements placed on it through national collective bargaining for colleges.				



<b>Section D: Effectiveness</b>				
<b>The Board Chair</b>				
<b>D1</b>	<p>The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by:</p> <ul style="list-style-type: none"> <li>• encouraging the effective contribution of all board members</li> <li>• fostering constructive challenge and support to the principal, executive team and fellow board members</li> <li>• effective team-working</li> <li>• positive relations between board members.</li> </ul> <p>The chair must engage with the principal and the board secretary in a manner which is both constructive and effective.</p>			
<b>D2</b>	<p>The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.</p>			
<b>Board Members</b>				
<b>D3</b>	<p>Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.</p>			
<b>D4</b>	<p>Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.</p>			
<b>D5</b>	<p>Where the college is a charity, all board members, as charity trustees, including staff and student board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The 'objective test' for judging if there is a conflict of interest is:</p> <p><i>"... whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body".</i></p>			
<b>Principal and Chief Executive</b>				
<b>D6</b>	<p>The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.</p>			

<b>D7</b>	The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.				
<b>D8</b>	The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.				
<b>D9</b>	The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.				
<b>D10</b>	The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the board secretary. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.				
<b>D11</b>	The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.				
<b>D12</b>	The board must provide a constructive challenge to the principal and executive team and hold them to account.				
<b>Board Secretary</b>					
<b>D13</b>	The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the same time. The appointment and removal of the board secretary is a decision of the board as a whole.				
<b>D14</b>	All board members must have access to the board secretary who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive board secretary role includes: <ul style="list-style-type: none"> <li>• facilitating good governance and advising board members on: <ul style="list-style-type: none"> <li>- the proper exercise of their powers, including in relation to relevant legislation</li> <li>- the board's compliance with its Financial Memorandum, the Good Governance Code, its Standing Orders and Scheme of Delegation</li> <li>- their behaviour and conduct in relation to the board's Code of Conduct.</li> </ul> </li> </ul>				

	<ul style="list-style-type: none"> <li>providing clear advice to the chair and the board/committees on any concerns the board secretary may have that board members have not been given: <ul style="list-style-type: none"> <li>sufficient information</li> <li>information in an appropriate form</li> <li>sufficient time to monitor, scrutinise or make informed and rigorous decisions in an open and transparent way.</li> </ul> </li> <li>attending and providing support to every board meeting and every meeting of every board committee. Where the board secretary is unable to attend, while the board secretary retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.</li> <li>having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the board secretary.</li> <li>reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e. SFC or the regional strategic body).</li> </ul>				
<b>D15</b>	<p>The board must ensure the board secretary:</p> <ul style="list-style-type: none"> <li>has suitable skills, knowledge and behaviours to carry out their role effectively</li> <li>receives appropriate induction, and if new to the role, is mentored by a more experienced board secretary for at least their first year</li> <li>has adequate time and resources available to undertake their role effectively.</li> </ul>				
<b>D16</b>	The board must ensure arrangements are in place to deal with a board secretary's potential or real conflicts of interest.				
<b>Board Member Appointment, Induction and Training</b>					
<b>D17</b>	For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.				
<b>D18</b>	The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.				
<b>D19</b>	The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The board secretary should support the chair in the provision of relevant induction for new board members.				
<b>D20</b>	The board must ensure all board members undertake appropriate training and development in respect of their governance role. The board secretary should support the				

	chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.				
<b>D21</b>	The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.				
<b>Board Evaluation</b>					
<b>D22</b>	Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.				
<b>D23</b>	The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.				
<b>D24</b>	The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.				
<b>D25</b>	The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.				
<b>D26</b>	The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.				
<b>D28</b>	The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.				

<b>Section E: Relationships and Collaboration</b>					
<b>Partnership Working</b>					
<b>E1</b>	The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.				
<b>E2</b>	The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.				
<b>E3</b>	The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.				
<b>E4</b>	The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.				

<b>Committee</b>	Audit
<b>Subject</b>	Strategic Risk Register – updated to May 2020
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Ian McCartney, Clerk to the Board of Management
<b>Date paper prepared</b>	12/05/2020
<b>Executive summary of the paper</b>	<p>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. The Risk Register has been reviewed by allocated sub-Committees during the current Board cycle and updated accordingly.</p> <p>All new updates within the document have been highlighted in red.</p> <p><b><u>COVID-19</u></b></p> <p>In light of impacts and arrangements due to COVID-19, additional risk analysis has been added and Residual Risk scores have been amended for Risk References 2, 3, 9, 10, 11, 15, 19, 20, 23, 25.</p> <p>In addition, a new Risk Reference (30), has been added to collate and summarise Risks related to COVID-19.</p> <p><b><u>Ongoing Review of Risk Register</u></b></p> <p>Further to agreed actions during previous Board cycle, Action Plans are being reviewed to ensure currency – these have been highlighted within the attached Register (Risks 2, 3, 5, 6, 7, 9, 11, 12, 15, 17, 19, 20, 23, 24, 25, 26, 28)</p> <p>Out-of-date Actions are to be reviewed with Action Owners to ascertain currency, which will allow the Current Action Plan to be fully updated prior to next Board meeting (in addition to cross-referencing with Audit Action Plan and rationalisation of linked Risks).</p> <p><b>Committee members are asked to:</b></p> <p>i) Discuss the appropriateness of each Risk for the Committee;</p> <p>ii) Consider any additional areas of Risk not identified within the current Register, in particular any</p>

## Perth College UHI

	considerations related to COVID-19 impacting on areas related to the remit of Audit Committee
<b>Consultation</b> How has consultation with partners been carried out?	SMT have been consulted re identification of risks associated with COVID-19  Academic Affairs and Engagement Committees have provided input into Action Plan reviews
<b>Action requested</b>	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	Without continual review of the risk register there are potential implications that strategic objectives are not met.
<b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	The Strategic risk register is the core risk management tool used within Perth College UHI.
<u><b>Equality and diversity</b></u> Yes/ No If yes, please give details:	No

## Perth College UHI

<b><u>Data Protection</u></b> Does this activity/ proposal require a Data Protection Impact Assessment?	No
<b>Status</b> (e.g. confidential/non confidential)	Non-Confidential
<b>Freedom of information</b> 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	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

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

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

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

and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)



UHI STRATEGIC RISK REGISTER TEMPLATE

PARTNER: Perth College UHI

DATE: May 2020

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

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT 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.  <b>Engagement</b>	<ul style="list-style-type: none"> <li>Collective reporting</li> <li>Dilution of local need within decision making</li> <li>Changes to Partnership structures/organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced student numbers.</li> <li>Declining performance.</li> <li>Loss of commercial potential.</li> </ul>	Principal	4	4	16	<ul style="list-style-type: none"> <li>College Board of Management and Chair kept informed of arising issues.</li> <li>UHI Vice Principal Further Education and Chair of Further Education Regional Board made aware of issues.</li> <li>SMT proactive in decision making forums.</li> <li>Perth &amp; Kinross CPP single outcome agreement embedded in ROA.</li> <li>Create positive working relationships with Colleges Scotland and Scottish Government.</li> </ul>	16  (4,4)	↔	<ul style="list-style-type: none"> <li>Continue to highlight as appropriate.</li> <li>Continue to work on and implement recommendations of current Programme Board</li> <li>Work proactively within partnership and beyond.</li> <li>Be proactive in discussions re. future integration</li> </ul>	Principal  Principal  Principal	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  Low allocation of funded student numbers from the region  <b>Academic Affairs</b>	<ul style="list-style-type: none"> <li>Lack of marketing focus</li> <li>Intra regional competition</li> <li>Curriculum offered does not meet demand</li> <li>Slow conversion of application to acceptance</li> <li>Impact of school profile and jobs market</li> <li>Likely impacts of Brexit</li> </ul> COVID-19	<ul style="list-style-type: none"> <li>Financial.</li> <li>Reputation.</li> <li>National appetite for increased funded numbers.</li> <li>Reduction in EU students.</li> </ul> Lack of clarity re student progression	Depute Principal Academic/ Vice Principal External/ Associate Principal	4	3	12	<ul style="list-style-type: none"> <li>Review curriculum to ensure it is up to date and fit for purpose and relevant for the identified market.</li> <li>Maintaining engagement with applicants.</li> <li>Well informed with strong/robust evidence/business case for local demand.</li> <li>Strong representation on PPF for FE and HE and on the Regional FE Committee.</li> <li>Clear understanding and management of criteria within the ROA.</li> <li>Endorsement of Community Planning Partnership.</li> <li>Liaise with adjoining regions, colleges and providers for out of region provision.</li> <li>Strategic discussions with PKC Education Department on Schools/College volume.</li> <li>Ensure student numbers align to strategic plans.</li> <li>Identify courses with highest EU student cohorts.</li> <li>Effective marketing plan in place.</li> <li>Student Number Planning using more robust data</li> <li>EREP Action Plan Implementation</li> </ul>	16  (4,4)	↑	<ul style="list-style-type: none"> <li><del>Model and analyse impact of trends and updates.</del></li> <li>Revised Marketing Strategy</li> <li><del>Curriculum Review</del></li> <li>Involvement with Tay Cities Deal</li> </ul>	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	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
3*	Active	Developing a successful and sustainable organisation.	Lack of International student recruitment.  Lack of RUK student recruitment.  Sustaining International Partnerships  Student recruitment behind targets  Engagement	<ul style="list-style-type: none"> <li>UK Regulation Registration (UKVI)</li> <li>In country adverse political environment</li> <li>Availability of suitable product</li> <li>Marketing and attraction strategy</li> </ul> COVID-19	<ul style="list-style-type: none"> <li>Loss of income.</li> <li>Bad publicity.</li> <li>Lack of student diversification</li> </ul> Restrictions extend into/beyond August; Likely downturn in international recruitment	Vice Principal External	5	4	20	<ul style="list-style-type: none"> <li>Student Testimonials.</li> <li>Closer links with the curriculum areas.</li> <li>Working with UHI World/UHI VP International and External Engagement</li> <li>Explore combined product offering between College and AST.</li> <li>Delivery of Trans National Education</li> <li>Protection of Tier 4 UKVI Licence</li> <li>Review opportunities for employing staff in market</li> </ul>	20  (5.4)	↑	<ul style="list-style-type: none"> <li>Wider product range to be developed.</li> <li>International strategic approach for 2018/19 to be reviewed and revised.</li> <li>Use strengths of AST market intelligence.</li> <li>Develop International Partner Network</li> <li>Rolling sales and marketing plan re. target markets and potential customers.</li> <li>Influence UHI to create bespoke marketing and presentation materials.</li> <li>Create Chinese website</li> <li>Split into 2 risks – international &amp; domestic</li> </ul>	Vice Principal External	July 2019
4*	Active	Developing a successful and sustainable organisation.  UHI Common Risk	The institution has a poor reputation.  F&GP	<ul style="list-style-type: none"> <li>Financial failure.</li> <li>Consistent poor student experience/performance</li> <li>Contentious investment/divestment</li> <li>Predatory merger and acquisition</li> <li>Breakdown in Partner and Staff relations</li> <li>Confusion of brand identity re. Perth and UHI</li> <li>Adverse publicity</li> <li>Negative external perceptions due to internal processes (eg Consultation)</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income</li> <li>Increased costs</li> <li>Staff retention/recruitment</li> <li>Student retention/recruitment.</li> <li>Loss of accreditations.</li> <li>Damage to reputation</li> <li>Evidence of increased FOI requests on sensitive issues</li> <li>Increase in referrals to ICO related to College activity</li> </ul>	Principal	3	4	12	<ul style="list-style-type: none"> <li>Heightened awareness of causes of poor reputation.</li> <li>Heightened reinforcement of the value of Perth College.</li> <li>Building trust with Partners.</li> <li>Effective marketing of College and UHI.</li> <li>Maintain communication via employer engagement.</li> <li>Annual marketing and PR Plan in place.</li> </ul>	8  (2,4)	↔	<ul style="list-style-type: none"> <li>Review, update and implement communications and PR strategy</li> </ul>	Principal	Ongoing

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN		
													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.  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>Reduction of Capital Grant.</li> <li>Backlog of essential maintenance.</li> <li>Uncertainty of future Governance model.</li> <li>Lack of available funds.</li> <li>Age of current campus</li> <li>Risk aversion &amp; alternative priorities</li> </ul>	<ul style="list-style-type: none"> <li>Estate poorly maintained</li> <li>Inability to deliver a new improved estate fast enough.</li> <li>Availability of classrooms and academic equipment does not match demand.</li> </ul>	Depute Principal Academic	4	3	12	<ul style="list-style-type: none"> <li>Attracting external investment.</li> <li>Backlog maintenance risk register has now been developed.</li> <li>Weekly 'Walk the Campus' and engage staff – Visible Management.</li> <li>Approval of identified major building projects.</li> <li>Priority to increase classroom accommodation.</li> <li>Update estates planning to ensure optimum use of space freed up by completion of ASW</li> <li>Ensure additional funding allocated by SFC for backlog maintenance is spent appropriately.</li> <li>Tender process to commission outline plans for campus options re Estates Strategy under way</li> </ul>	9  (3,3)	↔	<ul style="list-style-type: none"> <li>Identify estates requirements. <del>Develop future campus vision.</del></li> <li>Development of estates strategy</li> </ul>	Depute Principal Academic  Head of Estates	Ongoing  September 2019 Delayed until new Head of Estates in situ
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.  Heightened risk of cyber attack  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>Changes in ICT development and technology.</li> <li>Changing in Learning and Teaching practices.</li> <li>Increase in network delivery of teaching.</li> <li>Increased use of social networking.</li> <li>Inadequate VC facilities for larger classes.</li> <li>Additional requirements from curriculum development and growth.</li> <li>Technological innovation.</li> <li>Lack of Integrated Information Systems</li> </ul>	<ul style="list-style-type: none"> <li>Higher investment in resources required.</li> <li>Need to continually alter accommodation.</li> <li>Available resources limit delivery options.</li> <li>Poor student and staff feedback.</li> <li>Lack of knowledge of system design</li> <li>Duplication of data and processes</li> </ul>	Vice Principal External / Depute Principal Academic	4	3	12	<ul style="list-style-type: none"> <li>Developed robust Curriculum Development Plan.</li> <li>Link ICT changes in L&amp;T practice to Estates Planning.</li> <li>Review and implement working practices to optimise available space and working times through use of CELCAT Management Reports.</li> <li>Operational Planning process and resource commitments system in place.</li> <li>Prioritise investment required for resources for key curriculum areas.</li> <li>Ongoing evaluation of VC capacity and teaching space in line with curriculum delivery plan.</li> <li>ICT rolling programme of replacement</li> <li>Shared licence purchases with UHI</li> <li>UHI Wi-Fi Service upgrade: Continue existing Wi-Fi network service until the new service has been proved through a pilot</li> <li>Bright Space implementation -Staff training sessions ongoing throughout February</li> <li>VC Application change to Webex teams.</li> <li>GDPR Training sessions: Awareness of issues around transferring data</li> <li>New Operational Planning Process</li> <li>Change tracker for Payroll Process</li> </ul>	9	↔	<ul style="list-style-type: none"> <li>Rigorous approach to timetabling and utilisation of rooms.</li> <li>ICT Budget and replacement. <del>UHI ICT strategy discussions.</del></li> <li>New Learning &amp; Teaching Enhancement Plan—will be part of the Curriculum Review <del>Roll out of new UHI wireless network hardware and process</del></li> <li>Lead with Pilot in Webster Building before end of Easter recess 2019. <del>Install in parallel with existing equipment</del></li> <li>Carry out major works out of term time to reduce impact on student experience. <del>Publicise new service by posters: 2019/20</del></li> <li>Info sessions at 2019/20</li> <li>Induction periods</li> </ul>	Depute Principal Academic  Vice Principal External  Depute Principal Academic  ICT Manager  Vice Principal External	Ongoing  Ongoing July 19  Semester 2, 2019  Starting Pilot for Easter recess; project completion 31 July 19  Ongoing

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN			
													Actions to minimise risk TO DO	Action Owner	Completion Date	
										<ul style="list-style-type: none"> <li>Communicate changes to staff and students</li> <li>Opportunities/impetus presented by Scottish Government Digital Strategy</li> </ul>				<ul style="list-style-type: none"> <li><del>Integrated Systems (Payroll, HR etc.);</del></li> <li><del>Identify and evaluate replacement IS</del></li> <li><del>Purchase, design and implement IS Systems including data migration</del></li> <li><del>Creation of new digital lab to enhance digital learning and teaching approaches</del></li> </ul>	Principal Academic  ICT Manager   Head of Learning and Teaching Enhancement	HR Payroll: 04/2020 Ongoing: Continual improvement    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.  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>Poor performance management of competence issues.</li> <li>Fast pace of curriculum development.</li> <li>Excessive demand on CPD.</li> <li>Lack of staff capability.</li> <li>Poor workforce planning.</li> <li>Affordability/cost of staff</li> </ul>	<ul style="list-style-type: none"> <li>Inability to compete.</li> <li>Loss of business and reputation.</li> <li>Potential requirement to buy in specialist staff</li> <li>High staff turnover.</li> <li>Poor staff satisfaction.</li> </ul>	Principal	3	3	9	<ul style="list-style-type: none"> <li>CPD reports to SMT re progress against CPD targets for professional reviews, mandatory training etc</li> <li>Prioritise an appropriate level of CPD investment linked to financial sustainability.</li> <li>Staff Survey results and IIP Assessment Action Plan in place and monitored</li> <li>Maintain Healthy Working Lives accreditation</li> <li>Succession Planning</li> <li>Minimisation of single-person dependencies</li> <li>Cross training</li> </ul>	9	↔	<ul style="list-style-type: none"> <li><del>Develop HRIS to provide robust workforce intelligence and implement effective workforce planning model.</del></li> <li><del>Capability Policy and procedure in updated and implemented.</del></li> <li><del>Coaching and Conflict Resolution Training delivered to Managers.</del></li> <li><del>Chartered Management Institute (CMI) Training Programme developed for Managers.</del></li> <li><del>Managers trained in Capability Procedure.</del></li> </ul>	Head of HR & OD	July 2019	



Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
10*	Active	<p>Inspiring and supporting our students to achieve their potential.</p> <p>Providing a progressive curriculum which meets economic and social needs and aspirations.</p> <p>UHI Common Risk</p>	<p>Academic quality is sub standard</p> <p><b>Academic Affairs</b></p>	<ul style="list-style-type: none"> <li>Insufficient tracking of student.</li> <li>Poor understanding of student requirements.</li> <li>Product not fit for purpose.</li> <li>Poor delivery.</li> <li>Insufficient support for students.</li> <li>Mis-selling of courses/provision.</li> </ul> <p>COVID-19</p>	<ul style="list-style-type: none"> <li>Loss of students.</li> <li>Loss of earnings.</li> <li>Adverse PR and poor reputation.</li> <li>Poor future recruitment.</li> <li>Poor achievement and retention.</li> </ul> <p>Potential confusion re approaches to progression across curriculum; Future students recruited at inappropriate levels</p>	Depute Principal Academic/ Associate Principal	3	3	9	<ul style="list-style-type: none"> <li>Student tracking programme and reviews by Student Advisers.</li> <li>Heightened student focus on internal communication and training evidenced by the BRAG reporting system.</li> <li>Managing student expectations.</li> <li>Active listening to student voice and acting on evidenced by feedback to students.</li> <li>Act on Student Survey outcomes evidenced by action planning with quality reviews.</li> <li>Ensure regular/ constructive formative assessment feedback to students/ customers.</li> <li>Implement Complaints Procedure in line with new legislation and refresh training.</li> <li>ASW opportunities roll out.</li> <li>Student Partnership Agreement</li> <li>NSS Action Plans implemented for courses with poor results.</li> <li>Appointment of Head of Student Experience.</li> <li>Self-evaluation process redesigned.</li> <li>Working with HISA to conduct student focus groups.</li> <li>A Student Experience Committee has been convened</li> <li>Ensure findings are reported on with regards to the complaints procedure and actions identified and followed up on</li> <li>Quality review process redesigned (course KPIs by exception)</li> <li>Identification of protected characteristics and KPIs</li> <li>Student Support Review</li> <li>Revamp website with regards to the services available to support learning</li> </ul>	9	↑	<ul style="list-style-type: none"> <li>Complaints Review</li> <li>Student funding at Regional and National level.</li> </ul>	Depute Principal Academic (All)	Ongoing

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													Actions to minimise risk TO DO	Action Owner	Completion Date
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.  <b>Academic Affairs</b>	<ul style="list-style-type: none"> <li>Fragmented ownership.</li> <li>Lack of planning.</li> <li>Over ambitious change in delivery methodology.</li> <li>Wrong blend between online and face to face.</li> <li>ESIF changes</li> <li>Not fully within gift of PC UHI, need others/UHI to contribute</li> </ul> COVID-19	<ul style="list-style-type: none"> <li>Lose students.</li> <li>Financial risk through reallocation.</li> <li>Students choose another provider.</li> <li>Poor retention and achievement.</li> <li>Disputed ownership/responsibility for failings.</li> </ul> PKC Learner Strategy delayed post-Outbreak	Associate Principal	3	3	9	<ul style="list-style-type: none"> <li>Influence/engage with development.</li> <li>Meetings arranged with UHI Deans &amp; subject network leaders</li> <li>Keep in touch/listen to student views.</li> <li>Active engagement in SMCT, QAEC and PPF.</li> <li>UHI to commission research on impact of changed delivery methodologies.</li> <li>Work with UHI, SDS and local stakeholders to enhance demand analysis.</li> <li>Regional Outcome Agreement development and implementation.</li> <li>Depute now sits on SMCT.</li> <li>Vice Principal now sits on EPSC.</li> <li>Associate Principal now sits on PPF</li> <li>Curriculum Review under way</li> <li>In liaison with PKC re Learner Strategy</li> </ul>	6  (4.3)	↑	<ul style="list-style-type: none"> <li>Proactively engage in implementation of UHI Strategic Plan.</li> <li>Keep abreast of ESIF developments.</li> <li>Tertiary working groups.</li> <li>Curriculum Review</li> </ul>	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  <b>Audit</b>	<ul style="list-style-type: none"> <li>Major incident.</li> <li>Pandemic.</li> <li>Major fire.</li> <li>Terrorist Activity.</li> <li>UHI ICT loss of service.</li> <li>Radicalisation</li> </ul>	<ul style="list-style-type: none"> <li>College closure.</li> <li>Reduced/loss of service.</li> </ul>	Principal	5	5	25	<ul style="list-style-type: none"> <li>Annual Reviews of Business Continuity Plan.</li> <li>Fibre ring installed.</li> <li>ICT Risk Register developed and dynamic review.</li> <li>Live ICT shutdown test.</li> <li>Desktop exercise with CMT successfully completed.</li> <li>UHI wide live exercise concluded</li> <li>All actively involved in Single Policy Work Environment.</li> <li>Significant increase in input to the UHI L&amp;T Review documentation.</li> <li>Business Continuity Plan reviewed around Coronavirus</li> <li>Resilience team formed and meeting regularly</li> </ul>	20  (5.4)	↔	<ul style="list-style-type: none"> <li>Update of Business Continuity Plan the framework for compliance with most recent BSI guidelines.</li> </ul>	Principal	Dec 2019

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													Actions to minimise risk TO DO	Action Owner	Completion Date
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.  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>• Insufficient planning.</li> <li>• Inadequate backup.</li> <li>• Poor training and inadequate communications.</li> <li>• Loss of control of direct employees.</li> <li>• Reduced service level.</li> <li>• Additional cost.</li> <li>• Lag in service improvement.</li> <li>• Loss of control over capital investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Disruption to business systems and student learning.</li> <li>• Increased costs.</li> </ul>	Principal	3	3	9	<ul style="list-style-type: none"> <li>• Involved in thorough planning. Members of the LIS Shared Service Board.</li> <li>• Member of the Shared Service Programme Board.</li> <li>• Maintain Perth College input into development of shared services.</li> <li>• Retain DH as nominated director of USSL.</li> </ul>	9	↔	<ul style="list-style-type: none"> <li>• Service Level Agreements – Staffing, Communication, Core Services (operational details to be fleshed out).</li> <li>• Proactive within commissioning board.</li> </ul>	SMT  SMT	Ongoing  Ongoing
14*	Active	Developing a successful and sustainable organisation.	Failure to ensure sustainability  Weaknesses in internal controls/effective management review  Financial monitoring reports provide insufficient detail to allow Board to track the delivery of key strategies  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>• Change in Government control/legislation.</li> <li>• Ongoing Implications of ONS</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to plan longer term.</li> <li>• Unable to save to invest in larger projects.</li> <li>• Capital Expenditure programme halted since depreciation cash equivalent no longer available.</li> <li>• Potential deferral of income out with reporting periods</li> </ul>	Principal	3	5	15	<ul style="list-style-type: none"> <li>• Lobbied Colleges Scotland providing evidence of unintended consequences.</li> <li>• Staff professionally updated in public sector accounting.</li> <li>• Raised issues with SFC and Scottish Government.</li> <li>• Constantly review as clarification of rules continues to roll out.</li> </ul>	15    (3,5)	↑	<ul style="list-style-type: none"> <li>• Keep abreast of interpretation and updates.</li> <li>• Maintain awareness.</li> <li>• Involvement with sector, Colleges Scotland and SFC working groups.</li> </ul> LINK TO AUDIT PLANS	Vice Principal External  Clerk	Ongoing  Ongoing  June 2020
15*	Active	Developing a successful and sustainable organisation.  UHI Common Risk	Financial failure/operating loss. Inability to achieve a balanced budget.  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>• Lack of student numbers.</li> <li>• AST under performance.</li> <li>• Reduction in commercial income.</li> <li>• Relaunch in international recruitment.</li> <li>• Underfunding of student support.</li> <li>• Dilution of unit of resource by increase in fees only students, topslice etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased competition.</li> <li>• Reduced funding available to invest or cover operational costs.</li> <li>• Strategic imperatives not met.</li> <li>• Reduction in quality of delivery/student experience.</li> </ul>	Principal	3	5	15	<ul style="list-style-type: none"> <li>• Excellent internal control systems.</li> <li>• Ongoing dialogue re UKVI (Link to AST Risk Register)</li> <li>• Increased forecasting.</li> <li>• Flexing targets where appropriate.</li> <li>• Close working with sector and UHI partners</li> </ul>	16    (4.4)	↑	<ul style="list-style-type: none"> <li>• Review of International Recruitment Strategy.</li> <li>• Develop Business Plan for AST</li> <li>• Create Business Development Strategy</li> </ul>	Principal  Principal	Ongoing  July 2019



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													Actions to minimise risk TO DO	Action Owner	Completion Date	
				COVID-19	Financial costs/opportunity costs re reduced student numbers, delayed Consultation process, commercial income, etc											
16*	Active	Developing a successful and sustainable organisation.  Developing staff to successfully deliver our Vision.	National Pay Bargaining unaffordable  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>National bargaining has local consequences.</li> <li>Agreed pay awards unaffordable for individual college.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of autonomy.</li> <li>Risk of national strike.</li> <li>Lack of sector agreement of mandate for negotiations.</li> <li>Lack of additional funding for sector pay claims.</li> </ul>	Principal	4	4	16	<ul style="list-style-type: none"> <li>College membership of national forums via Chair and Principal.</li> <li>Attend Colleges Scotland HR &amp; OD Group and keeps abreast of national bargaining and workforce of the future developments and how these will affect the College.</li> </ul>	16  (4,4)	↔	<ul style="list-style-type: none"> <li>Continue to participate in national bargaining.</li> <li>Contribute to thinking on Workforce of the Future.</li> <li>Engage fully with Colleges Scotland</li> </ul>	Principal	Ongoing	
17	Active	Developing a successful and sustainable organisation.	Non-compliance of Statutory Health and Safety Legislation and Equality Legislation  <b>Audit</b>	<ul style="list-style-type: none"> <li>Introduction of amendments to existing legislation or new unforeseen and unplanned legislation.</li> <li>Failure to comply with Equalities Duties and contingent statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>Introduces financial and staffing resources to administer.</li> <li>Legal Action.</li> <li>Risk of Business Continuity.</li> <li>Financial fines.</li> <li>Reputational damage.</li> </ul>	Depute Principal Academic	5	4	20	<ul style="list-style-type: none"> <li>Produced and implemented a detailed Health and Safety Operational Risk Management Register. Updated quarterly and reviewed by Audit Committee every 6 months.</li> <li>Produce Annual Report on Health and Safety.</li> <li>Internal audit actions/recommendations achieved.</li> <li>Equalities Outcomes and Mainstreaming Report.</li> <li>Regular review of HSE publications, website and notifications.</li> <li>Health and Safety Management System annual review</li> <li>Equality &amp; Diversity lead appointed July 2019, with specific initial focus on statutory reporting requirements</li> </ul>	16  (4,4)	↑	<ul style="list-style-type: none"> <li>Internal inspection and audit actions/recommendations actioned</li> <li>Complete Equalities Mainstreaming action plan</li> <li>Plans in place to enforce completion of Compulsory H&amp;S training</li> </ul>	HoD, Estates Manager, HSWA  Equality Diversity & Inclusivity Adviser  Head of HR	Nov-2019  March-2020  Dec 2020	

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													Actions to minimise risk TO DO	Action Owner	Completion Date
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.  <b>F&amp;GP</b>	<ul style="list-style-type: none"> <li>•Lack of numbers.</li> <li>•Students wishing to study within EU</li> <li>•Economic and fiscal uncertainty over EU exit.</li> <li>•Staff uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>•Reduced numbers of students/staff</li> <li>•Loss of commercial potential.</li> <li>•Loss of EU funding</li> </ul>	Principal	5	4	20	<ul style="list-style-type: none"> <li>• Keep up to date with info flow.</li> <li>• Lobby through Colleges Scotland and Universities Scotland to increase funding to compensate.</li> <li>• Understanding the status of EU residents.</li> <li>• Use next two years productively as planning.</li> <li>• Look at opportunities, e.g. Increased fees.</li> <li>• Scottish Government Extension of free tuition for EU students</li> </ul>	15  (5,3)	↔	<ul style="list-style-type: none"> <li>• Scottish Government looking to protect Erasmus + programme</li> </ul>		Ongoing
19	Active	UHI Common Risk	College does not achieve allocated HE student number targets  <b>Academic Affairs</b>	Failure to recruit sufficient students due to various factors such as: over ambitious PPF target, poor marketing, curriculum gaps, poor NNS results etc.  COVID-19	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.	Depute Principal Academic/ Associate Principal	5	3	15	<ul style="list-style-type: none"> <li>•Review curriculum to ensure robust and up to date.</li> <li>•Continue close partnership working within UHI.</li> <li>•Ongoing dialogue with PPF and academic partners.</li> <li>•Plan, monitor and review student numbers/applications.</li> </ul>	9  (5,4)	↑	<ul style="list-style-type: none"> <li>•Curriculum Review</li> </ul>	Depute Principal Academic	Ongoing
20	Active	UHI Common Risk	College does not achieve allocated FE Credit targets.  <b>Academic Affairs</b>	Failure to recruit sufficient students due to various factors such as: over ambitious target, curriculum gaps, ineffective marketing and engagement with local schools/ employers.  COVID-19	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.	Depute Principal Academic/ Associate Principal	5	3	15	<ul style="list-style-type: none"> <li>•Review curriculum to ensure robust and up to date.</li> <li>•Develop external partnerships with schools. DYW and employers.</li> <li>•Plan, monitor and review student numbers/applications.</li> </ul>	20  (5,4)	↑	<ul style="list-style-type: none"> <li>•Curriculum Review</li> </ul>	Depute Principal Academic	Ongoing

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21	Active	UHI Common Risk	Non-compliance with relevant statutory regulations.  <b>Audit</b>	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, <b>PREVENT legislation</b> etc.	GDPR will provide new rights for individuals and impose additional obligations on data controllers and processors. GDPR will also introduce an increased penalty framework for non-compliance/ data breaches and includes new requirements for authorities to ensure that they maintain evidence to demonstrate compliance with the Law.  Potential requirement for disclosure of technical non-compliance discovered via reporting and internal/external audit (eg accounting procedures, data protection, payroll, settlement agreements, pensions, procurement, etc)	Depute Principal Academic	4	3	12	<ul style="list-style-type: none"> <li>•Robust governance policy.</li> <li>•Robust management policies, procedures and systems in place.</li> <li>•Dedicated Health &amp; Safety officer.</li> <li>•IT/Data Protection staff in place.</li> <li>•Mandatory staff training.</li> <li>•Close working relationship within UHI.</li> <li>•GDPR Implementation Plan</li> <li>• GDPR policies and procedures agreed.</li> </ul>	6  (2,3)	↔	<ul style="list-style-type: none"> <li>• Continuous update and reinforcement of GDPR policies and procedures.</li> </ul> <p>Ensure compulsory training is conducted across organisation</p>	Principal  Head of HR	Ongoing  June Board
22	Active	UHI Common Risk	Governance Failure.  <b>Audit</b>	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.  Board members not provided with enough support or	<p><b>Recent advertisements for new members have attracted few applications</b></p> <p><b>Challenge to recruit new Board Members</b></p> <p><b>High turnover of Board Members</b></p> <p><b>Action Plans arising from recent Audits are not</b></p>	Chair, BoM	3	3	9	<ul style="list-style-type: none"> <li>•Recruitment process robust, transparent and open.</li> <li>•Skills matrix approach in place.</li> <li>•Networking/proactively encouraging diversity of applicants</li> <li>• Robust Action Plan falling out of various Audit Reports produced</li> </ul>	15  (5,3)	↑	LINK TO AUDIT PLANS	Clerk	June 2020

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN			
													Actions to minimise risk TO DO	Action Owner	Completion Date	
				information to fully discharge their responsibilities	sufficiently monitored and reported  Failure to comply with Code of Good Governance											
23	Active	UHI Common Risk	Poor Student Experience  <b>Engagement</b>	Poor college estate. Dispersed campus with limited facilities for social interaction. Technology failures. Limited teaching/library resources.  COVID-19	Poor performance in national student satisfaction surveys. Reputational damage. Impact on ability to recruit future cohorts. Risk to core income streams.  Likely down-turn in Survey scores due to lack of contact time from March 2020	Depute Principal Academic	3	3	9	<ul style="list-style-type: none"> <li>Partnership approach with HISA</li> <li>Continuous student engagement, feedback and dialogue.</li> <li>Ongoing Estate Maintenance and minor Refurbishments</li> </ul>	12  (4,3)	↑	<ul style="list-style-type: none"> <li>Goodlyburn Boilerhouse refurbishment</li> <li>CCTV installation around Perth Campus</li> <li>Various minor building works during summer recess 2019</li> </ul>	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.  <b>F&amp;GP</b>	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	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.	Principal	4	4	16	<ul style="list-style-type: none"> <li>Firewalls and filters updated regularly.</li> <li>Anti virus software on all corporate devices.</li> <li>UHI protocols applied and adhered to.</li> <li>Passwords changed regularly.</li> </ul>	12  (3,4)	↔	<ul style="list-style-type: none"> <li>Roll-out of new UHI wireless network hardware and process</li> </ul>	ICT Manager	Starting Pilot for Easter recess; project completion 31 July 19	

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													Actions to minimise risk TO DO	Action Owner	Completion Date	
				reported in national media.												
25	Active	Developing a successful and sustainable organisation	Financial failure of commercial subsidiary  <b>F&amp;GP</b>	Non-compliance with governance, financial and legal processes and procedures.  COVID-19	Contracts signed without required approvals.  Failure to consult with College SMT and AST Board  Poor outlook due to worldwide collapse in aviation market	Vice Principal External	4	5	20	<ul style="list-style-type: none"> <li>• AST management structure reviewed.</li> <li>• Interim Manager in place.</li> <li>• Policies identified</li> <li>• Best practice adhered to</li> <li>• College Governance applied.</li> <li>• Advice given to AST Management Team</li> <li>• General Manager appointed</li> </ul>	20  (4,5)	↑	<ul style="list-style-type: none"> <li>• Continue to review AST policies</li> <li>• Regular meetings held</li> <li>• Procedural Manual review</li> </ul>	Vice Principal External	31 July 2019	
26	Active	Developing a successful and sustainable organisation	Failure of payroll systems & procedures results in non-compliance with standards  <b>Audit</b>	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  Staff dissatisfaction with issue and/or steps taken to rectify	Vice Principal External	5	3	15	<ul style="list-style-type: none"> <li>• Internal Audit Action Plan commissioned and partially actioned</li> <li>• Affected staff informed of issue and steps being taken to rectify and recompense</li> <li>• 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</li> <li>• 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</li> <li>• 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.</li> </ul>	12  (4,3)	↔	<ul style="list-style-type: none"> <li>• Ensure that all differences noted as part of this audit between gross salaries on the HR and Payroll system are followed up</li> <li>• Implement more robust procedures over the calculation of union and pension employee deductions</li> <li>• 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.</li> </ul>	Payroll Manager/ Head of HR&OD  Payroll Manager  Payroll Manager/Head of HR&OD	31-Dec-2019  31-Dec-2019  31-March 2020	

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
										<ul style="list-style-type: none"> <li>Internal Audit commissioned to conduct evaluation of pensions and tax payments</li> <li>Voluntary HMRC Disclosure made</li> </ul>			<ul style="list-style-type: none"> <li>Ensure that variance reports have been reviewed and signed off.</li> <li>Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved.</li> <li>Review internal pensions arrangements to ensure full compliance with pensions legislation</li> </ul>	Head of Finance/ Payroll Manager  College Financial Accountant  Head of HR&OD	31-Dec-2019  31-Dec-2019  31-March 2020
27	Active	Developing a successful and sustainable organisation	Deferred Income decision rescinded/ amounts overstated  <b>F&amp;GP</b>	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  Rescinding/ downward revision of amounts accounted for could lead to significant shortfall in 2019/20 budget	Principal	2	5	10	<ul style="list-style-type: none"> <li>Approach agreed with External Auditor re treatment of deferred income on grounds of non-materiality</li> <li>Discussions conducted with SFC to carry over 2018/19 surplus into 2019/20</li> <li>Board instructed that SFC be informed of intention to utilise fund by exception</li> <li>Funds invested in College Estate during 2018/19 to ensure maximum utilisation</li> </ul>	10 (2,5)	↔	<ul style="list-style-type: none"> <li>Review systems to ensure that income released at milestone delivery</li> <li>LINK TO AUDIT PLANS</li> </ul>	Vice Principal External  Clerk	31 July 2020  June 2020

Ref	Risk Status	Strategic Category	Risk Description & Primary Sub-Committee	Causes	Impacts/ Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk IN PLACE	Residual Risk	Trend	CURRENT ACTION PLAN		
													Actions to minimise risk TO DO	Action Owner	Completion Date
28	Active	Developing a successful and sustainable organisation	Procurement processes are not fully compliant with regulations  <b>F&amp;GP</b>	Internal processes not suitably robust	Contracts register incomplete	Vice Principal External	4	3	12	<ul style="list-style-type: none"> <li>• APUC provision of remote services from November 2018</li> <li>• Contracted member of APUC staff engaged by College from July 2019</li> <li>• Procurement Strategy updated</li> <li>• Procurement Policy updated</li> </ul>	12 (4,3)	↔	<ul style="list-style-type: none"> <li>• <del>Update contracts register</del></li> <li>• <del>Examine appropriate contracts to ensure compliance &amp; identify areas of potential compliance shortfall</del></li> <li>• <del>Amend processes and circulate to key decision-makers to ensure compliance at all times</del></li> <li>• LINK TO AUDIT PLANS</li> </ul>	Head of Finance         Clerk	31 March 2020         June 2020
29	Active	Developing a successful and sustainable organisation	Insufficient levels of Asset Management are in place  <b>F&amp;GP</b>	Lack of systems/controls to record and manage changes to Asset Register	Asset Register not complete  Creates difficulty in producing accurate accounts	Vice Principal	4	3	12	<ul style="list-style-type: none"> <li>• Current Asset Register reviewed and weaknesses identified</li> <li>• Comparative analysis within sector conducted</li> </ul>	12 (4,3)		<ul style="list-style-type: none"> <li>• Update Asset Register</li> <li>• Review Financial Regulations</li> </ul>	Head of Finance	June 2020

30	New	Developing a successful and sustainable organisation	Impacts of COVID-19 on Student Experience, Financial Sustainability & Operational Management	Full student experience not able to be delivered	Lack of clarity re student progression	Principal	5	4	20	<ul style="list-style-type: none"> <li>• Principal meeting regularly with UHI/sector</li> <li>• Active lobbying of key agencies re continued sector funding</li> <li>• Use of furloughing scheme where appropriate</li> <li>• Sector Heads analysing options for teaching &amp; learning in Academic Year 2020/21</li> <li>• Continued contact with commercial partners</li> </ul>	20	(5,4)	<ul style="list-style-type: none"> <li>• Continue recruitment online</li> <li>• AST Board meeting regularly to manage cashflow and identify new business</li> <li>• Estates to consider impact of social distancing measures on campus</li> </ul>	Marketing  AST Board  Estates	Immediate
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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 <b>disaster</b> with the potential to lead to: <ul style="list-style-type: none"> <li>loss of a major UHI partner</li> <li>loss of major funding stream</li> </ul>	> £500,000 or lead to likely loss of key partner	<ul style="list-style-type: none"> <li>Likely loss of key partner, curriculum area or department</li> <li>Litigation in progress</li> <li>Severe student dissatisfaction</li> <li>Serious quality issues/high failure rates/major delivery problems</li> </ul>	<ul style="list-style-type: none"> <li>Incident or event that could result in potentially long term damage to UHI's reputation. Strategy needed to manage the incident.</li> <li>Adverse national media coverage</li> <li>Credibility in marketplace and with stakeholders significantly undermined.</li> </ul>
4 - Major	A <b>critical</b> event which threatens to lead to: <ul style="list-style-type: none"> <li><b>major</b> reduction in funding</li> <li><b>major</b> reduction in teaching/research capacity</li> </ul>	£250,000 - £500,000 or lead to possible loss of partner	<ul style="list-style-type: none"> <li>Possible loss of partner and litigation threatened</li> <li>Major deterioration in quality/pass rates/delivery</li> <li>Student dissatisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Incident/event that could result in limited medium – short term damage to UHI's reputation at local/regional level.</li> <li>Adverse local media coverage</li> <li>Credibility in marketplace/with stakeholders is affected.</li> </ul>
3 - Significant	A <b>Significant</b> event, such as financial/ operational difficulty in a department or academic partner which requires additional management effort to resolve.	£50,000 - £250,000	<ul style="list-style-type: none"> <li>General deterioration in quality/delivery but not persistent</li> <li>Persistence of issue could lead to litigation</li> <li>Students expressing concern</li> </ul>	<ul style="list-style-type: none"> <li>An incident/event that could result in limited short term damage to UHI's reputation and limited to a local level.</li> <li>Criticism in sector or local press</li> <li>Credibility noted in sector only</li> </ul>
2 - Minor	An <b>adverse</b> event that can be accommodated with some management effort.	£10,000 - £50,000	<ul style="list-style-type: none"> <li>Some quality/delivery issues occurring regularly</li> <li>Raised by students but not considered major</li> </ul>	<ul style="list-style-type: none"> <li>Low media profile</li> <li>Problem commented upon but credibility unaffected</li> </ul>
1 - Insignificant	An <b>adverse</b> event that can be accommodated through normal operating procedures.	<£10,000	<ul style="list-style-type: none"> <li>Quality/delivery issue considered one-off</li> <li>Raised by students but action in hand</li> </ul>	<ul style="list-style-type: none"> <li>No adverse publicity</li> <li>Credibility unaffected and goes un noticed</li> </ul>

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

**RISK MAP (for Gross risk & residual risk)**

**TIMESCALE 3 YEARS**

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

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

## Perth College UHI

Paper 5

<b>Committee</b>	Audit Committee
<b>Subject</b>	FOI & Data Protection Quarterly Update
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Ian McCartney, Clerk to the Board of Management
<b>Date paper prepared</b>	11/05/2020
<b>Executive summary of the paper</b>	Summary of data relating to FOI requests received and data protection issues raised for the Quarter to 30 April 2020
<b>Consultation</b> How has consultation with partners been carried out?	
<b>Action requested</b>	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	Informs Risk Register
<b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> </ul>	Informs Risk Register

## Perth College UHI

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

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

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

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

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

and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

## **Quarterly Freedom of Information & Data Protection Update**

### **Academic Year 2019/20 | Quarter 3 | February 2020 – April 2020**

#### **1. Executive Summary**

Quarter 2 saw a significant down-turn in FOI requests.

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

The College also received a Request To Be Forgotten and an International Transcript Transfer outside the EU, both submitted under Data Protection regulations.

During the reporting period, temporary legislation was passed in response to COVID-19, which allow for extended response periods available for FOI and Data Protection requests. FOI requests received during the period did not require use of this extended response period.

#### **2. Freedom of Information**

##### **a. Total Number of Requests – Year to Date**

2019/20 Q1	2019/20 Q2	2019/20 Q3	2019/20 YTD	2018/19 Full Year
11	10	3	24	39

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

2019/20 Q3	2018/19 Q3
3	7

##### **c. Request Topics**

Type	Q2	YTD
Academic-Related	0	1
Student-Related	0	2
Compliance	0	2
Financial	0	5
Estates	0	2
HR	3	11
Operational Management	0	1
TOTAL	3	24

**d. Request Sources**

Type	Q3	YTD
Legal Representative	0	1
NUS	0	1
Press	0	7
Staff	0	1
Union (National)	2	4
University Research	0	1
Unknown/Anonymous	1	9
TOTAL	3	24

**e. Response Times**

	Q3	YTD
Replied within Statutory Time	3	15
Late	0	9
To be completed	-	-

**f. FOI Narrative**

With the significant drop-off in FOI requests received during Q3, it would appear likely that total FOI requests will be lower than 2018/19.

HR requests now account for just under 50% of FOI requests for the year, which is broadly consistent with 2018/19.

**3. Data Protection**

**a. Total Number of Requests – Year to Date**

	2019/20 Q1	2019/20 Q2	2019/20 Q3	2019/20 YTD	2018/19 Full Year
Subject Access Requests	1	2	1	4	10
Data Breaches	4	3	1	8	13

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

	2019/20 Q3	2018/19 Q3
Subject Access Requests	1	2
Data Breaches	1	0

**c. Subject Access Request Information**

The only SAR request received during Q3 related to a staff member requesting details of emails in which they were referred to.

**d. Data Breach Information – Q3**

<b>Incident</b>	<b>Action Taken</b>	<b>ICO informed?</b>
Staff member uploaded information to UHI Yammer with an attached spreadsheet containing basic student information.	Staff member contacted; item and attachment removed within 24 hours of upload.  Additional Data Protection training arranged.	No

**e. Additional Requests – Q3**

During the last Quarter, the College received an International Transcript Transfer Request to a non-EU educational establishment. In conjunction with colleagues from UHI, this request was processed in compliance with Data Protection regulations.

Additionally, the College received a Request To Be Forgotten from a former member of staff. This matter is of a complex nature, involving a very high volume of emails and documents across the Partnership, and is likely to involve significant time to process appropriately. While the College has been able to comply with some items during the initial 30-day legal period (mainly involving online and social media items) under advisement from the UHI Data Protection Officer, an extension period has been invoked.

Ian McCartney  
11 May 2020

<b>Committee</b>	Audit Committee
<b>Subject</b>	Balanced Scorecard
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Kirsty Campbell, Project & Planning Officer
<b>Date paper prepared</b>	13/05/2020
<b>Executive summary of the paper</b>	<p>The attached paper is the Balanced Scorecard, aligned with the aims and measures for the strategic plan Vision 2021, outlining where possible, the final measures for AY 2018-19.</p> <p>The following key measures are provided:</p> <p><b>Measure 7</b> - Recruit to target - FE and HE  <b>Measure 10c</b> - Non-core funding income (to include Knowledge Transfer)  <b>Measure 12</b> - Number of accidents reported to HSE</p> <p>The data is presented in 2 parts:</p> <p>Part One - is a summary of the measures in a simple table layout with measures of current performance categorised as Red (worsening), Amber (stable) and Green (improving)</p> <p>Part 2 – Provides more detailed analysis and insight with a trendline giving a pictorial representation of data over the past 3 years.</p> <p><b>The following points are to be noted:</b></p> <p>The presentation of the data follows on from a review of the Scorecard carried out in May 2019 and presented to SMT, the college Board and its committees and based on the preferred design.</p>



## Perth College UHI

	<p>The new design for the Balanced Scorecard was a work in progress and feedback from the Board is that the current format remains unfit for purpose and they would like to see more intelligent analysis of the data being presented to them to help inform business.</p> <p>The next phase of the new design will seek, with input from the Business Owners, to build in tolerances for the measures and also benchmark data eg sector averages where possible.</p> <p>Other work to be carried in respect of updating the Scorecard includes:</p> <hr/> <ul style="list-style-type: none"> <li>• verifying the reporting timelines ie to identify at what point of the academic year the data is available and ready to go to Board and Committees</li> <li>• seek to provide more insightful commentary from Owners to be able to better inform the Board and its Committees</li> <li>• the Balanced Scorecard to become a quarterly standing agenda item at CMT and CBP to ensure a management level discussion of kpis aligned to our strategic plan</li> <li>• a discussion on how the Balanced Scorecard should be published on the College website eg in full or highlight form and/or infographic</li> </ul> <p>This data will be captured by a template distributed to Owners with a robust timeline given for completion.</p> <p>This data will be captured by a template distributed to Owners with a robust timeline given for completion.</p> <hr/>
<b>Consultation</b>	

## Perth College UHI

<p>How has consultation with partners been carried out?</p>	<p>Heads of Service/Business Owners were consulted and provided the data for these measures as follows:</p> <p>Measure 7 – Head of Student Experience Measure 10c – Interim Head of Finance Measure 12 – Health, Safety &amp; Wellbeing Officer</p>
<p><b>Action requested</b></p>	<p><input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval</p>
<p><b>Resource implications</b> (If yes, please provide details)</p>	<p>No</p>
<p><b>Risk implications</b> (If yes, please provide details)</p>	<p>No Click or tap here to enter text.</p>
<p><b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	<p>The Balanced Scorecard KPI's stems directly from the Perth College UHI Strategic Plan 2016-21.</p>

## Perth College UHI

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

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

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

## Perth College UHI

Its disclosure would constitute a breach of the Data Protection Act	<input checked="" type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>
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# Strategic Plan Targets and KPIs: Progress Report 2018-19

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

Key: KPI performance status

Improving	↑
Maintaining	↔
Worsening	↓





Key: Target performance status

Target achieved	Green
Target progress maintained	Yellow
Target missed	Red

Measure	Key Performance Indicator or Target	Performance		
	<b>Student Activity Measures</b>			
<b>7</b>	Meet published FTE recruitment targets for: a) HE b) FE	<table border="1"> <tr> <td style="background-color: #90EE90; text-align: center;">↑</td> <td style="background-color: #FF0000; text-align: center;">↓</td> </tr> </table>	↑	↓
↑	↓			
	<b>Sustainability</b>			
<b>10</b>	Financial: c) Non-core funding income (inc. Knowledge Transfer)	<table border="1"> <tr> <td style="background-color: #FF0000; text-align: center;">↓</td> </tr> </table>	↓	
↓				
		↓		
<b>12</b>	Number of accidents reported to HSE	↓		

**Section 2: Detail of Performance by Measure**

**Detail of performance: Measure 7**

Student Activity Measures				
Measure	Key Performance Indicator or Target	Performance		Trend
7	Meet published FTE recruitment targets for: a) FE b) HE			
				

**Baseline:** a) 26010 b) 1885.9

**Target:** a) 23887 b) 1975

## Visions 2021: Strategic Plan 2016-21: Targets and KPIs Progress Report

Year 4: 2018-19

### Detail of Performance: Measure 10c

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

**Baseline:** 42%

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

**Trend:** Maintaining slightly below target for previous 3 years

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

**Sector Average:** tbc  
(+/-)

### Note on 2018/19 performance

**Source:**

Perth College UHI, Reports & Financial Statements 2018/19

**Commentary:**

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

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



£11,252/ Total Income £27,613 = 40.7%

## Visions 2021: Strategic Plan 2016-21: Targets and KPIs Progress Report

Year 4: 2018-19

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### Detail of Performance: Measure 12

Sustainability			
Measure	Key Performance Indicator or Target	Performance	Trend
12	To maintain a healthy and safe working environment		
	Number of accidents reported to HSE:		

**Baseline:** 3

**Target:** Improve on previous year and maintain safe working environment

**Trend:** Decrease from previous year; significant improvement

**Tolerance:** tbc percentage point (+/-) previous 3-year average

**Sector Average:** (+/-)

### Note on performance for measure 12

Only one accident was reportable which was a positive result for 2018-19.

We continue to work with departments to educate around safe practice and reporting responsibilities.





# Perth College UHI

**Internal Audit Progress Report  
2019/20 Annual Plan**

19 May 2020

Now, for tomorrow

# Internal Audit Progress Report

## May 2020

Progress made in delivering the annual plan for 2019/20, finalised in March 2020, is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Internal Audit Annual Plan 2019/20	December 2019	Draft 26/11/19 2 <sup>nd</sup> Draft 04/12/19 Final 02/03/20	2020/01	N/A	04/12/19 and 11/02/20	
Credits Audit	December 2019	Draft 21/10/19 Final 22/10/19	2020/02	Audit opinion unqualified	04/12/19	
Student Support Funds	December 2019	Draft 11/11/19 Final 28/11/19	2020/03	Audit opinion unqualified	04/12/19	
Payroll – Pension Contributions 2019/20	February 2020	Draft 03/02/20 Final 05/02/20	2020/04	<b>Requires Improvement</b>	11/02/20	
Procurement & Creditors / Purchasing	May 2020					Fieldwork started in week commencing 11/05/20 but start date delayed due to COVID-19 pandemic.
Health & Safety Legislation	September 2020					Fieldwork started in week commencing 04/05/20
Budgetary Control	September 2020					Fieldwork planned to start in week commencing 01/06/20
Key Financial Controls - AST Limited	September 2020					Fieldwork planned to be conducted in July 2020.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Follow Up reviews	September 2020					Fieldwork planned to be conducted in August 2020
Staff Skills Profile, Staff Productivity and Performance Management	December 2020					Fieldwork planned to be conducted in September 2020
Asset Management	December 2020					Fieldwork planned to be conducted in October 2020
Corporate Planning / Regional Outcome Agreement / Curriculum and Quality	December 2020					Fieldwork planned to be conducted in October 2020

Gradings are defined as follows:

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

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

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Prior Progress	Progress as at May 2020
<b>R2</b> 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.	<b>2</b>		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.  <b>Fully Implemented</b>	

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Prior Progress	Progress as at May 2020
<p><b>R3</b> Implement more robust procedures over the calculation of union and pension employee deductions.</p>	2		Yes	Neil McGovern, Payroll Manager	31 December 2019	<p>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.</p> <p>We still have the issue of incorrect national insurance contributions both employee and employer for staff members with multi posts</p> <p><b><i>Partially Implemented</i></b></p> <p><b>Progress as at Mar 2020:</b></p> <p>Payroll Manager has implemented processes to ensure all union and pension employee deductions are now correct.</p> <p><b><i>Fully Implemented</i></b></p>	

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



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

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Prior Progress	Progress as at May 2020
<p><b>R6</b> Ensure that variance reports have been reviewed and signed off.</p> <p>Also have someone independent of the payroll team check the payroll details of payroll staff to ensure that payroll staff have not amended their own payroll salaries.</p>	2		Yes	Graham Little, Interim Head of Finance and Neil McGovern, Payroll Manager	31 December 2019	<p>Neil's notes: - variance report that is currently being reviewed isn't the best report to use as it only shows totals and not the breakdown of an employee's pay. Also gross may be same as last month but net significantly different due to for example a new tax code causing a tax refund. I wouldn't carry on using this report.</p> <p>I would suggest comparing basic salary from one month to next alongside the monthly check between payroll and HR mentioned earlier. This would highlight amendments received via the HR link which would appear on the tracker that had already been authorised.</p> <p>A double check on additional payments to be made that are over a certain amount, before any processing is commenced to make sure properly authorised. E.g. a timesheet claim of more than 100 hours in a month.</p> <p>Using the Payslip Summary report to check input would be a better way than currently checking input via the employee's screen. This would enable a sense check to be made of all employees pay which would help identify anomalies. For payroll staff's own wages there has to be an element of trust that they are not processing overpayments to themselves. The payroll reports used by management accountant would highlight any issues with payroll staff's wages.</p> <p><b>Partially Implemented</b></p> <p><b>March 2020 update:</b></p> <p>Limited further progress</p> <p><b>Partially Implemented</b></p>	<p><b>Progress at May 2020</b></p> <p>As said previously the current variance report isn't the best to use.</p> <p>Initial gross salaries are now checked and reconciled between payroll and HR at the start of each month's process.</p> <p>For any further payments or deductions added manually Payrite have written a report which can be cross checked by Payroll Manager against timesheets, expenses, etc. which have been entered manually by Payroll Assistant.</p> <p>I used this report for first time in April and it proved a quicker and more efficient report than the variance report.</p> <p><b>Partially Implemented</b></p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Prior Progress	Progress as at May 2020
<b>R7</b> 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.	<b>2</b>		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.  <b>Fully Implemented</b>	

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Prior Progress	Progress as at May 2020
<b>R8</b> Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved.	<b>3</b>		Yes	Henry Nicholson, College Financial Accountant	31 December 2019	<p>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.</p> <p><b><i>Partially Implemented</i></b></p> <p><b>March 2020 update:</b></p> <p>Limited further progress</p> <p><b><i>Partially Implemented</i></b></p>	<p><b>Progress at May 2020</b></p> <p>Payroll use the nominal report that is produced each month by the payroll system to prepare payments to HMRC, pension providers and other 3<sup>rd</sup> parties, this ensures that the accounts are reconciled on a monthly basis.</p> <p><b><i>Partially Implemented</i></b></p>

<p><b>R9</b> 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.</p>	<p>2</p>		<p>Yes</p>	<p>Neil McGovern, Payroll Manager</p>	<p>31 October 2019</p>	<p>Scottish Rate of Income Tax. All staff now have S prefix codes, checks in place to ensure new starts have the S code entered with their starter information, and tax codes received from HMRC are checked to ensure also have S codes. There has been recent instances when HMRC have issued codes without the prefix but addresses have been checked that employee is domiciled in Scotland and S prefix used.</p> <p>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.</p> <p>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.</p> <p>Katy's comments: requesting staff to complete the starter checklists for secondary jobs is not popular with staff, as they are still employed by us. This is not a long term solution and is causing discontent with staff.</p> <p><b>Partially Implemented</b></p> <p><b>March 2020 update:</b> The number of staff whose multiple tax codes comes to over S1250L is now 2. Staff are completing additional new starter checklists to prevent this happening for new staff. <b>Partially Implemented</b></p>	<p><b>Progress at May 2020</b></p> <p>Once the multi-post system is implemented in June this will no longer be a problem. Any secondary posts will be marked as a leaver and HMRC informed. HMRC will then issue any new tax codes required for employees. Some employees may have increased/decreased tax payments for one month until HMRC have issued any new codes. Once new codes are issued this will correct the year to date figures.</p> <p><b>Partially Implemented</b></p>
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# Appendix I – Updated Action Plan

## Internal Audit Report 2020/04 – Payroll – Pension Contributions

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at March 2020	Progress at May 2020
<p><b>R1</b> The College should undertake a full review of the calculation of employee and employer pension contributions made over the period 2013/14 to 2019/20, focussing on gross pensionable pay to ensure that only items eligible under the relevant pension scheme regulations have been included. Where differences in gross pensionable pay are identified the impact on employee and employer pension contributions, as well as any PAYE and National Insurance Contributions, should be quantified.</p>	2	<p>Management agrees with the recommendation. The approach that will be taken is to deal with issues in 2019/20 before the end of the tax year. Prior years will be dealt with thereafter.</p>	Yes	Interim Head of Finance	<p>Year 2019/2020 29 Feb 2020.</p> <p>Years 2013/14 - 2018/19 30 November 2020.</p>	<p>Adjustments for 19/20 put through March 2020 payroll, employee informed. Pensions corrected in year in pension returns</p> <p><b>Fully Implemented</b></p>	<p>Both pension returns will be submitted by required deadlines</p> <p>DCC due 15/05/20 and SPPA by end of May</p> <p><b>In progress</b></p> <p><b>NI not corrected to date</b></p>

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at March 2020	Progress at May 2020
<b>R2</b> Once a full analysis of pension fund contributions has been performed and the financial impact quantified ( <b>R1</b> ), for both current and former employees (including any further tax implications), ensure that a clear strategy and timeframe are developed for addressing and communicating any financial impact that may affect current and former pension scheme members, the pension funds or the College.	<b>2</b>	Management agrees with the recommendation. Calculations will be done to identify any overpayments and payroll will work with HR in communicating with affected staff.	Yes	Interim Head of Finance and Head of HR and Organisational Development	<b>No later than:</b> Year 2019/2020 by 29 February 2020.  Years 2013/14 - 2018/19 by 30 November 2020	2019/20 20 adjusted in March 2020 salary, HR notified all employees. This will correct in year in pension return  <b>Fully Implemented</b>	<b>In progress</b>  <b>NI not corrected to date</b>





## 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 May. 2020
<p><b>R1</b> Consider implementing additional controls whereby HR issue monthly reports on joiners, leavers and staff that have changed role to departmental leads and ask them to confirm membership based on departmental composition and job roles. Any amendments would then be notified to HR who would in turn notify IT by raising a Helpdesk ticket.</p>		<p>We are happy to work on this basis. ICT is currently notified on starters and leavers (frequency and timings of this may need scrutiny) but additionally “movers” information is required systematically to ensure that privileged access is either enabled or disabled appropriately when staff change roles.</p>	Yes	<p><del>Susan Hunter, Head of HR</del></p> <p><del>Now: Jen McGillivray, HR Team Leader</del></p> <p><del>Richard Fyfe HR Advisor</del></p> <p><b>Now: Katy Lees Head of HR</b></p>	1 May 2018	<p>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. <b>Partially Implemented</b></p> <p><b>Revised Completion Date:</b> 30 August 2019 <b>Update:</b> 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. <b>Update:</b> March 2020 Changes report will be created by May 2020 as works needs to be done in CIPHR to achieve this. <b>Partially Implemented</b></p> <p>Update: May 2020 Change report in place <b>Fully Implemented</b></p>

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

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at May. 2020
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Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at May. 2020
<b>R1</b> Develop an equality and diversity strategy. This may be included within existing equalities documents, or as a separate document.	3		Yes	<p><del>Stuart Hall and Susan Hunter</del></p> <p>Now: <del>Jen McGilvary, HR Team Leader</del></p> <p>Now: <b>Katy Lees</b></p>	31 October 2018	<p>The College is currently recruiting for the position of Equality and Diversity Adviser. This position has been vacant for a period of time and the recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><b><i>Little or No Progress Made</i></b></p> <p><b>Update: November 2019</b> The priority has been on statutory reporting, this item is partially covered within the Mainstreaming report and will be reviewed once this is completed <b><i>Partially Implemented</i></b></p> <p><b>Revised Completion Date:</b> 31 March 2020</p> <p><b>Update: March 2020</b> This is within the Equality Mainstreaming report and associated action plan which will be published by 31 March 2020.</p> <p><b>Update: May 2020</b> Report published by 31 March 2020</p> <p><b><i>Fully Implemented</i></b></p>

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

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

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

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



Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at May. 2020
<p><b>R6</b> 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.</p>	3		Yes	<p><del>Susan Hunter</del></p> <p><del>Now:</del> <del>Jen McGilvary</del></p> <p><b>Now:</b> <b>Katy Lees and</b> <b>Anna Kaczmarek</b></p>	31 July 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><i>Little or No Progress Made</i></p> <p><b>November 2019 update:</b> This review has commenced.</p> <p><i>Partially implemented</i></p> <p><b>Revised Completion Date:</b> 31 January 2020</p> <p><b>March 2020 Update:</b> Fully completed</p>

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

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

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress update at May. 2020
<p><b>R9</b> 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.</p>	<b>3</b>		Yes	<p><del>Sarah Macfarlane</del></p> <p><del>Now:</del> <del>Jen McGilvary</del></p> <p><b>Now:</b> <b>Katy Lees</b></p>	30 June 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><b><i>Little or No Progress Made</i></b></p> <p><b>November 2019 update:</b> The E&amp;D Advisor creates the reports, and all elements are checked by the Head of HR &amp; OD to ensure compliance with statutory definitions</p> <p><b><i>Partially implemented</i></b></p> <p><b>Revised Completion Date:</b> 31 January 2020</p> <p><b>March 2020 update:</b></p> <p>Reports to be published by end of March 2020</p> <p><b><i>Partially implemented</i></b></p> <p><b>Update: May 2020</b> Report published by 31 March 2020</p> <p><b><i>Fully Implemented</i></b></p>

Recommendation	Grade	Comments	Responsible Officer For Action	Agreed Completion Date	Progress Previously Reported	Progress at May 2020
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<p><b>R1</b> Risk assessments should be reviewed annually by College managers. The H&amp;S Adviser should also perform an annual review of risk assessments in place to ensure that these have been updated.</p>	<p>B</p>	<p>During 12/13, a centralised risk assessment system was established which, by each College area, identified the Duty Holder, Responsible Person, and Risk Assessor for each area, training requirements, number of risk assessments required / in place and annual review date. From this system, it was identified that there were a number of risk assessments that had passed their review date and over the past 2 – 3 months this has been addressed. Almost all risk assessments have now been reviewed and updated, and will now be monitored using the centralised system to ensure on-going annual review and update. All risk assessments will be reviewed and updated by the end of May 2013.</p>	<p>Lorenz Cairns</p>	<p>31 May 2013</p> <p><b>Revised Completion Date:</b> 31 December 2016</p>	<p><b>At April 2015</b> A desktop review of risk assessments was carried out by H&amp;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&amp;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&amp;S Officer plans to further review these to ensure all are uploaded and robust.</p> <p><b>At May 2016</b> The H&amp;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&amp;S Officer advised that they were still relevant. Some departments have still to provide electronic copies of RAs for upload however the H&amp;S Officer is confident that RAs are all in place and reviewed.</p> <p>(Continued on next page)</p>	<p><b>At May 2020</b></p> <p>The closure of the College site has had an impact on the Colleges ability to meet these targets.</p> <ol style="list-style-type: none"> <li>1) Hazard surveys need to be done in all areas to identify risk assessments which are missing will be done when the College reopens</li> <li>2) A workplan for 2020-2023 to undertake audits in remaining areas is now in place but may need to be amended due to not being on site.</li> <li>3) Additional risk assessment training is taking place in June (this is still planned to take place virtually)</li> <li>4) A paper was accepted by the SMT outlining the base level training for CMT members in relation to H&amp;S and this is currently being implemented with 6 CMT members undertaking IOSH Managing Safely training in May – July 2020 – Training is being delayed as it is face to face training</li> </ol>
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<p>R1 (Continued)</p>				<p>The recommendation has been left open until all RAs are uploaded onto Perth Net and the H&amp;S Officer will continue to assist departments to convert RAs into an electronic format using the new form. The aim would be to complete this by the end of the calendar year and departments will be advised of this timescale.</p> <p>The H&amp;S Officer has provided RA training to 65 staff throughout the College to assist them in reviewing and preparing / updating RAs.</p> <p><b>At May 2017</b>          The Health and Safety Officer has reviewed where the College is at and is satisfied this action is now 95% complete and will be 100% complete by August 2017.</p> <p>The 5% outstanding is a mixture of: risk assessments in place but need a review; and risk assessments where some gaps have been identified.</p> <p>(Continued on next page)</p>	
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<p>R1 (Continued)</p>					<p><b>March 2020</b> Departmental reporting has highlighted that CMT members do not know where gaps in risk assessments exist, and there is a lack of trained risk assessors.</p> <p>Information related to Hazard Surveys was shared at the H&amp;S Committee in February 2020 to facilitate identification of risk assessment needs. This was also discussed at the Sector Manager meeting on the 25/02/20.</p> <ol style="list-style-type: none"> <li>1. Hazard surveys need to be done in all areas to identify risk assessments which are missing by end of May 2020</li> <li>2. A workplan for 2020-2023 to undertake audits in remaining areas is now in place.</li> <li>3. Additional risk assessment training is taking place in June</li> <li>4. A paper was accepted by the SMT outlining the base level training for CMT members in relation to H&amp;S and this is currently being implemented with 6 CMT members undertaking IOSH Managing Safely training in May – July 2020</li> <li>5. All risk assessments for the Caretaking and Cleaning staff (59) have been completed which is an achievement</li> <li>6. Departmental Health and Safety reporting has commenced</li> </ol>	
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<p><b>Training</b></p> <p><b>R3</b> The College should ensure that all staff with outstanding mandatory H&amp;S training receive this as soon as practical.</p>	<p>B</p>	<p>As noted in the report there was a planned change in on-line training provider which resulted in a number of staff not completing the health &amp; safety module. This is being addressed and outstanding staff have or are in the process of completing the module.</p>	<p>Lorenz Cairns</p>	<p>31 May 2013 <b>Revised Completion Date:</b> 31 August 2015</p>	<p>The Vice Principal, Human Resources and Communications has sent reminders to staff and will do so again however, with the current strike action, this may not be a priority therefore a deadline has been set for 100% completion by August 2017.</p> <p><b>At May 2018</b> The e-modules completion rate is reducing. The plan is to report on this regularly and work with managers to achieve completion.</p> <p>In addition, additional mandatory training has been identified for specific roles. It is proposed that this is formalised in an action plan and then monitored and reported to Health and Safety Committee.</p> <p><b>Partially Implemented</b></p> <p><b>Revised Completion Date:</b> 31 January 2019</p> <p><b>At May 2019</b> A review of current staff employed and completion of online Health and Safety related training has indicated a fall from previous years. Figures indicate 44% of current staff have completed modules with 38% not having started any. Reminders have been forwarded to Managers and raised at the Health and Safety Committee to ensure specific training is completed by all staff.</p>	<p><b>May 2020 update</b></p> <p>As at 29/04/2020 training completion is at</p> <p>Stress Management 64% Health &amp; Safety (1) 55% Health &amp; Safety (2) 62%</p> <p>Manager are provided with monthly list of staff who still need to complete the training and are working with individuals to ensure completion but also manage workloads at the current time.</p> <p>Work is being done to convert Fire Awareness and Fire Marshall training to be used on Brightspace.</p> <p><b>Completion due by:</b> <b>31 July 20</b></p>
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				<p><b>At November 2019</b></p> <p>Although being promoted through the Health and Safety Committee and direction being given to line managers, online Health and Safety Training still remains an issue. A further review took place in October and November using the current staff list and reports from both online training platforms, Blackboard and Marshalls. This review indicated that completed training remains low as indicated below.</p> <p>Mental Health, 32% Fire Awareness 34% Stress Management 45% Health &amp; Safety (1) 48% Health &amp; Safety (2) 51%</p> <p>Although there has been a significant number of new starts, the figures also indicate some employees with over 1 year of service have not started or completed training.</p> <p>We are working with our training providers to implement automatic reminders, with significant progress to complete all mandatory trainings identified above expected by the end of January 2020 with monthly reporting to the Head of HR &amp; OD.</p> <p><b>March 2020 update</b></p> <p>In reviewing the data for Marshall’s training it is clear that the figures reported in November were incorrect.</p>	
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					<p>They should have been</p> <p>Stress Management 23% Health &amp; Safety (1) 17% Health &amp; Safety (2) 18%</p> <p>Following the relaunch of the Marshalls training current completion at 25/02/20 is</p> <p>Stress Management 53% Health &amp; Safety (1) 43% Health &amp; Safety (2) 50%</p> <p>Manager are provided with monthly list of staff who still need to complete the training.</p> <p>Work needs to be done in relation to Mental Health and Fire Awareness as both of these trainings are currently not available to staff due to the conversion from Blackboard to Brightspace.</p> <p><b>Revised Completion: 31 July 20</b></p>	
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# Perth College

**DRAFT**

**Annual Audit Plan**

**Year ending 31 July 2020**

**Audit Committee - 19 May 2020**



Building a better  
working world

# Contents

Section	Auditor Responsibility	Page
<b>Executive Summary</b>	Summarise the purpose and key information for the 2019/20 audit	03
<b>Sector Developments</b>	Provide a summary of the overall sector environment	08
<b>Financial Statements Risks</b>	Summary of audit approach, materiality, risks etc.	11
<b>Wider Scope Audit Risks</b>	Audit approach for reviewing the College’s compliance with the wider public audit scope areas: <ul style="list-style-type: none"><li>• financial position and arrangements for securing financial sustainability</li><li>• suitability and effectiveness of corporate governance arrangements</li><li>• effectiveness of performance management arrangements in driving economy, efficiency and effectiveness in the use of public money and assets</li></ul>	23
<b>Appendices</b>	Undertake statutory duties, and comply with professional engagement and ethical standards:  Appendix A: Code of Audit Practice: responsibilities  Appendix B: Auditor Independence  Appendix C: Required communications with the audit committee  Appendix D: Timing and deliverables  Appendix E: Audit fees  Appendix F: Additional audit information	27

## About this report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Auditor General for Scotland has appointed us as external auditor of Perth College (“the College”) for financial years 2016/17 to 2020/21. We undertake our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and our responsibilities as set out within Audit Scotland’s Code of Audit Practice (the Code), issued on 26 May 2016.

This report is for the benefit of the College and is made available to the Auditor General for Scotland and Audit Scotland (together the Recipients). This report has not been designed to be of benefit to anyone except the Recipients. In preparing this report we have not taken into account the interests, needs or circumstances of anyone apart from the Recipients, even though we may have been aware that others might read this report.

Any party other than the Recipients that obtains access to this report or a copy (under the Freedom of Information Act 2000, the Freedom of Information (Scotland) Act 2002, through a Recipient’s Publication Scheme or otherwise) and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, Ernst & Young LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the Recipients.

## Complaints

If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with Stephen Reid who is our partner responsible for services under appointment by Audit Scotland, telephone 0131 777 2839, email sreid2@uk.ey.com. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, or with how your complaint has been handled, you can refer the matter to Diane McGiffen, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN. Alternatively you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

# 1. Executive summary

## Our key contacts:

Stephen Reid  
Partner  
[sreid2@uk.ey.com](mailto:sreid2@uk.ey.com)

Grace Scanlin  
Senior Manager  
[Grace.scanlin@uk.ey.com](mailto:Grace.scanlin@uk.ey.com)

Rachel Wynne  
Assistant Manager  
[rachel.wynne@uk.ey.com](mailto:rachel.wynne@uk.ey.com)

## Our independence

We confirm that we have undertaken client and engagement continuance procedures, which include our assessment of our continuing independence to act as your external auditor.

## Purpose of this report

In accordance with the Public Finance and Accountability (Scotland) Act 2000, Audit Scotland appointed EY as the external auditor of Perth College (the College) for the five year period 2016/17 to 2020/21.

This Annual Audit Plan, prepared for the benefit of College management and the Audit Committee, sets out our proposed audit approach for the audit of the financial year ending 31 July 2020, the fourth year of our appointment. In preparing this plan, we have updated our understanding of the Group and College through planning discussions with management, review of relevant documentation and committee reports, and our general understanding of the environment in which the College is currently operating.

A key objective of our audit reporting is to add value by supporting the improvement of the use of public money. We aim to achieve this through sharing our insights from our audit work, our observations around where the College employs best practice and where processes can be improved. We use these insights to form our audit recommendations to support the College in improving its practices around financial management and control, as well as around key aspects of the wider scope dimensions of audit. These are highlighted throughout our reporting together with our judgements and conclusions regarding arrangements.

After consideration by the College's Audit Committee, the plan is provided to Audit Scotland and published on their website.

## Scope and Responsibilities

We undertake our audit in accordance with the Code of Audit Practice (the Code), issued by Audit Scotland in May 2016; International Standards on Auditing (UK); relevant legislation; and other guidance issued by Audit Scotland. The Code sets out the responsibilities of both the College and the auditor, more details of which are provided in Appendix A.

## Our Financial Statement Audit

We are responsible for conducting an audit of the financial statements of the Group and College. We provide an opinion as to:

- whether they give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the Group and College's affairs as at 31 July 2020 and its surplus or deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Ireland; and
- whether they have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We also review and report on the consistency of the other information prepared and published by the College along with the financial statements.

## Materiality

Materiality levels have been set at the planning stage of the audit as follows:

Planning Materiality

**£280,000**

1% of the Group's gross expenditure

Tolerable Error

**£140,000**

Materiality at an individual account level

Nominal amount

**£14,000**

Level that we will report to committee

Based on considerations around the expectations of financial statement users and qualitative factors, we apply a lower materiality level to the audited section of the Remuneration Report. We also apply professional judgement to consider the materiality of related party transactions to both parties.

## Wider Scope audit

Our responsibilities extend beyond the audit of the financial statements.

The Code requires auditors to provide judgements and conclusions on the four dimensions of wider scope public audit:

- Financial management;
- Financial sustainability;
- Governance and transparency; and
- Value for money

### **Wider Scope audit**

The College had previously been assessed as meeting the definition of a smaller body for the purposes of our wider scope audit consideration. As a result of the risks identified during our audit fieldwork in 2018/19, our assessment was amended and we extended our work to consider financial management and value for money alongside financial sustainability and governance and transparency. In 2019/20 we consider this assessment to remain appropriate and therefore intend to form judgements and conclusions on all four dimensions of wider scope public audit.

Our audit work over the wider scope audit dimensions complements our financial statements audit. We have updated our understanding of the risks impacting the College through discussions with management, review of relevant committee reports, and our knowledge of the education sector.



# Audit Risk Dashboard

## Key Financial Statement Risks

### Fraud Risk:

Risk of fraud in revenue and expenditure recognition

In accordance with ISA (UK) 240, we consider the presumed fraud risk in respect of improper income recognition. Due to the nature of SFC funding to the College, we have rebutted the risk of fraud around this specific income stream. We extend our work to consider the recognition of expenditure, in accordance with Practice Note 10, issued by the Financial Reporting Council, as applicable to public sector audit.

### Fraud Risk:

Misstatement due to fraud or error

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud due to the ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

### Significant Risk:

Recognition of payroll expenditure

In September 2019, the College's internal auditors drew attention to a number of errors within payroll, including an underpayment of national insurance contributions. Our payroll testing in the prior year noted a number of differences including in relation to the calculation of pension contributions. Management has established an action plan to implement process improvements in 2019/20 to ensure the accurate calculation and recognition of payroll costs.

### Inherent risks:

Valuation of property, plant and equipment

The value of the College's property, plant and equipment (PPE) was £35.6 million as at 31 July 2019. In 2019/20, a full valuation of the estate will be commissioned as part of the planned valuation programme. Given the value of the estate and the fact that a number of assumptions are made in the valuation, we assign a higher inherent risk to this area.

Valuation of pension assets and liabilities

Accounting for the Local Government Pension Scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts, the assumptions underlying fair value estimates, and the valuation of the College's share of scheme assets at the year end.

Preparation of financial statements

The prior year draft financial statements contained material errors within the primary financial statements. In addition, the draft financial statements did not comply with the requirements of the SFC Accounts Direction and a number of iterations were required. Further, it is recognised that the College's reliance on manual processes increases the likelihood of error. While the College has taken steps to make improvements, including enhanced capacity within the finance team and a planned upgrade to the current financial system, we have identified an inherent risk in respect of overall preparation of the financial statements.

## Wider Scope Risks

### Financial Sustainability:

Continuing financial pressures

The financial environment in which the College operates was already challenging, and the Covid-19 pandemic will result in further, significant financial pressures. It is anticipated that the College will be unable to fully deliver upon savings and income growth targets in 2019/20 due to the global pandemic. This will increase the financial pressures for future years and creates a significant risk that the College will not be able to develop viable and sustainable financial plans due to external factors.

### Financial Management

Financial reporting and capacity

During 2018/19, Board members highlighted that key financial reports provided late or verbally undermined their ability to fully discharge their responsibilities. Timely and quality financial reporting is of increasing importance during the current environment as management and the Board will be required to make increasingly challenging financial decisions as the full effects of the pandemic are known. Our work will therefore consider whether improvements to financial reporting have been achieved, along with our assessment of the capability and capacity of the finance team.

### Value for Money:

Procurement

During 2018/19, College management identified a number of areas of potential procurement weaknesses. The College has identified a number of improvement actions, including the development of a contracts register to identify contracts that are due for retender and the revision and update of the Procurement Strategy. Our work in 2019/20 will therefore consider the progress made to address weaknesses and ensure that the requirements of the Financial Memorandum are met.

### Governance and Transparency:

Governance Statement

The College Board approved a comprehensive Action Plan in February 2020 to respond to a number of weaknesses that were disclosed within the 2018/19 governance statement. Our work will focus on consideration of progress against the action plan, reflecting the necessity of changes in priorities to reflect the global pandemic.

We will also consider the completeness of the Governance Statement, including disclosure of the steps management has taken to address weaknesses disclosed in the 2018/19 Governance Statement. This will include the outcomes of the Board Effectiveness Review commissioned by the College in early 2020.

## 2. Sector developments

In accordance with the principles of the Code, our audit work considers key developments in the sector. We obtain an understanding of the strategic environment in which the College operates to inform our audit approach.

### Covid-19 update and future plans

Covid-19 is a new illness that can affect the lungs and airways. It's caused by a virus called coronavirus. The impact on education services, the changes to behaviour around public gatherings and social interaction, and the political and economic consequences have already been and will continue to be significant.

The situation in respect of Covid-19 and its impact on the UK is developing on an ongoing basis. At the time of preparing this plan (May 2020) there remains a significant degree of uncertainty over the scope and scale of the ongoing impact by the College's financial year end of 31 July 2020 and beyond. Considerations include:

- There has been significant disruption to the College's day to day operations as it faces changes to working practices and reductions in capacity as staff are required to self-isolate.
- The College has moved to remote learning where possible, and there remains significant uncertainty around when classroom based teaching can resume.
- While the SFC has outlined that they will not seek to recover funds for shortfalls against outcome agreement targets where these are related to Covid-19 for the academic year 2019-20, the College is likely to receive less European funding as a result of reductions in credits achieved. Losses in 2020/21 are anticipated to include non-SFC income such as tuition fee income, European Social Funds, commercial contracts, SDS apprenticeship income, catering and nursery income. While there will be some cost associated savings achieved through reduced activity, it is unlikely that this will entirely net off the impact on colleges surplus or deficit for the year.
- The SFC has announced funding allocations for 2020/21 and colleges will shortly be updating their financial forecast through to 2025. This may require further revision and update as the College's financial position and commitments continue to be impacted, while it is not known the period over which the impact may be ongoing.
- In respect of the financial statements, Covid-19 will have a pervasive impact, and has the possibility to materially affect the majority of the College's yearend balances as well as the transactions throughout the last four months of the financial year. We anticipate a significant impact on the College's share of the Tayside Pension Fund liability as a result of updated underlying asset valuation. There may also be a material impact on the valuation of the College's property, plant and equipment. The recognition of income will require greater judgement as the College assesses whether conditions have been met and/or services performed in full.
- Additional disclosures will be required throughout the financial statements to reflect the additional risks facing the College and how these have impacted the key judgements and estimates made in preparation of the financial statements, as well as the required narrative disclosures on how this has impacted performance, risk assessment and mitigation, and the College's future plans.

COVID-19 is expected to have a significant impact on the financial health of the College sector with significant reductions in both non-core SFC income and other income.

### **The impact of Covid-19 on the preparation of financial statements and audit**

The Financial Reporting Council (“FRC”) has issued guidance for both auditors and preparers of the financial statements on issues arising from the Covid-19 pandemic. The guidance to date highlights the practical difficulties in preparing financial statements and performing audits in the new way of working. It is clear that auditors will be required to develop alternative audit procedures to gather sufficient and appropriate audit evidence.

The guidance is clear that the new way of working should not undermine the delivery of high quality financial statements preparation or quality audits, which should continue to comply fully with international auditing standards. Where additional time is required to complete audits due to ongoing and developing risks, it is important that this is taken to maintain audit quality rather than seeking to conclude early to meet arbitrary or regulatory deadlines.

Audit considerations at this time include:

- While the impact is unquantifiable at this time, audit processes will be subject to the same likely changes in working arrangements and possible reductions in capacity across both the College finance team and the audit team.
- We have outlined the planned timing for the key deliverables of the audit process in Appendix D. The current expectation is that this timetable will be impacted. While Audit Scotland has not yet issued revised audit deadlines for Further Education on the basis that circumstances will vary by audited body, they have recognised the likely impact this will have on the financial statements and audit process and encouraged ongoing dialogue. The Local Government deadlines have now been moved from September to November, and there is the potential for this to have an impact on further education deadlines.
- Our key audit risks and other matters for consideration have been outlined in this report based on our planning work to date, and our assessment at the time of drafting this plan is that the full impact of Covid-19 is still unknown. It is likely our consideration of audit risks will develop significantly in advance of the year end audit as more is understood around the impact. We will provide the Audit Committee with an update on key audits risks and other matters where they materially differ from this planning report in advance of the year end audit.

We will continue to work closely with management to consider the impact as it becomes better known and provide updates to the Audit Committee as appropriate. We will aim to take a pragmatic and flexible approach, while also recognising that strong financial management and good governance are more important than ever at this difficult time, over the financial year-end and into 2020/21.

The Financial Reporting Council highlighted that Covid-19 should not undermine the delivery of high quality audits.

The Scottish Government is providing around £99 million over three years to fund the additional costs from national bargaining but significant financial pressures remain across the FE sector.

### **Audit Scotland Colleges 2019**

Audit Scotland published their Scotland's Colleges 2019 report in June 2019. The report considers both the financial health and performance of Scotland's colleges.

The report highlights that the Scottish Government has been providing colleges with real-terms increases in revenue funding since 2016/17. However, the most recent increase for 2019/20 covers only the additional cost of harmonising staff terms and conditions, the cost of living pay increases and increases in employers' pension contributions. The proportion of non-government income, such as education contracts and other commercial income, has reduced. Colleges' ability to access other sources of funding, such as cash and arm's-length foundation (ALF) balances, is also reducing. As a result, the gap between colleges' income and expenditure is widening. 12 incorporated colleges were forecasting recurring financial deficits by 2022/23.

In 2019/20, capital funding for the sector has fallen to £47.6 million (2018/19: £76.7 million). Reduced capital spending creates a risk that the cost of urgently needed backlog maintenance increases. This in turn poses a potential risk to some colleges' ability to continue to deliver their core services in a safe environment, and to invest in new digital infrastructure to generate efficiencies and enhance the student experience. The Scottish Government is working with the Scottish Futures Trust and the SFC to identify an appropriate revenue funding model for future investment in the college estate.

### **2020/21 Budget**

The College outcome agreement funding allocations for Academic Year 2020/21 were announced by the SFC on 7 April 2020. The funding announcement recognised that the rapidly shifting environment, but help to provide some degree of certainty for the sector.

Key aspects of the funding announcement include:

- SFC's revenue budget for 2020/21 has increased by 6.9% from 2019/20
- Teaching funding has been increased by 5% (£23 million)
- Funding is provided towards pension costs over the 16 month period April 2020 to July 2021
- Student activity (credit) volume for the sector is broadly unchanged however there are some changes to individual college/regional targets
- Capital funding has decreased by £11.9 million

The full impact of Covid-19 is not yet clear, but is expected to significantly add to the existing financial pressures faced by colleges and amendments to the 2020/21 budget are therefore considered likely.

# 3. Financial Statement Risks

## Introduction

The College’s annual financial statements enable the Group and College to demonstrate accountability and performance in the use of its resources. They are prepared in accordance with proper accounting practice and applicable law.

## Audit Opinion

We are responsible for conducting an audit of the financial statements of the College. We will provide an opinion on the financial statements as to:

- whether they give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the Group and College’s affairs as at 31 July 2020 and its surplus or deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Ireland; and
- whether they have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We also review and report on the consistency of the other information prepared and published by the College along with the financial statements.

## Other Statutory Information

The management commentary and narrative reporting continues to be an area of increased scrutiny as a result of rising stakeholder expectations, including continuing interest by the Financial Reporting Council. We will continue to work with the finance team and management to support the improvement of the financial statements, including narrative disclosures, in 2019/20.

We will work with the Finance Team to support further improvements in the quality of the financial statements in 2019/20.

## Audit Approach

We determine which accounts, disclosures and relevant assertions could contain risks of material misstatement.

### Our audit involves:

Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.

Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Concluding on the appropriateness of management's use of the going concern basis of accounting.

Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the College.

Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit Committee reporting appropriately addresses matters communicated by us to the committee and reporting whether it is materially inconsistent with our understanding and the financial statements.

Maintaining auditor independence.

Substantive tests of detail of transactions and amounts. For 2019/20 we plan to follow a predominantly substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

## Materiality

For the purposes of determining whether the financial statements are free from material error, in accordance with ISA (UK) 320 we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements.

Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss expectations regarding our detection of misstatements in the financial statements if required.

Materiality Level	Rationale
Group Planning Materiality £280,000	<b>Group Planning materiality (PM)</b> – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements. For planning purposes, materiality for 2019/20 has been set at £280,000. This represents approximately 1% of the Group’s expenditure for the year.
Tolerable Error £140,000	<b>Tolerable error (TE)</b> – materiality at an individual account balance, which is set so as to reduce to an acceptably low level that the aggregate of uncorrected and undetected misstatements exceeds PM. We have set it at £140,000 which represents 50% of planning materiality.
Summary of Audit Differences £14,000	<b>Summary of Audit Differences (SAD) Nominal amount</b> – the amount below which misstatements whether individually or accumulated with other misstatements, would not have a material effect on the financial statements. The Code requires that auditors report at no more than £250,000. We have set it at £14,000, which represents 5% of planning materiality.

Our audit planning materiality has reduced to the lower end of the range we would select for a body the nature of the College. This reflects the challenges on the Group and its environment, in particular the ongoing financial sustainability challenges, the going concern considerations facing the College’s subsidiary, AST and the pervasive nature of the possible impact of Covid-19. Tolerable error has also been set at the lower end of our range and reflects the expected likelihood of misstatements in the financial statements themselves, both from our audit reporting on identified errors in 2018/19 and consideration of the expected impact of Covid-19 on financial statement reporting processes this year. We continue to assess materiality through the year and will report changes to our materiality as part of our updated planning reporting and our yearend Annual Audit Report in due course.

Factors which we consider include the perspectives and expectations of users of the financial statements as well as our risk assessment as to the likelihood of material misstatements arising in the financial statements. Based on these considerations, we apply lower materiality levels to the following areas we consider to be material by nature rather than size:

- Remuneration Report; and
- Related Party Transactions.

We will therefore review the disclosures related to the above areas in greater detail compared to the materiality thresholds outlined above.



# Significant Risks

We have set out the significant risks (including fraud risks) identified for the current year audit along with the rationale and expected audit approach. The risks identified may change to reflect any significant findings or subsequent issues we identify during the audit.

## Significant Risk - Risk of fraud in income and expenditure recognition

Under ISA 240 there is a presumed risk that income may be misstated due to improper recognition of revenue. In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which means we also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

Other than Income and expenditure recognition, we have not identified any specific areas where management override will manifest as a significant fraud risk, however we will continue to consider this across the financial statements throughout the audit.

Given the nature of Scottish Funding Council (SFC) core teaching grant to the College, we rebut the presumed revenue recognition risk for this income stream. However we recognise a revenue recognition risk for other SFC grants where performance conditions are in place, tuition fee income and other grants and operating income in respect of possible manipulation of cut-off around the financial year end.

We also recognise the same risk around incorrect recognition of other operating expenditure in line with Practice Note 10.

### Work we will perform:

- review and test all relevant income and expenditure policies against the relevant accounting standards and SORP
- review, test and challenge management around any accounting estimates on income and expenditure recognition for evidence of bias
- develop a testing strategy to test material income and expenditure streams
- test all material grant income with performance conditions to ensure the income is recognised correctly in line with the outlined requirements
- review and perform focused testing on income and expenditure around the year end to ensure correct recognition around cut-off between financial periods; and
- consideration of the potential application of clawback for non-SFC funding, particularly funding that is dependence on the performance of other academic partners.

### **Fraud Risk – Misstatement due to fraud or error**

Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

The risk of management override is pervasive to the audit and impacts the testing of all areas. Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud.

As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk. This takes account of the fact that management are in a unique position to override controls which otherwise appear to be operating effectively.

Based on the requirements of auditing standards our approach will focus on:

- identifying fraud risks during the planning stages
- inquiry of management about risks of fraud and the controls put in place to address those risks including segregation of duties
- consideration of the effectiveness of management's controls designed to address the risk of fraud
- determining an appropriate strategy to address those identified risks of fraud
- performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements
- specific focus on the accounting for any identified key areas of judgement and estimates in the financial statements and significant and unusual transactions. This will include consideration of any provisions requiring to be made as at the balance sheet date for any restructuring arrangements entered into by the College.

### Significant Risk – Payroll expenditure recognition

The College's payroll costs amounted to £17.9 million in 2018/19 and accounts for around 70% of expenditure. Management, internal and external audit identified a number of weaknesses in key payroll controls during 2018/19.

In September 2019, the College's internal auditors drew attention to a number of errors within payroll, including an underpayment of national insurance contributions over the course of three years that was later estimated at £108,000.

Management set aside a provision of £250,000 within the financial statements to reflect their estimate of the impact across 6 years, along with any penalties that may be necessary.

Due to the nature and volume of errors identified within payroll costs, we consider this to be a significant risk.

Our approach will focus on:

- Challenge management's assessment of the national insurance provision and the underlying data used to inform the estimate.
- Review of HMRC correspondence to understand the financial implications of voluntary disclosures made.
- Test a sample of employee deductions to ensure both pay and deductions were accurate.
- Reconcile the payroll system to the financial ledger to ensure the completeness of payroll expenditure.
- Perform analytical procedures to ensure payroll costs are consistent with headcount and known pay changes.
- Challenge management's assessment of the annual leave accrual and the underlying data used to inform the estimate.
- Considering the work performed by the College's internal auditors and used this to tailor our audit approach to the most significant risk areas.

We will report our findings in these areas to you within our 2019/20 Annual Audit Report.

## Inherent Risk – Valuation of Property, Plant & Equipment

The Group's property portfolio totals £35.6 million as at 31 July 2019, with the major elements of this being in respect of land and buildings. Land and buildings are revalued to fair value with a full revaluation taking place at least every five years. A full valuation of the College's campus will be undertaken as at 31 July 2020.

The valuation of property, plant and equipment is assessed as an inherent risk. Management involves specialists in the preparation of these accounting valuations. We utilise our own specialists, as appropriate, to support the core audit team in the performance of audit procedures on these balances.

Given the size of this balance and the number of assumptions that are made in the valuation, we assign a higher inherent risk to property, plant and equipment. The College will engage a valuation specialist to prepare the valuation for the year end.

We do not, at the planning stage of the audit, have any specific concerns over management's approach to property valuations.

Our approach will focus on:

- Analysis of the source data and inquiries as to the procedures used by management's specialist to establish whether the source data is complete.
- Assessment of the reasonableness of the assumptions and methods used, including their compliance with the SORP.
- Consideration of the appropriateness of the timing of when the specialist carried out the work.
- Assessment of whether the substance of the specialist's findings are properly reflected in the financial statements.
- Assessment of the potential for impairment across the College estate that has not been reflected in the financial statements or most recent formal valuation.
- Detailed testing of any assets under construction balance at the year end, ensuring costs capitalised meets the capitalisation criteria under the applicable financial reporting framework.

## Inherent Risk – Valuation of Pension Liabilities

The College participates in two pension schemes: the Local Government Pension Scheme (Tayside Pension Fund (TPF)), and the Scottish Teachers Superannuation Scheme (STSS). While both are defined benefit pension schemes, the College is unable to identify its share of the underlying assets and liabilities of the STSS scheme on a consistent and reasonable basis and therefore, the scheme is accounted for as if it were a defined contribution scheme.

The Further and Higher Education SORP and the SFC Accounts Direction require the College to make extensive disclosures within the financial statements regarding its membership of the Tayside Pension Fund. The information disclosed is based on the report issued by the College's actuary.

Tayside Pension Fund is accounted for as a defined benefit scheme. The net pension liabilities on the balance sheet arising from participation in the scheme at 31 July 2019 was £5.6 million.

Accounting for this scheme involves significant estimation and judgement and the College engages an actuary to undertake the calculations on their behalf.

ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our approach will include:

- Obtaining an actuarial report at the year end date for the scheme and considering the reasonableness and consistency of assumptions underpinning such reports, in light of guidance available.
- Performing substantive testing on the verification of the pension assets, by engaging with the auditors of Tayside Pension Fund in line with the assurance protocols laid out by Audit Scotland for IAS 19.
- Assessing the work of the actuaries, including the assumptions they have used by engaging internal actuarial specialists to provide input on the consistency and appropriateness of assumptions underpinning the valuation of the pension schemes, and how the impact of the GMP ruling has been considered in the pension liability valuation.

## Inherent Risk – Preparation of Financial Statements

The prior year draft financial statements contained material errors within the primary financial statements. In addition, the draft financial statements did not comply with the requirements of the SFC Accounts Direction and several iterations were required.

The College has experienced significant turnover within the finance team over a period of 18 months and are currently recruiting for a Director of Finance.

The prior year draft financial statements contained material errors within the primary financial statements. In addition, the draft financial statements did not comply with the requirements of the SFC Accounts Direction and several iterations were required.

We also recognise that the College's reliance on manual processes increases the likelihood of error. The College has planned improvements for 2019/20, including an upgrade to the current financial system.

Our approach will include:

- Consider whether recommendations made in 2018/19 were appropriately incorporated into 2019/20 financial statements closure process.
- Determine that the financial statements and the financial data in the disclosures are clerically accurate.
- Agree and reconcile the financial statements amounts and the financial data in the disclosures to the general ledger, trial balance or lead sheets.
- Complete a "Disclosure checklist" for 2019/20 financial statements to ensure all disclosures required by the SFC Accounts Direction and Statement of Recommended Practice: accounting for further and higher education 2019 have been included.
- Read other information in documents containing financial statements to identify material inconsistencies or material misstatements of fact between the financial statements and other information.
- Ensuring appropriate inclusion of all Group components.

## Other audit considerations

We also plan and perform certain general audit procedures on every audit which may not be directly related to financial statement account assertions. Examples of such procedures includes compliance with applicable laws and regulations, litigation and claims and related parties.

### **Accounting Framework**

Updated Statement of Recommended practice: accounting for further and higher education 2019 edition

The Statement of Recommended Practice (SORP): accounting for further and higher education has been updated to reflect the amendments made to FRS 102 following its triennial review in 2017. The revised SORP will be effective for financial periods beginning on or after 1 January 2019 and therefore will be applied by the College within their 2019/20 financial statements.

The triennial review was published by the Financial Reporting Council in December 2017. The majority of amendments were editorial in nature and clarified rather than changed accounting treatment. The amendments to the SORP follow a similar basis and it is not therefore anticipated that the College will be required to adopt substantive number of changes to accounting treatments. We do, however, anticipate that the College will be required to adopt a number of changes to disclosure requirements.

Updated SFC Accounts Directions for Scotland's Colleges

The SFC's Accounts Direction is published annually, expected in May/June 2020, and provides Colleges with guidance on disclosure requirements for the financial statements.

We will work with management during 2019/20 to ensure the correct application of the new requirements.

### **Other audit responsibilities**

Under the terms of our appointment, our role and responsibilities include a number of other assurance activities. This includes the provision of information to support Audit Scotland national reports and studies.

### **Anti-money laundering**

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on 26 June 2017 and replace The Money Laundering Regulations 2007. The regulations impose an obligation on the Auditor General to inform the National Crime Agency if she knows or suspects that any person has engaged in money laundering or terrorist financing. As appointed auditor we will consider arrangements for the College to identify and report any instances of money laundering in line with Audit Scotland reporting arrangements.

### Data analytics

Where possible and appropriate, we will use our bespoke data analysers to enable us to capture whole populations of your financial data, in particular covering journal entries and payroll transactions. These analysers help identify specific exceptions and anomalies within populations of data to focus substantive audit tests more effectively than traditional audit sampling.

We will report the findings of our work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit Committee through the yearend audit reporting process.

### Going Concern – Compliance with ISA 570 Changes

This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after.

The revised standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, which for the College will be the audit of the 2020/21 financial statements. The revised standard increases the work we are required to perform when assessing whether the College is a going concern. It means UK auditors will follow significantly stronger requirements than those required by current international standards; and we have therefore judged it appropriate to bring this to the attention of the Audit Committee.

We will discuss the detailed implications of the new standard with management during the 2019/20 audit, ahead of its application for 2020/21.

### Use of specialists

When auditing key judgements, such as the valuation of property, plant and equipment, defined benefit pension scheme assets and liabilities, or certain assets and liabilities, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the College's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable.
- Assess the reasonableness of the assumptions and methods used.
- Consider the appropriateness of the timing of when the specialist carried out the work.
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



#### Internal audit

We will review the internal audit plan and the results of internal audit's work, including the discussion of audit findings at the Audit Committee and management's response to findings. We will reflect the findings from internal audit reports, together with reports from any other work completed in the year, in our plan for the audit, where they raise issues that could have an impact on the financial statements or our wider responsibilities.

#### Group audit

The Group consists of the following organisations:

- Air Service Training (Engineering) Limited
- Air Service Training (International) Limited (Dormant)
- Brahan Business Services Limited
- Perth College Development Trust

We have considered the arrangements in respect of each of the College's group undertakings at the planning stage and will review throughout the audit.

Air Service Training (Engineering) Limited (AST Ltd), delivers aeronautical engineering courses for both the aviation industry and individual students. We will report our findings as part of our year-end audit reporting. AST Ltd's wholly owned subsidiary Air Service Training (International) Ltd is currently dormant.

Brahan Business Services Limited is a micro-entity which at 31 July 2019 is wholly immaterial to the Group. We will keep this under review throughout the audit.

During 2018/19, the Chair and Chief Executive became Trustees of the Perth College Development Trust. Our updated assessment of the Trust concluded that as the College is now able to exert control over the Trust, the Trust should form part of the College group financial statements. In 2018/19 we agreed with management that this would be an unadjusted misstatement on the basis that the Trust financial position at 31 July 2019 was immaterial to the College's financial statements.

## 4. Wider Scope Dimensions: Risk assessment and approach

Together the Accounts Commission and the Auditor General for Scotland agreed the four dimensions set out in the Code which comprise the wider scope audit for public sector in Scotland. These are: financial sustainability, financial management, governance and transparency, and value for money.

Covid-19 is a pervasive risk that impacts all wider scope dimensions. This will be an area of audit focus for 2019/20 considering how the College has adapted and the implications for the College's finances.

The College had previously been assessed as meeting the definition of a smaller body for the purposes of our wider scope audit consideration. As a result of the risks identified during our audit fieldwork in 2018/19, our assessment was amended and we extended our work to consider financial management and value for money alongside financial sustainability and governance and transparency. In 2019/20 we have therefore intend to form judgements and conclusions on all four dimensions of wider scope public audit.

### **Basis for risk assessment**

The Code sets out an expectation that 'significant' risks identified through our planning process that relate to the wider scope dimensions will be communicated with you.

### **Our procedures**

As part of our risk assessment procedures, we have reviewed each dimension to assess potential areas of risk. We set out our areas of focus, along with specific significant risks relating to each dimension below.

#### Financial Sustainability

Financial sustainability considers the medium and longer term outlook for the College to determine if planning is effective to support service delivery. We focus on the arrangements to develop viable and sustainable financial plans.

During 2018/19 we noted continuing weaknesses in the College's approach to medium term financial planning and reporting, including delays in the submission of key financial papers for Board scrutiny and approval.

In common with other Scottish institutions, the College's Financial Forecast Return to the SFC in September 2019 identified an underlying annual deficit of £600,000. In response, the College established ambitious plans to diversify income within the draft Business Development and International strategies. We highlighted in our 2018/19 Annual Audit Report that all strategies of this nature present a risk that income will not be delivered as planned. Since then, the Covid-19 pandemic is likely to have a significant impact on each strategy. Greater understanding of the likely impact, including scenario planning is critical to allow the Board to adapt and respond.

## Continuing financial pressures

The financial environment in which the College operates was already challenging, and the Covid-19 pandemic will result in further, significant financial pressures. It is anticipated that the College will be unable to fully deliver planned savings or achieve income growth targets in 2019/20 due to the global pandemic. This will increase the financial pressures for future years and creates a significant risk that the College will not be able to develop viable and sustainable financial plans due to external factors.

Our work for the year will consider:

- Has the College revised medium term financial plans to take account of the materialising risks in relation to Covid-19 and has appropriate scenario planning taken place?
- Where gaps in financial plans are identified, is the College proactively engaging with the Scottish Funding Council and other stakeholders to address these gaps?

## Value for Money

Value for Money considers whether best value can be demonstrated in the use of resources, and that there is a clear focus on improvement. In 2019/20, our work will be risk based and focused on two key areas:

- The College's response to the Covid-19 pandemic, including how resources were used to help support students and other stakeholders during the Covid-19 pandemic.
- The response to the procurement weaknesses that were disclosed within the College's Governance Statement in the 2018/19 financial statements.

## Procurement weaknesses

During 2018/19, College management identified a number of areas of potential procurement weaknesses. The College has identified a number of improvement actions, including the development of a contracts register to identify contracts that are due for retender and the revision and update of the Procurement Strategy.

Our work for the year will consider:

- Has the College progressed with the implementation of improvement actions to address procurement weaknesses?
- Does the College have an approved, up-to-date Procurement Strategy which is in line with best practice?

## Financial Management

The financial management dimension considers the effectiveness of financial management arrangements, including whether there is sufficient financial capacity and resources, sound budgetary processes and whether the control environment and internal controls are operating effectively.

In our 2018/19 Annual Audit Report, we concluded that there was significant scope to improve the quality of financial reporting by providing focused analysis on significant budget movements, the impact of key strategies and the forecast outturn position.

### Financial reporting and capacity

During 2018/19, Board members highlighted that key financial reports provided late or verbally undermined their ability to fully discharge their responsibilities.

Timely and quality financial reporting is of increasing importance during the current environment as management and the Board will be required to make increasingly challenging financial decisions as the full effects of the pandemic are known. Our work will consider:

- Whether financial reports were presented in a timely manner to enable members to fully discharge their responsibilities.
- Whether financial reports provided clear explanations for budget variances and the impact they have on the College's overall financial position.
- The effectiveness of financial reporting in articulating areas of financial risk.
- Whether the College has sufficient financial skills and capacity.

We recognise that financial management arrangements will have evolved as part of the College's response to Covid-19 and therefore we will additionally consider:

- How internal control arrangements were adapted to respond to new remote working arrangements.
- How the College responded to budgetary pressures including the loss of non-SFC income.

The effectiveness of financial reporting is underpinned by the quality of information available to the Finance Team. During 2018/19 we noted significant weaknesses with the College's finance system, including continuing reliance on manual processes.

We note that the Regional Strategic Body, UHI, continues to invest in an updated shared finance system, which it hopes to share across all academic partners. The University's supplier, Tech One, is supporting the project and expects a go live date at the Executive Office in August 2020, followed by a phased roll out across Academic Partners.

## Governance and Transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

In 2018/19, we noted that while the College has a number of key features of good governance, there was a risk that Board members are not provided with enough support or information to fully discharge their responsibilities.

Management's assessment of compliance with the Code of Good Governance identified two areas of non-compliance. The College also disclosed a number of other significant control weaknesses within the Governance Statement, including the failure to produce and finalise financial statements by the deadline set within the Accounts Direction. We also note that the College's internal auditors have drawn attention to limited progress made to date in implementing internal audit recommendations.

Our work in 2019/20 will focus on the College's progress against the improvement action plan, which was developed in response to the weaknesses identified within our Annual Audit Report and the Governance Statement.

### Governance Statement

The College noted a number of weaknesses within the 2018/19 Governance Statement. The College Board approved a comprehensive Action Plan in February 2020 to allow progress to be monitored and reported.

Our work for the year will consider:

- A targeted follow up review to assess progress against the action plan, reflecting the necessity of changes in priorities to reflect the global pandemic.
- The completeness of the Governance Statement within the financial statements in reflecting findings from audit, scrutiny and inspection?
- Where non-compliance with the Code of Good Governance is identified are appropriate mitigating actions in place and disclosed?
- Has the Governance Statement appropriately disclosed what steps management has taken to address weaknesses disclosed in the 2018/19 Governance Statement?
- Whether the College has performed a review against the *Good Practice Note on Improving the Quality of College Annual Report and Accounts – Governance Statements*, which was published by Audit Scotland in May 2019. In particular, has the College documented how governance arrangements effectively manage risk to support the College's Corporate Strategy?

In line with auditing standards, as part of our consideration of the College's governance arrangements, we will write to the College Audit Committee to confirm how those charged with governance ensure oversight of management and appropriate governance arrangements are in place. This is not reflective of specific risks identified at the College but rather in line with our process to annually make formal inquiries beyond standard management meetings and representations.

# Appendices

A – Code of Audit Practice: responsibilities

B – Independence and audit quality

C – Required communications with the Audit Committee

D – Timing and deliverables of the audit

E – Audit fees

F – Additional audit information

# Appendix A: Code of Audit Practice Responsibilities

## Audited Body's Responsibilities

### Corporate Governance

Each body, through its chief executive or accountable officer, is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Audited bodies should involve those charged with governance (including Audit & Risk Committees or equivalent) in monitoring these arrangements.

### Financial Statements and related reports

Audited bodies must prepare an annual report and accounts containing financial statements and other related reports. They have responsibility for:

- preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation.
- maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support their financial statements and related reports disclosures.
- ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority.
- maintaining proper accounting records.
- preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body.
- Management, with the oversight of those charged with governance, should communicate clearly and concisely relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework.

Audited bodies are responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at their disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.

### Standards of conduct / prevention and detection of fraud and error

Audited bodies are responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption and also to ensure that their affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.

### Financial Position

Audited bodies are responsible for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:

- such financial monitoring and reporting arrangements as may be specified
- compliance with any statutory financial requirements and achievement of financial targets
- balances and reserves, including strategies about levels and their future use
- how they plan to deal with uncertainty in the medium and longer term
- the impact of planned future policies and foreseeable developments on their financial position.

### Best Value

The Scottish Public Finance Manual sets out that accountable officers appointed by the Principal Accountable Officer for the Scottish Administration have a specific responsibility to ensure that arrangements have been made to secure best value.

# Appendix B: Independence Report

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2016, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> <li>▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard</li> </ul>	<ul style="list-style-type: none"> <li>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▶ Written confirmation that all covered persons are independent;</li> <li>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and</li> <li>▶ An opportunity to discuss auditor independence issues</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

We confirm that we have undertaken client and engagement continuance procedures, which include our assessment of our continuing independence to act as your external auditor.



# Appendix B: Independence Report (continued)

## Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

### Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Stephen Reid, your audit engagement partner, and the audit engagement team have not been compromised.

### Self interest threats

A self interest threat arises when EY has financial or other interests in the Group. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's Ethical Standard and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC Ethical Standard, and if necessary agree additional safeguards or not accept the non-audit engagement. At the time of writing, the current ratio of non-audit fees to audit fees is approximately 0% (Appendix E), and will continue to be monitored through the audit engagement. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

### Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

### Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Group. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

### Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

# Appendix B: Independence Report (continued)

## New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

### Summary of key changes

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Stephen Reid, your audit engagement partner, and the audit engagement team have not been compromised.

- ▶ Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates;
- ▶ A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries;
- ▶ A narrow list of permitted services where closely related to the audit and/or required by law or regulation;
- ▶ Absolute prohibition on the following relationships applicable to UK PIE and its affiliates, including material significant investees/investors:
  - ▶ Tax advocacy services
  - ▶ Remuneration advisory services
  - ▶ Internal audit services
  - ▶ Secondment/loan staff arrangements
- ▶ An absolute prohibition on contingent fees;
- ▶ Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential;
- ▶ Permitted services required by law or regulation will not be subject to the 70% fee cap;
- ▶ Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms;
- ▶ A requirement for the auditor to notify the Audit Committee where the audit fee might compromise perceived independence and the appropriate safeguards;
- ▶ A requirement to report to the audit committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

### Next steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2016 which will continue to apply until 31 July 2020 as well as the recently released FRC Revised Ethical Standard 2019 which will be effective from 1 August 2020. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales.

We do not provide any non-audit services which would be prohibited under the new standard.

# Appendix C: Required Communications

Required communication	Our reporting to you
<p><b>Terms of engagement / Our responsibilities</b></p> <p>Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.</p> <p>Our responsibilities are as set out in our engagement letter.</p>	<p>Audit Scotland Terms of Appointment letter – audit to be undertaken in accordance with the Code of Audit Practice</p>
<p><b>Planning and audit approach</b></p> <p>Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.</p>	<p>Annual Audit Plan</p>
<p><b>Significant findings from the audit</b></p> <ul style="list-style-type: none"> <li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Significant difficulties, if any, encountered during the audit</li> <li>• Significant matters, if any, arising from the audit that were discussed with management</li> <li>• Written representations that we are seeking</li> <li>• Expected modifications to the audit report</li> <li>• Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	<p>Annual Audit Plan Annual Audit Report</p>
<p><b>Going concern</b></p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>• Whether the events or conditions constitute a material uncertainty</li> <li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>• The adequacy of related disclosures in the financial statements</li> </ul>	<p>Annual Audit Report</p>
<p><b>Misstatements</b></p> <ul style="list-style-type: none"> <li>• Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>• The effect of uncorrected misstatements related to prior periods</li> <li>• A request that any uncorrected misstatement be corrected</li> <li>• Corrected misstatements that are significant</li> <li>• Material misstatements corrected by management</li> </ul>	<p>Annual Audit Report</p>
<p><b>Fraud</b></p> <ul style="list-style-type: none"> <li>• Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>• Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>• A discussion of any other matters related to fraud</li> </ul>	<p>Annual Audit Report</p>
<p><b>Consideration of laws and regulations</b></p> <ul style="list-style-type: none"> <li>• Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>• Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	<p>Annual Audit Report or as occurring if material.</p>

**Required communication****Our reporting to you****Related parties**

Significant matters arising during the audit in connection with the entity's related parties including, when applicable:

- Non-disclosure by management
- Inappropriate authorisation and approval of transactions
- Disagreement over disclosures
- Non-compliance with laws and regulations
- Difficulty in identifying the party that ultimately controls the entity

Annual Audit Report or as occurring if material.

**Independence**

Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence

Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:

- The principal threats
- Safeguards adopted and their effectiveness
- An overall assessment of threats and safeguards
- Information about the general policies and process within the firm to maintain objectivity and independence

Annual Audit Plan

Annual Audit Report

**Internal controls**

Significant deficiencies in internal controls identified during the audit

Annual Audit Report

**Representations**

We will request written representations from management and/or those charged with governance.

Annual Audit Report

**Subsequent events**

Where appropriate, asking the audit committee whether any subsequent events have occurred that might affect the financial statements.

Annual Audit Report

**Material inconsistencies and misstatements**

Material inconsistencies or misstatements of fact identified in other information which management has refused to revise

Annual Audit Report

**Fee Reporting**

- Breakdown of fee information when the audit plan is agreed
- Breakdown of fee information at the completion of the audit
- Any non-audit work

Annual Audit Plan

Annual Audit Report

# Appendix D: Timing and deliverables of the audit

We deliver our audit in accordance with the timeline set by the College, in accordance with guidance from Audit Scotland. Below is an indicative timetable showing the key stages of the audit and the deliverables through the 2019/20 audit cycle. This timetable is based on similar timeframes for deliverables and completion milestones as last year and was set before the Covid-19 outbreak. It will be subject to ongoing consideration as outlined on page 7 of our report and any revisions will be agreed with management and communicated to the Audit Committee as appropriate.

	Audit Activity	Deliverable	Timing
FEB	<ul style="list-style-type: none"> <li>Review progress of NFI exercise</li> </ul>	Submit NFI Questionnaire	28 February 2020
MAR			
APR	<ul style="list-style-type: none"> <li>Audit planning and setting scope and strategy for the 2019/20 audit</li> </ul>	Annual Audit Plan	May 2020
MAY	<ul style="list-style-type: none"> <li>Walkthrough Visit</li> </ul>	Completion of internal documentation	May 2020
JUN			
SEP	<ul style="list-style-type: none"> <li>Year-end substantive audit fieldwork on unaudited financial statements</li> </ul>	Audited Financial Statements	October 2020
OCT	<ul style="list-style-type: none"> <li>Conclude on results of audit procedures</li> </ul>	Issue Annual Audit Report	31 December 2020
NOV			
DEC	<ul style="list-style-type: none"> <li>Issue opinion on the College's financial statements</li> </ul>	Submit Audit Scotland minimum dataset request	31 December 2020

# Appendix E: Audit fees

The audit fee is determined in line with Audit Scotland’s fee setting arrangements, set out in recent communications to all audited bodies in line with their publication on ‘Our Approach to setting audit fees’ ([http://www.audit-scotland.gov.uk/uploads/docs/um/audit\\_fee\\_approach.pdf](http://www.audit-scotland.gov.uk/uploads/docs/um/audit_fee_approach.pdf)). All fees are inclusive of VAT.

Audit Fees		2019/20	2018/19
	<b>Component of fee:</b>		
	Auditor remuneration – expected fee	<b>£18,340</b>	<b>£18,280</b>
	Additional audit procedures (see below)	<b>£TBD</b>	<b>£60,800</b>
	Audit Scotland fixed charges:		
	Pooled costs	<b>£1,050</b>	<b>£880</b>
	Contribution to Audit Scotland costs	<b>£1,000</b>	<b>£930</b>
	<b>Total fee</b>	<b>£TBD</b>	<b>£80,890</b>

The base audit fee for each body, which is set centrally by Audit Scotland, assumes that the College has sound governance arrangements and operating effectively throughout the year, prepares comprehensive and accurate draft financial statements and supporting schedules, and meets the agreed timetable for the audit. It also assumes there is no major change in respect of the scope of work in the year and an unqualified audit opinion resulting from the audit.

Should any of these circumstances not be in place throughout the audit, it is expected that additional costs will be incurred through the course of the audit which will be subject to recovery in line with the agreed process and rates set out by Audit Scotland. Under this process, fees can be agreed between the auditor and audited body by varying the auditor remuneration by up to 10% above the level set, or more with the approval of Audit Scotland.

At this stage we have not been able to fully consider and quantify the potential impact of Covid-19 on the financial statements accounting requirements, key judgements made by management, and the subsequent audit consideration we are required to undertake or additional work required to address the changes in the process of the preparation of the financial statements or audit. However, we anticipate that this matter alone will have a significant impact on 2019/20 audit fees.

All fee variations will depend on the progress made by management in providing robust impact assessments and supporting schedules in line with the underlying accounting requirements outlined by the Scottish Funding Council and Audit Scotland guidance. Where further additional work is required, fee variations will be agreed with management and reported to the Audit Committee in our 2019/20 Annual Audit Report.

Our 2018/19 audit required a significant number of changes to the originally planned scope and level of testing required to finalise our opinion on the financial statements has been substantially increased. We signalled within our 2018/19 Annual Audit report that there would be a significant level of fee variation to reflect the scale of work required. We discussed the level of fee variation with Audit Scotland, along with the Principal and Vice Principal – External on conclusion of our work, and report our final fee in the above table.

# Appendix F: Additional audit information

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

## Our responsibilities required by auditing standards

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Read other information contained in the financial statements, the Audit & Risk Committee reporting appropriately addresses matters communicated by us to the Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- Maintaining auditor independence.

## Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the locations at which we conduct audit procedures and the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

## Audit Quality Framework / Annual Audit Quality Report

Audit Scotland are responsible for applying the Audit Quality Framework across all audits. This covers the quality of audit work undertaken by Audit Scotland staff and appointed firms. The team responsible are independent of audit delivery and provide assurance on audit quality to the Auditor General and the Accounts Commission.

We support reporting on audit quality by providing additional information including the results of internal quality reviews undertaken on our public sector audits. The most recent audit quality report can be found at: [www. \[https://www.audit-scotland.gov.uk/uploads/docs/report/2019/as\\\_audit\\\_quality\\\_1819.pdf\]\(https://www.audit-scotland.gov.uk/uploads/docs/report/2019/as\_audit\_quality\_1819.pdf\)](http://www.audit-scotland.gov.uk/uploads/docs/report/2019/as_audit_quality_1819.pdf).

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details can be found in our annual Transparency Report:

[https://www.ey.com/en\\_uk/who-we-are/transparency-report-2019](https://www.ey.com/en_uk/who-we-are/transparency-report-2019)

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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<b>Committee</b>	Audit Committee
<b>Subject</b>	Contract Extensions
<b>Date of Committee meeting</b>	19/05/2020
<b>Author</b>	Veronica Lynch, Vice Principal External
<b>Date paper prepared</b>	12/05/2020
<b>Executive summary of the paper</b>	<p>This paper provides requests for extension to current contracts for</p> <ol style="list-style-type: none"> <li>1. Catering,</li> <li>2. Finance System Upgrade</li> <li>3. Internal Audit Services</li> </ol> <p>These extensions are recommended for a 12 month period to August 2021.</p> <p>Members are asked to recommend the contents of this paper for approval at the Finance and General Purposes Committee.</p>
<b>Consultation</b> How has consultation with partners been carried out?	<p>Perth College Senior Management Team</p> <p>APUC</p> <p>Perth College Finance Team</p>
<b>Action requested</b>	<p><input type="checkbox"/> For information only</p> <p><input type="checkbox"/> For discussion</p> <p><input checked="" type="checkbox"/> For recommendation</p> <p><input type="checkbox"/> For approval</p>
<b>Resource implications</b> (If yes, please provide details)	<p><b>Yes/ No</b></p> <p>Catering contract costs of £404,000</p> <p>Finance System Upgrade costs of £35,084 and platform fees of £27,035.04</p> <p>Internal Audit Fees of £15,000</p>

<p><b>Risk implications</b> (If yes, please provide details)</p>	<p><b>Yes/ No</b> Potential loss of continuity of service</p>
<p><b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	<p>Provide a summary of the how the paper links to key College priorities and what they are</p> <p>Financial Sustainability</p> <p>Compliance</p> <p>Risk Management</p>
<p><b><u>Equality and diversity</u></b> Yes/ No If yes, please give details:</p>	<p>There are no Equality and Diversity Implications arising from this paper.</p>
<p><b>Island communities</b> Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p><b>Yes/ No</b> If yes, please give details: Click or tap here to enter text.</p>
<p><b><u>Data Protection</u></b> Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p><b>Yes/ No</b> Click or tap here to enter text.</p>

## Perth College UHI

## Paper 12

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

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

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

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

and

[http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

## Procurement Non-Competitive Action Form

### Introduction

It is the institute's policy that contracts for goods, services and works must be awarded on the basis of Value for Money (VFM) following a genuine and effective competition.

However, the institutions procurement policy recognises that there may be occasions where it may be appropriate to award a contract for goods, services and works without following a genuine and effective competition. This procedure is known as Non-Competitive Action (NCA) and can only be applied in **exceptional** circumstances.

NCA will only be approved when a genuine business need exists which outweighs the need to compete the requirement. All evidence in support of NCA must stand up to scrutiny or challenge by a potential supplier.

The following guidance has been put together to provide information about NCA and the process of obtaining approval to use this procedure. This should be read prior to any NCA request being submitted.

### Reasons That Might be Acceptable for Using Non-Competitive Action

- **Extreme urgency** – Competition is not required when a contract needs to be put in place urgently to respond to a circumstance which is 'unforeseeable' by, and out with the control of, Registers of Scotland (eg severe and unprecedented weather conditions). However, any contract awarded through the NCA process must only cover the urgent (immediate) need.  
**Note: This does not include situations where there is an extreme urgency to award a contract on the basis that the customer was aware of the requirement but has failed to factor sufficient time into their workflow/work planning to allow a genuine and effective competition to be undertaken.**
- **Only one possible supplier** – You will need to provide objective evidence that will withstand scrutiny and audit to support the decision that there is not an alternative or equivalent product or service available in the market which will meet your needs.
- **Additional purchases from the same supplier** – After a contract has been awarded, additional requirements which have arisen through genuine and unforeseen circumstances and were not included in the original contract may, depending on the precise circumstances, be 'added on' to that contract. However, careful consideration should be given at the outset of the contract to avoid this circumstance, wherever possible and must not exceed 50% of the original contract value.
- **Research exemption** – Funding criteria should always be the driving factor and also that the research exemption only applies if equipment is solely for research purpose and not for commercial use.

## Reasons That Are Not Acceptable

- **Contract is about to end but there is an ongoing requirement** – It is important that you take account of future needs at the earliest opportunity as a failure to plan for future requirements will not support the approval of NCA.
- **There is not sufficient time to carry out a competition** – This will not support the approval of NCA. The time taken to run a competitive process will reflect the value, nature and complexity of the purchase.
- **I am under pressure to award this contract quickly** – Unless the pressure has arisen through an urgent unforeseeable situation (see above), then you will need to award the contract following a genuine and effective competition.
- **I have used this supplier before and like what they can do** – The institutions policy requires that contracts are awarded through a genuine and effective competition. In the absence of a competition it may be difficult to demonstrate VFM.
- **I have been approached by a supplier and like their idea** – Any such approach will not result in the supplier simply being awarded a contract on a non-competitive basis. If the proposal is consistent with the business need, that need must be met by running a genuine and effective competition.

**If the reasons above do not apply to your purchase, please refer back to the Procurement Policy and the Procurement Rules that apply to the value of your purchase.**

## Additional Information

Any external consultancy contracts with a value of £100,000 aggregated over 4 years must be approved in advance by the Scottish Funding Council.

Requirements must not be 'split' into contracts of lower value, or reduced in duration, to avoid the need to advertise/conduct or engage with Procurement Services.

Where the proposed purchase is over £50k (over a 4 year contract or one off spend), it is best practice for the institute to publish a VEAT (Voluntary Ex-Ante Transparency) Notice on Public Contracts Scotland to inform suppliers a contract has been awarded without a competitive process being followed and outlines the reasons.

All Non-Competitive Actions will be recorded by the Procurement Team and included in the Procurement Annual Report.

## Linked Policies

- Procurement Policy
- Step by Step Guide
- Procurement Strategy

NCA No:

## Part 1 – NCA Request Details

Department: SMT

Requester Name: Catherine Etri

Budget Holder Name/Job Title: Associate Principal

Proposed Supplier: Sodexo

Value of Purchase\* Request: £404,000  
(\*Purchase value is the one off capital cost or contract value over 4 years.)

### Brief Description of the Goods/Services Required

#### Type of Purchase:

- One Off  
 Repeat Order  
 Repair  
 Other

If other, please detail: \_\_\_\_\_

#### Category of Non-Competitive Action

- Extreme Urgency  
 Single Supplier  
 Additional Purchase  
 Research Exemption

**Full Details** – Please provide full details below for request including specification of product or service and expand on reason(s) for Non-Competitive Action Category (as per list above). The College has prepared a tender for the Catering service. This tender includes an element of curriculum delivery where hospitality students gain experience within the College's own commercial kitchen. The tender process was due to complete with a new provider selected to begin at the start of the 2020/21 academic year. Due to the Coronavirus outbreak, APUC have advised that this has limited the number and quality of bidders and recommended an extension for 12 months. The current contractor, Sodexo, would be willing to continue to ensure continuity of service and reduce the risk of no service from August 2020. Attached paper outlines the rationale/ Board approval documentation.

Requester Signature: \_\_\_\_\_

Date: 09/04/20

Budget Holder Signature: \_\_\_\_\_

Date: 09/04/20

NCA No:

## Part 2 – Procurement Review (To be Completed by Procurement Department)

Date Received: 9<sup>th</sup> April 2020

Reviewed by (Name): Deirdre Matthew

Position: Procurement Manager

Signature: \_\_\_\_\_

Date: 14<sup>th</sup> April 2020

Procurement Recommendation: It is the recommendation of the procurement team that the re-tender for the Provision of Outsourced Catering be extended for a period of 12 months due to the current Covid-19 situation, the current situation has resulted in most of the perspective bidders placing staff on furlough therefore we feel we would not achieve comprehensive/ competitive bids due to the lack of resource, also not all suppliers could attend the site visit which was immediately prior to the lockdown situation, a further risk was identified as the lack of time the new (or existing supplier) would have to re-vamp and upgrade the current facilities, this was planned to take place over the summer break but again due to current restrictions this would not happen thus having an effect on term curriculum and the new branding/ launch of the facilities.

## Part 3 – Finance Review (To be completed by Finance Department)

Value of Purchase: £404,000

Reviewer Name: Veronica Lynch

Position: Vice Principal External

Head of Finance Signature: \_\_\_\_\_

Date: 1 May 2020

Approved:  Yes  No

Finance Comments: As a result of the COVID-19 outbreak, the full tender process was unable to be completed as this contract required the potential contractors to be able to plan how they would use the facilities to undertake student learning and teaching. This planning exercise was unable to be done as well as many of the staff within these contracting organisations being on furlough and therefore getting a best value tender and being able to ensure a valid handover was unable to be guaranteed.

## Perth College UHI

### Board of Management Paper – on-line decision

#### Proposal to Suspend Catering Tender

##### Introduction

The College has started a process of tendering for our Catering Contract however given the current circumstances the advice from APUC (Advanced Procurement for Universities and Colleges) is that we suspend the process and extend our current contract for one year starting the tendering process again in January 2021.

The SMT support this way forward and the Board are asked to consider this paper and indicate whether they agree with this proposal.

##### Issues

There are a number of issues associated with COVID-19 that will impact on the tender process which will subsequently increase the risk to both the provision of our catering for staff and students and the delivery of the curriculum to Hospitality and Professional Chef students to an unacceptable level. On resumption of normal business this may mean that we are unable to meet the needs of our students and staff.

The British government have issued guidance on public procurement regulation in response to COVID-19 which permit public bodies to use regulation 32(2)(c) under the Public Contract Regulations 2015. This Procurement Policy Note and associated guidance covers options that may be considered in relation to procurements under the Public Contract Regulations 2015 (for the current financial thresholds, see PPN 06/19) including extending or modifying a contract during its term.

Regulation 72(1) sets out the following:

*Contracts ... may be modified without a new procurement procedure ... in any of the following cases:*

*(c) where all of the following conditions are fulfilled:*

*(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;*

#### [Cabinet Office Procurement Policy Note – Responding to COVID-19](#)

##### Impacting factors

1. Due to the Covid-19 spread we are at risk of not receiving the standard of bids that we might have expect from all companies in the normal process, at least one



interested bidder pulled out as a result of not being able to attend the tour of the facilities

2. Extending the current agreement would reduce the risk associated with COVID-19 contingency planning in light of a prolonged period out of college. We may potentially be in a situation where there is no mobilisation or handover period, this will compound what is already a highly challenging situation.
3. The financial impact of COVID-19 on the services sector is also materially increasing the risk to the catering service and it is likely that there will be issues with suppliers, and escalating food prices. The knowledge that Sodexo currently has of our overall catering and training/curriculum requirements would provide a level of confidence that they would be best place to effectively manage service delivery through this period of uncertainty, minimising risk to the college, students and staff.
4. Going to tender in a volatile or strained market may mean that optimum value could be undermined or financial commitments subject to an excessive or unacceptable range of variables and caveats.
5. The mobilisation of a contract of this scale is a very complex project that will demand significant resources – both financial and staff. The added complication related to curriculum provision would make this virtually impossible.
6. We are already behind schedule in the Tender process due to the impact of COVID-19 and this is likely to significantly impact bidding, hand over, deployment and the potential to provide practical development of student competences.
7. Availability of resources will be significantly stretched over the coming weeks and months potentially undermining the rebranding and investment impact on catering resources and new activities.
8. There is heightened anxiety for teaching staff and students involved in the curriculum project with Sodexo. SQA have identified that students on practical based courses, may have to carry forward elements of their learning into the next session, this will be very difficult to manage and the risk to students is increased as we may be working with a new catering supplier with no knowledge of how to assist students in the development of practical competences.

SMT propose to suspend the Tender process and extend the current contract for a further academic year and recommend the Tender process recommence in January 2021 to give all bidders time to do a comprehensive mobilisation. This will ensure the least possible disruption to the curriculum for the catering students and facilitate comparisons at a later stage to appoint the best supplier through the procurement process.

## **Additional details on current timelines**

The original time lines for the bid

Submission -17<sup>th</sup> April  
Evaluation process commencement 20<sup>th</sup> April  
Clarification interviews 13<sup>th</sup> May  
Contract award 12<sup>th</sup> June

Lead period July and August  
Contract commencement 1<sup>st</sup> September

Before the tender process was suspended

The new submission date 15<sup>th</sup> May

If the process time lines were to follow

The contract award would be into approx. 10<sup>th</sup> July leaving a lead time of 5 weeks until the academic staff return however this is an unknown due to COVID-19.  
With the complexities to implement/ support a student learning programme this would be impossible.

## **Additional detail re curriculum planning**

Development of full year menus to meet the curriculum and the link with student/staff menu choices.

Once menus are agreed ie meet the learning skills of each qualification/award the days have to be adapted to meet the skill levels of students in the kitchen on particular days. This can only be done in collaboration with the college key stake holders.

Development of associated recipes adapted to meet all curriculum requirements including, equality, diversity and inclusion considerations.

Curriculum staff then prepare learning materials based on the above factors and associated practical student learning experiences.

Planning ordering and supply food chain with new or reduced suppliers.

No academic staff available due to summer holidays from June - August

The current situation increases the risk of this not being carried out in an effective and student focussed manner if at all.

If we continue for the 20/21 session with Sodexo then the people, knowledge and planning structures are available from day one of normal business.

## Procurement Non-Competitive Action Form

### Introduction

It is the institute's policy that contracts for goods, services and works must be awarded on the basis of Value for Money (VFM) following a genuine and effective competition.

However, the institutions procurement policy recognises that there may be occasions where it may be appropriate to award a contract for goods, services and works without following a genuine and effective competition. This procedure is known as Non-Competitive Action (NCA) and can only be applied in **exceptional** circumstances.

NCA will only be approved when a genuine business need exists which outweighs the need to compete the requirement. All evidence in support of NCA must stand up to scrutiny or challenge by a potential supplier.

The following guidance has been put together to provide information about NCA and the process of obtaining approval to use this procedure. This should be read prior to any NCA request being submitted.

### Reasons That Might be Acceptable for Using Non-Competitive Action

- **Extreme urgency** – Competition is not required when a contract needs to be put in place urgently to respond to a circumstance which is 'unforeseeable' by, and out with the control of, Registers of Scotland (eg severe and unprecedented weather conditions). However, any contract awarded through the NCA process must only cover the urgent (immediate) need.  
**Note: This does not include situations where there is an extreme urgency to award a contract on the basis that the customer was aware of the requirement but has failed to factor sufficient time into their workflow/work planning to allow a genuine and effective competition to be undertaken.**
- **Only one possible supplier** – You will need to provide objective evidence that will withstand scrutiny and audit to support the decision that there is not an alternative or equivalent product or service available in the market which will meet your needs.
- **Additional purchases from the same supplier** – After a contract has been awarded, additional requirements which have arisen through genuine and unforeseen circumstances and were not included in the original contract may, depending on the precise circumstances, be 'added on' to that contract. However, careful consideration should be given at the outset of the contract to avoid this circumstance, wherever possible and must not exceed 50% of the original contract value.
- **Research exemption** – Funding criteria should always be the driving factor and also that the research exemption only applies if equipment is solely for research purpose and not for commercial use.

## Reasons That Are Not Acceptable

- **Contract is about to end but there is an ongoing requirement** – It is important that you take account of future needs at the earliest opportunity as a failure to plan for future requirements will not support the approval of NCA.
- **There is not sufficient time to carry out a competition** – This will not support the approval of NCA. The time taken to run a competitive process will reflect the value, nature and complexity of the purchase.
- **I am under pressure to award this contract quickly** – Unless the pressure has arisen through an urgent unforeseeable situation (see above), then you will need to award the contract following a genuine and effective competition.
- **I have used this supplier before and like what they can do** – The institutions policy requires that contracts are awarded through a genuine and effective competition. In the absence of a competition it may be difficult to demonstrate VFM.
- **I have been approached by a supplier and like their idea** – Any such approach will not result in the supplier simply being awarded a contract on a non-competitive basis. If the proposal is consistent with the business need, that need must be met by running a genuine and effective competition.

**If the reasons above do not apply to your purchase, please refer back to the Procurement Policy and the Procurement Rules that apply to the value of your purchase.**

## Additional Information

Any external consultancy contracts with a value of £100,000 aggregated over 4 years must be approved in advance by the Scottish Funding Council.

Requirements must not be 'split' into contracts of lower value, or reduced in duration, to avoid the need to advertise/conduct or engage with Procurement Services.

Where the proposed purchase is over £50k (over a 4 year contract or one off spend), it is best practice for the institute to publish a VEAT (Voluntary Ex-Ante Transparency) Notice on Public Contracts Scotland to inform suppliers a contract has been awarded without a competitive process being followed and outlines the reasons.

All Non-Competitive Actions will be recorded by the Procurement Team and included in the Procurement Annual Report.

## Linked Policies

- Procurement Policy
- Step by Step Guide
- Procurement Strategy

NCA No:

## Part 1 – NCA Request Details

Department: SMT

Requester Name: Veronica Lynch

Budget Holder Name/Job Title: Vice Principal

Proposed Supplier: Symmetry

Value of Purchase\* Request: £35,084 Software upgrade plus £27,035.04 platform fee  
(\*Purchase value is the one off capital cost or contract value over 4 years.)

### Brief Description of the Goods/Services Required

#### Type of Purchase:

- One Off  
 Repeat Order  
 Repair  
 Other

If other, please detail: \_\_\_\_\_

#### Category of Non-Competitive Action

- Extreme Urgency  
 Single Supplier  
 Additional Purchase  
 Research Exemption

**Full Details** – Please provide full details below for request including specification of product or service and expand on reason(s) for Non-Competitive Action Category (as per list above). The College's current finance system is with Symmetry. To support the implementation of improved finance reporting and processes, it is critical that a solution can be provided which enables improvements promptly with minimum disruption.

1. A migration to any new finance system is an enormous and very disruptive exercise which the College would find it difficult to bear that at the moment with key priorities to address challenges with manual processing leading to audit weaknesses. Implementing a new system that would be Tech One (UHI system due for implementation in August 2020) would take a longer timescale than our College Finance Team has the capacity for at this time.

2. Our proposed approach is to implement a Symmetry upgrade from Blu Qube 3 to Blu Qube 4. This proposal would be implemented within 4-6 weeks in July 2020 to upgrade our software. This would enable improved finance processes and reporting to deliver the actions identified within the external audit process.

3. The Symmetry upgrade does not prevent tendering in the future as there is no minimum term being imposed. Whilst there is an upgrade cost of £35,084, the payback period from efficiency, audit and printing savings, would be within an estimated 12 month period.

The contract for the College's Finance system has been in place for a 10 year period. This has not been tendered due to the proposal from UHI for all Academic partners to move to a single Tech One Finance system. This will be implemented within UHI EO in August 2020

**NCA No:**

and potentially rolled out to Academic partners thereafter. The College would be able to review the business case for Tech One to ensure this would meet our needs. An alternative/complementary option would be to conduct a tender exercise which would include Tech One to ensure that a service meeting the College needs could be provided. These potential options would be clearer once the Tech One system is operating successfully in EO.

The new Scottish Government Coronavirus Guidance for Public Bodies issued on 20 March enables an additional 12 month extension to the existing Symmetry contract which includes the platform fees of £27,035.04. The software upgrade from BluQube3 to version 4 would be sourced on the basis of a single supplier. A tender process could then begin during 2020/21 with a start date of August 2021 for either Tech One or another supplier.

Requester Signature: \_\_\_\_\_

Date: 12/05/20 \_\_\_\_\_

Budget Holder Signature: \_\_\_\_\_

Date: 12/05/20 \_\_\_\_\_

NCA No:

## Part 2 – Procurement Review (To be Completed by Procurement Department)

Date Received: 12 May 2020

Reviewed by (Name): Deirdre Matthew

Position: Procurement Manager

Signature: \_\_\_\_\_

Date: 12 May 2020

Procurement Recommendation: It is the recommendation of the procurement team that the re-tender for the Provision of a Finance Service be undertaken as soon as is practicable. In the meantime, extending the Symmetry platform for a period of 12 months and the upgrade of the software be sourced from the same supplier would be reasonable due to the upcoming UHI proposed shared finance service, as well as the current Covid-19 situation. The current situation has resulted in many of the prospective bidders placing staff on furlough therefore achieving comprehensive/ competitive bids due to the lack of resource would be difficult at this time. We have also taken into account the College's own rationale of improving its finance processes which have been recommended by External Audit.

## Part 3 – Finance Review (To be completed by Finance Department)

Value of Purchase: £35,084 plus £27,035.04

Reviewer Name: Graham Little

Position: Interim Head of Finance

Head of Finance Signature: \_\_\_\_\_

Date: 12 May 2020

Approved:  Yes  No

Finance Comments: Based on the rationale provided in this paper and the requirement to move towards this system improvement by External Audit, this investment is endorsed.

## Procurement Non-Competitive Action Form

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NCA will only be approved when a genuine business need exists which outweighs the need to compete the requirement. All evidence in support of NCA must stand up to scrutiny or challenge by a potential supplier.

The following guidance has been put together to provide information about NCA and the process of obtaining approval to use this procedure. This should be read prior to any NCA request being submitted.

### Reasons That Might be Acceptable for Using Non-Competitive Action

- **Extreme urgency** – Competition is not required when a contract needs to be put in place urgently to respond to a circumstance which is 'unforeseeable' by, and out with the control of, Registers of Scotland (eg severe and unprecedented weather conditions). However, any contract awarded through the NCA process must only cover the urgent (immediate) need.  
**Note: This does not include situations where there is an extreme urgency to award a contract on the basis that the customer was aware of the requirement but has failed to factor sufficient time into their workflow/work planning to allow a genuine and effective competition to be undertaken.**
- **Only one possible supplier** – You will need to provide objective evidence that will withstand scrutiny and audit to support the decision that there is not an alternative or equivalent product or service available in the market which will meet your needs.
- **Additional purchases from the same supplier** – After a contract has been awarded, additional requirements which have arisen through genuine and unforeseen circumstances and were not included in the original contract may, depending on the precise circumstances, be 'added on' to that contract. However, careful consideration should be given at the outset of the contract to avoid this circumstance, wherever possible and must not exceed 50% of the original contract value.
- **Research exemption** – Funding criteria should always be the driving factor and also that the research exemption only applies if equipment is solely for research purpose and not for commercial use.



## Reasons That Are Not Acceptable

- **Contract is about to end but there is an ongoing requirement** – It is important that you take account of future needs at the earliest opportunity as a failure to plan for future requirements will not support the approval of NCA.
- **There is not sufficient time to carry out a competition** – This will not support the approval of NCA. The time taken to run a competitive process will reflect the value, nature and complexity of the purchase.
- **I am under pressure to award this contract quickly** – Unless the pressure has arisen through an urgent unforeseeable situation (see above), then you will need to award the contract following a genuine and effective competition.
- **I have used this supplier before and like what they can do** – The institutions policy requires that contracts are awarded through a genuine and effective competition. In the absence of a competition it may be difficult to demonstrate VFM.
- **I have been approached by a supplier and like their idea** – Any such approach will not result in the supplier simply being awarded a contract on a non-competitive basis. If the proposal is consistent with the business need, that need must be met by running a genuine and effective competition.

**If the reasons above do not apply to your purchase, please refer back to the Procurement Policy and the Procurement Rules that apply to the value of your purchase.**

## Additional Information

Any external consultancy contracts with a value of £100,000 aggregated over 4 years must be approved in advance by the Scottish Funding Council.

Requirements must not be 'split' into contracts of lower value, or reduced in duration, to avoid the need to advertise/conduct or engage with Procurement Services.

Where the proposed purchase is over £50k (over a 4 year contract or one off spend), it is best practice for the institute to publish a VEAT (Voluntary Ex-Ante Transparency) Notice on Public Contracts Scotland to inform suppliers a contract has been awarded without a competitive process being followed and outlines the reasons.

All Non-Competitive Actions will be recorded by the Procurement Team and included in the Procurement Annual Report.

## Linked Policies

- Procurement Policy
- Step by Step Guide
- Procurement Strategy

NCA No:

## Part 1 – NCA Request Details

Department: SMT

Requester Name: Veronica Lynch

Budget Holder Name/Job Title: Vice Principal

Proposed Supplier: Henderson Loggie

Value of Purchase\* Request: £15,000

(\*Purchase value is the one off capital cost or contract value over 4 years.)

### Brief Description of the Goods/Services Required

#### Type of Purchase:

- One Off  
 Repeat Order  
 Repair  
 Other

If other, please detail: \_\_\_\_\_

#### Category of Non-Competitive Action

- Extreme Urgency  
 Single Supplier  
 Additional Purchase  
 Research Exemption

**Full Details** – Please provide full details below for request including specification of product or service and expand on reason(s) for Non-Competitive Action Category (as per list above). The contract for the College's Internal Audit service has been in place for a 4 year period and will expire on 31 July 2020. The incumbent is included within the APUC Framework and the College could opt to extend the contract for a further 3 year period. In the interests of best value and to test the market for this service, it would be preferable to undertake a tender process. This is not an optimum solution at this time as it is unclear how many bids would be received. The new Scottish Government Coronavirus Guidance for Public Bodies issued on 20 March provides for this scenario and enables an additional 12 month extension to the existing contract. A tender process could then begin during 2020/21 with a start date of August 2021. APUC have advised that an extension for 12 months would be acceptable within the guidance. The current contractor, Henderson Loggie, would be willing to continue to ensure continuity of service and reduce the risk of no service from August 2020.

Requester Signature: \_\_\_\_\_

Date: 12/05/20

Budget Holder Signature: \_\_\_\_\_

**NCA No:**

Date: 12/05/20\_\_\_\_\_

NCA No:

## Part 2 – Procurement Review (To be Completed by Procurement Department)

Date Received: 12 May 2020

Reviewed by (Name): Deirdre Matthew

Position: Procurement Manager

Signature: \_\_\_\_\_

Date: 12 May 2020

Procurement Recommendation: It is the recommendation of the procurement team that the re-tender for the Provision of Internal Audit services be extended for a period of 12 months due to the current Covid-19 situation. The current situation has resulted in many of the perspective bidders placing staff on furlough therefore we feel we would not achieve comprehensive/ competitive bids due to the lack of resource,

## Part 3 – Finance Review (To be completed by Finance Department)

Value of Purchase: £15,000

Reviewer Name: Graham Little

Position: Interim Head of Finance

Head of Finance Signature: \_\_\_\_\_

Date: 12 May 2020

Approved:  Yes  No

Finance Comments: As a result of the COVID-19 outbreak, the full tender process would be unable to be completed as many of the staff within these companies are furloughed at this time and best value would not be guaranteed through this process.

### OPR Summary

Institution	Date of OPR	In Attendance
Perth College	25/02/2020	<b>Name</b>
		Tracy Robertson - Perth College
		Amanda MacKensie - UHI Shared Service
		Stephen Connor - APUC
		Emma Fletcher - APUC

### Summary Statement

From the OPR it is clear that procurement at Perth College is being well managed under the direction of APUC shared service resource. Overall, the college is slightly above the target score of 67% and could move further ahead. Further commentary is provided on the Question Summary sheet.

Procurement controls are embedded within the college. Contract coverage is reasonably high and growing. There is good engagement with stakeholders and a strong and vital link the UHI Strategic Procurement Team.

Steps have been undertaken to embed contract and supplier management although this is in its early stages and will take time to become fully effective. There is a good level of resource in place with plans to develop existing staff further.

Score	69%	Target Score	67%
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**Operational Procurement Review (OPR)**

Issues for discussion at OPR	Target Level (Level 2 Score)	Score	Summary
<p><b>1. Procurement Representation and Influence</b></p> <p>What is the procurement representation and influence over major and routine procurement activity across the institution and what does it deliver? Has the need for professional procurement resource been recognised?</p>	<p>Responsibility for procurement is clearly attributed/devolved to individuals and defined within job description(s).</p> <p>Procurement can demonstrate influence over the institution's end to end procurement processes, policies and procedures, coupled with involvement in departments' sourcing research and specification development activities.</p> <p>There is a clear supplier selection process which is consistently applied throughout the institution. Procurement is responsible for this process.</p>	2	<p>Supply Chain Manger Role exists (recent personnel change). Plus Procurement Asst role. Links also to wider UHI Strategic procurement team.</p> <p>Procurement reports to finance director but some management also via head of UHI team.</p> <p>Good control of spend with everything over £5k (4 yr value) goes through procurement.</p> <p>61% influential spend on national or local contract.</p> <p>There are some contracts in place that may not be compliant as route to market / process needs reviewed.</p> <p>Score could move up to 2.5 with continued focus on spend analysis and achieving compliant contracts.</p>
<p><b>2. Procurement Strategy</b></p> <p>Does the institution have a Procurement Strategy approved by Senior Management Team (SMT) or board. In what way is the Procurement Strategy linked to the institution's corporate strategy and is it delivering the strategic objectives relevant to the institution's Learning &amp; Skills Needs?</p>	<p>Evidence that the procurement strategic objectives have been defined and approved by the institutional SMT and reflect the institution's corporate strategy, Scottish Model of Procurement, Local Economic Agenda and National Outcomes etc.</p> <p>Evidence that the Procurement Strategy acknowledges the Contract and Supplier Management approach that will be taken by the institution.</p> <p>Evidence that objectives are being managed and delivered by Procurement and action plans are in place which are refreshed annually.</p>	2.5	<p>Procurement Strategy in place for 2019 to 2021 (interim whilst broader organisational strategy is updated). This has been signed off by SMT and board.</p> <p>Amanda will have an annual slot at the board to update on the strategy in November each year.</p> <p>Regular procurement updates/sessions at SMT.</p>
<p><b>3. Learning &amp; Skills: Resource &amp; Skills</b></p> <p>What resources and skills level requirements been identified to deliver the procurement strategy, associated strategic objectives and business needs?</p>	<p>The Competency Framework (or similar) outputs are used to assess procurement competency levels as part of the regular (at least annual) performance review/management process and are used to identify future developments and training requirements.</p> <p>There is adequate resource or there are plans to address this including shared services/collaborations.</p> <p>Staff with responsibility for procurement, including those with Delegated Purchasing Authority (DPA), have clear roles and responsibilities which are reflected in job descriptions and performance reviews.</p>	2	<p>Adequate level of resource in place. Bolstered by UHI team support. Procurement Assistant has development managed by Amanda (and feeds into college HR).</p> <p>Development opportunities exist for Procurement Assistant.</p> <p>Devolved Purchasers all have PECOS training</p>
<p><b>4. Learning &amp; Skills: Capability</b></p> <p>What does the institution do to develop procurement individuals and future talent? Is there a clear understanding of the procurement capabilities of current staff and there is some training and development to address gaps.</p>	<p>Training is primarily a mixture of internal training and 'on the job' guidance, with access to a shared training fund as required. A training record/register is maintained</p> <p>Staff with DPA complete an induction to, and/or training on Procurement which covers, as a minimum, the policies and procedures that they must adhere to in order to carry out their Procurement responsibilities, and their Procurement responsibilities are reflected in their job role descriptions.</p>	2	<p>Training Log exists for staff training. Procurement Assistant shadows activity on regulated procurements.</p> <p>Inhouse procurement training is mandatory - including eLearning module.</p> <p>Additional training supported by UHI team meetings.</p> <p>Procurement Assistant undertaking CIPS study.</p>
<p><b>5. Continuous Improvement of Procurement Activity</b></p> <p>What does the institution do to ensure that it continually improves its procurement activity, promotes commercial competence, and ensures that these are embedded within its institutional processes.</p>	<p>Evidence that procurement activity is referred to in the induction process for all new employees.</p> <p>The impact of commercial decisions (assessment of costs, benefits and risks) are understood, measured, recorded and supported by senior management.</p> <p>Stakeholders provide feedback to the member of staff with responsibility for procurement to inform continuous improvement of service delivery.</p>	2	<p>All new staff must do the procurement eLearning module.</p> <p>Procurement policy has been rolled out across the college.</p> <p>Award decision and Implications are explained to users (award recommendation report).</p> <p>Customer satisfaction survey is issued and collated.</p>
<p><b>6. Internal Control Systems, Risk Management, and Fraud Awareness and Prevention</b></p> <p>Are the institution's processes and procedures adequate and effective in relation to managing risk and countering fraud?</p>	<p>Authority levels and separation of duties (for contracts and purchasing transactions) within the institution are reviewed and updated regularly.</p> <p>The institution can demonstrate a CFS, a hospitality and gifts policy and a conflict of interest policy.</p> <p>An audit strategy/plan provides assurance that basic standards of procurement practice are adequate. Risks and issues identified are subject to a risk management process and documented in a Risk &amp; Issue Register.</p>	1.5	<p>Separation of duties exist - all orders through Pecos.</p> <p>Fraud prevention and anti bribery policies in place and on website. Hospitality and conflict of interest.</p> <p>There is no Finance Director in post (currently interim). Governance and effectiveness of these policies could be improved.</p> <p>Procurement Risk Register, reporting of Non-Competitive Actions and Non-Compliance newly in place.</p>
<p><b>7. Spend and Market Analysis</b></p> <p>How does the institution understand its spend in order to drive best value?</p>	<p>Expenditure analysis is undertaken at an institutional level to identify:</p> <ul style="list-style-type: none"> <li>• Cat A, Cat B and Cat C spend profiles</li> <li>• Top supplier spend</li> <li>• Non-contract spend</li> <li>• Top areas of spend</li> </ul>	2.5	<p>4 Year spend analysis carried out. Targeting of non-compliance. Reviewed every 6 months.</p> <p>Collaborative spend increasing and contract strategies being developed.</p>
<p><b>8. Specification</b></p> <p>Specifications are informed by requirements identified during the commodity strategy phase of procurement exercises (mini-competitions and Cat C procurement exercises) to maximise value for the institution and its customers?</p>	<p>Specifications are developed as per the Procurement Journey (or equivalent).</p> <p>Evidence of use of sustainability considerations in specifications as appropriate.</p> <p>Stakeholder input to specification development is important</p>	2.5	<p>Fair Work is included in all regulated contracts.</p> <p>Work with stakeholders to draft specifications. Procurement trying to teach stakeholders on how to understand market in order to draft specs.</p> <p>Use of outside experience - e.g. Edinburgh college on recent catering tender.#</p>
<p><b>9. Evaluation Criteria</b></p> <p>What is the institutional approach to use of appropriate evaluation to maximise efficiency, effectiveness and value for money?</p>	<p>Tender assessments take into account of technical and commercial criteria e.g. quality and a rigorous assessment of best price/quality ratio and that the specifications for any previous contract are not merely repeated</p> <p>Evidence that quality and cost evaluations are performed by different individuals, ensuring separation of duties.</p> <p>Evidence that debriefing is performed in line with Scottish Procurement Policy Note (SPPN) 3/2010.</p>	2	<p>Evaluation criteria set out at start of process.</p> <p>Debriefs carried out for suppliers even below non-regulated.</p> <p>No legal challenges (since APUC took on procurement).</p>
<p><b>10. Sustainability</b></p>			<p>Fair Work is in all regulated contracts. Community Benefits included as appropriate.</p>

<p><b>What does the institution deliver in relation to Environmental, Social and Economic sustainability in its procurement practices and processes?</b></p>	<p>Show that engagement with supported businesses is a stated CSR objective for the institution and there is a plan for the institution to place a contract with a supported business.</p> <p>Evidence of some social, environmental and economic sustainability outcomes having been delivered.</p>	<p>2</p>	<p>Work underway on waste reduction. Sustainability benefits recorded using BT14. Have used Haven (Supported Business) for signs in the past.</p>
<p><b>11. Contract &amp; Supplier Management</b></p> <p><b>What does the institution do to manage contracts and suppliers and is this done on the basis of risk/value assessment?</b></p>	<p>Contract management is based on segmentation of contracts using risk &amp; expenditure analysis .</p> <p>A contracts register is maintained</p> <p>Supplier review meetings are held where appropriate as deemed by risk &amp; value, with input from the relevant stakeholders in the institution.</p> <p>Reporting undertaken on contact performance with Scottish Government/CoE for Cat A/B contracts where requested.</p> <p>Supplier performance reports are readily available for high value Cat C &amp; C1 contracts.</p>	<p>2</p>	<p>Contract Management approach decided at strategy stage for all new contracts. Existing contracts have been reviewed and categorised. Performance management meeting and implementation agendas are standard templates. Procurement managed/high risk. Stakeholders manage low risk. Process in place since August 2019. Hunter used as a forward contracting plan.</p>
<p><b>12. Contractual Obligations &amp; Additional Benefits</b></p> <p><b>What does the institution do to work with key suppliers throughout the life of a contract to ensure contractual obligations are met, contracts are delivering what has been agreed and to identify and deliver additional benefits to both parties where appropriate?</b></p>	<p>Implementation plans are considered for all high value requirements at pre-tender stage and applied appropriately. SLAs/KPIs are in place for high value contracts.</p> <p>Supplier failure dispute/resolution procedures are in place and followed as required, as are procedures for contract variations</p>	<p>2</p>	<p>KPIs will be set at strategy level. Catering is the only 'high' risk contract. APUC procurement staff have brought in KPIs/SLAs and implementation processes.</p>
<p><b>13. Contract Compliance</b></p> <p><b>What does the institution do to increase contract coverage, ensure contract compliance and reduce maverick spend? Is over half of spend under contract?</b></p>	<p>Contract coverage &gt;50% of potential influenceable spend and is evidenced by a contracts register and spend report or the eProcurement system.</p> <p>Target in place to increase contract coverage which has been shared within the institution and a plan is in place to meet it.</p>	<p>2</p>	<p>Contract coverage is at least at 61% (was 39%) since APUC came in. New Catering contract should boost contract coverage figure. All orders go through Pecos.</p>
<p><b>14. Goods Receipt and Payment Process</b></p> <p><b>What does the Institution do to receive goods/ services/minor works, and what is the process for authorising payment?</b></p>	<p>Staff in the institution are aware of and follow the documented processes and there are clear separation of duties between requisitioner, order approver and invoice approver.</p> <p>The institution performs a minimum of a 2-way match prior to the invoice being approved and passed for payment.</p>	<p>2</p>	<p>Confirmed separation of duties. At least 2 way matching occurs. 5% threshold for mis matches. Still working towards going paperless. There was been reduction in credit card usage. Introduced Amazon via PECOS for better control</p>

**Scoring Guide**

Assessed Capability Level	Score	Action Required
Target level standard not met	0	Improvement recommendations to come from APUC / APUC Account Manager
Target level standard partially met	1	Improvement recommendations to come from APUC / APUC Account Manager
Target level standard met	2	Only voluntary improvement actions expected with APUC ready to assist as necessary
Target level standard exceeded	3	Only voluntary improvement actions expected with APUC ready to assist as necessary

# Health and Safety Committee

Paper 15

## Minutes

**Date and time:** Thursday 30 April 2020, 2.00pm  
**Location:** VC, Webex Meeting Space

**Members present:** Katy Lees (KFL), Head of HR and Organisational Development (Chair)  
Ian Bow (IB), Health, Safety and Wellbeing Advisor  
Andrew Budge (AB), AST  
Charlie Shentall (CS), Board of Management  
Christiana Margiotti (CM), SDD, Creative and Cultural Industries  
David Gourley (DG), Head of Learning and Teaching Enhancement  
Deborah Lally (DL), Head of Student Experience  
Ian Gibb (IG), Sector Manager, Food Studies and Hospitality  
Jennifer Brickwood (JB), SDD - STEM  
Jill Elder (JE), SDD Business Management, Computing and Leisure  
Kevin Lynch (KL), Head of Estates  
Lorenz Cairns (LC), Depute Principal Academic  
Stewart Fraser (SF), Sector Manager, Humanities and Social Sciences  
Michaela Asisten (HISA), HISA Perth, Vice President (Education and Engagement)

**Apologies:** Charlie Collie, Subject Leader, Social & Vocational Studies  
Eleanor Brown, SDD, Applied Life Sciences  
Jane Edwards, Unison H&S Rep  
Mark Jones, AST  
Russell McCabe, AST  
Steve Scott, EIS H&S Rep

**Note Taker:** Carolyn Sweeney-Wilson

## Summary of Actions

Ref	Action	Responsibility	Time Line
4.	<b>Matters arising not included elsewhere on the agenda/review of actions from previous meeting</b>  a) <u>Health &amp; Safety Risk Management Profile</u> Committee members were asked to review the RMP and, if they have any questions, concerns, or amendments, they were asked to send these to KFL. The RMP would then be reviewed at the next H&S meeting (date tbc).	All	ASAP



## Summary of Actions

Ref	Action	Responsibility	Time Line
	<p>b) <u>Absence statistics</u></p> <ul style="list-style-type: none"> <li>KFL to provide KL absence information specifically for the Estates Team.</li> <li>KFL and IB to look into the cost and method of flu vaccinations being offered in College and to feedback at the next H&amp;S meeting.</li> </ul>	<p>Katy Lees</p> <p>Katy Lees, Ian Bow</p>	<p>Immediately</p> <p>Next meeting</p>
	<p>c) <u>AED proposal</u></p> <p>IB to send out an all staff email to advise staff where the 2 defibrillators were sited on campus and to advise about staff training options.</p>	<p>Ian Bow</p>	<p>Next meeting</p>
5.	<p><b>Health and Safety Quarterly Report – Reported Accidents</b></p> <p>IB to provide HISA with a breakdown of where students accidents/injuries were taking place across campus.</p>	<p>Ian Bow</p>	<p>Next meeting</p>
6.	<p><b>Health and Safety Key Performance Indicators</b></p> <p>It was agreed that the example KPIs would be trialled to see if some baseline data could be established.</p>	<p>Katy Lees, Ian Bow</p>	<p>Annual report</p>
7.	<p><b>Departmental Health &amp; Safety Reporting</b></p> <p>IB to bring a revised version of the departmental Health and Safety reporting form to the next H&amp;S meeting.</p>	<p>Ian Bow</p>	<p>Next meeting</p>
11.	<p><b>Health and Safety Policy, Organisation and Arrangements (26 documents for review)</b></p> <p>IB to send all 26 of the Health and Safety Policy, Organisation and Arrangements documents to the Dropbox and IB would then send Committee members the link for this.</p>	<p>Ian Bow</p>	<p>ASAP</p>
12.	<p><b>Stress SLWG request</b></p> <p>IB to set up a SLWG and arrange the first meeting, inviting all those that had volunteered.</p>	<p>Ian Bow</p>	<p>Next meeting</p>

## Summary of Actions

Ref	Action	Responsibility	Time Line
13.	<b>Driving for Work Policy</b>  IB to put out an amended paragraph for this policy, to allow one driver/one student in the on-campus shuttle bus, for Committee members to approve.	Ian Bow	ASAP
16.	<b>AOCB</b>  <u>Student Lockers</u> HISA to raise any issues, regarding access to student lockers for collecting belongings, at the next Coronavirus Resilience Group meeting, so the decision about access to the campus would be made at that Group.	HISA	ASAP

## Minutes

Item	Action
<p>1. <b>Welcome and Apologies</b></p> <p>KFL welcomed all to the meeting</p> <p>Apologies were noted.</p>	
<p>2. <b>Additions to the Agenda for AOCB</b></p> <p>Student Lockers - IG</p>	
<p>3. <b>Minutes of Previous Meeting</b></p> <p>DL noted that her name was listed under the 'apologies' section in the minute of the previous meeting. However, she advised that she had not been invited to attend that meeting and that today's meeting was her first meeting. DL, therefore, asked for her name to be removed from the last minute.</p> <p>Subject to the above amendment, the minutes of the meeting held on 6 February 2020, having been previously circulated, were approved, as a true and accurate record of discussions.</p>	

Item	Action
<p><b>4. Matters arising not included elsewhere on the agenda/review of actions from previous meeting</b></p> <p>d) <u>Health &amp; Safety Risk Management Profile</u> KFL reminded the committee that this item had been discussed at the last meeting and that IB had subsequently made amendments to the Risk Management Profile (RMP), to include Covid-19, and would shortly be circulating this to members.</p> <p><b>Action:</b> Committee members were asked to review the RMP and, if they have any questions, concerns, or amendments, they were asked to send these to IB. The RMP would then be reviewed at the next H&amp;S meeting (date tbc).</p> <p>e) <u>Absence statistics</u> KFL had not managed to circulate this data before the meeting, but would do so afterwards.</p> <p>KFL advised the Committee that, in regard to the Absence stats, the sickness absence was following the 2017-18 trend and was significantly higher than the 2018-19 stats. Also being seen in the last couple of months was a shift in long term absence, which had moved from predominantly academic staff, to now being predominantly support staff absences. KFL advised that there were a small number of staff off with stress and some off with other mental health issues. A lot of the short term absence were cold/flu etc. CS asked if this was the number one reason for short term absences and KFL confirmed it was.</p> <p>KFL said that the cumulative absence to-date amounted to 3504 days. Last year this figure amounted to 2900, so there had been a significant increase this year. Absence figures due to Covid-19 were also included in these stats. KFL said the level of short term absence was a worrying indicator and there was a need to look at addressing these issues and how staff could be supported.</p> <p>CS said that perhaps the tolerance level had dropped, as staff did not want other members of staff coming into work with colds/flu etc. For other organisations there was often a rule that staff should remain off for 3-4 days if they have an illness, so that it is not passed on within the organisation. CS asked if this was an increase in people or days. KFL said she couldn't give that specific data, but looking at the anecdotal data, it looked like more people were absent. CS asked if it was a lot of staff taking a few days off. KFL confirmed this was the case. There was a lot of cold/flu about in the early part of the year and it could have just been a very virulent strain. AB said that at the beginning of March there was the possibility of Covid-19 and staff may have been taking extra precautions and self-isolating. DL said that she was</p>	<p>All</p>

**Item**

**Action**

aware, from her own staff teams, that there seemed to have been a strengthened strain of virus and that it was just 'flooring' individuals like they had not experienced before. LC said it would be fair to suggest that March was the prelude of Covid-19 and that he was aware of some staff, who had vulnerable health conditions, being absent as they just weren't prepared to take as many risks. LC agreed that in March, staff were starting to be wary and not taking as many risks.

KL asked for some information on absences for the Estates team. He suggested that, when staff return to work, it was likely that there would be an increase in absence, as staff could become more cautious and more likely to be go off. Everyone agreed that it would interesting to see the next set of HR stats to see what trends may emerge.

**Action:** KFL to provide KL absence information specifically for the Estates Team.

**KFL**

CM indicated that she had conversations with her staff and some had suggested organising flu jabs in the College, as they had not been able to access appointments. CM asked if this was something the College could organise. KFL said that when she had done this before, in a previous employment, it tended to be vouchers that staff received, but they still had to book an appointment and go to a pharmacist. However, KFL said she would be happy to look at the cost of this. IB said that the he did receive emails from chemists about this, but the leaflets were really only advertising their services.

**Action:** KFL and IB to look into the cost of offering flu vaccinations in College and to feedback at the next H&S meeting.

**KFL, IB**

f) AED proposal

KFL advised that a defibrillator had now been purchased and was currently situated in the Brahan building. This meant there were now 2 defibrillators on site, there other one being at ASW. KFL also advised that a training defibrillator had been purchased and that IB would be organising training for staff using this. IB advised that the defibrillator was positioned at the Caretaker office in Brahan.

LC asked if everyone knew where the defibrillators were sited and requested that there was good signage up around the campus so that everyone would know where they were. IB said that staff would possibly not yet know where the defibrillators were, but the first aiders did know. The defibrillator was not in a locked box, so is was easily accessible. IB offered to circulate an email to staff to advise that the College had 2 defibrillators and where they were sited. LC said he thought this would be useful, along with the staff

Item	Action
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training. IB said that the first aiders do go through a module on defib training so they know how to use it.

**Action:** IB to send out an all staff email to advise staff where the 2 defibrillators were sited on campus and to advise about staff training options. **IB**

### 5. Health and Safety Quarterly Report – Reported Accidents

IB referred to his Quarter 3 report on accidents and incidents and spoke to this. He noted that the report couldn't be compared to the same time last year as this year's report only went up to 17<sup>th</sup> March.

IB reminded members that, at the last meeting, he had asked for all reports to be sent to him. This has meant that this quarter's report was now showing an increase in the number of hazards reported.

In reference to the 'unsafe work practice' report, this was where a fire door had been wedged open. This had been investigated and the practice was found to be in use in other areas and so this had now been dealt with and, in future, no fire door should be wedged open.

HISA asked about the student injuries and queried if they were in classrooms or in ASW. IB said they were incidents all over the Campus, not anywhere specifically. There had been no major incidents with injury. IB said he could provide a breakdown of where the injuries happened if HISA wanted.

**Action:** IB to provide HISA with a breakdown of where students accidents/injuries were taking place across campus. **IB**

### 6. Health and Safety Key Performance Indicators

KFL advised that H&S KPIs were not something that had been in place before, but this was a role of the H&S Committee to consider and review.

IB talked through the circulated document on KPIs (paper 3).

It was noted that it was the role of the H&S Committee to monitor health and safety within the College. However, the Committee were not fully examining everything that it was required to and so there needed to be an agreed set of targets, for year on year measurement, that the Committee was able to examine.

**Item**

Paper 3, therefore, set out a list of example KPIs that could be used by the Committee to monitor performance across the College. IB went through the list of suggested indicators.

IB said he would like the Committee's feedback on these indicators. KFL asked for comments on the 'Leading' KPIs.

AB referred to the KPI on 'mandatory H&S induction training' and queried if it would not be a better stat to have those who have not completed the training. KFL said these were the 'Leading' indicators, so people would say they had an effective induction. The 'Lagging' indicators would be where questions about non-compliance would appear.

KFL read the first 3 'Leading' KPIs out and asked if the Committee were happy with these. There were no objections to these indicators.

KFL then looked at the other 'Leading' KPIs and JE suggested that the Committee should probably also be looking at the H&S induction material, as this needed to be reviewed every 3 years, to ensure it was up-to-date. There was also a need to look at the training and ensure it was refreshed and in its best format.

The Committee had no other objections to the 'Leading' KPIs.

KFL turned to the list of 'Lagging' KPIs and reviewed these.

IB said that the only ones where there may be issues were the TRIR KPI and the Insurance KPI, in particular, as insurers may not want to provide that information. KFL suggested, in that case, it should perhaps be the number of claims the College has that would be the stat used.

CS said he thought the KPI regarding the 'number of risk assessments outwith review period' was a crucial one that the Committee would want to focus on. IB said that when a Risk Assessment (RA) was initiated, it would have a review date on it and it would flag up to staff when it was due. CS felt this one was really important for fulfilling the requirements of the role of the job.

KFL asked departments if they were on top of RAs. IG said Hospitality were up-to-date with RAs and would continue to liaise with IB on these. CM said the biggest concern was RA training for staff, as staff were having to complete the RAs and were not necessarily sure if they were doing this correctly. IB said training had been planned for the end of June (2020) but, given the Covid-19 situation, whether or not this would go ahead, as classroom based, was not yet certain. IB said that he may be able to do the training remotely and was currently looking at this.

**Action**

**Item**

**Action**

JE said of her areas, Sport and Fitness were on top of their RAs, but for BMC, there was still some work to do on this. They have made progress, but as CM indicated, there was a requirement to have enough staff trained, in order to take this forward properly.

JB said that Engineering were up-to-date, but there did seem to be the belief that it was the Technician's job to do RAs and JB was keen to ensure that more Lecturers were given RA training.

**Action:** It was agreed that the example KPIs would be trialled to see if some baseline data could be established. This would first appear in the annual Health and Safety report.

**KFL, IB**

**7. Departmental Health & Safety Reporting**

KFL advised that this reporting had started at the beginning of the year and it had identified some data had to come from HR. This reporting still required to be done, even though staff were not physically in College. This would still require to be reviewed and hopefully improvements would be made to this reporting.

JB said that she and IB had reviewed this but had not "bottomed it out" due to the possibility the template was going to change. There was a discussion between JB and IB regarding this and JB said it was the whole form that she had trouble with. There wasn't a tie up between the action plan, the audit results and the department report, which made it difficult to report. It was difficult to complete in the format it was in. IB said he would come back to JB about this outwith the meeting.

**Action:** IB to bring a revised version of the departmental Health and Safety reporting form to the next H&S meeting.

**IB**

**8. Training Matrix and Departmental Training Record**

IB referred to his paper 4, a training matrix. This was a document that could be utilised to identify what types of training staff would need. It would also give a quick guide as to strengths and weaknesses in staff training.

KFL asked for any comments. CS queried that there was no 'recommended' training. IB said that this was a draft template and he was looking for opinions as to whether to have something like this. CS said that the Board would be keen on this to enforce the mandatory and recommended training and it would reinforce the messages the Board were trying to get out to staff. It would be a useful tool if it got development at departmental level. KFL said it would also need to be developed at College level, including management, as well as at the local level, as every department

**Item**

**Action**

was different. KFL said her ultimate aim would be to have this built into CiPHR, but that was still some time away. CS said this was a good start.

AB said it made good sense; it would give a snapshot of what trained staff there were in the organisation and to see if there were enough staff with the right qualifications.

KFL said they were looking to develop this further and asked for a volunteer department for the pilot. AB said AST would be happy to pilot this.

**9. CDN Accident and Incident reporting**

IB referred to his paper 5 and indicated this was for information. IB said he was asked to provide this information to CDN.

IB spoke to the document and indicated that the first page was Perth College stats and the 2<sup>nd</sup> page showed how the College compared with the sector average. It was noted that Perth was well below the average within the College network.

**10. COVID-19**

KFL raised the issue of the current Covid-19 situation and said this was the appropriate group to have a conversation regarding this. She asked members if they had any concerns and also what Covid-19 issues members thought this group should be considering.

DL said the main concerns she was hearing from her staff teams was related to when people return to the workplace, should social distancing be in place, how will that work in an open plan office. DL said that staff had already discussed the plastic screening, but what about those who also shared telephones. Likewise, when students apply for funds, DL said her staff need to see evidence, so students would be passing paperwork to College staff and would this be safe. Should the College, therefore, be providing students some printing facilities, as students were being asked to provide staff with evidence.

KFL said she was aware, from information she received from the Home Office, re visas and PVGs etc, that the advice was students could send a photocopy, or scan, of their document and then as long as the student could show staff the original document eg hold it up for staff to see, without passing it to the member of staff, then that has been deemed acceptable. However, KFL said that the College did not know yet what would happen in the future and if this would still apply.



**Item**

**Action**

CS queried if there was any guidance coming from UHI as he thought there should be a joined up approach about how Colleges would return to work. He thought the Committee was trying to decide on something that might be outwith its skillset and there was a need to have robust procedures in place, but there must be procedures/guidance from the Scottish Government, College sector etc. IB said that he had met earlier with UHI H&S practitioners and everyone was “in the same boat” and suggested the Committee should probably focus on a ‘what if’ scenario. For example, in relation to DL’s team areas, if social distancing were to continue for some months, then these areas wouldn’t comply with social distancing due to them being too congested. Staff needed to consider particular risks etc in their own area and also the method of return, eg do 100% of staff and students return at the same time etc.

LC said the Scotland’s Colleges Principals group was going to start a working group to discuss the re-start. UHI was also looking at this. SMT had also scheduled part of their agenda, for their meeting next Tuesday (5<sup>th</sup> May), to discuss this, before widening it out to departments. LC said there currently appeared to be discussions around three scenarios for returning to work: 1) full return of everyone; 2) no return at all and 3) half/half return – staggering of working arrangements eg with some staff in work for mornings or afternoons and others working from home, to limit exposure. However, LC said that no-one knew the science behind this. These were all good questions, but there was no solid guidance as yet. LC felt that the biggest indicator the sector would get would be when the schools returned and it would be likely the technical arrangements for this would flow through into the college sector. The protector screens while safe, may not be practical for everyone. The College would have to wait for the Government’s advice. LC said that, as an indicator, the drive-through testing in the College car park was huge, obviously aiming to deal with a great many people. No-one knows what will be happening in the near future.

DG agreed with Lorenz and said that a sensible common sense approach would probably be the correct option, with a hybrid model of partial working from home and partially working in college. It was a numbers game and all about minimising contact.

CS queried if there was some way of setting up an introspective to understand how departments operate. In particular, those departments who have practical teaching, how will they be able to continue to teach from a distance. This might give the H&S Committee an idea of how these departments will operate, and the Committee could look at how the practical aspects would work. LC said that whatever the College did, there would be an element of risk and so this exercise would happen no matter what. At the

**Item**

**Action**

moment the academic teams were busy with the SQA and some of the confusion regarding students being assessed and progressing and didn't think this would be an ideal time to have an 'introspection' at the moment due to these other priorities.

CS said that when it was known staff and students would be returning, there would probably need to be an H&S Committee meeting, outwith the scheduled cycle, in order to help. CS said it would seem important that the H&S Committee was there to help, understand and disseminate information. KFL said that this could certainly be done, as every department was represented on the H&S committee.

AB said that it needed someone to go around the campus with a 'clipboard checklist' to see what was needed. If it was done this way, then everything would be recorded and it would also ensure that everyone was dealing with issues in exactly the same way.

LC said that any guidance needed to come, in the first instance, from the Government. AB agreed and said the Government would have to set the guidelines and the College would then interpret them as to how to operate, but there would still need to be an audit trail to make sure all the checks had been adhered to correctly. KFL said this was this Committee's responsibility to make sure all the checks were completed and done with correct rigour.

KFL then advised that Unison had provided some feedback on their view of the position, at the current time, and KFL shared this feedback with members in order to gauge whether they agreed with these views. KFL quoted Unison's points as follows:

- 1 that SMT didn't act as swiftly as they should have, despite early alerts from Unison, and at the last H&S committee.

CS said that the College Management followed all the Government guidelines, so he was not sure what SMT could have done differently.

- 2 that communications during the crisis have been poor and vague.

JB said she did agree with this point; that initial communication was not adequate. However, she felt it did improve as time went on. HISA also agreed with this point, as students were not happy with how the College had initially handled communications.

- 3 Arrangements to cope with a crisis around a H&S problem were weak, disorganised, again vague and again the union had to force the issue of getting a copy of the Business Continuity plan, and then we only got a section not the whole thing

**Item**

**Action**

KL queried what Unison meant by 'weak'. There was a lack of example behind that statement that made it difficult to understand what Unison meant. JB agreed there was a need to define this statement, particularly as the College adhered to the guidelines set out by the Government and NHS.

- 4 All in all, we need to have a full review of what went wrong, what contingencies we can put in place for the future and how best we can work in partnership, which on H&S is a legal requirement, to do our best for the workforce.

KFL said that a review would be a valuable exercise, but wasn't sure the time was right for this just yet. CS agreed. There was a need to learn from these experiences and, at the end of the day, it was the job of the H&S Committee to review the processes, responses and everything else. However, CS said that not only was there was a need review this as a College, but the whole sector needed to do this and find out what had been done well and what could have been done better etc. CS said that the College followed all the appropriate, and required, guidelines. We may not have done some things as well as we could have done, but on the whole, CS thought that the College had handled the situation "pretty well, to get us to where we are". IB said he agreed that it would be valuable to do a post-exercise review and would be good to do a desktop exercise on this. IB said the College got stuck on the communications aspect because the College were waiting on others providing advice on what we should be doing next, and staff and the College were getting frustrated when they were not getting advice when they wanted it, but as this was a new situation advice took time.

KL reiterated that there was a need for more information from Unison, as some comments were just sweeping statements. KL felt the generalisations were "out of order" and that Unison should really have provided some examples. JB agreed with KL and said staff would be "flailing around trying to identify what they (Unison) think we've done wrong" and Unison needed to back up their statement with examples. CS said that everyone would be having a post-Covid-19 review from all different levels – Government on down - and what will likely come out of these exercises will provide a far more robust set of guidelines than anything the College could do.

In response to AB's question, KFL confirmed that these comments had come from Perth College Unison reps.

LC said that when you look at a Business Continuity Plan for worldwide pandemic, there would be a huge difference in the paper-based exercise, to the extraordinary challenge that

**Item**

**Action**

everyone faced around the world, not just in Perth College. He agreed that it would be good to have a post-review of this, but said there would need to be some balance with this. Hindsight was great, but Perth was not the last college to close down, nor close face to face teaching and, on some days, guidance changed several times during the day, but the College managed to react accordingly. There were things where the College was ahead of the curve, but there were also some things we could have improved on. LC said he would like to think that College students and staff felt they were equally safe as other institutions, with the actions Management carried out. He agreed that the union comments were a bit vague, so would like some examples.

KL said he had just come back to the College from the private sector and from what he had seen, the people in the College sector deserved “a pat on the back” for the way they had “bent over backwards” to help staff and students, as it was much better done than in the private sector.

AB queried if the College were going to ask staff/students if anyone had tested positive for the virus. KFL said there was a need to be very careful regarding this, due to data protection and people’s right to privacy about their medical information, and she thought it would be inappropriate to ask this. AB asked about the tracking app. KFL said that everyone would need to wait to see the advice and guidance around this, then review all the issues relating to that.

JE wanted to flag up the current situation with everyone working from home and the workload of staff. She said that everyone now realised that this situation would likely be for a prolonged period, but there was a need to be mindful of that and that people would be working from home with not always the best desk set-up eg with appropriate desk/chair etc and the level of pressure and stress should not to be underestimated. KFL said she had already held conversations with a number of managers, where their staff were starting to struggle and she was working with managers in order to help staff and maintain them in work, as far as possible. KFL said that they had also been pro-active with workplace assessments and if the ‘lockdown’ was going to continue for longer, then a review of what staff would require and how they could be supported would need to take place. JE said that every day now she could feel the stress building within the curriculum teams. KFL asked members of the Committee to let her know what might help alleviate any stress for their staff and what the College could do. She would then have discussions with SMT regarding this.

**11. Health and Safety Policy, Organisation and Arrangements (26 documents for review)**

**Item**

**Action**

KFL advised that, originally, this document was one, large, document which had now been reviewed and subsequently split into 26 separate, more manageable, documents. However, Committee members would need to review all 26 and KFL and IB wanted to find the best, most suitable, way of doing this. Once all the documents have been approved, then they would become practice in the College with regard to Health and Safety.

IB explained how the 26 documents came about and that these documents contained the information regarding the organisation and arrangements to complement the H&S policies. However, there were some items for which there were only arrangements, not a policy. IB asked the Committee how they wished to conduct the review of these documents.

CS queried how IB would know that members had actually reviewed the documents. IB said that members usually just let him know whether or not they were happy with a document – there was no other way of confirming this.

**Action:** IB to send all 26 of the Health and Safety Policy, Organisation and Arrangements documents to the Dropbox and IB would then send Committee members the link for this.

**IB**

**12. Stress SLWG request**

IB indicated that his predecessor had done a lot of work on Stress in the workplace. However, after his departure, no-one was really aware if any Stress Risk Assessments had been completed. IB said that he felt there needed to be short life working group (SLWG) from the H&S Committee to investigate how best to take this matter forward, as this issue was a matter of great concern. IB said he was looking for volunteers for the SLWG.

LC queried if IB felt it would be appropriate to have a member of SMT on this group and if so, LC said he would be happy to be on the SLWG. IB said he would certainly like someone from CMT and someone from HR, as well as other staff representation. DG and AB indicated they would be happy to be on the SLWG. KFL said she would ask the union reps, outside of this meeting, if they wished to participate. HISA asked if this was a matter involving students. KFL said it mainly related to staff, but it could still apply to students. CM/JB both said they would have liked to be involved but, at the moment, given the current situation, both were very busy. However, neither ruled out being a member of the SLWG and said they would like to know what kind of commitment would be expected in terms of the number of meetings, before making a final decision.

Item	Action	Action
	<p><b>Action:</b> IB to set up a SLWG and arrange the first meeting, inviting all those that had volunteered.</p>	IB
<b>13.</b>	<b>Driving for Work Policy</b>	
	<p>KFL advised that the EDIT Committee had raised concerns about this policy, which stated staff should not be driving, on their own, with a student in the car.</p>	
	<p>IB explained that EDIT were concerned how the wording of this policy impacted on the in-campus shuttle bus service. An amendment would, therefore, need to be made to allow the shuttle transport to operate as it operated with a lone driver. This would allow one driver/one student in the shuttle bus on the understanding that the relevant SDD was aware that this was happening. The policy would still apply if students were being taken off campus on a trip and this amendment would only directly affect the internal campus transport. Although, it was noted, that due to the one-way system on campus, the route the shuttle bus has to take means the bus exits the campus and drives a short section of the main road, before re-entering the campus, in order to complete the loop between campus buildings. The wording just needed a small adjustment to allow for this, but should not override the whole policy.</p>	
	<p><b>Action:</b> IB to put out an amended paragraph for this policy, for Committee members to approve, to allow one driver/one student in the on-campus shuttle bus.</p>	IB
<b>14.</b>	<b>Head of Estates – Update</b>	
	<p><u>Pothole repairs</u> KL advised that this had all been in hand prior to the lockdown, but would now have to wait until everyone was back at work.</p>	
	<p><u>Protective screens</u> KL indicated that he would be circulating an email to departments for some information on their needs, so that Estates could work on drawing up an action plan, per Government guidelines, with a view to staff returning to work.</p>	
<b>15.</b>	<b>External Health and Safety Audit</b>	
	<p>KFL advised that the external audit would be conducted by Henderson Loggie and would take place Monday to Wednesday next week (w/c 4<sup>th</sup> May). IB said he had provided the auditors with copies of all the H&amp;S policies and procedures, but it was likely the auditors would want to talk to members of the Committee and, if so, IB would be in touch with members to enquire of their availability. KFL said that if members were not able to speak with</p>	

**Item**

**Action**

the auditors then this was fine. KFL thought it was likely that the auditors would want to speak to the more high risk areas of the College.

The output from the audit would be a report and action plan and the data would then be provided to this Committee to review. KFL said this process would all be done remotely.

CS queried if AST would be dealt with separately from this audit and KFL confirmed that would be the case.

**16. AOCB**

Student Lockers

IG raised this issue as he had been contacted by some Hospitality students asking for access to their College lockers, to collect their personal items. IG thought there may be other areas in the College which were in a similar situation. Normally, lockers would all be emptied at the end of the year, but many students left at Lockdown without doing this.

LC said he would want to avoid any mass gatherings. If students were desperate to retrieve their belongings, then it would need to be done on an individual basis and at set times. Students would also need to wipe their locker down and then leave the campus.

KL felt it would need to be managed like the Supermarket set-up, where only a certain amount of people were allowed into stores at any one time, in line with social distancing. He said it would also depend on numbers across the College and it would, therefore, be good to have that information before the Committee made a definitive decision on this. LC said there was a need to decide what was essential that students needed out of their lockers. It would, therefore, need to be considered on a case by case basis.

DG said that this did not conform with the Government's guidelines for people to leave their homes, unless it was seen as really very essential.

IB agreed with DG's comment and said that allowing students access would be against what the Government have advised. CS said that, if this was the case, then the answer would have to be no, unless it was to collect medication or communications equipment. IB said the Government guidelines were quite clear and, in his opinion, this request from students should be refused at the current time.

LC said he thought there was a need to be careful regarding this decision, as staff had already been allowed into the College over the last few weeks. LC said he did not want to have one rule for

**Item**

staff and a different rule for students. If the Committee were advising that nobody gets access to the College, unless it was absolutely essential, then it should be noted that yesterday, IT staff were expecting 32 students to be on campus to collect laptops. It would be important to ensure that Estates staff were advised who would be allowed on campus, and why, or nobody should be allowed in. KFL asked HISA if they had received any concerns from students regarding access to their lockers. HISA said they hadn't heard anything about this from students.

**Action**

**Action:** HISA to raise any issues, regarding access to student lockers for collecting belongings, at the next Coronavirus Resilience Group meeting, so the decision about access to the campus would be made at that Group.

**HISA**

**17. Date of Next Meetings**

Dates for next Academic year 2020-21 to be confirmed.

Meeting finished at: 15.56

DRAFT





## 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**

### **Internal Control**

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

### **Internal Audit**

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

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

## **External Audit**

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

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

## **Value for Money**

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

## **Advice to the Board of Management**

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

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