

Audit Committee

Agenda

Meeting reference: Audit 2020-21/02

Date: Thursday 03 December 2020 at 5.00pm

Location: Online

Purpose: Scheduled meeting

* Denotes items for approval or discussion.

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

	Agenda Items	Author	Led by	Paper
1	Welcome and Apologies		Chair	
2	Additions to the Agenda			
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of Audit Committee held on 28 September 2020		Chair	Paper 1
5	Actions arising from previous minutes			
6	Compliance			
*6.1	Audit Action Plan – progress update	Project & Planning Officer	Vice Principal (External)	Paper 2
*6.2	Review of Risk Register: Audit Committee	Clerk	Clerk	Paper 3
7	Audit Plans, Reports & Updates			
7.1	External Audit – Audit Plan y/e July 2020 update	EY	EY	Verbal
7.2	Internal Audit 2019-20/08 – AST Financial Controls	Henderson Loggie	Henderson Loggie	Paper 4
7.3	Internal Audit 2019-20/09 – Follow-Up Reviews	Henderson Loggie	Henderson Loggie	Paper 5
7.4	Internal Audit 2019-20/10 – Annual Report	Henderson Loggie	Henderson Loggie	Paper 6
7.5	Internal Audit 2020-21/02 – Student Activity Data	Henderson Loggie	Henderson Loggie	Paper 7

7.6	Internal Audit 2020-21/03 – Student Support Funds	Henderson Loggie	Henderson Loggie	Paper 8
*7.7	Internal Audit Action Plan 2019-20 – Revision to Plan	Vice Principal	Vice Principal	Paper 9
*7.8	Internal Audit – Procurement Strategy (RESERVED ITEM)	APUC	Vice Principal	Paper 10
8	FOI & Data Protection			
8.1	Freedom of Information & Data Protection quarterly update	Clerk	Clerk	Paper 11
9	Performance Management			
9.1	Balanced Scorecard	Project & Planning Officer	Clerk	Paper 12
10	Committee minutes (for noting by Committee)			
10.1	Health and Safety Committee: <ul style="list-style-type: none"> • 22 October 2020 		Chair	Paper 13
11	Date and time of next meeting: <ul style="list-style-type: none"> • Monday 08 February 2020 (joint meeting with F&GP Committee) 	Clerk		
*12	Review of Meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)			Paper 14

Audit Committee

DRAFT MINUTES

Meeting reference: Audit 2020-21/01

Date and time: Monday 28 September 2020 at 5:00pm

Location: Online

Members present: Jim Crooks, Board Member (Chair)
Ann Irvine, Board Member
Fiona Martin, Board Member
Michaela Asisten, Student Board Member

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

Apologies: Graham Watson, Board Member

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

Summary of Action Items

Ref	Action	Responsibility	Time Line
6.2	COVID-19 – Audit Scotland Challenge Response Clerk to add information regarding the recent Board recruitment and reallocation of committee membership within Theme 4.	Clerk	Next meeting
6.3	COVID-19 – External Auditor Challenge Response Clerk to examine Fraud Policy to ascertain processes re statements of fraud being uncovered.	Clerk	Next meeting
6.4	Code of Good Governance – Compliance Checklist Chair to arrange for review of document with appropriate sub-Committees and feed back into next Audit meeting	Clerk	Next meeting
6.5	Review of Risk Register Risk 17- Risk to be reviewed with owner in light of Audit Review	Clerk	Next meeting
6.5	Review of Risk Register Risk 27 to be removed from Register due to conclusion of Deferred Income matters	Clerk	Next meeting
6.6	Health & Safety Annual Report Head of HR and Organisational Development to compare KPIs in report with other Academic Partners	Head of HROD	Next meeting
11	Date & Time of Next Meeting Clerk to seek an alternative date for next Audit Committee and replicate approximate meeting schedule timescales for approval of 2019/20 financial statement as undertaken for 2018/19 financial statements	Clerk	ASAP

Minutes:

Item		Action
1	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, particularly to new members and attendees. Chair thanked Ann Irvine for deputising as Chair over the last few months.</p>	
2	<p>Additions to the Agenda</p> <p>There were no additions to the Agenda.</p>	
3	<p>Declaration of Interest in any Agenda Item</p> <p>Henderson Loggie identified a conflict of interest re Procurement Contract Extension for Internal Auditors under Item 10.1.</p>	
4	<p>Minutes of Meeting held on 17 September 2019</p> <p>The minutes were accepted as an accurate record.</p>	
5	<p>Matters Arising from Previous Minutes</p>	
	<p><u>Ref 5: Business Development Strategy</u></p> <p>Action: Vice Principal to provide update to June Board</p> <p>Action Update: Completed</p> <p><u>Ref 6.1: Audits Action Plan</u></p> <p>Action 1: Clarity be provided on the difference in definitions between “partial completion” and “progress on track”.</p> <p>Action Update: Completed</p> <p>Action 2: Amend presentational errors on Page 6.</p> <p>Action Update: Completed</p> <p><u>Ref 6.3: Review of Risk Register</u></p> <p>Action 1: Clearer cross-referencing to Risk 30 be made throughout document.</p> <p>Action Update: Completed</p> <p>Action 2: Additional risks associated with COVID-19 to be added, eg academic arrangements, new regulations on assessments,</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>

	<p>requirement for contingencies for AY 2020/21 if College may not be able to provide some courses, impacts on postponement of REF, and capacity levels in classrooms.</p> <p>Action Update: Completed</p> <p>Action 3: Board Member suggested references to “Furlough” within document be amended to Government Job Retention Scheme for clarity.</p> <p>Action Update: Completed</p> <p>Action 4: Clerk to review Residual Risk score for Risk 22.</p> <p>Action Update: Completed</p> <p><u>Ref 12: Date & Time of Next Meeting</u></p> <p>Action: Clerk to circulate scheduled dates of Audit Committees 2020/21 following Board approval.</p> <p>Action Update: Completed</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p>
6	Compliance	
6.1	<p>Audit Action Plan</p> <p>Vice Principal presented Paper 2, the latest iteration of the Audit Action Plan, noting the updates to summary status layout with KPIs added, although baseline information was still required for some areas. Vice Principal also noted that 66% of actions were fully or partially complete.</p> <p>Chair asked about an estimated completion date for the Financial Regulations. Vice Principal noted these were in draft form and under review by Director of Finance with a revised target completion date of end November.</p> <p>External Auditors noted they propose to review outstanding actions from External Audit during next audit process, which has been delayed due to COVID</p> <p>Committee expressed satisfaction with progress being made on the Audit Action Plan.</p>	
6.2	<p>COVID 19 – Audit Scotland Challenge Response</p> <p>Vice Principal presented Paper 3 and sought Committee feedback on draft responses therein.</p> <p>Chair suggested more commentary on IT section would seem</p>	

	<p>appropriate, for example issues related to connectivity of systems and actions taken to address digital poverty.</p> <p>Chair asked whether it was possible to identify COVID-specific expenditure. It was noted that an additional COVID cost centre had been generated.</p> <p>Chair sought views of Committee on whether there was enough information on Risk. Board Member advised that they had been impressed with information provided so far.</p> <p>It was AGREED to add information regarding the recent Board recruitment and reallocation of committee membership within Theme 4.</p>	Clerk
6.3	<p>COVID 19 – External Auditor Challenge Response</p> <p>Vice Principal presented Paper 4 and sought Committee feedback on draft responses therein.</p> <p>Chair queried the College’s approach to recording of statements of fraud being uncovered. Principal suggested that this was unknown outside of the audit process but a statement to Audit Committee should be an expectation. Clerk suggested that there may be a process detailed in the Fraud Policy – this would be investigated and reported back. Internal Auditor advised that the Fraud Policy should also include reporting to Regional Strategic Body.</p>	Clerk
6.4	<p>Code of Good Governance – Compliance Checklist</p> <p>Clerk presented Paper 5, noting that this checklist was prepared as part of the assurance process for audits, and is a list within the Audit Action Plan for completion.</p> <p>Committee members suggested corrections to the following entries:</p> <ul style="list-style-type: none"> * B1 – correct reference to HISA Perth President * B6 – add reference to SMT * C16 – add other SMT * C20 – clarify role of HISA Perth * C25-28 – note staff survey planned for Semester 2 <p>Chair suggested that the document be review with appropriate sub-Committees and fed back into next Audit meeting</p>	Clerk
6.5	<p>Review of Risk Register</p> <p>Clerk presented Paper 6, the full Strategic Risk Register, for review, noting the criteria listed.</p>	

	<p>Committee noted its contentment with the processes being followed re localised reviews and COVID risks.</p> <p>The following Risk Areas were noted for particular scrutiny:</p> <ul style="list-style-type: none"> ● Risk 12 – Discussion over reduction of Risk Scores, but status quo maintained ● Risk 17- Risk to be reviewed in light of Audit Review ● Risk 26 – Maintain status quo ● Risk 28 – Outstanding actions noted in Audit Report (Item 9.3) were fairly short-term, which provided a level of assurance; maintain status quo <p>Clerk noted that Board and F&GP had suggested removal of Risk 27 due to conclusion of investigations into deferred income. Auditors noted no concerns re removing this Risk. It was AGREED to remove Risk 27 from the Register</p>	<p>Clerk</p> <p>Clerk</p>
<p>6.6</p>	<p>Health & Safety Annual Report</p> <p>Committee received and noted Paper 7, the 2019/20 Health & Safety Annual Report.</p> <p>Board Member queried how risk was being addressed with regards to the outstanding shortfall in mandatory H&S training. Head of HR & Organisational Development noted that the culture was being challenged by focusing on ensuring all CMT-level managers were trained at a higher level and adopted a cascading approach to Health & Safety.</p> <p>Chair asked with relation to KPIs whether there was any comparison with other academic partners. Head of HR and Organisational Development wasn't aware of this but would investigate.</p> <p>Chair also suggested inviting HSW Adviser to a future Board meeting.</p> <p>Head of HR and Organisational Development informed Committee that the Health & Safety Executive had responded to an anonymous report re legionella on campus. The Board Champion for Health & Safety had been kept informed and a positive outcome had been reported following inspection.</p> <p>Committee expressed thanks to Health Safety & Wellbeing Adviser for producing report and responding to challenges over the last few months.</p>	<p>Head of HROD</p>

7	FOI & Data Protection	
7.1	Freedom of Information & Data Protection Quarterly Update Committee received and noted the quarterly update on Freedom of Information and Data Protection (Paper 8).	
8	Performance Management	
8.1	Balanced Scorecard Committee received and noted Paper 9, the latest update to the Balanced Scorecard, and noted the proposals for improvements to the information provided.	
9	Audit Reports & Updates	
9.1	Internal Audit 2019-20 - Annual Plan update Internal Auditor summarised Paper 20, noting timing issues and assistance from Director of Finance in getting paper to Committee. Committee noted progress as outlined.	
9.2	Internal Audit 2019-20 – Health & Safety – Final Report Internal Auditor presented Paper 10, noting the status of Requires Improvement, although significant progress had been made, particularly with regard to mandatory training, however there is still work to be done in demonstrating compliance and consistency across the College. Committee noted report and outstanding actions.	
9.3	Internal Audit 2020/21 – Procurement & Creditors/Purchasing – Draft Report Internal Auditor presented Paper 11, noting the status of Requires Improvement. Internal Auditor noted improvements relating to procurement, however advised that increased use of PECOS was recommended to mitigate against risk of fraud via purchase order approval processes. Committee noted report and outstanding actions.	
9.4	Internal Audit 2020/21 – Budgetary Controls – Draft Report Internal Auditor presented Paper 12, noting a relatively positive report with a Satisfactory status.	

	Committee noted report and outstanding actions.	
9.5	Internal Audit Report 2019/20 – Management Progress Report: HR & Payroll Committee received and noted update for information.	
9.6	Internal Audit Report 2019/20 – Management Progress Report: Payroll & Pensions Committee received and noted update for information.	
9.7	Internal Audit Report 2019/20 – Management Progress Report: Equalities Mainstreaming Committee received and noted update for information.	
9.8	Internal Audit Report 2019/20 – Management Progress Report: Health & Safety Committee received and noted update for information.	
9.9	External Audit – Audit Plan Y/E July 2020 update External Auditor presented Paper 17, which provided an addendum to previous Audit Plan in light of external environment. External Auditor advised that materiality levels would be maintained from previous year, an approach to Going Concern and advanced disclosures would need to be discussed with SMT prior to audit. Based on workload and availability, External Auditor advised that a timescale of late January/early February would be most likely for completion of reporting. Director of Finance noted that internal processing would continue based on original timescales to best manage priorities and challenges with Finance department.	
10	Committee Minutes Minutes of the Health & Safety Committee meeting of 27 August 2020 were received for information.	
11	Date & Time of Next Meeting Meeting originally scheduled for Monday 30 November 2020 to be rescheduled as there will no longer be a joint meeting with F&GP	Clerk

	at this time. Clerk to seek an alternative date for next Audit Committee and replicate approximate meeting schedule timescales for approval of 2019/20 financial statement as undertaken for 2018/19 financial statements.	
12	Review of Meeting Committee agreed that the Terms of Reference had been complied with.	

DRAFT

1. 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

Committee	Audit Committee
Subject	Audit Action Plan Progress Update
Date of Committee meeting	03/12/2020
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	26/11/2020
Executive summary of the paper	<p>The attached paper provides Committee with the Project Status Table for the combined Audit Action Plans and a Progress Update providing an overview of the main points to note.</p> <p>The following points are to be noted:</p> <ul style="list-style-type: none"> • The Table is a working document with the PPO working with teams to capture updates and review timelines for all actions • KPIs/Metrics were added to the table and further work will be carried out to identify baselines and targets in order to track progress and measure the impact of activities on business processes. This will emerge more fully as monitoring of completed actions takes place • The Summary Progress Update provides context and an overview of the activities
Consultation How has consultation with partners been carried out?	Action Leads were consulted to provide information and context where available.

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

Perth College UHI

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

* 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:

Perth College UHI

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

and

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

Audit Action Plan

Interim Progress Update



University of the
Highlands and Islands
Perth College

23 November 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

Priority – an indicator based upon deadline v strategic priority v capacity (**NB** Pending)

Source – reference to the Audit Report the action was captured from

Current Status – the stage the activity is currently at (status categories can be seen in **Appendix 1**)

Percentage complete – an indicator of the amount of work completed on the task to date (**NB** Pending)

Status Update – a brief description of progress to date

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

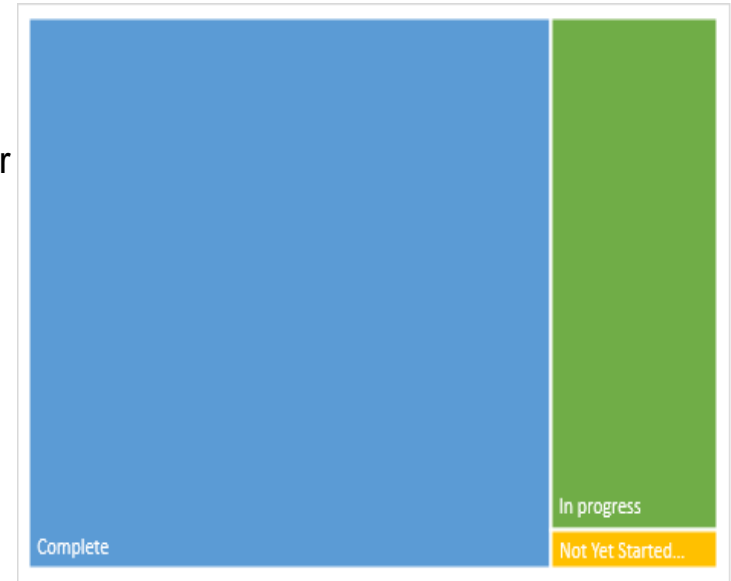
Overview

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

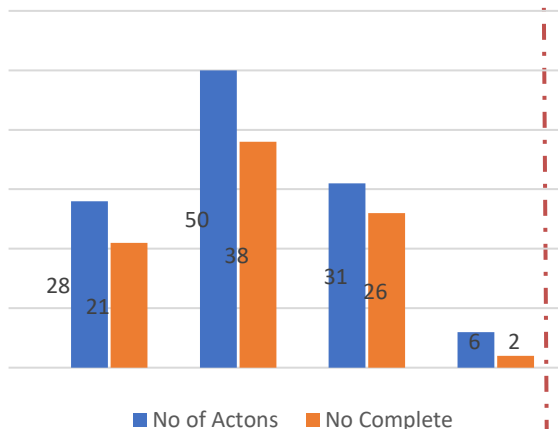
115 Activities *

* **19 actions** from 2 further internal auditor reports are being monitored separately

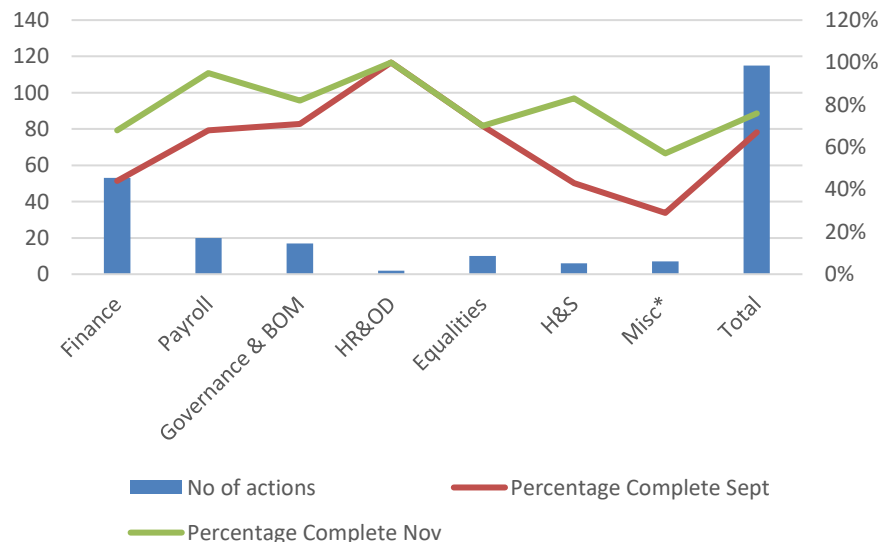
- 87 or 76% of actions are fully or partially complete
- 27 or 24% are in progress
- 2 or <2% are paused or yet to start



The 115 activities split by theme...



The activities by dept/percentage complete



Uplift from September 2020

Finance	24%
Payroll	27%
Governance & BOM	11%
HR&OD	0%*
Equalities	0%
H&S	28%
Misc	28%
Overall	9%

* 100% complete

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

An action comprised of a number of Individual activities where some have been completed

In progress

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	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
Finance Action Plan								
	Finance	2. Compliance	Commission internal Audit Action Plan	VPEE/PPO	VPEE	Feb-20	EY Appendix D: 7	Complete
	Finance	2. Compliance	Utilise the programme of internal and external audits	FD	VPEE	Feb-20	VPEE	Complete
	Finance	2. Compliance	Positively engage with Auditors (UHI/ Internal/ External)	FD	VPEE	Feb-20	VPEE	Complete
	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
	Finance	2. Compliance	Review Finance staffing structure including Finance Director for SMT	FD	VPEE	Feb-20	EY Appendix D: 1 & 5	Complete
	Finance	2. Compliance	Secure storage of system logins and passwords	FD	VPEE	Feb-20	UHI Action Plan: 2.71	Complete
	Finance	2. Compliance	Provide timely financial reports and metrics to Board and Committees	FD	VPEE	Dec-20	EY Appendix D: 6	Complete-Monitoring
	Finance	2. Compliance	Put APUC contract in place	VPEE	VPEE	Feb-20	EY Appendix D: 14	Complete-Monitoring
	Finance	2. Compliance	Implement procurement process to ensure the requirements of the Financial Memorandum for non-competitive action are followed	FD	VPEE	Dec-20	UHI Action Plan: 2.89	Complete-Monitoring
	Finance	2. Compliance	Complete transition to the provider of Government Bank Service	FD	VPEE	Aug-20	EY Appendix D: 7	Complete
	Finance	2. Compliance	Effective communication of the Financial Memorandum between College and University to relevant college staff	FD/VPEE	VPEE	Nov-20	UHI Action Plan: 2.55	In progress
	Finance	1. Future financial planning	Utilise the Risk Register as a proactive tool to inform internal and external audit plan	FD/Clerk to BOM	VPEE	Apr-20	VPEE	Complete-Monitoring
	Finance	3. Manual Processes	Implement a documented set of financial procedures for the Finance Team	FD	VPEE	Jun-21	UHI Action Plan: 2.70	In progress

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Finance	1. Future financial planning	Develop a robust 2020/21 budget plan	FD	VPEE	Jun-20	VPEE	Complete
	Finance	2. Compliance	Update Fraud Response Plan	FD	VPEE	Nov-20	EY Appendix D: 8	Partial completion
	Finance	1. Future financial planning	Generate £600k savings within 2019/20 budget to achieve a balanced budget - superseded by COVID-19	FD	VPEE	Jun-20	VPEE	Complete
	Finance	1. Future financial planning	Proactively engage with UHI as the Regional Strategic Body	FD	VPEE	Oct-20	VPEE	Partial completion
	Finance	1. Future financial planning	Increase engagement with UHI Finance	FD	VPEE	Oct-20	EY Appendix D: 9	Complete-Monitoring
	Finance	1. Future financial planning	Create KPI financial sustainability metrics for the Balanced Scorecard	FD	VPEE	Oct-20	VPEE	Complete-Monitoring
	Finance	1. Future financial planning	Review financial risk attached to Business Development Strategy	FD/VPEE/Clerk to BOM	VPEE	Jun-20	EY Appendix D: 9	Complete
	Finance	1. Future financial planning	Review financial risk attached to International Strategy	FD/VPEE/Clerk to BOM	VPEE	Jun-20	EY Appendix D: 9	Complete

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Finance	1. Future financial planning	Review financial risk attached to college strategies eg Scholarship and Research Strategy to reflect return on investment on 02fte staff	FD/VPEE/Clerk to BOM	VPEE	Jun-20	VPEE	Complete-Monitoring
	Finance	3. Manual Processes	Implement an improved budgeting and contract management process	FD	VPEE	Jan-21	EY Appendix D: 3	In progress
	Finance	2. Compliance	Procurement Policy and Procedure including procedures for awarding contracts without competition are finalised and communicated to all staff	FD/APUC	VPEE	Jun-20	EY Appendix D: 14 UHI Action Plan: 2.88	Complete
	Finance	2. Compliance	Update college Financial Regulations last approved by BOM March 2013	FD/Clerk to BOM	VPEE/Chair to BOM	Dec-20	UHI Action Plan: 2.66	In progress
	Finance	2. Compliance	Communicate Financial Regulations to all staff and roll-out training to relevant staff	FD	VPEE	Jan-21	UHI Action Plan: 2.66	In progress
	Finance	1. Future financial planning	Undertake CMT and BOM development sessions for Financial Forecast Return (FFR)	FD/Clerk to BOM	VPEE	Feb-21	EY Appendix D: 10	In progress
	Finance	4. Culture	Implement combined financial reports	FD/VPEE	VPEE	Aug-21	VPEE	In progress

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Finance	1. Future financial planning	Complete impact assessment on implementation of the revised Statements of Recommended Practice (SORP)	FD/HN	VPEE	Oct-20	EY Appendix D: 4	In progress
	Finance	1. Future financial planning	Create a common costing model across all strands of income	FD/VPEE	FD/VPEE	Dec-20	VPEE	In progress
	Finance	1. Future financial planning	Provide financial reports and metrics to support AST Board reporting	FD/VPEE	VPEE	Jul-20	VPEE	Complete-Monitoring
	Finance	1. Future financial planning	Create and implement a financial plan for the Aviation Academy for Scotland	FD	VPEE	Nov-20	VPEE	In progress
	Finance	3. Manual Processes	Develop a transition plan to move from manual to electronic processes	FD	VPEE	Sep-20	EY Appendix D : 7	Complete
	Finance	4. Culture	Develop process for managing cash in short, medium and long term flow models	FD	VPEE	Sep-20	VPEE	In progress
	Finance	1. Future financial planning	Monitor performance against cash flow forecast	FD	VPEE	Jul-21	VPEE	In progress
	Finance	2. Compliance	Develop a revised approach and timetable for the production of financial statements/YE processes	FD	VPEE	Jul-21	EY Appendix D: 1 & 7	Partial completion
	Finance	2. Compliance	Carry out planned internal audit review of procurement	FD/VPEE/Clerk BOM/APUC	P&CE	Jul-20	UHI Action Plan: 2.87	Complete-Monitoring
	Finance	2. Compliance	Ensure internal working for statutory financial returns to government and funding bodies	FD	VPEE	Jul-21	VPEE	Complete-Monitoring
	Finance	3. Manual Processes	Implement compulsory PO's across all supplies and services	FD/APUC	VPEE	Jul-20	EY Appendix D: 14 Internal Audit 2020/06:R4	Complete-Monitoring

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Finance	3. Manual Processes	Implement greater supplier management systems	FD/FinAsst	VPEE	Jul-21	VPEE	Partial completion
	Finance	2. Compliance	Update procurement contracts register to track 3 year contract values	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	Complete-Monitoring
	Finance	2. Compliance	Re-tender non-compliant contracts	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	In progress
	Finance	4. Culture	Implement Fixed Asset Register	FD/HoE	VPEE/DP	Dec-20	EY Appendix D: 7	Complete-Monitoring
	Finance	2. Compliance	Tender of PPE evaluation	APUC	VPEE	Jul-20	VPEE	Complete
	Finance	2. Compliance	Prepare audit ready year end accounts in compliance with the Code of Good College Governance	FD/Clerk to BOM	VPEE	Nov-20	VPEE	In progress
	Finance	1. Future financial planning	Fincancial Forecast Return (FFR) to be presented in a timely manner to allow Board sufficient scrutiny	FD	VPEE	Sep-20	EY Appendix D: 9	Complete
	Finance	1. Future financial planning	Revisit assumptions within Financial Forecast Return (FFR) 2019 to 2024	FD	VPEE	Sep-20	VPEE	Complete
	Finance	1. Future financial planning	Develop scenario planning, modelling and fiscal/budget assumptions	FD	VPEE	Oct-20	EY Appendix D: 10	Complete
	Finance	1. Future financial planning	Implement scenario planning exercise with College Board	FD/Clerk to BOM	VPEE	Dec-20	EY Appendix D: 10	Complete
	Finance	3. Manual Processes	Implement quality control and review processes across all transactions within accrual accounting	FD	VPEE	Dec-20	EY Appendix D: 2 Internal Audit 2020/06:R4	Complete
	Finance	4. Culture	Review and Improve Induction Process for Finance staff	FD	VPEE/DP	Jul-21	VPEE	In progress

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Finance	1. Future financial planning	In consultation with BOM and budget holders implement an information pack for managing the business	FD	VPEE	Dec-20	EY Appendix D: 6	In progress
	Finance	2. Compliance	Implement Training Needs Analysis and CPD for Finance Team	FD	VPEE	Jun-21	EY Appendix D: 5	In progress
Payroll Systems								
	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 Internal Audit 2019/06: R2	Complete
	Payroll Systems	3. Manual Processes	Ensure differences between gross salaries on HR & Payroll systems are rectified	Payroll/ HROD	VPEE	Dec-19	Internal Audit 2019/06: R1	Complete
	Payroll Systems	3. Manual Processes	Consider an annual reconciliation between gross salaries on HR & Payroll systems	Payroll/ HROD	VPEE	Dec-19	Internal Audit 2019/06: R1	Complete
	Payroll Systems	3. Manual Processes	Implement more robust procedures to calculate union/pension employee deduction	Payroll	VPEE	Dec-19	Internal Audit 2019/06: R3	Complete
	Payroll Systems	3. Manual Processes	Consider an independent check of the Payroll Team's own payroll salaries	Payroll/HoF	VPEE	Dec-19	Internal Audit 2019/06: R6	Complete
	Payroll Systems	3. Manual Processes	Implement payroll action plan	Payroll/ HROD	VPEE	Feb-20	Internal Audit 2019/06: R1	Complete
	Payroll Systems	3. Manual Processes	Strengthen controls around variations to staff salaries	Payroll/HROD	VPEE	Feb-20	EY Appendix D: 7 Internal Audit 2019/06: R4	Complete
	Payroll Systems	3. Manual Processes	Introduce payroll checklist mechanisms	Payroll	VPEE	Feb-20	EY Appendix D: 7 Internal Audit 2019/06: R7	Complete
	Payroll Systems	3. Manual Processes	Invest in a managed service for Ciph	HROD	VPEE	Feb-20	EY Appendix D: 7	Complete

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Payroll Systems	3. Manual Processes	Carry out internal audit of pensions and tax payments	Payroll/HROD	VPEE	Feb-20	EY Appendix D: 7	Complete
	Payroll Systems	2. Compliance	Voluntary disclosure to HMRC on internal control issues eg tax payments & pensions contributions	FD	VPEE	Feb-20	EY Appendix D: 7	Complete
	Payroll Systems	3. Manual Processes	Implement more robust systems to ensure that payroll amounts are correctly calculated	Payroll/HROD	VPEE	Jun-21	Internal Audit 2019/06: R5	Partial completion
	Payroll Systems	3. Manual Processes	Provide formal training to the Payroll Finance Assistant	Payroll/HROD	VPEE	Mar-21	Internal Audit 2019/06: R5	Paused
	Payroll Systems	3. Manual Processes	Ensure that variance reports have been checked and signed off	Payroll/FD	VPEE	Jul-20	Internal Audit 2019/06: R6	Complete
	Payroll Systems	3. Manual Processes	Ensure regular reconciliation of payroll accounts	College Financial Accountant	VPEE	Sep-20	Internal Audit 2019/06: R8	Complete
	Payroll Systems	3. Manual Processes	Rectify errors in NI	FD/Payroll	VPEE	Jun-20	EY Appendix D: 7 Internal Audit 2019/06: R9	Complete
	Payroll & Pension Systems	2. Compliance	Undertake review of the calculation of employee and employer pension contributions over the period 2013/14 to 2019/20	FD	VPEE	Nov-20	Internal Audit 2020/04: R1	Partial completion
	Payroll & Pension Systems	1. Future financial planning	Make 2nd HMRC disclosure and identify value of overpayment of NI and staff clawback	Payroll/HR	HROD/VPEE	Nov-20	Internal Audit 2020/04: R2	Complete

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	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	Complete
	Payroll Systems	3. Manual Processes	Rectify errors of pension overpayments on work over 35 hours	Payroll	VPEE	Sep-20	VPEE	Partial completion
HR Systems								
	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	Complete
	HR Systems	3. Manual Processes	Incorporate formal processes for 'movers' into existing starter/leavers processes	HROD	DP	May-20	Internal Audit 2018/04: R1	Complete
Governance and Board of Management								
	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	Complete
	Governance & BOM	2. Compliance	Compliance with requirements set out by SFC and SPRM re settement 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
	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

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	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
	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, 2.99	Complete
	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	Complete-Monitoring
	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	Complete
	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	Complete
	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
	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 Plan: 2.99	Complete
	Governance & BOM	3. Manual Processes	Review process for reporting and approval of settlement agreements by Board	P&CE/Clerk to BOM	Chair BOM	Mar-21	EY Appendix D: 11	In progress
	Governance & BOM	2. Compliance	Review college Governance Statement	P&CE/Clerk to BOM	Chair BOM	Jul-20	EY Appendix D: 12	Complete
	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	Complete
	Governance & BOM	1. Future financial planning	Review College Annual Governance Plan	P&CE/Clerk to BOM	Chair BOM	Feb-21	EY Appendix D: 12	In progress
	Governance & BOM	3. Manual Processes	Review Business Continuity Plan	SMT/Clerk to BOM	P&CE	Mar-20	VPEE	In progress
	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
Equalities Mainstreaming								

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Equalities	2. Compliance	Review and clarify remit of EDIT	HROD, E&D	DP	Nov-19	Internal Audit 2018/06: R6	Complete
	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	Internal Audit 2018/06: R4	Complete
	Equalities	2. Compliance	Review and check for accuracy calculations for the College's equalities reports	HROD	DP	Mar-20	Internal Audit 2018/06: R9	Complete
	Equalities	2. Compliance	Develop an Equality and Diversity Strategy	HROD	DP	Mar-20	Internal Audit 2018/06: R1	Complete
	Equalities	2. Compliance	Develop an Equality and Diversity operational plan	HROD	DP	Mar-20	Internal Audit 2018/06: R2	Complete
	Equalities	2. Compliance	Benchmarking of college protected characteristics statistics for staff and students	HROD, HoSE, E&D	DP	Mar-20	Internal Audit 2018/06: R4	Complete
	Equalities	2. Compliance	Publish a map of equalities documents showing how they relate to one another	HROD, E&D	DP	Mar-20	Internal Audit 2018/06: R5	Complete
	Equalities	2. Compliance	Clarify and implement role of Equality Champions	HROD, E&D	DP	Mar-21	Internal Audit 2018/06: R7	Paused
	Equalities	2. Compliance	Review the Equality Impact Assessment (EIA) process to ensure all policies and procedures are compliant and all EIAs are published on college website	HROD, E&D, Quality	DP	Mar-21	Internal Audit 2018/06: R8	In progress
	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	Internal Audit 2018/06: R3	In progress
Health and Safety								
	Health & Safety	2. Compliance	Implement a workplan for 2020-2023 H&S audits	HROD	DP	Feb-20	Internal Audit 2013/07: R1	Complete
	Health & Safety	2. Compliance	Conduct hazard surveys in all areas to identify missing Risk Assessments	HROD	DP	Apr-21	Internal Audit 2013/07: R1	Partial completion
	Health & Safety	2. Compliance	Undertake additional risk assessment training for staff	HROD	DP	Jun-20	Internal Audit 2013/07: R1	Complete
	Health & Safety	2. Compliance	Implement departmental health and safety reporting	HROD	DP	Jun-20	Internal Audit 2013/07: R1	Complete

	Action Plan	Theme	Action	Lead	Accountable	Anticipated Completion Date	Source	Current Status
	Health & Safety	2. Compliance	Implement training plan for CMT members	HROD	DP	Feb-21	Internal Audit 2013/07: R1/R3	In progress
	Health & Safety	2. Compliance	Ensure all staff receive mandatory H&S safety training	HROD	DP	Jul-20	Internal Audit 2013/07: R3	Partial completion
Policies and Procedures								
	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	Complete
	Policies & Procedures	3. Manual Processes	Review master schedule of policies and procedures	Quality Manager/CMT	DP	Jun-20	DP/VPEE	Partial completion
	Policies & Procedures	2. Compliance	Review overall number of college policies and procedures	Quality Manager/CMT	DP	Dec-20	DP/VPEE	In progress
Communications								
	Communications	4. Culture	Develop a Communications Strategy for internal and external stakeholders	VPEE/ Marketing	VPEE	Aug-20	VPEE	In progress
	Communications	3. Manual Processes	Take forward staff Intranet Project	PPO	VPEE	Jul-20	VPEE	Complete
Public Sector Reporting Duties								
	Public Sector Reporting Duties	2. Compliance	Publish annual gross carbon footprint on college website	Estates/Clerk to BOM	VPEE	Jun-20	VPEE	In progress
	Public Sector Reporting Duties	2. Compliance	Publish Modern Slavery Statement on college website	APUC	VPEE	Apr-20	VPEE	Partial completion

Committee	Audit Committee
Subject	Risk Review – Audit Committee
Date of Committee meeting	03/12/2020
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	23/11/2020
Executive summary of the paper	<p>This paper provides Audit Committee with an opportunity to scrutinise and assess those Strategic Risks determined to be within the Committee’s purview.</p> <p>All new updates within the document have been highlighted in red. Items in individual Risk Areas linked to COVID-19 are highlighted in blue. In addition, these items are cross-referenced again the main COVID-19 Risk Area 30</p> <p>Following extensive review with Risk owners:</p> <ul style="list-style-type: none"> • there are amendments/additions to actions in the following Audit Risk References – 12, 17, 22 & 26; • Residual Risk Score for Risk 26 has been reduced based on 19 of 20 Audit Actions now being completed <p>Committee members are asked to:</p> <ol style="list-style-type: none"> i) Discuss the appropriateness of each Risk for the Committee; ii) Review in particular the currency of the Action Plan; iii) Consider any additional areas of Risk not identified within the current Register, in particular any considerations related to COVID-19 impacting on areas related to the remit of Audit Committee; iv) Consider the removal of Risk 26 from the Strategic Risk Register.
Consultation How has consultation with partners been carried out?	<p>Board Members and SMT have been consulted via discussions at sub-Committees.</p> <p>Extensive review with SMT has taken place during current Board cycle</p>

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	The full Risk Register is presented to the Board on a quarterly basis, and to Audit Committee bi-annually
Action requested	<input checked="" type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	Without continual review of the risk register there are potential implications that strategic objectives are not met.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	The Strategic risk register is the core risk management tool used within Perth College UHI.
<u>Equality and diversity</u> Yes/ No If yes, please give details:	No
<u>Island communities</u> Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No

Perth College UHI

If yes, please give details:	
<u>Data Protection</u> Does this activity/ proposal require a Data Protection Impact Assessment?	No
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	Open Business

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

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

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

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

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

and

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

UHI STRATEGIC RISK REGISTER TEMPLATE

PARTNER: Perth College UHI

DATE: November 2020

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

Ref	Risk Status	Strategic Category	RISK AREA, 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
12*	Active	Developing a successful and sustainable organisation.	Business Continuity Threat to Business Continuity Audit	<ul style="list-style-type: none"> Major incident. Pandemic. Major fire. Terrorist Activity. UHI ICT loss of service. Radicalisation 	<ul style="list-style-type: none"> College closure. Reduced/loss of service. 	Principal	5	5	25	<ul style="list-style-type: none"> Annual Reviews of Business Continuity Plan. Fibre ring installed. ICT Risk Register developed and dynamic review. Live ICT shutdown test. Desktop exercise with CMT successfully completed. UHI wide live exercise concluded All actively involved in Single Policy Work Environment. Significant increase in input to the UHI L&T Review documentation. Business Continuity Plan reviewed around Coronavirus Resilience team formed and meeting regularly Regular Partnership-wide crises management meetings 	20 (5,4)	↔	Review non-COVID Business Continuity Plans to absorb learning from recent approaches/solutions	Clerk	Dec 2020
17	Active	Developing a successful and sustainable organisation.	Statutory compliance Non-compliance of Statutory Health and Safety Legislation and Equality Legislation Audit	<ul style="list-style-type: none"> Introduction of amendments to existing legislation or new unforeseen and unplanned legislation. Failure to comply with Equalities Duties and contingent statutory reporting 	<ul style="list-style-type: none"> Introduces financial and staffing resources to administer. Legal Action. Risk to Business Continuity. Financial fines. Reputational damage. 	Depute Principal Academic	5	4	20	<ul style="list-style-type: none"> Produced and implemented a detailed Health and Safety Operational Risk Management Register. Updated quarterly and reviewed by Audit Committee every 6 months. Produce Annual Report on Health and Safety. Internal audit actions/recommendations achieved. Equalities Outcomes and Mainstreaming Report. Regular review of HSE publications, website and notifications. Health and Safety Management System annual review Equality & Diversity lead appointed July 2019, with specific initial focus on statutory reporting requirements Completed Equalities Mainstreaming action plan Improvement in Mandatory Training stats New reporting mechanisms for Health & Safety Increase in prevalence of risk assessments across organisation COVID Response Group codified as sub-committee of H&S Committee 	16 (4,4)	↔	Plans in place to enforce completion of Compulsory H&S training	Head of HR	Dec 2020

Ref	Risk Status	Strategic Category	RISK AREA, 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
21	Active	UHI Common Risk	<p>Statutory Compliance</p> <p>Non-compliance with relevant statutory regulations.</p> <p>Audit</p>	<p>Lack of awareness of relevant laws and penalties.</p> <p>Management failures. E.g. new General Data Protection Regulation from 25th May 2018, Bribery Act, Health and Safety Regulations, PREVENT legislation etc.</p>	<p>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.</p> <p>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)</p>	Depute Principal Academic	4	3	12	<ul style="list-style-type: none"> •Robust governance policy. •Robust management policies, procedures and systems in place. •Dedicated Health & Safety officer. •IT/Data Protection staff in place. •Mandatory staff training. •Close working relationship within UHI. •GDPR Implementation Plan • GDPR policies and procedures agreed. 	6	↔	<ul style="list-style-type: none"> • Continuous update and reinforcement of GDPR policies and procedures. <p>Ensure compulsory training is conducted across organisation</p>	Principal Head of HR	Ongoing June Board

22	Active	UHI Common Risk	<p>Governance</p> <p>Governance Failure.</p> <p>Audit</p>	<p>Governing body does not have an appropriate balance of skills and experience.</p> <p>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.</p> <p>Board members not provided with enough support or information to fully discharge their responsibilities</p>	<p>Challenge to recruit new Board Members</p> <p>High turnover of Board Members</p> <p>Action Plans arising from recent Audits are not sufficiently monitored and reported</p> <p>Failure to comply with Code of Good Governance</p>	Chair, BoM	3	3	9	<ul style="list-style-type: none"> Recruitment process robust, transparent and open. Skills matrix approach in place. Networking/proactively encouraging diversity of applicants Robust Action Plan falling out of various Audit Reports produced Board External Effectiveness Review completed June 2020 Successful recruitment & induction of new Board Members summer 2020 Review of Committee membership summer 2020 Code of Good Governance Compliance Checklist reviewed Oct 2020 	3 (1,3)	↔	<p>Successful recruitment of new Board Members June 2020—Induction process to be completed</p> <p>Audit Action Plan in place with robust monitoring system</p> <p>Board Effectiveness Review Action Plan</p>	Clerk Chair BoM Clerk	Aug-2020 Ongoing Dec 2020
26	Active	Developing a successful and sustainable organisation	<p>Payroll</p> <p>Failure of payroll systems & procedures results in non-compliance with standards</p> <p>Audit</p>	<p>Lack of integrated HR, Payroll and Finance systems</p>	<p>Recorded instances of erroneous NI payments</p> <p>Incorrect reporting of pensions liabilities and tax payments arising from erroneous NI payments</p> <p>Staff dissatisfaction with issue and/or steps taken to rectify</p>	Director of Finance	5	3	15	<ul style="list-style-type: none"> Internal Audit Action Plan commissioned and partially actioned Affected staff informed of issue and steps being taken to rectify and recompense Amended the payroll system user access rights to ensure that these are appropriate for user roles and remove all generic users from the payroll system Strengthened controls around variations to staff salaries on the payroll system to reduce the opportunity for unauthorised entries to be added to the tracker and inadvertently processed Introduced mechanisms to ensure that payroll checklists are always completed and held on file and that these checklists are always checked and signed off by someone independent of the payroll team prior to processing of the payroll. 19 of 20 Audit actions completed Internal Audit commissioned to conduct evaluation of pensions and tax payments Voluntary HMRC Disclosure made 	3 (1,3)	↓	<ul style="list-style-type: none"> Review recruitment & induction processes Compliance with relevant areas of Audit Action Plan 	Head of HR & OD Head of HR & OD	June 2020 Ongoing

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

LIKELIHOOD CRITERIA **TIMESCALE 3 YEARS**

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

IMPACT CRITERIA **TIMESCALE 3 YEARS**

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

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

RISK MAP (for Gross risk & residual risk)

TIMESCALE 3 YEARS

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

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

Perth College

AST Financial Controls

Internal Audit Report No: 2020/08

Draft issued: 24 November 2020

2nd draft issued: 25 November 2020

Final issued: 25 November 2020

LEVEL OF ASSURANCE

Requires improvement

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Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

Requires Improvement

System has weaknesses that could prevent it achieving control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Perth College ('the College') Strategic Risk Register at September 2020:

Risk 14 – Failure to ensure sustainability; weaknesses in internal controls/effective management review; financial monitoring reports provide insufficient detail to allow the board to track the delivery of key strategies. (Residual risk: 15)

Risk 25 – Financial failure of commercial subsidiary (Residual risk: 20)

Risk 26 – Failure of payroll systems and procedures results in non-compliance with standards (Residual risk: 12)

Risk 28 – Procurement processes are not fully compliant with regulations (Residual risk: 6)

Background

As part of the Internal Audit programme at the College for 2019/20 we have carried out a review of the Air Services Training Limited (AST) Financial Controls. Our Audit Needs Assessment, issued in November 2017, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

AST is a wholly owned subsidiary of Perth College UHI, part of the University of the Highlands and Islands (UHI). The company is a long-established training organisation and has had a long and successful history of providing Engineering training for the world's airlines, maintenance organisations and military formations. AST is a registered charity which gift aids any profits obtained during the year to the college and pays the college an annual management fee for the provision of support services including financial management services. As AST operate in the aviation sector, which has been severely impacted by the Covid-19 pandemic. AST's external auditor E&Y as part of its audited financial statements for the year ended 31 July 2019 has included within its report to Directors that "a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern". This represents a financial risk to Perth College UHI, not just in the potential absence of future gift aid funding from AST, but the College may have to provide additional financial support to AST to allow the entity to continue trading.

AST Financial Controls

Scope, Objectives and Overall Findings

This audit reviewed and assessed the effectiveness of the financial control framework in place to ensure that key financial controls can be relied upon to produce the figures for the financial statements, management accounts and are operating effectively.

The table below notes the specific objectives for this review and records the results:

Objective	Findings			Actions already underway	
The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:		1	2	3	
1. Payroll 2. General Ledger 3. Budget Monitoring 4. Purchase Ledger 5. Sales Ledger	Requires Improvement	0	1	1	✓
Overall Level of Assurance	Requires Improvement	0	1	1	System has weaknesses that could prevent it achieving control objectives.

Audit Approach

As part of our audit we held discussions with key personal both within AST and the finance staff within Perth College and reviewed key documentation relating to financial controls and reporting to ensure controls are in place and being effectively applied.

AST Financial Controls

Summary of Main Findings

Strengths

- AST accesses the financial services provided by Perth College UHI and deploy their controls and procedures for payroll, budgetary control and reporting, procurement and debtor management and a fixed annual fee is paid by AST to the College for the provision of these services;
- AST provides additional funding to Perth College through the use of gift aid for any profit it makes; and
- The provision of these services enables AST to focus on the delivery of its core activity of aircraft engineering training.

Weaknesses

- Previous internal audits within Perth College UHI have identified significant weaknesses in controls and processes operated by the college in the following areas.
 - Payroll and Pensions;
 - Procurement; and
 - Budgetary control.
- The current Financial Regulations in place for the College do not adequately address the business needs and operating activities of AST in some key areas; and
- There is no formal agreement in place between AST and the College detailing the specification for the services which AST receives for the annual £100k fee paid.

Acknowledgements

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

Main Findings and Action Plan

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- **Payroll;**
- **General Ledger;**
- **Budget Monitoring;**
- **Purchase ledger; and**
- **Sales Ledger.**

AST is a wholly owned subsidiary of Perth College UHI and has a management agreement in place with the college to provide financial support services. For these services AST pays the college an annual management fee of £100k and provides the following services:

- Payroll;
- Financial services including:
 - Budgetary monitoring and reporting; and
 - General, Sales and Purchase ledgers.

AST generates its income from the provision of internationally certified aircraft engineering training to UK and international students. Annual budgets are prepared and submitted to the AST board for initial approval and finally to the Perth College Board of Management for final approval. The budgets are based on forecasted income from its courses and expected costs. As a charity, any profit obtained during the year will be gift aided to Perth College.

Once agreed the budget is loaded into the college's Symmetry finance system, AST has its own set of accounts and cost centre codes where its income and expenditure is allocated against, enabling the production of monthly budget reports and management accounts. All payroll costs including monthly salary, payments, expenses, new starters and leavers are undertaken and paid by the College's payroll service. The monthly costs of these payments including statutory deductions and pension payments are journaled to the AST accounts on a monthly basis. AST operate an independent salary scale for all its staff.

AST Financial Controls

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- **Payroll;**
- **General Ledger;**
- **Budget Monitoring;**
- **Purchase ledger; and**
- **Sales Ledger. (Continued)**

Goods and services purchased by AST are procured using the colleges PECOS P2P system with orders, raised, approved and paid in line with the financial authorities in place within AST. These are aligned to the colleges scheme of financial delegation. AST follow the Perth College Procurement policy and approach for the procurement of goods and services. These costs incurred are charged against the relevant AST cost centre codes.

AST income is generated by the raising of invoices for students who enrol in the courses offered. These invoices are prepared by the AST support team on an excel spreadsheet and are passed to finance to raise and issue the invoice on the Symmetry sales ledger. There are plans in place to replace the current finance system which will enable AST to issue invoices directly.

AST provides training at Approved Sites in Kuwait (C.A.T) and Jordon (Joramco) with these sites budgeted to provide £391k revenue, which represents nearly 21% of AST's forecast income for 2020/21, Other non-Perth income from Remote Sites (Egypt, India, Kenya, Nepal, Nigeria and non-Perth UK) totals £174k, representing 9.3% of AST budgeted revenue. This means over 30% of AST's income is provided by the Approved and Remote Sites.

Leonardo courses, delivering training to the Qatar Emiri Air Force (QEAF), total £470k, providing 25% of the budgeted 2020/21 revenues and displacing C.A.T as AST's single largest customer.

To ensure effective cash management AST monitors its debtors reporting to maintain its required cashflow. Debtor reports are produced by Finance and are monitored by AST. The level of debtors is a standing agenda item at the weekly AST Sales & Business Development Meeting, attended by the College's finance team. At the time of our audit review the invoiced but unpaid amount stood at £402,352. However, as the invoice for the course fees is raised when the course commences, because these courses are spread over time, payment plans are in place for student to pay these fees over agreed timelines.

Therefore, this figure does not provide an accurate view of overdue debts. Taking the timing and payment plans into account reduces the actual amount of overdue debt to £182,976 of this figure, of which some £46,000 is considered medium or high risk. All debts are monitored on a weekly basis and when required enforcement action will be undertaken. The Covid-19 Pandemic has also had an adverse impact on this area with the 2019/20 year end accounts highlighting the increase in bad debts. By the end of the financial year the actual bad debt position was £50,000 against a budgeted provision of £12,000. However, our review did confirm that effective monitoring and management reporting is in place in relation to debtor management.

AST Financial Controls

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- **Payroll;**
- **General Ledger;**
- **Budget Monitoring;**
- **Purchas ledger; and**
- **Sales Ledger. (Continued)**

The original budgets set and agreed for 2019/20 financial year were revised to take account of the Covid-19 Pandemic impact and revised assumptions around the income and expenditure for AST.

An Interim Budget for FY 2020/21 was approved in April 2020 on the understanding that it would be revised by end October 2020 after AST re-started face to face training in August 2020 and also started new Approved Course and BSc student cohorts in September 2020. It was also hoped that this period would allow some more clarity on the likely impact of Covid-19 on the aviation sector.

In July 2020, the AST management and AST Board formed the view that the expectation that the staff voluntary salary holiday might persist until December 2020 was over-optimistic, particularly given indications that workload in the remainder of 2020 would be high. This was driven by better than expected numbers on the new courses plus a requirement to catch up on training lost during the lockdown period. The College external auditors also expressed concern about this assumption whilst conducting their Going Concern Review during July 2020. This was communicated to the Perth College UHI Board, with an expectation that a Trading Profit of £66k could still be achieved.

In November 2020 AST Board approved a Base Plan for AST, generating £68k margin, with an aspirational Growth Plan that would see this fall to £20k as part of a 3 year programme to re-invest AST profits back into the business in order to enter Digital and Distance Learning markets. This is predicted to generate additional profits in the first 3 years of £214k and to increase the year 3 annual margin from £85k to £249k, to be sustained in subsequent years.

This revised budget has been approved by the AST Board and will be presented to Finance & General Purposes Committee in November 2020 and go to the Perth College UHI Board in December 2020. Based on this revised budget the Directors have concluded that AST is a sustainable and viable business. Monthly budget monitoring will provide ongoing review and progress against this revised budget.

AST Financial Controls

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- **Payroll;**
- **General Ledger;**
- **Budget Monitoring;**
- **Purchas ledger; and**
- **Sales Ledger. (Continued)**

AST financial controls are aligned to the system and processes in place and operated by Perth College. UHI As part of the Internal Audit programme for 2018/19 and 2019/20 we have conducted reviews in the following areas:

- Budgetary control
- Procurement; and
- Payroll and Pensions.

All of these internal audit reports have identified weaknesses in the control process and their operation within the College. The agreed actions are now being addressed by the college. In addition, while AST are required to comply with the Perth College UHI's Financial Regulations, these have not been updated since 2013. While an update was ongoing at the time of our review it had not been completed.

While AST has no direct influence on the design and operations of the systems in place, the current weaknesses in place do adversely impact on the effectiveness of the finance controls in place. There while there is no action required directly by AST to rectify these issues, as these are being addressed by Perth College UHI, until these control weaknesses in core financial processes are resolved they do constitute a risk to AST.

AST Financial Controls

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- Payroll;
- General Ledger;
- Budget Monitoring;
- Purchas ledger; and
- Sales Ledger (Continued)

Observation	Risks	Recommendation	Management Response
<p>At the time of our review, Perth College’s Financial Regulations had not been updated since 2013. Within the regulations para 2.1 states that:</p> <p><i>“This document sets out Perth College’s financial regulations. It translates into practical guidance Perth College’s broad policies relating to financial control. This document was approved by the Board of Management. It applies to Perth College and all its subsidiary undertakings.”</i></p> <p>Therefore, as AST is a wholly owned subsidiary these regulations should also be applied in its financial transactions. However, it was clear from our review that AST does not consistently apply the current financial regulations. For example, there have been instances where commercial contacts have been entered into without the approval of the Principal, despite this being a requirement of paragraph 11.3 of the current financial regulations. However, each individual student who enrolls in an AST course effectively generates a contract and therefore it is impractical for AST to abide by this requirement as described within the current financial regulations. Therefore, at present, there is not a consistent alignment with the activity undertaken by AST and the College’s Financial Regulations in some key areas. We are aware that the Financial Regulations are currently being updated but this update was not completed at the time of our audit.</p>	<p>AST undertake transactions which are outside the current mandated financial regulations.</p>	<p>R1 The current update of the Perth College UHI’s Financial Regulations should take account of AST business requirements to ensure they are adequately addressed. Alternatively, consideration could be given to excluding AST from the Perth College UHI Financial Regulations and creating specific Financial Regulations which meet the business needs of AST; the AST Board and the governance requirements of the Perth College UHI Board of Management.</p> <p>Any separate Financial Regulations developed for AST will require the approval of the AST Board, as well as Perth College UHI’s Board of Management, to ensure that they satisfy the public sector financial and governance requirements.</p>	<p>Agreed.</p> <p>AST General Manager has previously discussed this with the Board Secretary and they concluded that once the work was done regarding sign-off / referral levels for Perth College, then a similar scale of levels had to be established for AST.</p> <p>There also needs to be consideration whether the referral points for AST should be the AST board or nominated directors (eg Perth College UHI Principal) or whether the escalation could be to Perth College UHI personnel (eg VP External or Finance Director) who were not part of the formal AST governance process, specifically the AST Board.</p> <p>The next AST Board meeting is 25th February 2021 and it is proposed that revised procedures and financial levels should be presented at the board meeting</p>

AST Financial Controls

			<p>for approval, prior to referral to the F&GP then Perth College UHI Main boards.</p> <p>To be actioned by: Mark Taylor (AST General Manager)</p> <p>No later than: 28 February 2021</p>		
			<table border="1"><tr><td>Grade</td><td>2</td></tr></table>	Grade	2
Grade	2				

AST Financial Controls

Objective 1: The objective of this audit will be to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:

- Payroll;
- General Ledger;
- Budget Monitoring;
- Purchas ledger; and
- Sales Ledger (Continued)

Observation	Risks	Recommendation	Management Response
There is no formal agreement in place between AST and the college detailing what it receives for the for the annual £100k fee paid.	Ineffective controls increase the risks of financial loss or lack of effective management reporting	<p>R2 Discussions should be initiated between AST and Perth College UHI regarding the feasibility of developing a Service Level Agreement detailing the specification for the service levels which will be provided for the annual £100k service charge. This should include:</p> <ul style="list-style-type: none"> • What services will be provided; • Who will provide them; • Quality metrics or KPIs to assess the effectiveness of their delivery; and • Timelines for reviewing the agreed fees and service delivery levels. 	<p>It will be comparatively easy to write agreements of turnaround times on requests, compliance with due dates on say monthly finance reports and similar.</p> <p>However the issues that define the quality of relationship between AST and Perth College UHI are more subjective and include, for example, does AST get a fair crack at room bookings, or does it only get the rooms the college does not require. This impacts AST ability to deliver business and thereby limits AST profit and its ability to Gift Aid to Perth College UHI.</p> <p>Need also to consider if AST should be incentivised to reduce expenditure / activity. AST is the predominate user of the Reprographics facility but would see no financial benefit, if it were to invest in scanning and</p>

AST Financial Controls

			<p>digitalisation and move training materials on-line The AST General Manager will initiate discussions with the Finance Director in Perth College UHI to discuss these issues and to discuss the practicalities of progressing the development of a formal SLA between AST and the College.</p> <p>To be actioned by: Mark Taylor (AST General Manager)</p> <p>No later than: 28 February 2021</p>		
			<table border="1"><tr><td>Grade</td><td>3</td></tr></table>	Grade	3
Grade	3				

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Perth College UHI

Follow-Up Reviews

2019/20

Internal Audit Report No: 2020/09

Draft issued: 25 November 2020

Final issued: 27 November 2020



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Appendix III	Updated Action Plan: Internal Audit Report – 2019/06 HR and Payroll
Appendix IV	Updated Action Plan: Internal Audit Report – 2020/04 Pension Contributions
Appendix V	Updated Action Plan: Internal Audit Report – 2020/05 Health and Safety

1. Management Summary

Introduction and Background

As part of the Internal Audit programme at Perth College UHI ('the College') for 2019/20 we carried out a follow-up review of the recommendations made in Internal Audit reports finalised during 2019/20 (to date) and reports from earlier years where previous follow-up identified recommendations outstanding. These were:

- 2019/04 – International Activity
- 2019/05 – Follow Up Reviews
- 2019/06 – HR & Payroll
- 2020/04 – Payroll - Pension Contributions
- 2020/05 – Health and Safety

At the time we undertook our fieldwork the recommendations within the following reports had not reached their agreed implementation dates and therefore these actions have not been followed-up as part of this report:

- 2020/06 – Procurement
- 2020/07 – Budgetary Control

Audit Scope and Objectives

The objective of our follow-up review is to assess whether recommendations made in internal audit reports from 2019/20 (and previous years) have been appropriately implemented and to ensure that, where little or no progress has been made towards implementation, that plans are in place to progress them.

Audit Approach

For the recommendations made in the reports referred to above we ascertained by enquiry whether they had been completed (or established what stage they had reached in terms of completion) and whether the due date required to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Follow-Up Review 2019/20

Overall Conclusion

The College has made good progress in implementing the recommendations followed-up as part of this review with 22 (76%) of the 29 recommendations which are past their completion date being classified as 'fully implemented'. A further seven (24%) recommendations were assessed as 'partially implemented'. A further three recommendations were not due for completion at the time of our review.

From Original Reports			From Follow-Up Work Performed				
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered but not implemented	Not yet past completion date
International Activity	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
Follow Up Review	1	-	-	-	-	-	-
	2	3	-	3	-	-	-
	3	11	8	3	-	-	-
Total		14	8	6	-	-	-
HR and Payroll	1	-	-	-	-	-	-
	2	8	8	-	-	-	-
	3	1	1	-	-	-	-
Total		9	9	-	-	-	-
Pensions Contributions	1	-	-	-	-	-	-
	2	2	-	-	-	-	2
	3	-	-	-	-	-	-
Total		2	-	-	-	-	2
Health and Safety	1	-	-	-	-	-	-
	2	2	1	-	-	-	1
	3	3	2	1	-	-	-
Total		5	3	1	-	-	1
Grand Total		32	22	7	-	-	3

Follow-Up Review 2019/20

The grades, as detailed below, denote the level of importance that should have been given to each recommendation within the internal audit reports:

Gradings for recommendations from internal audit reports:

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

Acknowledgments

We would like to thank all staff for the co-operation and assistance we received during the course of our reviews.

Appendix I – International Activity (report 2019/04)

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R1 The College should ensure that a formal International Strategy is developed which expands on the areas included in the high-level international strategy map. Areas for further consideration also include:</p> <ul style="list-style-type: none"> Contextual analysis including identifying current international strengths; Aspiration / Vision; Key outcomes / objectives; Strategic themes, e.g. Student recruitment, Research, Engagement, etc.; Priorities / actions under each strategic theme; and Measures of success. 	3	An international strategy is under development to inform future international business aligned within the overall governance of the college.	Vice Principal - External	31 December 2019	<i>Fully Implemented</i>

Follow-Up Review 2019/20

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R2 The proposed budget monitoring template being developed by the Director of Partnerships – China and South East Asia should be reviewed by Finance for reasonableness. If considered appropriate, consider adopting the template to ensure that financial reporting for each international partnership activity captures all costs associated with delivery, including an allocation of staff costs, as well as other direct costs and associated overheads.</p>	<p>3</p>	<p>We have identified this issue in the most recent Business and Curriculum Planning Meeting. A universal financial monitoring model/template for international and other projects is under development.</p>	<p>Director of Partnerships (in collaboration with the Head of Finance).</p>	<p>30 September 2019</p>	<p><i>Fully Implemented</i></p>



Appendix II – Internal Audit of Follow Reviews (report 2019/05)

Follow-Up Review 2019/20

2013/07 – Health & Safety

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2020
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Follow-Up Review 2019/20

<p>R1 Risk assessments should be reviewed annually by College managers. The H&S Adviser should also perform an annual review of risk assessments in place to ensure that these have been updated.</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>Director of HR & Communications</p>	<p>31 May 2013</p>	<p>At April 2015 A desktop review of risk assessments was carried out by H&S Officer in early 2015 and this identified that some areas needed new Risk Assessments (RAs) and others needed to be improved to ensure they were robust and not all had been reviewed on an annual basis. General H&S Risk Assessment Guidance and College Management Arrangements have been reviewed and a file has been set up on the College's network for all risk assessments to be stored. The H&S Officer plans to further review these to ensure all are uploaded and robust.</p> <p>At May 2016 The H&S Officer has carried out a significant amount of work in this area including continuing to review and upload College RAs received from departments onto Perth Net. A new RA form has been implemented and RAs are being converted to the new format as they are reviewed. This is an ongoing process. We noted some RAs on Perth Net that were past their stated review date however the H&S Officer advised that they were still relevant. Some departments have still to provide electronic copies of RAs for upload however the H&S Officer is</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"> 1) Hazard surveys to be carried out within possible areas which have staff working on campus by December 2020 2) A workplan for 2020-2023 to be revisited in January 2021 3) 15 Risk Assessment trainings took place to support COVID19 assessments 4) 9 members of CMT are enrolled on IOSH Managing Safely training (online) <p>1 member of SMT and a Board member (who sits on H&S committee) have completed their IOSH Safety for Executive and Directors Programme.</p> <p>This process is now planned to be completed by the end of the 2020/21 academic year.</p> <p>Partially implemented</p> <p>Revised implementation date:</p> <p>31 July 2021</p>
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Follow-Up Review 2019/20

				<p>confident that RAs are all in place and reviewed.</p> <p>The recommendation has been left open until all RAs are uploaded onto Perth Net and the H&S Officer will continue to assist departments to convert RAs into an electronic format using the new form. The aim would be to complete this by the end of the calendar year and departments will be advised of this timescale. The H&S Officer has provided RA training to 65 staff throughout the College to assist them in reviewing and preparing / updating RAs.</p> <p>At May 2017 The Health and Safety Officer has reviewed where the College is at and is satisfied this action is now 95% complete and will be 100% complete by August 2017.</p> <p>The 5% outstanding is a mixture of: risk assessments in place but need a review; and risk assessments where some gaps have been identified.</p> <p>At May 2018 The new Health, Safety and Wellbeing Adviser has now met with all areas of the College and has been unable thus far to find evidence of the completion rate reported in 2017. There is very little held electronically and a mix of</p>	
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Follow-Up Review 2019/20

				<p>missing assessments, out-of-date assessments and assessments on the old form.</p> <p>The plan is to work with all areas to look at their paper-based reporting and move this onto the correct electronic forms and have a centrally held register and manage this through reporting of the status to Health and Safety Committee.</p> <p>At May 2019 Improvements have been made with risk assessments being completed, reviewed and stored electronically. More areas are utilising the central registry and additional assessments have been conducted for Estates Caretakers and Cleaners and Nursery. Some areas still maintain hard copy assessments for Student Training and reference. Internal Inspections by the Health, Safety and Wellbeing Adviser shall indicate if current hard copies are suitable and sufficient. Further review of risk assessments scheduled in 2019.</p> <p><i>Partially Implemented</i></p> <p>Revised Completion Date: 31 December 2019</p>	
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Follow-Up Review 2019/20

<p>R3 The College should ensure that all staff with outstanding mandatory H&S training receive this as soon as practical.</p>	<p>B</p>	<p>As noted in the report there was a planned change in on-line training provider which resulted in a number of staff not completing the health & safety module. This is being addressed and outstanding staff have or are in the process of completing the module.</p>	<p>Director of HR & Communications</p>	<p>31 May 2013</p>	<p>At April 2015 Since June 2014 an e-Learning module has been brought in to replace training previously run through Blackboard. As the new reports from the e-Learning module do not include training records from Blackboard it is not clear whether all staff have received their mandatory training. It is planned to analyse staff who have not received this training and ensure they receive this.</p> <p>At May 2016 The completion rate for the mandatory on-line training module was not available at the time of finalising this report.</p> <p>At May 2017 Approximately 80% of staff have completed online H&S training. For those still to complete, there are quite a significant number who are new and within their first six months of employment. There are however a number of other staff who have still to complete the updated on-line module.</p> <p>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</p>	<p>Progress has been made with 19/08/2020 training completion is:</p> <p>Stress Management 84%</p> <p>Health & Safety (1) 79%</p> <p>Health & Safety (2) 81%</p> <p>Full training is planned to be completed by 31 December 2020.</p> <p>Partially implemented.</p> <p>Revised implementation date- 31 December 2020</p>
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Follow-Up Review 2019/20

				<p>has been set for 100% completion by August 2017.</p> <p>At May 2018 The e-modules completion rate is reducing. The plan is to report on this regularly and work with managers to achieve completion.</p> <p>In addition, additional mandatory training has been identified for specific roles. It is proposed that this is formalised in an action plan and then monitored and reported to Health and Safety Committee.</p> <p>At May 2019 A review of current staff employed, and completion of online Health and Safety related training has indicated a fall from previous years. Figures indicate 44% of current staff have completed modules, with 38% not having started any. Reminders have been forwarded to Managers and raised at the Health and Safety Committee to ensure specific training is completed by all staff.</p> <p><i>Partially Implemented</i></p> <p>Revised Completion Date: 31 December 2019</p>	
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Follow-Up Review 2019/20

2016/05 - Commercial Developments, Research and Development, IPR						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress Previously Reported	Progress at November 2020
<p>R5 Amend the costing and pricing forms to add a section to record which competitors' prices have been reviewed, what these were, the date of review, source of information and justification of prices if these are significantly different from competitors' rates.</p>	3	<p>This may not always be appropriate as overall market forces may be more relevant than competitive pricing. However if a contribution of less than 30 per cent is asked for then justification for this should be given.</p>	<p>Curriculum and Business Engagement Director</p> <p>Now: Veronica Lynch</p>	August 2016	<p>At May 2017 The College Curriculum and Business Planning Group has requested that the Head of Quality convene a team to review the costing and pricing process within the appraisal cycle.</p> <p>At May 2018 The Head of Quality, together with the Head of Finance convened a team to review the costing and pricing process. This work is on hold until the new SMT and CMT is in place.</p> <p>At May 2019 The Head of Finance has convened a Short Life Working Group to review costing models and approaches to costing for course development and commercial activities. Competitor analysis and an assessment of what the market will bear will form part of the costing approach.</p> <p>Partially Implemented</p> <p>Revised Completion Date: 30 June 2019</p>	<p>The costing forms were reviewed by a SLWG of the Curriculum Business Planning Group in February 2020 to ensure that all costs are captured for all delivery of activity, including commercial work and research.</p> <p>Further work on this is planned by the Director of Finance to ensure consistency of application of the revised model. At this point a section to record where competitors' prices have been reviewed, where applicable will be added.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 May 2021</p>

Follow-Up Review 2019/20

IT Network Arrangements - 2018/04						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
<p>R1 Consider implementing additional controls whereby HR issue monthly reports on joiners, leavers and staff that have changed role to departmental leads and ask them to confirm membership based on departmental composition and job roles. Any amendments would then be notified to HR who would in turn notify IT by raising a Helpdesk ticket.</p>	3	<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>	<p>Susan Hunter, Head of HR Now: Jen McGillivray, HR Team Leader Richard Fyfe, HR Advisor</p>	1 May 2018	<p>A formal system is in place for staff account creation, suspension and deletion and is controlled by HR.</p> <p>It has been agreed that a formal process for ‘movers’ is to be incorporated into the existing formal system.</p> <p><i>Partially Implemented</i></p> <p>Revised Completion Date: 30 August 2019</p>	<i>Fully Implemented</i>

Follow-Up Review 2019/20

<p>R4 Ensure that:</p> <ul style="list-style-type: none"> • Separate Administrator accounts are created for each of the members of the networking team; • Administrator accounts are not used for day-to-day activities such as web browsing and checking email; and • Administrator accounts are renamed and do not include 'Admin' in the title so that the purpose of the account is less obvious to hackers. 	<p>2</p>	<p>Agreed to separate admin accounts for each of the networking team.</p> <p>Administrators do not currently use their admin accounts for day to day activity</p> <p>Admin account titles to be changed.</p>	<p>Steve Douglas, Network & Systems Team Leader</p>	<p>1 April 2018</p>	<p>In relation to each element of the recommendation:</p> <ul style="list-style-type: none"> • Separate accounts have been created for each member of the admin team; • Work has still to be done to ensure admin accounts are not being used for day-to-day activities. The way this is managed going forward is still to be agreed. UHI may be able to block external access for Admin level accounts on request; and • Only one account still has Admin in the title. Tasks have been reduced / limited for this account until this has been completed. <p>Partially Implemented</p> <p>Revised Completion Date: 30 August 2019</p>	<p>UHI are currently unable to block Internet access for admin level accounts. Internet access is required in order to resolve some issues.</p> <p>Admin titled account still exists but use and range has been reduced as much as possible.</p> <p>Each team member has their own separate admin level account. User's own accounts still have limited administrative access but this is currently being addressed.</p> <p>Although remote working is causing some issues it is expected to be completed by Monday 30th November 2020.</p> <p>Partially implemented</p> <p>Revised implementation date:</p> <p>30 November 2020</p>
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Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
R1 Develop an equality and diversity strategy. This may be included within existing equalities documents, or as a separate document.	3		<p>Stuart Hall and Susan Hunter</p> <p>Now: Jen McGilvary, HR Team Leader</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><i>Little or No Progress Made</i></p> <p>Revised Completion Date: 31 March 2020</p>	<i>Fully Implemented</i>

Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
R2 Develop an equality and diversity operational plan.	3		<p>Stuart Hall, Richard Ogston, David Gourley and Susan Hunter</p> <p>Now: Richard Ogston, David Gourley and Jen McGilvary</p>	31 July 2018	<p>An Equality and Diversity Action Plan was agreed and actioned via the EDIT Committee in April 2019. Progress on an operational plan is still to begin.</p> <p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>Revised Completion Date: 31 December 2019</p>	Fully Implemented
R3 Ensure that appropriate equality actions are built into Faculty and Departmental operational plans.	3		<p>CMT</p> <p>Now: Jen McGilvary</p>	30 September 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>Revised Completion Date: 29 February 2020</p>	Fully Implemented

Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
<p>R4 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>	3		<p>Stuart Hall and Aishling Fagan (staff) Deborah Lally and Stuart Hall (students)</p> <p>Now: Jen McGilvary and Deborah Lally</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>Partially Implemented</p> <p>Revised Completion Date: 31 December 2019</p>	Fully Implemented

Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
R5 Prepare a summary of the equality documents and how they relate to one another. This should be published on the College website. In addition, ensure that all equalities documents are easy for readers to identify what is planned, what has been achieved, and what the key issues are.	3		Stuart Hall Now: Jen McGilvary	30 September 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. Little or No Progress Made Revised Completion Date: 29 February 2020	Fully Implemented
R6 Review the remit of EDIT (including ensuring this makes it clear how it fits into the College's equality work), its membership, who EDIT reports upwards to and what is reported upwards.	3		Susan Hunter Now: Jen McGilvary	31 July 2018	The recommendation will be taken forward once the new Equality and Diversity Adviser is in post. Little or No Progress Made Revised Completion Date: 31 December 2019	Fully Implemented

Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
<p>R7 Clearly set out the role of the Equality and Diversity Champions, how often they will meet, what they will discuss, and who they will report up to. Ensure the role of the Equality and Diversity Champions is communicated to all staff and students.</p>	3		<p>Stuart Hall</p> <p>Now: Jen McGilvary</p>	31 August 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p><i>Little or No Progress Made</i></p> <p>Revised Completion Date: 31 January 2020</p>	<p>E&D champion role outline has been created. It has been discussed at EDIT and also staff conference. Discussions have also taken place with HISA</p> <p>Progress against completion of the outstanding actions has been delayed due to the Pandemic.</p> <p><i>Partially Implemented</i></p> <p>Revised Implementation date: 31 December 2020</p>

Follow-Up Review 2019/20

Equalities Mainstreaming 2018/06						
Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at May 2019	Progress at November 2020
<p>R8 Review the EIA process to ensure:</p> <ul style="list-style-type: none"> all policies and practices are identified; where an EIA has not been undertaken for a policy or procedure, ensure that there is a formal justification for this; all EIAs are on the College website; as part of the process for reviewing policies and practices undertaken by the Quality department ensure that this includes the requirement for an EIA or justification for not requiring an EIA to be done; and all EIAs are kept centrally. 	3		<p>Stuart Hall</p> <p>Now: Jen McGilvary</p>	31 August 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>Revised Completion Date: 31 January 2020</p>	<p>Progress has been made, with the updating of policies and procedures. Some work remains outstanding in relation to updating the EIA forms.</p> <p>Partially Implemented</p> <p>Revised Implementation date: 31 December 2020</p>
<p>R9 Once the calculations for the College's equalities reports are prepared, have a second person review the calculations for accuracy of compilation, and to ensure that all required data has been included in compliance with statutory definitions.</p>	3		<p>Sarah Macfarlane</p> <p>Now: Jen McGilvary</p>	30 June 2018	<p>The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>Little or No Progress Made</p> <p>Revised Completion Date: 31 December 2019</p>	<p>Fully Implemented</p>

Appendix III – HR and Payroll - (report 2019/06)

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R1 Ensure that all differences noted as part of this audit between gross salaries on the HR and Payroll system are followed up.</p> <p>In addition, a periodic (possibly annual) reconciliation between the gross salaries by staff member on the HR and Payroll systems should be undertaken. The Excel VLOOKUP formula (using staff references) is an efficient way to achieve this.</p>	2	Agreed	Payroll Manager/HR Business Partner	31 December 2019	<i>Fully Implemented</i>
<p>R2 Amend the payroll system user access rights to ensure that that these are appropriate for user roles and remove all generic users from the payroll system.</p>	2	Agreed	Payroll Manager	31 October 2019	<i>Fully Implemented</i>
<p>R3 Implement more robust procedures over the calculation of union and pension employee deductions.</p>	2	Agreed	Payroll Manager	31 December 2019	<i>Fully Implemented</i>

Follow-Up Review 2019/20

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R4 Consider ways to strengthen the controls around variations to staff salaries on the payroll system. This could include HR printing out the list of all proposed changes listed on the tracker; having two HR staff review this list of changes; and then signing the list of changes as being correct. The signed list could then be scanned before being sent to Payroll for processing. This would reduce the opportunity for unauthorised entries to be added to the tracker and inadvertently processed.</p>	2	Agreed	Head of Human Resources	31 March 2020	<i>Fully Implemented</i>
<p>R5 Put in place more robust systems to ensure that payroll amounts are correctly calculated, processed and paid. This should include the provision of formal training to the Payroll Finance Assistant.</p>	2	Agreed	Head of HR/Payroll Manager	31 March 2020	<i>Fully Implemented</i>
<p>R6 Ensure that variance reports have been reviewed and signed off.</p> <p>Also have someone independent of the payroll team check the payroll details of payroll staff to ensure that payroll staff have not amended their own payroll salaries.</p>	2	Agreed	Head of Finance/Payroll Manager	31 December 2019	<i>Fully Implemented</i>

Follow-Up Review 2019/20

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
R7 Introduce mechanisms to ensure that payroll checklists are always completed and held on file and that these checklists are always checked and signed off by someone independent of the payroll team prior to processing of the payroll.	2	Agreed	Head of Finance/Payroll Manager	31 December 2019	<i>Fully Implemented</i>
R8 Ensure that payroll accounts are reconciled on a regular basis and where reconciling differences are identified then these are followed up and resolved.	3	Agreed	Financial Accountant	31 December 2019	<i>Fully Implemented</i>
R9 Write to all members of staff who a) did not have a correct S tax code and/or b) who have multiple staff numbers, to advise them that they should contact HMRC directly to verify that they have paid the correct amount of income tax.	2	Agreed	Payroll Manager	31 October 2019	<i>Fully implemented.</i>

Appendix IV – Payroll - Pension Contributions (report 2020/04)

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R1 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>	<p>2</p>	<p>Agreed</p>	<p>Interim Head of Finance</p>	<p>30 November 2020</p>	<p><i>Not yet past completion date</i></p>

Follow-Up Review 2019/20

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
<p>R2 Once a full analysis of pension fund contributions has been performed and the financial impact quantified (R1), 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.</p>	<p>2</p>	<p>Agreed</p>	<p>Interim Head of Finance</p>	<p>30 November 2020</p>	<p><i>Not yet past completion date</i></p>

Appendix V – Health and Safety (report 2020/05)

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
R1 The College should ensure that all health and safety policies are reviewed and updated in line with the agreed review schedule	1	Agreed	Health, Safety and Wellbeing Adviser	10 December 2020	This process has been started, but will be completed during the 20/21 academic year <i>Partially implemented</i> Revised implementation date: 31 July 2021
R2 The College should reduce the review period for all health and safety policy and procedures to a maximum of two years, to ensure that they remain relevant to both current working practices in the College and to best practices in health and safety approaches.	3	Agreed	Head of HR & Organisational Development	31 July 2020	<i>Fully Implemented</i>

Follow-Up Review 2019/20

Recommendation	Grade	Original Management Comments	Responsible Officer for Action	Agreed Completion Date	Progress at November 2020
R3 for compliance of mandatory training levels. Initially these should be set at a realistic level to improve compliance, view a view to stretching these targets over a number of years to ensure that as a minimum 95% compliance rates with mandatory training are achieved for existing staff. However, the College should ensure that for all new staff compliance with mandatory health and safety training should be 100%.	2	Agreed	Head of HR & Organisational Development	30 September 2020	Fully Implemented
R4 The College should ensure that risk assessments are completed in accordance with the agreed standard approach, and should also be reviewed and updated on time. The Health and Safety Committee should be provided with regular reports detailing the level of compliance with the cycle of updating of risk assessments and should be informed where there are areas of significant non-compliance with the regular review and updating process.	2	Agreed	SDD / Head of Department for each area overseen by SMT, supported by Health, Safety and Wellbeing Adviser	31 March 2021	Not yet past completion date
R5 The College should issue a communication to all staff which defines near misses and clarifies the importance of reporting near miss incidents. In addition, as part of any health and safety training there should be an emphasis on the importance of identifying and reporting near miss incidents. Progress in improving the identification rate of near misses should also be reported to the Health and Safety Committee.	3	Agreed	Safety and Wellbeing Adviser	30 September 2020	Fully Implemented

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Perth College UHI

**Annual Report to the Board of Management and
Principal on the Provision of Internal Audit
Services for 2019/20**

Internal Audit Report No: 2020/10

Draft issued: 25 November 2020

Final issued: 27 November 2020



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Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in July 2016 as internal auditors of Perth College UHI ('the College') for the period 1 August 2016 to 31 July 2020. This report summarises the internal audit work performed during 2019/20.
- 1.2 An updated Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2016/17 (internal audit report 2017/01, issued September 2016). The ANA was prepared following discussion with the Vice Principal Finance and Estates and review of previous internal and external audit reports and covered the four-year internal audit cycle from 2016/17 to 2019/20. The ANA was based on the College's own Strategic Risk Register and this was supplemented by our own assessment of the risks faced by the College. Following on from the ANA, a Strategic Plan was formulated covering the four-year cycle, and this was approved by the Audit Committee, together with the ANA, at its meeting on 20 September 2016.
- 1.3 The annual operating plan for 2019/20 showed a number of changes to the allocation for 2019/20 set out in the original Strategic Plan. Following discussion with College management and the Audit Committee:
- The four days originally allocated for a review of the appropriateness of the College's staff skills profile, staff productivity and performance management in 2018/19 were deferred into the 2019/20 plan because it was considered beneficial to undertake this audit after the planned Curriculum Review was complete as the latter would inform the College's People Strategy. Due to the impact of the COVID-19 pandemic this review has been deferred to 2020/21.
 - Four days originally allocated for a review of Procurement and Creditors / Purchasing in 2018/19 were reprioritised in year to allow additional work to be conducted on the HR and Payroll review and the review deferred until 2019/20.
 - The three-day review of Key Financial Controls - AST Limited was deferred from 2018/19 into 2019/20 given the linkages with ongoing work around HR and Payroll.
 - The separate four-day reviews of Corporate Planning / Regional Outcome Agreement and Curriculum and Quality were combined into a single six day output, thereby reducing the overall days from eight days to six days. This decision was taken because of the synergies between the scope of both reviews and the overlap in the managers who will provide input. Due to the impact of the COVID-19 pandemic this review has been deferred to 2020/21.
 - A new five-day review of Payroll - Pension Contributions was injected into the annual plan for 2019/20 at the request of management given the identification of increased risk around this area.
 - A new five-day review of Asset Management was injected into the annual plan for 2019/20, at the request of management, given the identification of increased risk around this area. Due to the impact of the COVID-19 pandemic this review has been deferred to 2020/21; and
 - From 2018/19 the audits of the College's Bursary, Childcare, Hardship and Educational Maintenance Allowance (EMA) Funds were added to the internal audit programme.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.

Introduction (Continued)

- 1.5 An analysis of time spent against budget is shown at Section 4. This shows that three reviews have been deferred into the Annual Plan for 2020/21 (see Section 5) namely the reviews of Asset Management, Corporate Planning/Curriculum Planning/ROA, and Appropriate staff skills profile, staff productivity and performance management.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
- Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist to confirm PSIAS compliance.
- 1.8 External assessment is built into our firm-wide quality assurance procedures. MHA Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent MHA review conducted in March 2019 included our internal audit service. This was a comprehensive independent review of our internal audit function as required every five years by PSIAS. Overall the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects. Our self-evaluation, conducted in May 2020, confirmed that the outcomes of the independent review remain valid.
- 1.9 The results of our self-assessment are that we are able to confirm that our service is independent of the College and complies with the PSIAS.

Significant Issues

- 1.10 With the exception of the audit work noted in paragraphs 1.11 to 1.15 below, all work in 2019/20 was assessed systems as either 'Satisfactory' or provided an unqualified opinion on College returns.
- 1.11 Internal audit report 2020/04 - Payroll – Pension Contributions, issued in February 2020, was graded as 'Requires Improvement'. The report contained two Priority 2 recommendations. Audit testing identified several issues which had resulted in the incorrect calculation of employee and employer pension contributions. We noted that these errors were partly attributed to process errors inherent in the payroll system and to weaknesses in the checks undertaken by the payroll team. We also noted that the types of error noted from our testing had been identified by the College in January 2019 and have subsequently been addressed. Results of audit testing conducted for a sample of months after January 2019 confirmed that this was the case.
- 1.12 Internal audit report 2020/05 – Health and Safety, issued in August 2020, was graded as 'Requires Improvement'. The report contained two Priority 2 and three Priority 3 recommendations. Audit testing identified that reported levels of compliance on mandatory training varied from 64% to 74%. In addition, only 57% of new staff employed between 1 April 2019 and 31 December 2019 completed the mandatory health and safety training. While the level of compliance has improved in the current calendar year, issues around the completion of mandatory training were still apparent, which continue to weaken the effectiveness of the H&S process. Sample testing of Risk Assessments identified instances where these had not always signed and dated; did not have a review date set; or were past the set review date and there was no evidence of a review being completed.
- 1.13 Internal audit report 2020/06 – Procurement and Creditors / Purchasing, issued in September 2020, was graded as 'Requires Improvement'. The report contained three Priority 2 and two Priority 3 recommendations. Audit testing identified that: during the period covered by our testing only 21% of the value of transactions for goods and services procured were purchased through the PECOS system; and a review of current training records identified that of the 645 registered users, only 246 (or 38%) had completed the PECOS training.
- 1.14 Our audit testing also highlighted that:
- only 21% of the total value and 36% of the volume of purchases were processed with a purchase order raised through PECOS; and
 - During our testing period, circa £1.8m of goods and services were purchased without the creation of an associated purchase order.

This results in the College having a lack of clarity around circa £1.8m of liabilities until an invoice has been received. This delay in identifying and reporting liabilities impacts on both:

- Financial reporting, as liabilities are not recorded timeously and accurately, (this could be significant at year end if invoices are not submitted until after the end of the financial year); and
- Cost accounting, as liabilities are not identified in the monthly expenditure reports for budget holders.

This issue was identified in the external audit report for 2018/19. However, our testing identified that this weakness was still evident.

- 1.15 Internal audit report 2020/08 – AST Financial Controls, issued in November 2020, was graded as 'Requires Improvement'. The report contained one Priority 2 and one Priority 3 recommendation. Audit testing identified that the current Financial Regulations in place for the College do not adequately address the business needs and operating activities of AST in some key areas.

Significant Issues

- 1.16 We found that the College has made good progress in implementing the recommendations followed-up as part of this review with 22 (76%) of the 29 recommendations which are past their completion date being classified as 'fully implemented'. A further seven (24%) recommendations were assessed as 'partially implemented'. A further three recommendations were not due for completion at the time of our review. This is a significant improvement on the position reported in the 2018/19 Annual Internal Audit Report.
- 1.17 There were no other significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas selected, but several areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

- 1.18 In our opinion, with the exception of the issues highlighted in paragraphs 1.11 to 1.15 above, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2019/20 and in prior years.



Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2020/01	Annual Plan 2019/20	N/A	N/A	N/A	N/A	N/A
2020/02	2018/19 Student Activity Data (Credits)	N/A	2	-	1	1
2020/03	Student Support Funds 2018/19	N/A	2	-	-	2
2020/04	Payroll – Pension Contributions	Requires Improvement	2	-	2	-
2020/05	Health and Safety	Requires Improvement	5	-	2	3
2020/06	Procurement & Creditors / Purchasing	Requires Improvement	5	-	3	2
2020/07	Budgetary Control	Satisfactory	5	-	-	5
2020/08	AST Financial Controls	Requires Improvement	2	-	1	1
2020/09	Follow-Up Reviews	N/A	10 of 35 recommendations required further action	-	6	4

Internal Audit Annual Report 2019/20

Overall gradings are defined as follows:

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

Recommendation grades are defined as follows:

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



Summary of Results and Conclusions

2020/01 – Annual Plan 2019/20

Final Issued – March 2020

The purpose of this document was to present, for consideration by the Audit Committee the annual operating plan for the year ending 31 July 2020. The plan was based on the proposed allocation of audit days for 2019/20 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2020 (Report 2017/01, issued 6 September 2016), which was approved by the Audit Committee at its meeting on 20 September 2016 (although refer paragraph 1.3 above).

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

2020/02 –2018/19 Student Activity Data

Final Issued – October 2019

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

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

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

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

- The student data returns have been compiled in accordance with all relevant guidance;
- Adequate procedures are in place to ensure the accurate collection and recording of the data; and
- On the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Two recommendations were identified from our audit testing for 2018/19 including: curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible to ensure that they are removed from the Credits claim; and that as part of the checks the Student Records team performs on courses during the curriculum planning process, staff complete reasonableness checks over the superclass and Price Group allocated, to ensure courses have been classified appropriately.

Internal Audit Annual Report 2019/20

2020/03 – Student Support Funds 2018/19

Final Issued – November 2019

We carried out an audit on the following fund statements for the 2018/19 academic year: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:

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

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

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

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

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

2020/04 – Payroll – Pension Contributions

This review built upon the internal audit work conducted during 2018/19 (Internal Audit report 2019/06 - HR and Payroll, which was also graded as 'Requires Improvement') and which highlighted issues around multiple pay numbers and the corresponding potential implications for employers and employees National Insurance and Pension Contributions. Supplementary detailed analysis was conducted in 2018/19, as part of report 2019/06, around National Insurance Contributions for employees with multiple employee numbers and therefore the scope of this audit was to conduct a similar analysis of employer and employee pension contributions going back four financial years (to 1 August 2016).

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

Strengths

- Pension contributions as calculated by the payroll system, were accurately recorded in the finance system and remitted to the relevant pension fund body correctly.

Weaknesses

- Our testing identified several issues which have resulted in the incorrect calculation of employee and employer pension contributions. We note that these errors can partly be attributed to process errors inherent in the payroll system and to weaknesses in the checks undertaken by the payroll team. We also noted that the types of error noted from our testing had been identified by the College in January 2019 and have subsequently been addressed. Results of audit testing conducted for a sample of months after January 2019 confirmed that this was the case.

Final Issued – February 2020

Overall grade: Requires Improvement

The objectives of this audit were to obtain reasonable assurance that:	
1. The calculation of employer pension contributions are accurate and are in line with the pension regulations for the relevant pension schemes which the employee is enrolled in.	Requires Improvement
2. The calculation of employee pension contributions are accurate and are in line with the pension regulations for the relevant pension schemes which the employee is enrolled in.	Requires Improvement
3. Pension contributions have been deducted and remitted to the relevant pension fund body correctly.	Good
4. The College has arrangements in place to communicate to current or former employees any over or underpayment of pension contributions identified so that proportionate corrective action can be taken to avoid detriment.	Requires Improvement
Overall Level of Assurance	Requires Improvement

2020/05 – Health & Safety

The scope of this audit was to review the arrangements in place within the College to identify and manage H&S issues.

The main objective of this audit was to review the College’s overall arrangements for dealing with H&S issues and to consider whether these are adequate and operating effectively in practice at each campus site.

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

Strengths

- The College has a H&S Policy in place, which is supported by a comprehensive range of H&S procedures;
- In the last 18 months the College has refreshed the H&S team with the appointment of a new Health, Safety and Wellbeing Adviser (who is supported by the Head of HR and the Depute Principal – Academic);
- This new H&S team has provided more impetus into developmental activity on H&S and has commenced work to address the outstanding issues identified in the 2013/14 Internal Audit report;
- Progress was being made to improve the available training offering, with Institution of Occupational Safety and Health (IOSH) courses in Managing Safety being arranged for College managers. However, these courses have now been delayed due to the Covid-19 pandemic;
- The current H&S policies and procedures are being reviewed and updated;
- There are a several Health and Safety improvements and initiatives being progressed, including the development of Key Performance Indicators (KPI’s) and a H&S training matrix for staff and managers;
- The College has a Health and Safety Committee which meets four times per year and receives appropriate updates and statistics on all relevant H&S issues across all campuses. The Health and Safety Committee includes members of the College Board of Management; the Senior Leadership Team; and other relevant senior managers who are well placed to respond to the H&S risks identified and to make improvements to the H&S culture within the College.

Final Issued – August 2020

Overall grade: Requires Improvement

The specific objectives of this audit were to obtain reasonable assurance the College has:	
1. H&S policy and documented procedures which are communicated to all staff.	Satisfactory
2. H&S training programme which includes induction training, refresher training and training for new equipment or legislation.	Requires Improvement
3. Regular monitoring of H&S systems to ensure that they are functioning effectively.	Requires Improvement
4. An incident and accident recording system with follow-up process and implementation of new controls where required.	Requires Improvement
5. Regular reporting of H&S to senior management and to the Board of Management.	Good
Overall Level of Assurance	Requires Improvement

2020/05 – Health & Safety (continued)

Strengths (continued)

- It is apparent that there is a collective desire to continually improve the Health and Safety approach and to address the current weaknesses in its application across the College.

Weaknesses

- The audit identified that issues remain around levels of compliance in achieving mandatory training requirements in H&S, with current compliance levels below an acceptable level;
- A review of the risk assessment process identified some instances of non-compliance with the required approach, with risk assessments not reviewed in line with the agreed review schedule;
- The audit also identified that there is currently a lack of effective reporting of near miss incidents;
- Several H&S related policies have not been updated in line with the agreed review schedule; and
- The two issues highlighted above, in relation to training and risk assessments, were also identified in the 2013/14 internal audit review of Health and Safety. The agreed recommendations to address these issues have not yet been fully implemented and this review has restated recommendations in this area. The resolution to these identified weaknesses will now be taken forward as part of the follow up actions arising from this review.

2020/06 – Procurement & Creditors / Purchasing

This audit focused on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We reviewed the adequacy of the procurement strategy and the policies and procedures in place to support its delivery and ensure best value across the college in relation to non-pay spend.

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

At the time of our review the College procurement process was going through a process of significant change to improve the existing control environment and processes. Control issues had been highlighted in the 2018/19 Annual Procurement Report which demonstrated that the College was not compliant with some elements of the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations'). The College has now entered into a partnership with Advanced Procurement for Universities and Colleges (APUC) to both support the operational management of the process and to bring in the specialist expertise required to improve the College's control framework around procurement.

An improvement and action plan has been developed to address these issues to ensure the College achieves compliance with these requirements. A progress report on the action plan was provided to the college's Audit Committee at its March 2020 meeting. At the time of our audit this improvement programme was ongoing, but we did identify evidence of tangible improvement with the following areas aligned with good practice:

Strengths

- The College is in partnership with APUC to improve its processes and operation of procurement activities;
- An action plan is in place with define timelines to address the identified outstanding improvement issues on the procurement framework and this has already delivered an updated Procurement Strategy and Procurement Policy;
- Progress against this Improvement Action Plan is reported to the Audit Committee;

Final Issued – September 2020

Overall grade: Requires Improvement

The specific objectives of this audit were to obtain reasonable assurance the College has:	
1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations')	Satisfactory
2. Procurement procedures ensure that: <ul style="list-style-type: none"> • areas of high spend across the College are monitored appropriately; • opportunities for pooling of expenditure are identified in order to achieve best value; and • collaborative procurements and frameworks available to the College are utilised where appropriate 	Requires Improvement
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised	Requires Improvement
4. The College's procurement guidance on quotes and tenders are being complied with	Requires Improvement
5. All liabilities are fully and accurately recorded	Requires Improvement
6. All payments are properly authorised, processed and recorded	Good

2020/06 – Procurement & Creditors / Purchasing

Strengths

- The new approach to procurement places an increased emphasis on the need to use existing contracts or frameworks as the first consideration when procuring goods and services (along with the use of PECOS for processing procurement transactions);
- The College was subject to an Operational Procurements Review (OPR) by Scottish Government in February 2020, with the final score of 67% marginally exceeding the projected score of 66%;
- Monthly monitoring of the use of PECOS is embedded; and
- Training in the use of PECOS is available to all staff.

Weaknesses

The following areas were also identified as control weaknesses:

- Purchase Orders (POs) are not always raised when purchasing goods and services, therefore, financial liabilities are not recorded timeously and accurately;
- To date only 38% of procurement staff have received PECOS training;
- Although PECOS is the preferred vehicle for the purchasing of goods and services, its use is not yet mandated;
- Information on the contract register is not complete or accurate; and
- There is no regular review and deletion of inactive supplier accounts.

Final Issued – September 2020

Overall grade: Requires Improvement

7. Appropriate controls are in place over the amendment of standing supplier data on the finance system	Satisfactory
Overall Level of Assurance	Requires Improvement

2020/07 – Budgetary Control

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

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

Strengths

- We noted that budget setting is linked to the College’s Strategic and Operational planning process. The College’s Financial Regulations state that the Financial Plans should be consistent with the Strategic Plan.
- We reviewed the College’s Financial Regulations and noted that these describe a number of aspects of budgetary control.
- There is a framework in place for budget setting; budget monitoring (including regular meetings between budget holders and Finance staff); and reporting upwards to senior management and the Board;
- As part of the operational planning process, ‘Portfolio Requests’ templates are submitted to budget holders detailing the current year expenditure and these templates are used to capture any additional funding requests.
- Once the budget has been agreed, it is subject to review by the Senior Management Team, Finance and General Purposes Committee, Corporate Management Team and the Board to ensure it aligns with the Colleges Strategic and Operational Plans.
- Once budgets are agreed, they are loaded into the Symmetry finance system and monthly Discoverer reports are prepared and issued to the Budget holders via email. More detailed reports are also available to budget holders, which provide the breakdown of actual spend within specific cost centres;
- Budget holders advised they had the necessary skills for managing their budgets; and
- Monthly Management accounts including cashflow statements are prepared and issued to the Senior Management Team, Finance and General Purpose Committee and Corporate Management Team.

Final Issued – September 2020

Overall grade: Satisfactory

The specific objectives of this audit were to obtain reasonable assurance the College has:	
1. Budgets are controlled in accordance with the Financial Regulations and procedures	Satisfactory
2. Budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change, or funding targets are not achieved	Satisfactory
3. Information is available to management in Academic Schools and Support Services which is up-to-date and in a format that can be easily understood	Satisfactory
4. Budget holders have the necessary skills for managing budgets	Satisfactory
5. Budget variations are reported and acted upon	Satisfactory*
6. There is accurate cash flow reporting	Good
7. Senior management and the Board regularly review the College’s overall financial position	Good
Overall Level of Assurance	Satisfactory

* The grading for this objective is linked to the recommendations relating to Objectives 1 and 4.

2020/07 – Budgetary Control (continued)

Weaknesses

- Although there is an established budget setting process within the College this is not formally set out within a timetable document and we have recommended that this completed.
- There are currently no detailed procedures in place around budgetary control to guide budget holders and to ensure consistency of approach
- There is currently no formal process in place for reforecasting outturns during the year to take account of when plans change, or funding targets are not achieved
- We noted an opportunity to further develop the monthly reports sent out to budget holders. These did not currently detail the monthly budget versus actual figures, only the year to date figures, and do not contain a variance column or a projected outturn column. We also noted, through discussion with budget holders, that these reports have not always been sent out on a monthly basis during 2019/20;
- From discussion with Finance staff and a sample of budget holders we noted that there is a not a formal programme in place for regular face-to-face meetings between budget holders and Finance.; and
- There is currently non formal training programme in place for budget holders to ensure that they have sufficient knowledge to manage budgets effectively and in line with the agreed approach.

2020/08 – AST Financial Controls

This audit reviewed and assessed the effectiveness of the financial control framework in place to ensure that key financial controls can be relied upon to produce the figures for the financial statements, management accounts and are operating effectively.

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

Strengths

- AST accesses the financial services provided by Perth College UHI and deploy their controls and procedures for payroll, budgetary control and reporting, procurement and debtor management and a fixed annual fee is paid by AST to the College for the provision of these services.
- AST provides additional funding to Perth College through the use of gift aid for any profit it makes; and
- The provision of these services enables AST to focus on the delivery of its core activity of aircraft engineering training.

Weaknesses

- Previous internal audits within Perth College UHI have identified significant weaknesses in controls and processes operated by the college in the following areas.
 - Payroll and Pensions;
 - Procurement; and
 - Budgetary control.
- The current Financial Regulations in place for the College do not adequately address the business needs and operating activities of AST in some key areas; and
- There is no formal agreement in place between AST and the College detailing the specification for the services which AST receives for the annual £100k fee paid.

Final Issued – November 2020 Overall grade: Requires Improvement

The objective of this audit was to obtain reasonable assurance that systems are sufficient to ensure effective financial controls are in place in relation to:	
1. Payroll 2. General Ledger 3. Budget Monitoring 4. Purchase Ledger 5. Sales Ledger	Requires Improvement
Overall Level of Assurance	Requires Improvement

Internal Audit Annual Report 2019/20

2020/09 – Follow-Up Reviews 2019/20

Final Issued – November 2020

We carried out a follow-up review of recommendations made in the following Internal Audit reports finalised during 2019/20 (to date) and reports from earlier years where previous follow-up identified recommendations outstanding. These were:

- 2019/04 – International Activity
- 2019/05 – Follow Up Reviews
- 2019/06 – HR & Payroll
- 2020/04 – Payroll - Pension Contributions
- 2020/05 – Health and Safety

At the time we undertook our fieldwork the recommendations within the following reports had not reached their agreed implementation dates and therefore these actions have not been followed-up as part of this report:

- 2020/06 – Procurement
- 2020/07 – Budgetary Control

Overall, we found that the College has made good progress in implementing the recommendations followed-up as part of this review with 22 (76%) of the 29 recommendations which are past their completion date being classified as 'fully implemented'. A further seven (24%) recommendations were assessed as 'partially implemented'. A further three recommendations were not due for completion at the time of our review.

Of the seven recommendations that had been assessed as 'partially implemented', two related to Report 2013/07 – Health & Safety (covered in previous year's Follow-Up Reviews), one recommendation related to report 2016/05 – Commercial Developments and Research & Development, one recommendation related to report 2018/04 – IT Network Arrangements, two recommendations related to report 2018/06 - Equalities Mainstreaming and one recommendation related to report 2020/05 – Health and Safety.

Internal Audit Annual Report 2019/20

2020/09 – Follow-Up Reviews 2019/20 (Continued)

Our findings from each of the follow up reviews has been summarised in the table below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered but not implemented	Not yet past completion date
International Activity	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	2	2	-	-	-	-
Total		2	2	-	-	-	-
Follow Up Review	1	-	-	-	-	-	-
	2	3	-	3	-	-	-
	3	11	8	3	-	-	-
Total		14	8	6	-	-	-
HR and Payroll	1	-	-	-	-	-	-
	2	8	8	-	-	-	-
	3	1	1	-	-	-	-
Total		9	9	-	-	-	-
Pensions Contributions	1	-	-	-	-	-	-
	2	2	-	-	-	-	2
	3	-	-	-	-	-	-
Total		2	-	-	-	-	2
Health and Safety	1	-	-	-	-	-	-
	2	2	1	-	-	-	1
	3	3	2	1	-	-	-
Total		5	3	1	-	-	1
Grand Total		32	22	7	-	-	3

Time Spent - Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov'20	Days to spend / WIP	Variance
Resources – Physical and Infrastructure						
Health and Safety	2020/05	3	3	-	-	-
Asset Management	N/A	5	-	-	-	5
Resources - People						
Appropriate staff skills profile, staff productivity and performance management	N/A	4	-	-	-	4
Products and Markets						
Curriculum and Quality*	N/A	3	-	-	-	3
Corporate Infrastructure						
Corporate Planning*	N/A	3	-	-	-	3
Financial Issues						
Budgetary Control	2020/07	3	3	-	-	-
Procurement and Creditors / Purchasing	2020/06	4	4	-	-	-
HR and Payroll systems	2020/04	5	5	-	-	-
Key financial controls – AST Ltd	2020/08	3	-	3	-	-
Other Audit Activities						
Credits Audit	2020/02	5	5	-	-	-
Bursary, Childcare and Hardship Funds	2020/03	4	4	-	-	-
EMA Audit	2020/03	1	1	-	-	-
Management and Planning)	2020/01	3	2	1	-	-
External audit / SFC)						
Attendance at audit committees)						
Follow-up Reviews	2020/09	2	-	2	-	-
Total		48	27	6	-	15
		=====	=====	=====	=====	=====

* these projects were intended to be linked and reported as a single output.



Operational Plan for 2020/21

- 5.1 Following the decision to extend our appointment as internal auditors for the period from 1 August 2020 to 31 July 2021 an Annual Audit Plan for 2020/21 was developed during November 2020. The full draft Annual Plan for 2020/21, containing detailed scopes for each review, will be submitted to the next meeting of the Audit Committee but the indicative operational plan for 2020/21 is shown below.

Proposed Allocation of Audit Days

	Priority	Planned 20/21 Days
Regionalisation Governance Structure		
<i>Regional Outcome Agreement*</i>	H	
<i>Compliance with Partnership Agreement and Financial Memorandum</i>	H	
Funded Student Numbers		
<i>Student Recruitment and retention</i>	H	5
<i>Student support</i>	M	
<i>College Nursery</i>	M	
<i>Student funding</i>	M	
International Business		
<i>International products and partnerships</i>	H	
<i>International student recruitment</i>	H	
Corporate Identity and Reputation		
<i>Publicity and communication</i>	M	
Resources – Physical and Infrastructure		
<i>Building maintenance</i>	M	
<i>Estates strategy and capital projects</i>	M	
<i>Health and Safety legislation</i>	L	
<i>Space management</i>	M	
<i>IT network arrangements</i>	M	
<i>IT strategy / systems development and implementation</i>	M	
<i>Asset management</i>	M	5
Resources – People		
<i>Recruitment and retention</i>	L	
<i>Appropriate staff skills profile, staff productivity and performance management</i>	L	4
<i>Change management</i>	M	
Products and Markets		
<i>Commercial developments</i>)	M	
<i>Research and Development / IPR</i>)	H/M	
<i>Curriculum and Quality*</i>	M	3
<i>Distance learning</i>	M	
Corporate Infrastructure		
<i>Risk Management / Business Continuity</i>	M	
<i>Partnership working / shared services</i>	M	
<i>Corporate Governance</i>	M	
<i>Corporate Planning*</i>	M	3
<i>Data protection / FOI</i>	M/L	
<i>Equalities mainstreaming</i>	M	

Proposed Allocation of Audit Days (continued)

	Priority	Planned 20/21 Days
Financial Issues		
<i>Budgetary control</i>	H/M	
<i>Student fees and contracts / registry</i>	M	
<i>General ledger</i>	L	
<i>Procurement and creditors / purchasing</i>	M	
<i>Contract management</i>	M	
<i>Debtors / income</i>	M	
<i>Cash & bank / Treasury Management</i>	M	
<i>HR and Payroll systems</i>	M	
<i>Key financial controls – AST Ltd</i>	M	
Other Audit Activities		
Credits Audit	Required	5
Bursary, Childcare and Hardship Funds	Required	4
EMA Audit	Required	1
Management and Planning)	-	3
External audit / SFC)	-	
Attendance at audit committees)	-	
Follow-up reviews		2
Audit Needs Assessment	-	
Total		<u>35</u> =====

Key

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

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

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Perth College UHI

2019/20 Student Activity Data

Internal Audit Report No: 2021/02

Draft issued: 6 November 2020

Final issued: 25 November 2020

Now, for tomorrow

 **mha**
HENDERSON LOGGIE



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 16 July 2020, '*2019-20 data return for funding purposes (FES return) and audit guidance for colleges*', requested submission by Perth College UHI ('the College') of the FES return for session 2019/20, which includes the Credits data relating to College activity for the academic year 2019/20.

Guidance on completion of the 2019/20 return was issued by the SFC on 3 July 2019.

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

Scope of Audit

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

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

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

Audit Staffing

An Audit Director with 27 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Manager with 15-years' experience in the sector.

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

The total number of audit days was 5, split 1 day for the Audit Director and 4 days for the Manager.

2019/20 Student Activity Data

Audit Findings

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

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

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

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

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

Conclusion

Our report was submitted to the SFC on 26 October 2020. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

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

Acknowledgements

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



Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.2.1 – 2.2.4	Open / Distance / Flexible Learning R1 Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible. The Student Records team should ensure that such students are removed from the Credits claim.	3	As noted on page 14 of this report, this measure has been partially implemented and work will continue to fully implement a system of mini-audits throughout the academic session to monitor any potential withdrawals and update systems accordingly.	Yes	Student Records Manager & Student Records Team Leader	June 2021
2.3.1 – 2.3.4	Infill R2 Ensure that Credits claimed for infill courses are based upon the Credits value of the units listed on the discrete course record.	3	Implement a system of checks to cross reference infill Credits against the discrete course record Credit. This may be via a bespoke Crystal report or via existing validation reports.	Yes	Student Records Manager & Student Records Team Leader	June 2021

2019/20 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.4.1 & 2.4.2	<p>Required Date</p> <p>R3 For courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.</p>	3	We will ensure that calculations are undertaken when a new course code is created to accurately calculate the required date using the 25% methodology.	Yes	Student Records Manager & Student Records Team Leader	June 2021



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 16 July 2020 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of Price Group code;
- capturing of enrolments and identification and recording of student withdrawals;
- allocation of Credit values;
- claims for related study;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes;
- claims for non-accredited work experience / placement; and
- claims for collaborative provision.

1.1.2 For academic year 2019/20 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

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

2019/20 Student Activity Data

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

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

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

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

2.1.3 For a total of 63 students selected from the above courses the following tests were carried out, where applicable:

- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
- b) Checked back to signed enrolment forms, or electronic equivalent, for the 2019/20 academic year;
- c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
- d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
- e) For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
- f) For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.

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

- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2019/20 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
- b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
- c) Confirmed that Credits had not been claimed for distance learning student's resident outwith Scotland.

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

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

2019/20 Student Activity Data

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

2.1 Introduction (continued)

- 2.1.6 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students we confirmed that College staff had verified the entitlement to benefit.
- 2.1.7 It was confirmed by the Head of Student Experience and Student Records Manager that the College is not involved in any collaborative provision and no such courses were identified during our audit testing. No further work was therefore required in this area.
- 2.1.8 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.9 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.10 The remainder of this report discusses issues identified during our review of the 2019/20 student activity data.

2.2 Open / Distance / Flexible Learning

- 2.2.1 The Credits guidance requires that when a programme is delivered by flexible learning methods and the subjects involved have a nominal duration, the planned learning hours per student are derived from the duration of the subjects on which the student has both enrolled and completed within the session. Records of work of such students which record formal progress against a schedule with milestones agreed at enrolment must be maintained.
- 2.2.2 Audit testing in 2017/18 and 2018/19 identified several instances of students enrolled on the National 5 Maths distance learning programme where there was no evidence of progression and participation. As per **R1** at Appendix V, we recommended that the College should ensure that open / distance / flexible learning students who are not continuing to participate in their agreed programme are identified on a timely basis by curriculum staff and notified to the Student Records team to ensure that they are removed from the Credits claim as appropriate.
- 2.2.3 In 2019/20, initial testing of a sample of three students on National 5 Maths identified one student where the tutor engagement monitoring records did not show progression. The student had withdrawn from the programme but that this had not been communicated to the Student Records team and therefore was not recorded in SITS. This prompted us to look at all 17 students in the class and we identified two further students where a review of monitoring records showed that there was no evidence of engagement in the programme. Although these students had been correctly identified as withdrawn on the SITS system, Credits were still being claimed for these students. We agreed with the Student Records Manager that a total of 12 Credits should be removed for these three students although this was not adjusted in the final FES return.
- 2.2.4 We noted that the College had made further improvements in monitoring distance learning students, with the Student Records team now performing in year mini audits to check progression. These were planned to continue in March / April 2020 but did not due to the COVID-19 lockdown.

2019/20 Student Activity Data

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

2.2 Open / Distance / Flexible Learning (continued)

Recommendation

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

2.3 Infill

2.3.1 As part of our audit sample of 15 courses we selected two infill courses and sought assurance that Credits had been claimed in accordance with SFC guidance for infill courses i.e. should be based on the Credits value of units listed on the discrete course record.

2.3.2 Audit testing on NQ Health & Social Care – infill identified three students where the Credits claimed did not correlate to the modules undertaken by the students. 11 Credits had been claimed for one student who had withdrawn from their course and where there was no assessor's record of achievement available. We established that the student had started four of the 11 enrolled modules but had withdrawn from two of these prior to the required date. We agreed with the Student Records Manager that a total of 9 Credits should be removed for this student although this was not adjusted in the final FES return.

2.3.3 For the other three students on NQ Health & Social Care – infill for whom Credits were being claimed, we noted that the College was only claiming 7 Credits per student but a review of course records for each student noted that each had undertaken a total of 10 Credits. The FES return had not been updated to reflect all student activity – unadjusted error of +9 Credits.

2.3.4 Audit testing on NC Engineering Systems – infill identified one student where the College was only claiming 6 Credits but a review of course records noted that the student had undertaken a total of 7 Credits. Again, the FES return had not been updated to reflect all student activity – unadjusted error of +1 Credit.

Recommendation

R2 Ensure that Credits claimed for infill courses are based upon the Credits value of the units listed on the discrete course record.

2.4 Required Dates

2.4.1 For one course in our sample, SVS Stepping In, the required date was found not to be calculated based on 25% of calendar days (11/11/19 was used instead of 15/11/19). One student on the course was noted as withdrawing between these two dates giving rise to a minor overclaim of 0.25 Credits which was not adjusted. We reviewed other similar courses per the FES2 and noted that there were no further withdrawals therefore there was no further impact on the Credits claim.

2.4.2 For NC Engineering Systems – Infill the required date was also found not to be calculated based on 25% of calendar days (again 11/11/19 was used instead of 15/11/19). In this case there was no impact on the Credits claimed.

Recommendation

R3 For courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.

2019/20 Student Activity Data

3. Analytical Review

3.1 The analytical review by Price Group, included at Appendix III of this report, showed significant variances in Price Groups 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- Price Group 2: overall decrease of 400 Credits (4.2%). There was a reduction in part-time enrolments, predominantly due to the temporary suspension of community education provision out in the community as various venues had closed due to the COVID-19 lockdown; and
- Price Group 3: overall increase of 652 Credits (7.3%). There was an increase in Engineering and Construction full-time enrolments due to additional groups running in 2019/20. However, to partially offset this, a full-time course in Hairdressing came to a natural end and there was a slight decrease in full-time Beauty Therapy enrolments.

Appendix I – Copy of Audit Certificate

PERT294/DA/STI

Perth College UHI
Crieff Road
Perth
PH1 2NX

26 October 2020

Dear Sirs

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

We have audited the FES return which has been prepared by Perth College UHI under the 'Credits' Guidance issued 3 July 2019 and updated guidance relating to 'one plus' activity and which has been confirmed as being free from material misstatement by the College's Principal in her Certificate dated 22 October 2020. We conducted our audit in accordance with guidance contained in the 2019-20 audit guidance for colleges and updated guidance relating to 'one plus' activity. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

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

26 October 2020

Date FES returned: 8 October 2020

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.3	Credits claimed for students who did not show progression or participate in their distance learning programme.	Unadjusted	-12 Credits
2.3.2	Credits claimed for student on an infill course did not agree to discrete course records.	Unadjusted	-9 Credits
2.3.3	Credits claimed for students on an infill course did not agree to discrete course records.	Unadjusted	+9 Credits
2.3.4	Credits claimed for a student on an infill course did not agree to discrete course records.	Unadjusted	+1 Credit
2.4.1	Credits claimed for a part-time student where the required date for their course had been incorrectly calculated	Unadjusted	-0.25 Credits

College Funded Target 2019/20 24,855 Credits

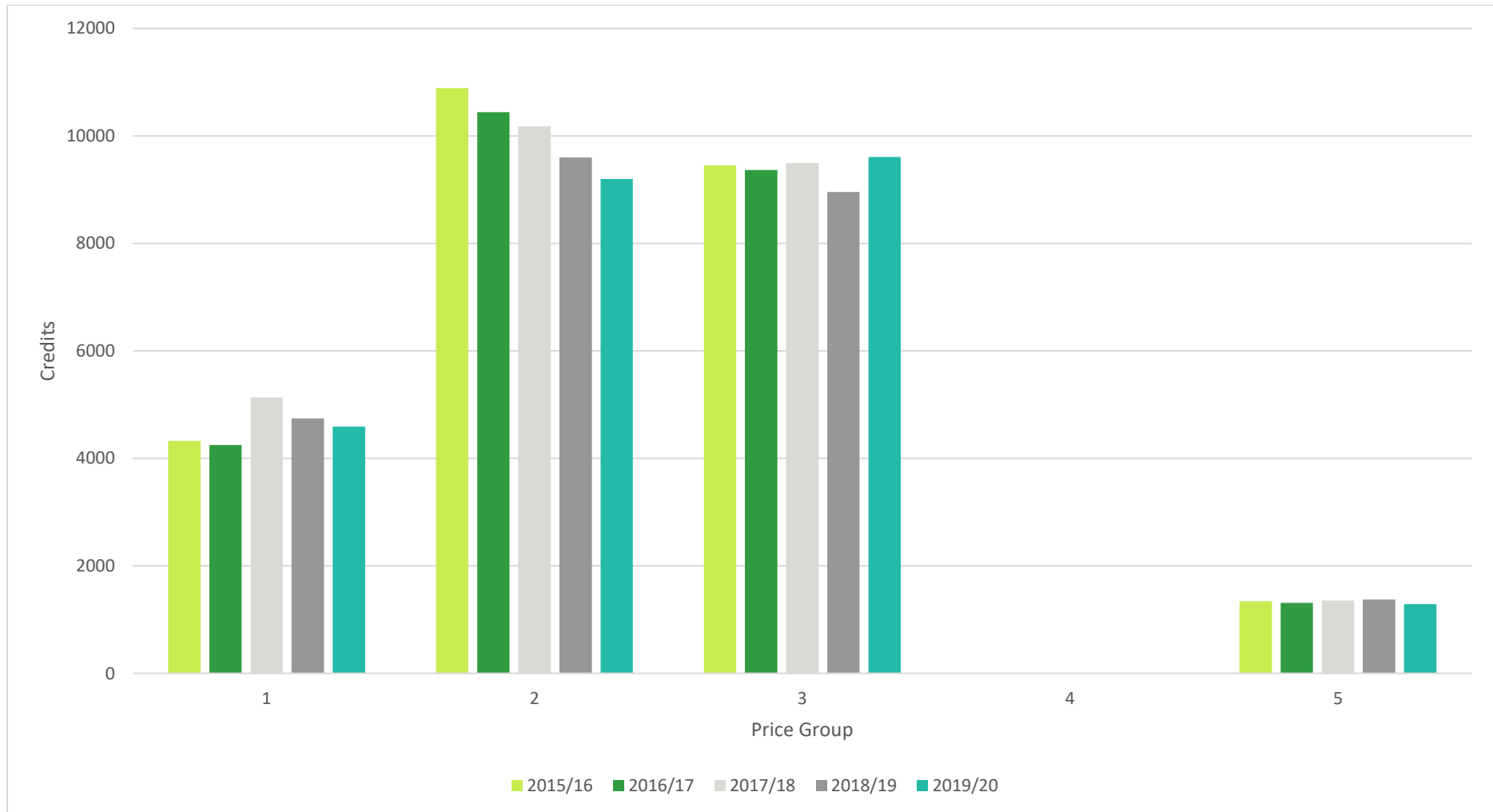
The above target figure includes 23,655 core Credits and 1,200 ESF Credits.

Final claimed 2019/20 24,688 Credits (including 1,505 ESF Credits)

Appendix III – Price Group Analytical Review 2018/19 and 2019/20 – Figures

Price Group	2018/2019		2019/2020		Variance	Variance
	Credits		Credits		Credits	%
1	4,744		4,593		(151)	(3.2)
2	9,600		9,200		(400)	(4.2)
3	8,954		9,606		652	7.3
4	5		0		(5)	(100.0)
5	1,372		1,289		(83)	(6.0)
	24,675		24,688		13	0.1

Appendix IV – Price Group Analytical Review 2015/16 to 2019/20 – Graph



Appendix V – Updated Action Plan – Student Activity Data 2018/19

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2020
2.2.4	<p>Open / Distance / Flexible Learning</p> <p>R1 Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible to ensure that they are removed from the Credits claim.</p>	2	Discussions will continue to take place at our Interim and End of Year Progression Boards to monitor the progress of open / distance / flexible learning students. In addition, we will introduce a series of 'mini' audits throughout the year to engage with relevant curriculum staff and highlight the importance of timely communication with the Student Records team.	Y	Student Records Manager	To be in place throughout AY 2019-20 and ongoing thereafter	<p>Although some improvement was noted in this area similar issues were identified during the 2019/20 audit testing. See section 2.2 and R1, in the main text of this report.</p> <p>Partially Implemented</p>
2.3.1	<p>Classification of Programmes</p> <p>R2 We recommend that as part of the checks the Student Records team performs on courses during the curriculum planning process, staff complete reasonableness checks over the superclass and Price Group allocated, to ensure courses have been classified appropriately.</p>	3	A sense checking process will be introduced to specifically monitor these two elements for accuracy on a regular basis.	Y	Student Records Manager / Student Records Team Leader	To be implemented during AY 2019-20	<p>No similar issued noted during audit testing in 2019/20.</p> <p>Fully Implemented</p>

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Our ref: PERT294/DA/STI/1280132

Your ref:

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

24 November 2020

Dear Sirs

Perth College UHI
Discretionary Fund, Childcare Fund and Bursary Return 2019/20

On behalf of our above named client, we attach the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2019/20.

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

Yours faithfully



Stuart Inglis
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MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities.

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

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

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

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

college=5360455 - Perth College report=Student Support Funding

College Name: Perth College		College Contact: Scott Young					
College Number: 5360455		Phone Number: 01738 877375					
1st August 2019 - 31st July 2020							
	(AAC 1)		(AAC 2)			(AAC 3)	
Bursary Funds Expenditure	Students under 18		Parentally Supported			Self Supporting	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)		Headcount	Expenditure (£)
Maintenance Costs							
At Parental Home	0	0	211	544265		0	0
Away from Parental Home	0	0	28	90986		360	1344321
Approved Accomodation or Lodgings	0	0	0	0		0	0
Personal Allowance	0	0	0	0		0	0
Dependents Allowance	0	0	0	0		0	0
Study Expenses	129	14049	126	13286		129	16586
Travel Expenses	136	72726	125	57189		140	68121
Special Educational Needs	4	21923	14	59534		0	0
Total Bursary	197	108691	252	765257		366	1429016
Total Bursary Fund Spend	815	2302964	[ESF Students to be included in all tables]				
(AAC 1+2+3)							
Discretionary Fund & Childcare Fund Expenditure							
	Headcount	Expenditure (£)					
Total FE Discretionary Fund	178	94657					
Total FE Childcare Fund	65	224210					
Total HE Childcare Fund *	47	170388					
* UHI partner colleges to manually enter data on the CSV version of this report.							
	Part-time		Full-time				
	Headcount	Expenditure (£)	Headcount	Expenditure (£)			
FE childcare, lone parent	0	0	26	88844			

FE childcare, other	2	2377	37	132989
HE childcare, lone parent	0	0	18	55808
HE childcare, other	0	0	29	114580

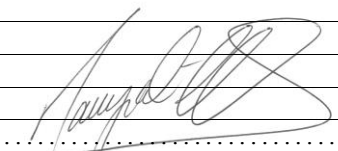
We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary. On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

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

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

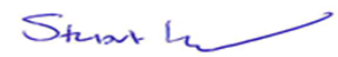
PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.

Principals Signature



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

Auditors Signature.....



DIRECTOR
FOR AND ON BEHALF OF MHA HENDERSON LOGGIE, CHARTERED ACCOUNTANTS

Date of Signature.....24 NOVEMBER 2020.....

MHA HENDERSON LOGGIE IS A TRADING NAME OF HENDERSON LOGGIE LLP

Our ref: PERT294/DA/STI/1280125

Your ref:

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

25 November 2020

Dear Sirs

**2019/20 Education Maintenance Allowance
Perth College UHI**

In accordance with the Scottish Funding Council's EMA audit guidance we attach an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2019/20 (copy attached).

We make one observation in relation to student attendance monitoring. EMA is a weekly allowance requiring 100% of agreed attendance at all timetabled sessions and the EMA Guidance and Processes issued by the Scottish Government in July 2019 confirms that attendance data, absence and other information must be retained by administrators as part of the audit trail. During our audit testing we established that attendance registers were not available for the purposes of monitoring attendance of EMA students until 11 November 2019. College management advised that a safeguard was in place to ensure that only current enrolled students who were engaging in their studies could be paid, so there would not be any possibility of students marked as withdrawn being paid. For a sample of students tested, extracts from the College's engagement monitoring records were reviewed to provide assurance that engagement was satisfactory for a payment period within October / November 2019. In all cases student engagement was marked as 'Green' – no issues.

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

Yours faithfully



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

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

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

Our ref: PERT294/DA/STI

Your ref:

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

25 November 2020

Dear Sirs

**Perth College UHI: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2019 to 31 July 2020**

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

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

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

Subject to the observation set out in our letter dated 25 November 2020 we are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully



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

College: Perth
AY 2019-20

College	Full Time students		Part Time Students		Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	Maintenance		Accruals				Administration				Payments made to College						
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT					College Maintenance Adjustment	SubTotal Maintenance (=G+K)	Accruals Paid	Accruals Recovered	credit / debit	Total EMA Maintenance to be paid	College Administration Adjustment	Annual Admin payment to be made 2018	Total EMA Admin (=G+Q+R)	Total EMA Spend (=O+T)	Month	Administration	Maintenance	Total	Balance		
August 2019	0	£0	0	£0	£0	£0	0		£0	£0					£0	£0	£0	£0	£0	September 2019	£0	£0	£0	£0	
September 2019	82	£2,460	0	£0	£2,460	£0	0		£0	£2,460					£0	£0	£0	£2,460	£0	October 2019	£0	£2,460	£2,460	£0	
October 2019	316	£9,480	6	£180	£9,660	£0	68		£0	£9,660					£0	£0	£0	£9,660	£0	November 2019	£0	£9,660	£9,660	£0	
November 2019	779	£23,370	5	£150	£23,520	£0	0		£0	£23,520					£0	£0	£0	£23,520	£0	December 2019	£0	£23,520	£23,520	£0	
December 2019	300	£9,000	2	£60	£9,060	£0	127		£0	£9,060					£0	£0	£0	£9,060	£0	January 2020	£0	£9,060	£9,060	£0	
January 2020	524	£15,720	4	£120	£15,840	£2,115	141		£0	£15,840					£0	£0	£2,115	£17,955	£0	February 2020	£2,115	£15,840	£17,955	£0	
February 2020	495	£14,850	6	£180	£15,030	£0	0		£0	£15,030					£0	£0	£0	£30,030	£0	March 2020	£0	£30,030	£30,030	£0	
March 2020	446	£13,380	8	£240	£13,620	£0	£0		£0	£13,620					£15,000	£0	£0	£30,030	£0	April 2020	£0	£0	£0	£0	
April 2020	252	£7,560	4	£120	£7,680	£0	0		£0	£7,680					£15,000	£13,620	-£1,380	£0	£0	May 2020	£0	£6,300	£6,300	£0	
May 2020	751	£22,530	12	£360	£22,890	£0	0		£0	£22,890					£0	£6,300	£6,300	£6,300	£0	June 2020	£0	£22,890	£22,890	£0	
June 2020	244	£7,320	4	£120	£7,440	£0	£0		£0	£7,440					£0	£6,300	£22,890	£22,890	£0	July 2020	£0	£8,000	£15,440	£0	
July 2020	0	£0	0	£0	£0	£120	0		£0	£0					£0	£0	£0	£7,440	£0	August 2020	£120	£0	£120	£0	
Totals	4,189	£125,670	51	£1,530	£127,200	£2,235	336		£0	£127,200					£0	£0	£8,000	£10,235	£137,435			£10,235	£127,200	£137,435	£0

Principal's declaration
I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.
I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Principal's name (please print) *DR MARGARET COOK*

Principal's signature *[Signature]*

Date *12. Nov 2020*

Committee	Audit Committee
Subject	Revision to Internal Audit Annual Plan 2019-20
Date of Committee meeting	03/12/2020
Author	Veronica Lynch, Vice Principal External
Date paper prepared	26/11/2020
Executive summary of the paper	<p>The Audit Committee approved the College's Internal Audit Plan 2019-20 in March 2020. This included scheduled audits in a number of areas which have already been undertaken or in progress. These include:</p> <p>Budgetary Control – 3 days</p> <p>Procurement and Creditors/ Purchasing – 4 days</p> <p>HR and Payroll Systems – 5 days</p> <p>Key Financial Controls AST – 3 days</p> <p>Credits, Bursary, Childcare and EMA funding – 10 days</p> <p>Management and Planning and Follow up Reviews – 5 days</p> <p>There are however 2 planned audits which have been unable to be delivered at this stage.</p> <p>Discussions with Internal Auditors have highlighted that due to COVID, the agreed timing of fieldwork on these reviews was ambitious given a combination of the demand placed on management as well as the challenges of completing the audit of the Credits and Student Support Funds audits remotely. There were also significant issues getting responses from SFC on a number of technical issues around the credits guidance this year, which has severely impacted on progress in those areas by Internal Audit during late September and into October.</p> <p>The audits impacted have been:</p> <p>Asset Management – 5 days (med priority)</p> <p>Staff Skills Profile – 4 days (low priority)</p>

	<p>In addition, management have identified that the final proposed audit of Curriculum/ Quality and Corporate Planning – 6 days (med priority) should not be utilised at this time for the following reasons:</p> <ul style="list-style-type: none"> a) As a result of COVID, SFC have suspended reporting on the Regional Outcome Agreement (ROA). b) The College has undertaken a curriculum review during 2019, however UHI are in process of reviewing the curriculum across the partnership which could result in further changes within the curriculum delivered at Perth campus. c) The College’s Operational Planning and Budgeting process is being revised. d) The College’s Strategic Plan will be updated during 2021 as the current plan is about to complete. <p>Overall, the planned audit days were 48 for the year compared to 27 in 2018-19.</p> <p>Not utilising these 15 allocated days for this purpose would still mean that a total of 33 days compared to the previous 27 days have already been implemented across the range of Internal Audit activity.</p> <p>As the 2019-20 audit year concludes, the College may wish to re-allocate some of these days where management identify that requirement. Based on current requirement however, it is recommended that a maximum of 15 allocated days are removed from the Internal Audit Plan for 2019-20.</p> <p>Members are asked to approve the amendment to the Internal Audit Plan 2019-20.</p>
<p>Consultation How has consultation with partners been carried out?</p>	<p>Perth College Senior Management Team APUC Perth College Finance Team</p>
<p>Action requested</p>	<p><input type="checkbox"/> For information only <input type="checkbox"/> For discussion</p>

	<input type="checkbox"/> For recommendation <input checked="" type="checkbox"/> For approval
Resource implications (If yes, please provide details)	Yes/ No Reduction of 6 Internal Audit Days against the scheduled plan.
Risk implications (If yes, please provide details)	Yes/ No Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	Provide a summary of the how the paper links to key College priorities and what they are Financial Sustainability Compliance Risk Management
<u>Equality and diversity</u> Yes/ No If yes, please give details:	There are no Equality and Diversity Implications arising from this paper.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Yes/ No If yes, please give details: Click or tap here to enter text.

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

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

<p>Its disclosure would substantially prejudice a programme of research</p>	<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>
<p>Its disclosure would constitute a breach of the Data Protection Act</p>	<p><input type="checkbox"/></p>	<p>Other [please give further details] Click or tap here to enter text.</p>	<p><input type="checkbox"/></p>

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

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and

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

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Paper 11

Committee	Audit Committee
Subject	FOI & Data Protection Quarterly Update
Date of Committee meeting	03/12/2020
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	26/11/2020
Executive summary of the paper	Summary of data relating to FOI requests received and data protection issues raised for the Quarter to 31 October 2020
Consultation How has consultation with partners been carried out?	Information provided in this paper is provided within quarterly statistics provided to the Scottish Information Commissioner
Action requested	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	Informs Risk Register
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	Informs Risk Register

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

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

Its disclosure would substantially prejudice a programme of research	<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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Quarterly Freedom of Information & Data Protection Update

Academic Year 2020/21 | Quarter 1 | August – October 2020

1. Executive Summary

Quarter 1 of 2020/21 saw a relatively light quarter in terms of Freedom of Information and Subject Access Requests, albeit currently-open SARS are of a complex nature.

Q1 also saw the conclusion of a long-standing issue for the College, whereby an exemption applied to a Freedom of Information Request was overturned on appeal by the Scottish Information Commissioner.

The Request To Be Forgotten received during Q3 of 2019/20 remains to be fully concluded. Communications with the party requesting to assert their right under this legislation are now being directed via the UHI's Director of Corporate Governance.

Data Breaches remain low in terms of both numbers and risk, however there is clearly a growing trend in erroneous email protocols. UHI Data Protection Officer is aware of issue and this area will be re-visited for staff training at a suitable opportunity.

2. Freedom of Information

a. Total Number of Requests

2020/21 Quarter 1	2019/20 Quarter 1	2019/20 Full Year	2018/19 Quarter 1	2018/19 Full Year
7	11	28	22	39

b. Request Topics – 2019/20 Q1

Type	Number
Academic-Related	1
Student-Related	3
Compliance	0
Financial	1
Estates	0
HR	1
Operational Management	0
IT	1
TOTAL	7

c. Request Sources – 2019/20 Q1

Type	Number
Legal Representative	1
Campaigning Groups	3
Trade Union	1
Press	0
Staff	0
Student	1
University Research	0
Unknown/Anonymous	1
TOTAL	7

d. Response Times – 2019/20 Q1

Replied within Statutory Time	6
Late	0
To be completed*	1

*Outstanding response still deemed to be on schedule under legal definition due to delay in commencing request while clarification was sought from requestor.

3. Data Protection

a. Total Number of Requests

	2020/21 Q1	2019/20 Q1	2019/20 Full Year	2018/19 Q1	2018/19 Full Year
Subject Access Requests	2	1	6	4	10
Data Breaches	3	4	13	5	13

b. Subject Access Request Information

SAR requests received in Q1 both refer to student records and records of phone calls to Subjects.

One of these SARs remains ongoing due to delay in commencing search while clarification was sought from Subject. The other SAR was concluded within legal timeframe.

c. Data Breach Information

Incident	Action Taken	ICO informed?
Distribution of email to students included personal emails	Recipients contacted to delete the email from all folders, and confirm this had been done. Original email then re-sent correctly.	No – determined to be low-risk
Distribution of email to students included personal emails	Recipients contacted to delete the email from all folders, and confirm this had been done. Original email then re-sent correctly.	No – determined to be low-risk
Email sent to students with personal data retained within previous email trail.	All emails deleted centrally by UHI	No – determined to be low-risk

Ian McCartney
26 November 2020

Committee	Audit Committee
Subject	Balanced Scorecard 2019/20 – Board Cycle 2 2020/21
Date of Committee meeting	03/12/2020
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	24/11/2020
Executive summary of the paper	<p>The attached paper is the Balanced Scorecard, aligned with the aims and measures for the strategic plan Vision 2021, outlining where possible, the measures to date for AY 2019-20.</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 – Provide more detailed analysis and insight with a trendline giving a pictorial representation of data over the past 3 years.</p> <p>In response to the recommendations made to the College by the External Auditors that metrics should be provided in the Balanced Scorecard, the following additions have been made for 2019/20:</p> <p>Part One</p> <ul style="list-style-type: none"> • A column has been added to the master table giving the metrics for 2019/20 <p>Part 2</p> <ul style="list-style-type: none"> • The 2019/20 metric has been given, indicated by 'Actual 2019/20' • The 2018/19 metric has been given, indicated by 'Actual 2018/19'

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	<ul style="list-style-type: none"> The +/- difference in the metric figure from the previous academic year has been provided
<p>Consultation</p> <p>How has consultation with partners been carried out?</p>	<p>Click or tap here to enter text.</p> <p>For measure 3, 11 and 12 the Head of HR&OD was consulted</p> <p>For measures 4, 5 and 6 the Quality Manager was consulted</p>
<p>Action requested</p>	<p><input checked="" type="checkbox"/> For information only</p> <p><input type="checkbox"/> For discussion</p> <p><input type="checkbox"/> For recommendation</p> <p><input type="checkbox"/> For approval</p>
<p>Resource implications</p> <p>(If yes, please provide details)</p>	<p>No</p>
<p>Risk implications</p> <p>(If yes, please provide details)</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> Compliance National Student Survey partnership services risk management other activity [e.g. new opportunity] – please provide further information 	<p>The Balanced Scorecard KPI's stems directly from the Perth College UHI Strategic Plan 2016-21.</p>
<p><u>Equality and diversity</u></p> <p>Yes/ No</p>	<p>No</p>

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

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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 checked="" 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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Strategic Plan Targets and KPIs: Progress Report 2019-20

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	Amber
Target missed	Red
No 2019/20 data available	Red

Measure	Key Performance Indicator or Target	Metric 2019/20	Performance
	Sustainability		
10	b) Gross carbon footprint	1205tCO ₂	↓

Detail of Performance: Measure 10b

Sustainability			
Measure	Key Performance Indicator or Target	Performance	Trend
10	Financial		
	a) Gross Carbon Footprint	↓	

Baseline: 1864 tCO₂

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

Actual 2019-20: 1205 tCO₂

Actual 2018-19: 1433 tCO₂

Percentage difference (+/-): -16%

Trend: Downward trend but data for 2019/20 has been impacted by the college lockdown due to COVID19

Note on performance for measure 10b

This year's carbon footprint has been reduced by 16%, however this is obviously due to lockdown as a result of the pandemic.

The overall college carbon footprint for the year is 1205 tonnes CO₂. This can be broken down into:

- Gas and electric which accounts for 82% (of usage)
- Business travel, air and rail, which accounts for 13%
- Water, vehicle mileage and waste which accounts for 5%

There are 2 areas of concern that require further investigation:

1. Waste accounts for 9.3 tonnes of carbon for 2019/20 as opposed to 2.8 tonnes for 2018/19, therefore the validity of both numbers will have to be verified.
2. Whilst the overall carbon footprint is 16% lower. as stated, this was due to lockdown as a result of the pandemic. The concern is that had it not been for lockdown, the likelihood is that we would have exceeded the usage of 2018/19, so again the validity of both years' figures should be re-examined.

Perth College UHI

Paper No. 13

Committee	Audit
Subject	Health & Safety Committee
Date of Committee meeting	03/12/2020
Author	Katy Lees, Head of HR & Organisational Development
Date paper prepared	26/11/2020
Executive summary of the paper	Paper presents the approved minutes of Health & Safety Committee, held 22 October 2020
Consultation How has consultation with partners been carried out?	n/a
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	Yes /No
Risk implications (If yes, please provide details)	Yes / No Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	Click or tap here to enter text.

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<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>Yes/No</p>
<p>Island communities</p> <p>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>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>Yes/No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>Yes/No</p>

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

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Health and Safety Committee

Paper 1

Minutes

Date and time: Thursday 22 October 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
 Charlie Shentall (CS), Board of Management
 Christiana Margiotti (CM), SDD - CCI
 David Gourley (DG), Head of Learning and Teaching Enhancement
 Eleanor Brown
 Ian Gibb (IG), Sector Manager, Food Studies and Hospitality
 Jennifer Brickwood (JB), SDD - STEM
 Kevin Lynch (KL), Head of Estates
 Lorenz Cairns (LC), Depute Principal Academic
 Steve Scott (SS), EIS H&S Rep
 Alex Wilson (HISA), HISA Perth President

Apologies: Andrew Budge (AB), AST
 Charlie Collie, Subject Leader, Social & Vocational Studies
 Deborah Lally (DL), Head of Student Experience
 Jane Edwards (JED), Unison H&S Rep
 Jill Elder (JEL), SDD Business Management, Computing & Leisure

In Attendance: Andrew Ramsay (AR), AST, deputising for Andrew Budge
 Lorna McWilliam (LM), Kitchen Operations Controller, deputising for Ian Gibb

Note Taker: Carolyn Sweeney-Wilson

Summary of Actions

Ref	Action	Responsibility	Time Line
5.	<p>Matters arising not included elsewhere on the agenda/review of actions from previous meeting</p> <p><u>Cleaning of the Microwaves</u></p> <ul style="list-style-type: none"> IB to check the state of the microwaves tomorrow morning (23rd) and email AW and KFL to advise their condition, so that AW had this information for her team meeting on Monday. 	Ian Bow	<p>Immediately</p> <p>ASAP</p>

Summary of Actions

Ref	Action	Responsibility	Time Line
	<ul style="list-style-type: none"> AW to send the cleaning rota to CSW, who will then circulate to H&S committee. 	Alex Wilson, Carolyn Sweeney-Wilson	
	<p><u>Arrangements: 26 Documents Feedback – update</u></p> <ul style="list-style-type: none"> The PPAG to review the 26 'Arrangements' documents. 	Katy Lees	ASAP
	<p><u>Driving for Work Policy amendments – update</u></p> <ul style="list-style-type: none"> Driving for Work Policy amendments to be removed from future agendas. 	Carolyn Sweeney-Wilson	Ongoing
6.	Health & Safety Risk Management Profile		
	<ul style="list-style-type: none"> KFL and IB to make suggestions for 'people responsible' for the actions; to bring this back to the next H&S, where time would need to be spent reviewing the whole Profile. 	Katy Lees, Ian Bow	19/11/2020
	<ul style="list-style-type: none"> IB and KFL to try and separate the COVID19 risk actions to something more manageable and the document to be brought back to the November meeting for a more thorough review. 	Katy Lees, Ian Bow	19/11/2020
9.	Departmental Health & Safety Reporting		
	JB to discuss department H&S reporting with her SMs and other SDDs and report back at the next H&S mtg.	Jennifer Brickwood	19/11/2020
13.	Lessons Learnt Review – update		
	KFL to update members at the next meeting a date for the Lessons Learnt Review to commence.	Katy Lees	19/11/2020
14.	COVID-19 update:		
	<p><u>14.7 Face Masks/lanyards</u></p> <ul style="list-style-type: none"> Wording of any signs regarding visors/face mask wearing to be proofed by HISA before being displayed. 	Katy Lees	19/11/2020
	<ul style="list-style-type: none"> Unison Reps to be appraised of this and their opinion sought. 	Katy Lees	19/11/2020
	<ul style="list-style-type: none"> KFL to take this matter to CMT next week (28th) for discussion/ approval. 	Katy Lees	19/11/2020

Minutes

Item	Action
<p>1. Welcome and Apologies</p> <p>KFL welcomed all to the meeting</p> <p>Apologies were noted.</p>	
<p>2. Additions to the Agenda for AOCB</p> <p>None.</p>	
<p>3. Minutes of Previous Meeting</p> <p>The minutes of the meetings held on 27 August 2020, having been previously circulated, were approved, as a true and accurate record of discussions.</p>	
<p>4. Minutes from COVID-19 Response Group</p> <p>The minutes of the previous CRG meetings, a formal sub-committee of H&S, were circulated to Committee members for their information.</p>	
<p>5. Matters arising not included elsewhere on the agenda/review of actions from previous meeting</p> <p><u>Cleaning of the Microwaves</u></p> <p>AW advised that not all HISA officers had been able to be in College to do this, but they were working on a rota for cleaning the microwaves. AW said she had also asked Sodexo if they could help, but due to limited staff on campus, they could not support HISA with this. AW said she had also discussed the cleaning stations with KL, to confirm where they would be sited. CS asked what state the microwaves were in on the days when AW was not in College. AW said she was not sure, but other officers had been asked to look at this on the days they were in College. AW said she would share the cleaning rota with H&S. CS said he was concerned that procedures should be in place for this because, if something went wrong, then the College would be responsible. AW said she would speak with her team on Monday but, worst case scenario, HISA would remove the microwaves and inform the students of their removal, due to changing COVID regulations.</p> <p><u>Actions:</u></p> <ul style="list-style-type: none"> • IB to check the state of the microwaves tomorrow morning (23rd) and email AW and KFL to advise their condition, so that AW had this information for her team meeting on Monday. • AW to send the cleaning rota to CSW, who will then circulate to H&S committee. 	<p>IB</p> <p>AW, CSW</p>

Item**Action**Competent Person Resource

KFL said she was in discussion with SMT regarding this.

Occupational Health provider and complaints

KFL confirmed she had provided feedback to MediGold regarding staff concerns about the OCA process.

Lessons Learned

KFL confirmed CS would chair this group. CS said he was not sure if October would be the right month for this review, as it might be too soon, given the changing guidelines.

Arrangements: 26 Documents Feedback – update

IB advised he had reinstated these docs and explained the difference between H&S Policies and these documents, which covered the arrangements, which provided a guide on how to be compliant. KFL queried if the review of these documents should be deferred to the 'Policies, Procedures and Arrangements Group' (PPAG). Members agreed with this suggestion.

Action: The PPAG to review the 26 'Arrangements' documents.

KFLDriving for Work Policy amendments – update

IB said there was currently no need for any amendments to this policy as EDIT had made the decision that a vehicle would not be purchased. The main issue with the Policy was that it stated the driver should not be alone in a vehicle with a student. IB said this item should be set aside just now. Members agreed that it should be removed from the agenda.

Action: Driving for Work Policy amendments to be removed from future agendas.

CSW**6. Health & Safety Risk Management Profile**

IB advised that he had reviewed the Risk Management Profile again and had now added COVID as a risk. IB discussed various amendments made to the Profile, including moving it to a spreadsheet format and added in a column for 'person responsible'. IB said the Committee would need to decide what the timescales were and who the 'person responsible' should be. This Profile mirrored the Corporate Risk Register.

KFL said there was a need to identify 'persons responsible' for specific actions and asked if the Committee wanted to do that in this meeting. CS said he felt it would be better to have a starting point, rather than blanks, and suggested IB would be best placed to suggest who he thought the 'responsible people' should be.

KFL, IB

Item**Action**

Action: KFL and IB to make suggestions for 'people responsible' for the actions; to bring this back to the next H&S, where time would need to be spent reviewing the whole Profile.

KFL discussed the COVID risk item (HS17) and that the 'Impact' was at the 'catastrophic' level and the 'GR Risk' was at 20. This was based on the initial impact of COVID, but having put in place all measures currently possible, the residual risk had gone down to 12. KFL asked members whether they felt this was an acceptable risk to take.

There was a discussion about whether this Profile should be the same as the Corporate Risk Register (CRR), which it could be, but should it. EB said her concern was that the COVID indicators were generic and it did not work like that. She could not see how one individual could be noted against this as the responsible person, as all staff were responsible. She suggested splitting up the actions in order to allocate a responsible person to each. DG said he couldn't understand why the impact had been downgraded from 'catastrophic' as even with Risk Assessments (RAs) in place someone could still die. KFL said the reason for this was because the College had put all measures possible in place to mitigate the risk, and this was why it could be reduced to '4 Major'. DG said even people with underlying health conditions had died and he continued to be of the opinion that the risk should not be downgraded, as there was a very real risk of death.

CS was looking at this document being an H&S Risk Profile, and as such, 'catastrophic' was what would have been in place at the beginning, when the College had nothing in place to manage the COVID situation; where the College would be unprepared and unable to respond. Whereas the 'Major' level was where the College had followed guidelines and created a structure and he felt that was what the H&S Risk Profile was meant to cover. All risk had not been eliminated, but measures of control had been instigated in order to mitigate risk. Therefore, the risk had lowered because of these measures, policies and procedures, that had been put in place, but it did not mean the possibility had been completely eliminated.

AR suggested that the person responsible should be the College's Principal and Chief Executive and Chair of the Board, as with 'Corporate Manslaughter'. KFL said that it was the person responsible for the actions that was needed, not those who had overall College responsibility.

CS said he thought the actions should be slightly more specific, as the current levels look like they should be at SMT/CMT level and perhaps other, lower, levels might need to be added.

KFL, IB

Item**Action**

Action: IB and KFL to try and separate the COVID19 risk actions to something more manageable and the document to be brought back to the November meeting for a more thorough review.

7. Health and Safety Quarterly Report

IB said it was intention for the report to go to the November meeting which would fit better with the quarterly pattern (this October meeting was an additional meeting added in).

However, IB did provide a brief overview of the statistics to-date.

8. Health and Safety Annual Report

KFL advised that this report was for the 2019-20 Academic Year. There had been a request from the Board to do more work on Wellbeing, so there would be a part 2 section to this report, which would be submitted to the next Board meeting. The Part 2 would then be submitted to this Committee in November.

IB said this document provided a perspective view, but there were areas that could be improved on. Many of the internal audits and re-visits and training planned did not take place due to COVID lockdown.

IB said that the Health & Wellbeing Group would be looking at matters relating to stress, among other issues, and hoped to make advances in this area when this group commences.

KFL said there were three areas that would be focussed on for 2021 going forward:

- Training & competence: emphasis on the training of staff to enhance competence and confidence, whilst improving overall health, safety and wellbeing throughout;
- Internal audits: there was to be an increase in internal audit and re-audits with staff side representation, in order to raise standards and improve performance;
- Risk Assessment: this was is an ongoing area of improvement which would continue to have a priority focus for 2020- 21.

These were vitally important areas and they should be embedded as part of the College culture.

EB said she had concerns about the levels of stress and said it would be important to build up the elements on stress because this was likely to be one of the major issues for staff this year/next year.

Item	Action
<p>KFL recommended that members read it and submit any questions to KFL/IB. This document would be submitted to the Board for signing off.</p>	
<p>9. Departmental Health & Safety Reporting</p>	
<p>IB shared his screen showing a 'report card' that provided the basis for reporting incidents.</p>	
<p>IB advised that currently, every incident was reported to him, he then sends an email to the manager to advise of the incident and it was then up to the manager to retain this information for their departmental reporting. When it comes to the requirement for an investigation, IB would notify the manager of what level of investigation was to be undertaken.</p>	
<p>H&S Training – HR provide a report to managers of which staff still required to complete training; again, this was for managers to keep a record of this.</p>	
<p>RAs – IB said that any new RAs that were completed should also be reported on this form.</p>	
<p>H&S Audit/Workplace Inspections –workplace inspections, for low risk areas, were only expected to be conducted once a year, but those for higher risk areas, should be conducted twice a year. IB said he would like staff to send him a copy of their inspection, so that he had some evidence that this had been undertaken. Staff would need to record any actions required.</p>	
<p>JB said she was still concerned that managers would be holding multiple lists and wondered why this could not be pre-populated by IB and HR and then sent to SM's, a week in advance of when managers had to submit the forms, for SMs to check that their records matched with IB/HR stats. KFL said the expectation would then be that the manager would rely on these updates, but it was managers' responsibility to manage their areas and expecting someone else to pre-populate these forms would remove that ownership. JB disagreed with this. KFL, JB and EB had a detailed discussion about this and the provision of pre-populated information, as well as training and where managers should be getting the information – CiPHR, Brightspace etc.</p>	
<p>JB queried if managers could get training on running reports in CiPHR. KFL advised that they were just about to have an upgrade for CiPHR (in November), but would prioritise this training for the New Year. CM asked about getting training information just now until training was done in January. KFL said managers should enter the percentage of those who have not completed the training from the reports that HR send out.</p>	

Item	Action
<p>CM said she thought the whole process was too reliant on manual systems and would like to work towards more automated systems. KFL said that, as a College, they were looking at an H&S automated system, but the costs were prohibitive. In the meantime, they would just need to look at what could be done, for example with PerthNet. DG said that once everyone was on Brightspace this should make this sort of reporting much easier.</p> <p>JB said she still did not feel this was right and that the information the SMs were expected to provide, by trawling through 40+ records, was not right. JB said she would like to speak to her SMs, and the other SDDs, to see what could be done, as she didn't think this was fair. There had to be an easier way of doing this.</p>	
<p>Action: JB to discuss department H&S reporting with her SMs and other SDDs and report back at the next H&S mtg.</p>	JB
<p>10. Health and Safety Subgroups / ToR</p>	
<p><u>10.1 COVID-19 Response Group</u> KFL reviewed the ToR with members.</p>	
<p>AW asked for the details on membership, where it refers to Aimee Cuthbert (AC), to be changed to 'a member of HISA', so that if AC was unable to attend, another HISA officer could. Also, AW said AC had asked for an amendment to be made to the frequency of the meetings - to change to more regularly. KFL said the meetings were already held weekly and she wouldn't want meetings to be any more regular than that.</p>	
<p>Action: AW to check with AC what frequency of CRG meetings she was suggesting and advise KFL.</p>	AW
<p>Agreed: The Committee approved the ToR for the CRG.</p>	
<p><u>10.2 Health and Wellbeing Group</u> KFL reviewed the ToR with members.</p>	
<p>CM suggested that someone from each directorate be a member of this Group, as each team was very different. EB would like to represent ALS at the moment.</p>	
<p>Agreed: With the amendment suggested by CM to the membership, the Committee approved the ToR for the H&WG.</p>	
<p><u>10.3 Policy, Procedures and Arrangements Group</u> KFL reviewed the ToR with members.</p>	
<p>In answer to a query from EB, KFL confirmed that it would not be necessary for the Quality Manager to be a member of this group,</p>	

Item**Action**

as the group would be looking at the content of policies and procedures, whereas the Quality Manager looked at the end processes, as well as ensuring documents were branded appropriately.

Membership Suggestions for the PPAG: Andy Budge, AST; SDDs to rotate and CM agreed to be attend initial meeting; H&S members to consider whether they want to join the PPAG as one more person was required. KFL said she had not included TU reps in the membership list, as the documents this group would be reviewing would require to be submitted to JNCs anyway.

Agreed: The Committee approved the ToR for the PPAG.

11. Head of Estates Update

KL advised that all measures were now in place for COVID-19 and there had been no issues so far. However, KL continued to constantly monitor COVID measures. Estates were also ensuring that PPE was being kept well stocked.

CRG meetings were getting shorter, as there were no significant issues coming up at the moment.

As a result of the TU inspections an Action Plan had been produced and Estates were working their way through this.

Road Repairs – had all now been carried out across campus.

Rear car park – a temporary surface had been laid.

Floods – the College had just been given permission to progress with the reinstatement works. A pre-start meeting with all parties involved had taken place on Monday, in order to progress the works. The reason it had taken so long to get to this position was that the value of the repairs classed it as a 'major incident' for insurance purposes and this meant it had to be dealt with at a higher level within the insurance company.

Ventilation – being done and hopefully this issue had now been resolved.

Leaves on campus walkways/roads – KL drew members attention to the dangers of the falling leaves on campus walkways/roads and said that Estates were clearing the leaves as fast as they could, but asked that members pass on the information to their teams, that people should take great care around campus, particularly using steps etc.

Item	Action
<p>12. HSW Adviser Update (any other items not included elsewhere on the Agenda)</p> <p>Nothing further.</p>	
<p>13. Lessons Learnt Review – update</p> <p>CS confirmed he would Chair this review and a meeting would be arranged in due course. KFL said she would discuss with CS when best to have this review and update members at the next H&S meeting.</p> <p>Action: KFL to update members at the next meeting a date for the Lessons Learnt Review to commence.</p>	KFL
<p>14. COVID-19 update:</p> <p><u>14.1 Scottish Government Guidance</u> KFL said that guidelines were constantly changing to keep abreast of new situations. The next update for the 'Return to Campus Guide' (RTCG) would be available on the College website from tomorrow (23rd). The Student guide would be updated accordingly. Flow charts had also been created showing the procedure for positive cases on campus and also for instances when someone developed symptoms while on campus.</p> <p><u>14.2 Update across H&SPG</u> IB said that there had been discussions amongst APs regarding work based assessors, or employer engagement teams, conducting external visits, with many APs not sending their staff out. There had been much discussion about people working from home and mental resilience and wellbeing etc with various ideas being discussed for alleviating this.</p> <p><u>14.3 Inspections / Action Plan – update</u> AW queried if the action was complete regarding the furniture under the staircase at the Library. KL said they were still looking for an appropriate store for this furniture, but storage was a big problem at the moment. AW queried if the architect's report had been circulated to TU reps. KL said this had not been circulated, as it had been agreed that a professional decision on it was made and that was where it was left. KL will update the Action Plan on this item accordingly.</p> <p><u>14.4 Student Microwave Responsibility – HISA update</u> AW said it did not appear that the microwave in Goodlyburn was being used. The one in Brahan was used more, but there wasn't anything to clean it with, whereas there were cleaning materials for the Goodlyburn microwave.</p>	

Item**Action**14.5 Brahan & Goodlyburn entrance/exit – update

Completed.

14.6 Risk assessments – update

IB advised that he had received only one new RA, which he would be reviewing. However, he had asked that staff review their RAs, now that they had worked with them for some time.

IB said he had received a recent Email from PKC with their generic RA, which had a risk rating of 15, which put this in the red. There was some guidance, but more for the Nursery, however, IB said he would review this further to see if there was anything needed to be extracted for the Nursery.

14.7 Face Masks/lanyards

There was a detailed discussion on the wearing of face masks and KFL said there was a constant battle to remind people to wear them.

There were also a number of people wearing lanyards to indicate they could not wear face coverings. However, in all communal areas they were required and people continued to need reminding about this.

IB said that those wearing masks were expressing concern about the numbers of people not wearing face coverings, particularly in the communal areas, even though the Scottish Government (SG) had now made this mandatory. For staff, if they could not wear face masks then IB said they should be wearing visors. SG have said there should be no medical issue to wearing a visor and it would be better to wear a visor than nothing at all. KL queried if an all staff/student email should be circulated advising people that if they were not able to wear a face mask, then they should wear a visor.

KFL asked for member views on the wearing of visors if people have an exemption to wearing a mask. AR said he thought it should be mandatory to challenge people whether they should or should not wear a mask and if the College made a statement declaring that it was mandatory for people to wear a visor, if they couldn't wear a mask, then they should wear a visor. LC said if the College were to go down this route, then signs should be posted at building entrances indicating where masks/visors should be worn. Also, the College may need to provide visors if people did not have them. Face coverings should be worn in communal areas and if people could not wear a mask, then they should wear a visor. However, it was noted that there may be some people who were exempt from wearing both a mask and a visor. EB said they had one student who was in that category. However, it was EB's understanding that a visor was not a face covering per se. KFL said the SG guidelines do not specify visors as face coverings.

Item	Action
<p>Agreed: Committee members agreed that the wearing of visors, if unable to wear a face mask, should be a mandatory College position.</p>	
<p>KFL said that the College would need to ensure there was a stock of visors before this was made mandatory.</p>	
<p>AW asked for sight of wording for any signs before they were displayed. SS said he was happy with this decision from an EIS point of view. LC asked for Unison opinion to be canvassed as well. KFL said she would do that and take this to CMT next week.</p>	
<p><u>Actions:</u></p>	
<ul style="list-style-type: none"> • Wording of any signs regarding visors/face mask wearing to be proofed by HISA before being displayed. 	KFL
<ul style="list-style-type: none"> • Unison Reps to be appraised of this and their opinion sought. 	KFL
<ul style="list-style-type: none"> • KFL to take this matter to CMT next week (28th) for discussion/ approval. 	KFL
<p>15. AOCB</p>	
<p>None.</p>	
<p>16. Date of Next Meetings</p>	
<ul style="list-style-type: none"> • 19 November 2020 	
<p>All meetings are on Thursdays, 2.00-4.00pm</p>	
<p>Meeting finished at: 16.06.</p>	

AUDIT COMMITTEE

Membership

No fewer than 3 members of the Board of Management.

One place reserved by invitation for a Student Member of the Board, as nominated by HISA Perth.

One place reserved by invitation for a Student Member of the Board, to be determined by Staff Members of the Board

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the person elected by the teaching staff and the non-teaching staff of the College and the person nominated by HISA Perth.
- 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.