

Audit Committee

DRAFT Agenda

Meeting reference: Audit 2023-24/04

Date: Tuesday 28 May at 5.00pm

Location: Boardroom (Braham Room 019)

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 & Apologies		Chair	
2	Declaration of a Conflict of Interest in any Agenda Item			
3	Additions to the Agenda		Chair	
4	Declaration of a Conflict of Interest in any Agenda Item		Chair	
5	Minutes of the Meeting of Audit Committee held on 19 March 2024		Chair	Paper 1
6	Actions arising from previous minutes		Chair	
7	Reporting & Compliance			
*7.1	Enterprise Risk Management Report	Depute Principal (Operations)	Depute Principal (Operations)	Paper 2
*7.2	National Fraud Initiative Report	Depute Principal (Operations)	Depute Principal (Operations)	Paper 3
*7.3	External Audit 2022/23 - update		Depute Principal (Operations)	Verbal
8	Audit Plans, Reports & Updates			
*8.1	Internal Audit Report 2023-24/01 – Health, Safety & Wellbeing	Internal Auditor	Internal Auditor	Paper 4

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	Agenda Items	Author	Led by	Paper
*8.2	Internal Audit Report 2023-24/02 – Risk Management	Internal Auditor	Internal Auditor	Paper 5 To Follow
*8.3	Internal Audit – Audit Plan 2024-2026	Internal Auditor	Internal Auditor	Paper 6
9	FOI & Data Protection			
9.1	Freedom of Information & Data Protection quarterly update	Clerk	Clerk	Paper 7
10	Date and time of next meeting: <ul style="list-style-type: none"> Wednesday 09 October 2024, 5pm (tbc) 	Clerk		
*11	Review of Meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)			Paper 8

Audit Committee

DRAFT Minutes

Meeting reference: Audit2023-24/03

Date: Tuesday 19 March 2024

Location: Boardroom (Braham Room 019)

Members present: Jim Crooks, Chair, Audit Committee
Derek Waugh, Board Member
Debbie McIlwraith Cameron, Board Member
Alistair Wylie, Board Member
Patrick O'Donnell, Staff Board Member

In attendance: Margaret Cook, Principal
Lorenz Cairns, Depute Principal
Lynn Murray, Depute Principal (Operations)
Veronica Lynch, Vice Principal (External)
Iain Wishart, Vice Principal (Operations)
Ian McCartney, Clerk to the Board
Stuart Inglis, Henderson Loggie, Internal Auditor (until Item 9)
Jill Martin, Head of ICT (Item 6.1 only)

Apologies: David Archibald, Henderson Loggie, Internal Auditor
Kirsty Hair, Deloitte, External Auditor
Katy Lees, Head of HR & Organisational Development

Chair: **Jim Crooks**

Minute Taker: Ian McCartney

Quorum: 3

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MINUTES

Item		Action
1.	<p>Welcome & Apologies</p> <p>Chair welcomes all to meeting and noted apologies.</p> <p>Chair introduced Lynn Murray to her first Audit Committee, and noted it was Iain Wishart's final Audit Committee. Chair formally noted thanks to Iain for his help and support to the Committee over his time at UHI Perth.</p> <p>Chair also noted that it was to be his final Audit Committee meeting as Chair, with Derek Waugh taking over for the next Board cycle.</p>	
2.	<p>Additions to the Agenda</p> <p>The following items were added to the agenda:</p> <ul style="list-style-type: none"> • Letter from Audit Scotland re audit timelines (now Item 10.1) • Internal Audit contract extension (now Item 10.2) 	
3.	<p>Declaration of Conflict of Interest in any Agenda Item</p> <p>External Auditor declared a conflict around Item 10.2, and agreed to leave the meeting prior to this item being discussed.</p>	
4.	<p>Minutes of Meeting of Audit Committee, 07 December 2023</p> <p>The minutes were approved as a true and accurate record of the meeting.</p>	
5.	<p>Matters Arising from previous minutes</p> <p>The Matters Arising from the previous minutes re Enterprise Risk Management and Internal Audit Plan were included in items listed under the meeting Agenda, and would be dealt considered therein.</p>	
6.1	<p>Enterprise Risk Management Report</p> <p>Vice Principal (Operations) noted that the updated ERM Report (Paper 2), and introduced the element of Tone At The Top, which is intended to provide interact presentations on key risk areas to Board members.</p> <p>For the first presentation, Jill Martin, Head of ICT presented on Artificial Intelligence, noting the risks of adopting AI (ethical concerns, privacy and data security, loss of human touch, dependency on technology, financial costs and job displacement) against the risks of not adopting (loss of sector benefits, loss of efficiency opportunities, lack of personalisation, loss of competitive</p>	

	<p>advantage, limited insights and students not prepared for the future), before opening a discussion on the topic,</p> <p>Board Member queried whether AI providers were looking to specifically target education providers. Head of ICT advised that if an AI application had an enterprise element, it will already be doing so, eg CoPilot, Adobe Image Creator. There is already a specialist package around student onboarding.</p> <p>Chair noted that, while AI in data handling seems robust, the creation of content may be more of an issue, eg around generation of essays. Head of ICT noted that a recent survey indicated that 72% of students in HE have already used AI in this way, and there is a need to accept that AI is here and focus on how to extract learning from what is being presented, that the value added is in the teacher pulling out the learning.</p> <p>Board Member expressed a need for different risk around different elements to be reflected, noting a difference between risk with AI used for data entry and AI used for content creation. Additionally, the cost of AI is not just in the package itself but in the additional resources required to ensure that the data being used is up to date and ready to be utilised.</p> <p>Chair noted that AI policy needs to be nuance and is probably not able to be developed in isolation. Depute Principal added that there will need to be built-in checks for anomalies and errors, and there needs to be clarity as to why and where this technology is to be used. Head of ICT noted that Turnitin launched an AI detector last year but this was rejected by the education sector due to lack of assurances that this was robust enough. Internal Auditor advised that another college has issued separate guidance on AI to staff and students.</p> <p>Staff Board Member noted that there appeared to be a trend developing where institutions are reverting to end-of-learning exams and viva voces to ensure academic rigour.</p> <p>Vice Principal (External) advised that balance was needed between getting the systems right and enabling a roll-out across all staff, however UHI Perth doesn't have full scope to make all decisions related to this issue due to UHI ownership of most ICT systems.</p> <p>Depute Principal (Operations) noted that, as well as a requirement to develop policies and procedures, the ICT Strategy needs to provide clear guidance on these issues across the college.</p> <p>Following the conclusion of this discussion, Vice Principal (Operations) presented the substantive element of Paper 2, noting that the ERM was now completely live and controls are in place across all categories. Vice Principal (Operations) advised of an</p>	
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	<p>error within the Finance data figures within the Risk Overview section which will be corrected.</p> <p>Board Member queried the timelines and goals in place to get controls to 100%. Vice Principal (Operations) noted that there was a link in the papers to the full ERM that provides the level of detail requested. Clerk further noted that the full ERM was also made available on the Audit Committee Teams page prior to each meeting for Members to scrutinise.</p> <p>Vice Principal (External) reminded Committee that the Sustainability Project would have an effect on updates within the ERM as some decisions affecting controls may not be made until the end of May, however Committee should take comfort that the ERM mechanism was being used to support and inform decisions around structures being taken forward.</p> <p>Chair expressed comfort that ERM was being integrated into decision-making throughout the organisations</p> <p>Committee noted Paper 2.</p>	
6.2	<p>Risk Appetite Review</p> <p>Vice Principal (Operations) presented Paper 3 for approval, highlighting the changes made since the issue was last discussed by Audit Committee, in particular amendments to the values within the Impact section commencing from an appropriate value within approved authorisation limits, with upper figure being upgraded to £1m. Vice Principal (Operations) advised that these amendments enables a framework for decision-making at management level that doesn't breach Board appetite restrictions.</p> <p>Vice Principal (Operations) further noted that the Income risk category had been split into Academic and Commercial Income risks to better reflect the different risk appetites between core and additional income.</p> <p>Board Member agreed that the reviewed position provided a sensible summary of the college's current position with a clear rationale provided.</p> <p>Committee approved Paper 3.</p>	
6.3	<p>Health & Safety Operational Risk Register</p> <p>Depute Principal presented Paper 4 for information, summarising the 5 risks marked as red at the moment, and noting that contingencies and mitigations were in place for these.</p> <p>Principal noted that there were some important lessons to be</p>	

	<p>learned from the Stress Survey in particular.</p> <p>Committee noted Paper 4.</p>	
6.4	<p>Annual Safeguarding Report</p> <p>Depute Principal presented Paper 5 for information, noting the paper provide a high level summary of safeguarding across the College, and that the paper had previously received scrutiny at Learner Experience Committee.</p> <p>Depute Principal highlighted that, since COVID, an increasing number of students were presenting with metal health issues and advising of challenging personal circumstances.</p> <p>Committee noted Paper 5.</p>	
6.5	<p>Policies & Procedures Compliance Review</p> <p>Depute Principal presented Paper 6 for information, noting that UHI Perth has a significant number of policies, with a significant number of changes being made to processes over the last 9 months to address concerns raised over out-of-date policies.</p> <p>Chair noted the reference to a risk-based ranking of these policies, before requesting that a list of redundant policies be provided for completion.</p> <p>Committee noted Paper 6.</p>	Head of HR
7.1	<p>Annual Internal Audit Plan 2023-24 - revised</p> <p>Internal Auditor presented Paper 7, noting the Plan was effectively the same as that presented to the last meeting, but revised to incorporate management input re priorities and dates/timings. Dates that Committee can expect to see reports presented for their scrutiny have also been added.</p> <p>Internal Auditor reported that the Risk Management fieldwork and clearance meeting had now been concluded and the Report would follow in due course, noting a positive review.</p> <p>Board Member queried levels of expertise available to conduct an audit into cyber-security resilience and how this would link with UHI. Internal Auditor advised that a member of the Audit team possesses the required qualifications and specialist expertise in this area. Internal Auditor further advised that, while UHI will be spoken to to examine both local control and UHI input, there will not be a detailed review of UHI controls.</p> <p>Committee noted Paper 7.</p>	

7.2	<p>Internal Audit Follow-Ups – Progress Update</p> <p>Vice Principal (Operations) noted Paper 8 for information, noting that this paper in future should be linked to ERM papers to avoid drift. Clerk to action.</p> <p>Depute Principal (Operations) noted that there are still resourcing issues within the Finance department which will impact on implementation timescales for these follow-ups, however it will be a priority for the new Head of Finance to develop an Improvement Plan to take this forward.</p> <p>Committee noted Paper 8.</p>	<p>Clerk</p> <p>SMT</p>
8.1	<p>Freedom of Information & Data Protection – Quarterly Update</p> <p>Committee noted Paper 9.</p>	
9.1	<p>Amendments to Terms of Reference for sub-committees of Health & Safety Committee</p> <p>Committee noted Paper 10.</p>	
10.1	<p>Letter from Audit Scotland re Audit Timelines</p> <p>Vice Principal (Operations) introduced Paper 12, received from Audit Scotland and circulated to Members yesterday, noting that the letter focused on achieving deadlines in future instead of providing clarity for those colleges impacted by the failure of External Auditors (appointed by Audit Scotland) to deliver audited accounts on time in the current year.</p> <p>Vice Principal (Operations) advised that the UHI Perth accounts are still not ready to be tabled for Board scrutiny.</p> <p>Vice Principal (Operations) noted that Audit Scotland also want to be assured that triennial assumptions used for pensions liabilities were aligned correctly, however pensions trustees had met as recently as earlier this week, and there appeared to be no reason why previous assumptions would change within this timescale.</p> <p>Vice Principal (Operations) advised that there would need the Actuary to confirm that nothing had changed from the previous assumptions which would then allow the accounts to be prepared for signing off, although some other items required to be reviewed by the Audit Manager and Partner prior to sign-off.</p> <p>Vice Principal (Operations) further noted that UHI wrote to Audit Scotland as no UHI Academic Partner accounts had been delivered prior to the end of December 2023. Audit Scotland had responded that this was a sector-wide issue.</p>	

	<p>Board Member queried whether action should be taken once the accounts are signed off. Principal advised that UHI Perth would not be able to gain much traction with a direct report, however a follow-up from the RSB on behalf of all Academic Partners was likely to be actioned.</p> <p>Chair recognised that RSB needs to be the route followed, however there is an integrity issue for the Board to be proactive in this matter due to risks of the Board being non-compliant.</p> <p>Depute Principal (Operations) advised that the Director of Finance at UHI had been contacted last week, and it was stated that the new Vice-Chancellor of UHI would be contacting all Academic Partners shortly to see where all parties were sitting with a view to making further contact with Audit Scotland.</p> <p>Board Member noted that accounts also had to be lodged with OSCR under charity compliance, and failure to do so would not look good reputationally no matter the circumstances.</p> <p>Board Member queried whether there were avenues open to pursue a reduction in fees as External Auditors have not provided a service per the terms of their contract. Depute Principal (Operations) noted that Audit Scotland, when asked this question, had referred to a non-negotiable Schedule of Rates that applied to college external audits.</p> <p>Board Member queried whether the same Auditors were required to be used next year. Principal advised that Auditors were appointed on a 3-year contract and, while there is a national discussion around the issue, UHI Perth are not permitted to terminate the contract and move on.</p> <p>Committee noted Paper 10 and actioned Depute Principal (Operations) to write to the Director of Finance at UHI to express Committee's strength of feeling in this matter.</p>	Depute Principal (Operations)
10.2	<p>Internal Audit contract extension</p> <p>Depute Principal (Operations) advised Committee that the contract with the current Internal Auditors was in the third year of a 3-year Audit Plan which ends in July 2024. The contract is structured in such a way as to allow 2 1-year extensions.</p> <p>Depute Principal (Operations) noted that advice had been received from APUC which would allow for a 2-year extension to be provided, and the current Internal Auditors have expressed a willingness to extend on this basis. Depute Principal (Operations) sought approval from Committee to approve in principle an extension to the current Internal Audit contract.</p>	

	<p>Chair advised that continuity for the next two years would make perfect sense for the organisation. Principal advised that the Executive would be comfortable with the arrangement being extended due to the continuity provided for both UHI Perth and UHI more widely.</p> <p>Committee approved the extension of the current Internal Audit contract by a further 2 years.</p>	
11.	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Tuesday 28 May 2024 	
12.	<p>Review of Meeting</p> <p>Committee confirmed that the meeting had been conducted in line with its Terms of Reference.</p>	

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

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

Status of Minutes – Open ☒

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 2018? **Yes** ☐ **No** ☒

Committee Cover Sheet

Paper No.2

Name of Committee	Audit Committee
Subject	ERM Risk Management Report
Date of Committee meeting	28/05/2024
Author	Project and Planning Officer
Date paper prepared	15/05/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	ERM Risk Report Internal Audit Actions Report
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	First presentation of paper. ERM Risk Report - full update across all 6 risk categories. Risk scores pre and post mitigation. Internal Audit Follow-Up on Outstanding Actions: A further 2 actions have been completed since the last Board cycle with a further 17 still outstanding.
Action requested	<input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)

Committee Cover Sheet

<p>Strategic Impact</p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf</p> <p>If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.</p>	<p>Managing risk is a critical requirement to ensure the achievement of our strategic objectives.</p>
<p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk?</p> <p>If yes, please provide details.</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Data Protection</p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p> <p>Click or tap here to enter text.</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>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>

Committee Cover Sheet

Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.
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Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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"/>

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

Enterprise Risk Management (ERM)

Risk Management Report May 2024

CHI | PERTH

Prepared by Depute Principal Operations/Project & Planning Officer

Risk Overview May 2024

Overview

The ERM Strategic Risk Register is monitored and reviewed on a quarterly basis in order to give assurances to the UHI Perth Board of Management, via the Audit Committee that risks are being appropriately controlled.

Changes to Risk Environment

UHI Perth is currently in consultation with the trade unions and staff members regarding the proposals coming from the UHI Perth Financial Sustainability Project 2024 to realign how we work to achieve efficiencies, reduce costs and increase income.

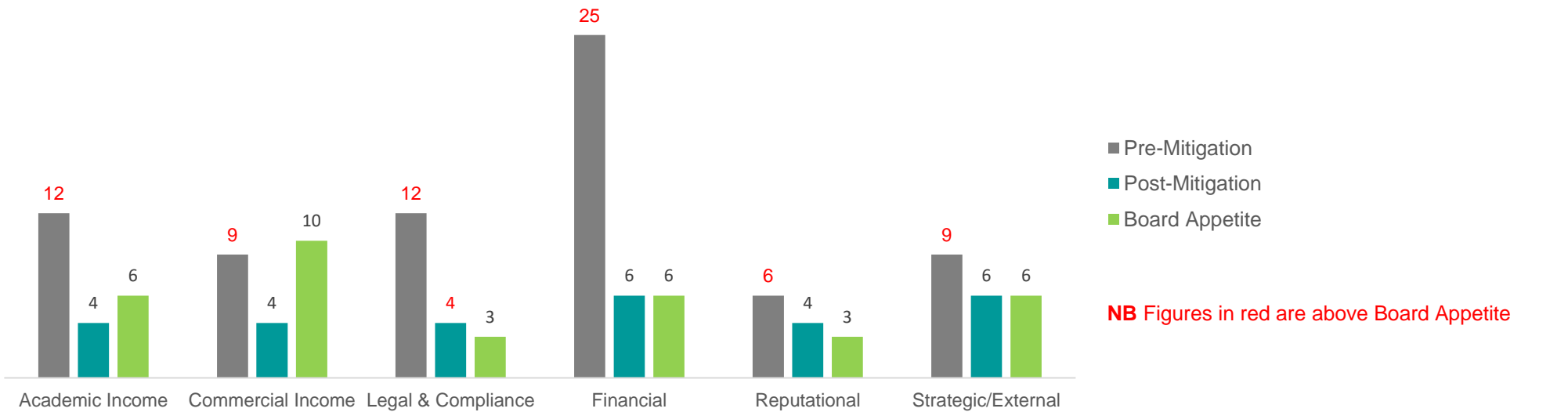
The proposals include changes to the organisational structure, job roles, course delivery and operational processes and it is important to ensure the potential risk factors associated with this significant change are identified, planned for and mitigated.

Proactively managing risk, increases the likelihood of successful change implementation and realising the objective of returning UHI Perth to a break-even position by July 2025, not only ensuring financial resilience but also its growth and success.

Risk Review Exercise

In response to the current risk environment, the Senior Leadership Team (SLT) reviewed risk scores for each risk category as at end April 2024 and the following report summarises the change in risk score for each measured against the [Board Appetite](#) and identifies the risk mitigations in place.

Risk Score (Pre/Post-mitigation) v [Board Appetite](#)



Risk Review Exercise May 2024

Pre-mitigation Post-mitigation

Risk Categories

Academic Income

Enrolling and retaining students is critical to the financial sustainability of UHI Perth. Student attainment and outcomes play a significant role on our reputation.

Risk Assessment

The current risk score pre-mitigation is above the board appetite.

Current risk score post-mitigation is below the board appetite

Risk Mitigation

Create an income strategy aligned with Curriculum Planning, Learning & Teaching and Estates Strategies.

Map Staff CPD to Competence Matrix

Risk Likelihood



Risk Impact



Risk Score

12 4

Board Appetite

6 Minimal

Commercial Income

Failure to understand the requirements of our markets or to react to the competition can result in missed opportunities, falling student numbers and negatively impact our reputation.

Risk Assessment

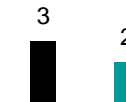
The current risk score pre-mitigation is just below the board appetite.

Current risk score post-mitigation is well below the board appetite

Risk Mitigation

Create an income strategy that incorporates the identification and mitigation of competitor risk and is reviewed and updated on an annual basis.

International Strategy/Business Development/ASW



9 4

10 Cautious

Legal & Compliance

Failure to meet compliance standards can lead to consequences ranging from loss of funding, loss of accreditation, or, in extreme cases, to lawsuits and/or criminal charges against leadership.

Risk Assessment

The current risk score pre-mitigation is significantly above the board appetite.

Current risk score post-mitigation is still sitting just above the board appetite.

Risk Mitigation

Review of policies and procedures. Standardisation of business case and contracts reviews.

Compliance with Code of Good Governance



12 4

3 Averse

Financial

Financial Sustainability is a significant risk to UHI Perth. Income and cost risk can combine to result in a cash position which makes UHI Perth unsustainable. Income is dealt with in Product Delivery above.

Risk Assessment

The current risk score pre-mitigation is significantly above the board appetite.

Current risk score post-mitigation is level with the board appetite.

Risk Mitigation

Monthly and quarterly financial reporting on cash flow and budget.

Monitoring of financial controls.



25 6

6 Minimal

Risk Review Exercise May 2024

Risk Categories		Risk Analysis		Risk Likelihood		Risk Impact		Risk Score		Board Appetite
Operational Operating risks stem from inadequate processes, people, and systems that affect an institution's ability to function efficiently and effectively. Operational agility is critical to staying competitive, flexible, and relevant as strategies and business models shift.	Risk Assessment Current risk score pre-mitigation is below the board appetite.	Risk Mitigation ICT Risk Register for systems and controls Cyber security certification Continuous improvement of systems and processes. Compliance with annual professional review process Competency gap analysis aligned to strategic priorities and student success. Succession planning		4	3	3	3	12	9	15 Open
	Risk Assessment Current risk score post-mitigation is further below the board appetite									
Reputational Institutions with reputational awareness and control over their increasingly vast presence in the media can reduce the risk of damaging a reputation they have spent years building.	Risk Assessment Current score pre-mitigation is above the board appetite.	Risk Mitigation Communication plans for staff, students & external stakeholders. Staff and student survey Quarterly partner relationship reporting to SLT. Social responsibility and environmental sustainability planning.		2	2	3	2	6	4	3 Averse
	Risk Assessment Current risk score post-mitigation is still sitting just above the board appetite.									
Strategic/External Risk Setting our Vision and delivering our strategic objectives are critical to the future direction and success of UHI Perth. Supporting strategies should be in line with our overall objectives and any risks managed. Risk management principles also apply to external influences.	Risk Assessment Current risk score pre-mitigation is above the board appetite.	Risk Mitigation Strategic Planning Balanced Scorecard Business continuity planning Quarterly review of external environment at Board level including EO, UK/Scottish Government, AI		3	3	3	2	9	6	6 Minimal
	Risk Assessment Current risk score post-mitigation is level with the board appetite.									

Pre-mitigation Post-mitigation

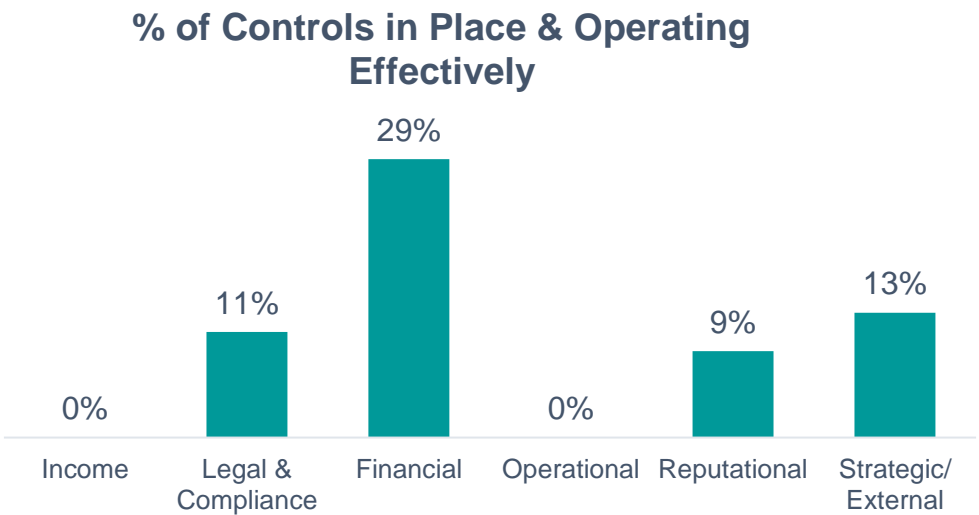
Risk Overview May 2024

Progress report

Since the last Audit Committee meeting, we have:

- Carried out a full review of the risks and controls (in line with our process).
- Received a rating of ‘Good’ for our Internal Audit of Risk Management with 3 recommendations to further improve our processes which we will take forward.
- The Senior Leadership Team (SLT) reviewed risk scores for each risk category measured against the Board Appetite.

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#).



Income Risk Overview May 2024

All individual risk sheets, can be accessed via the following link:
[ERM Risk Register 2023-24.](#)

Risks

Products & Services

The curriculum can impact on student numbers, retention, student outcomes, partnerships, costs and our overall reputation. Curriculum planning should ensure that all associated risks are managed.

The chart data shows

The control to create an income strategy is still sitting at 50% complete and will be taken forward under the new organisational structure.

Competition & Market

Failure to understand the requirements of our markets or to react to the competition can result in missed opportunities, falling student numbers and negatively impact on our reputation.

The chart data shows

As for above, the control to create an income strategy remains at 50% complete and will be taken forward under the new organisational structure

Product/Service Delivery

If our delivery, whether it be through teaching or technology, is not at the required standard then it can impact on student numbers, retention, achievement and reputation.

The chart data shows

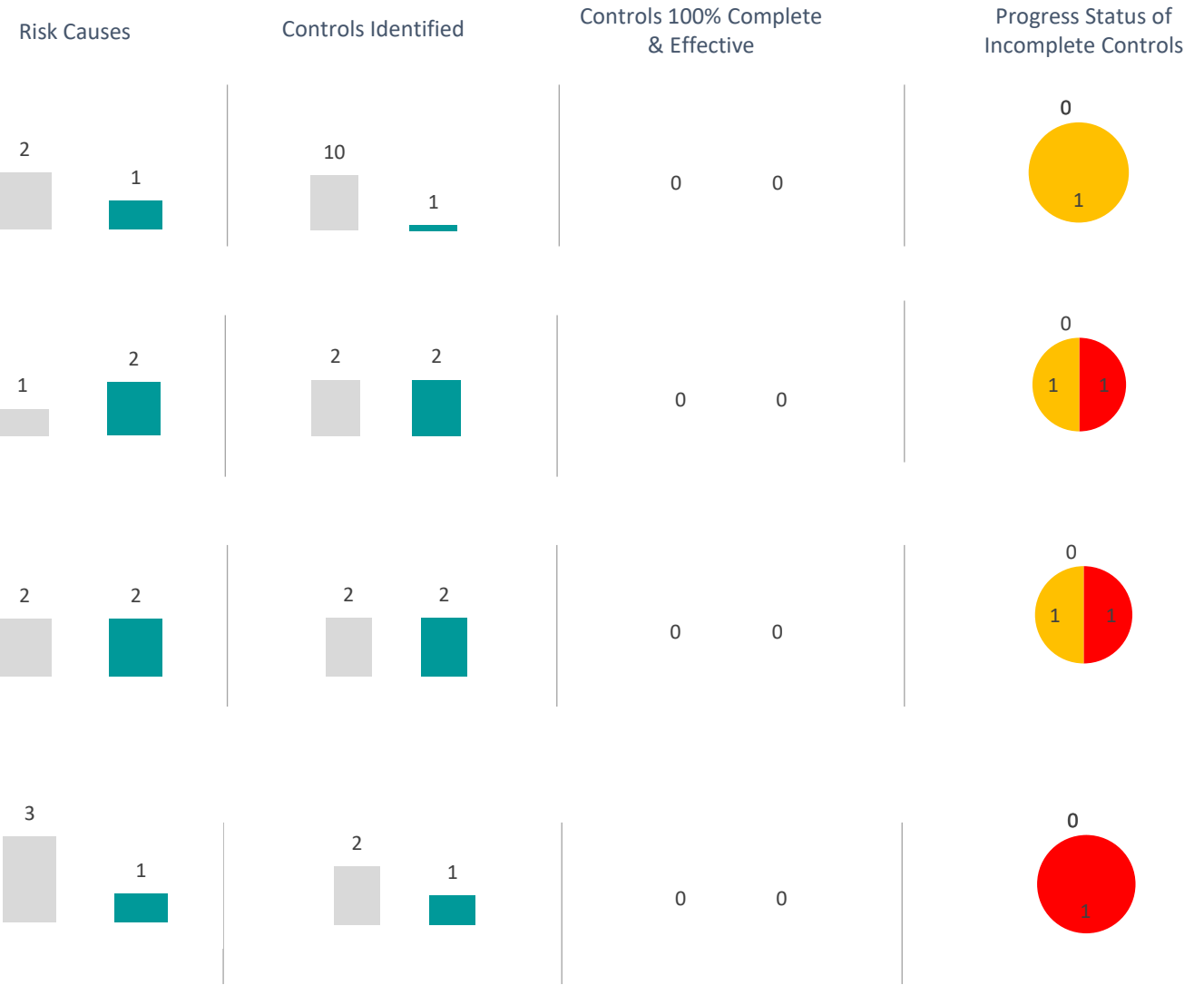
No change to the last reporting cycle's risks or controls around linking learning and teaching enhancement to our income strategy and creating a staff competence matrix to inform development planning.

Physical/Digital Estates & Infrastructure

Managing the campus to meet changing student and learning requirements is important. The campus plays an important role in student numbers and the student experience.

The chart data shows

The control identified to align estates planning with our income strategy will be taken forward under the new organisational structure.



Legal & Compliance Risk Overview May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#).

Risks

Contracts

Entering into a contract that breaks the law or creates a high level of risk for UHI Perth could impact on reputation, student numbers and threaten financial sustainability.

The chart data shows

Our review has identified one risk cause which will be mitigated by 2 new risk controls.

Last Report

Current

< 50% Complete

50%- 75% Complete

> 75% Complete

Risk Causes



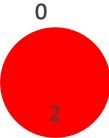
Controls Identified



Controls 100% Complete & Effective

0 0

Progress Status of Incomplete Controls

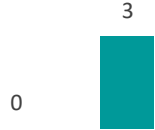


Employment Law

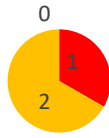
It is critical that UHI Perth complies with all employment law. There could be significant damage to reputation and financial penalties for non-compliance.

The chart data shows

Since the last report, one new risk control has been identified around ensuring we are up to date and complying with employment law.



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Litigation

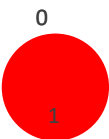
Despite our controls there could be a situation where litigation is taken out against UHI Perth. This can have a negative impact on reputation leading to lower student numbers and partnerships with business. Litigation could also lead to financial penalties. UHI Perth needs to have a process to deal with litigations as they arise.

The chart data shows

Our review has identified one risk cause which will be mitigated by one new risk controls around policies and procedures.



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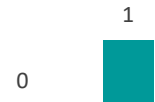
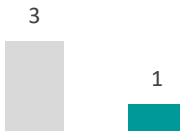


Governance

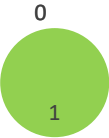
Lack of robust/compliant/effective governance structure

The chart data shows

The risk control is 100% complete, the effectiveness of the control will be tested by next reporting cycle.



0 0



Legal & Compliance Risk **Continued** May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#).

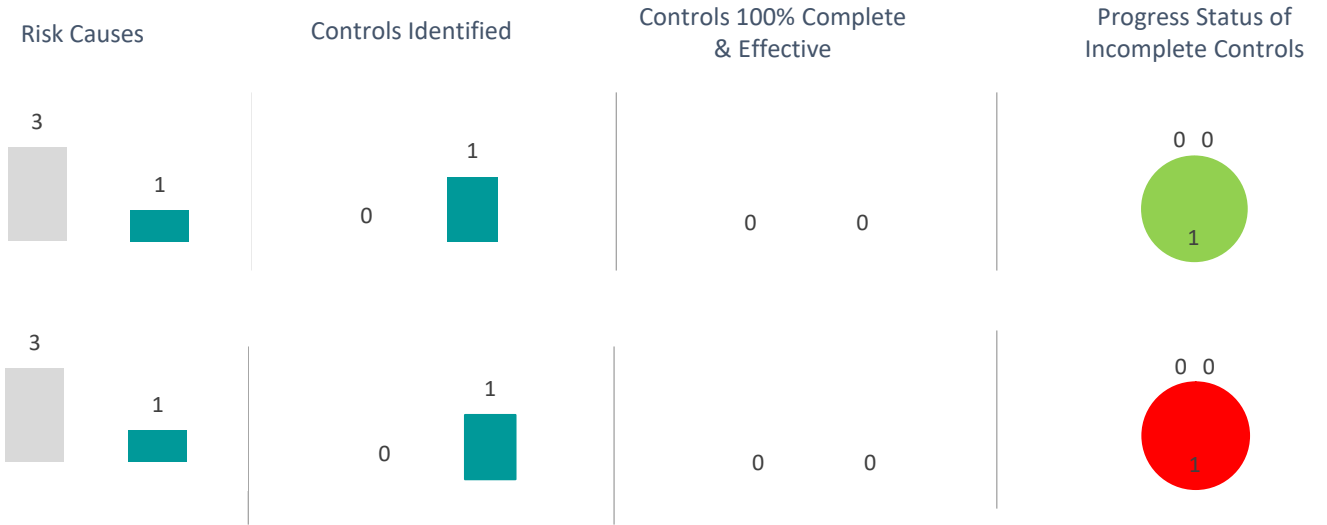
Risks

Health & Safety
The health & safety of staff, students and visitors is probably the number one objective of the college. Failure to achieve this would have a significant impact on the reputation of the college.

International Business
Failure to comply with laws/regulations relating to the different countries we do our International business with could have a significant negative impact on UHI Perth.

The chart data shows
Our review of risk causes has identified one control which is 100% complete. Its effectiveness will be reviewed by the next reporting cycle.

The chart data shows
Our review of risk causes has identified one control around compliance with legal requirements for international business.



Financial Risk Overview May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#)

Risks

Cash

To ensure financial sustainability it is essential that UHI Perth forecast their cash position and manage their cash to ensure that the college does not run out of money.

The chart data shows

Our review of risk causes/controls has identified one new control which is currently 90% complete.

Financial Management

It is essential that the college has a budget and forecast process in place provides management accounting information, all the way up to Board of Management level, on our performance versus target.

The chart data shows

The number of risk causes/controls have been updated to reflect strategic risk. Two of the 4 controls are 100% complete and will be tested for effectiveness with the new risk/control owners by the next reporting cycle.

Financial Controls

The effective control of significant financial risks, through an ERM process, need to be in place. These controls should be designed to prevent or detect fraud, theft and/or loss of college assets.

The chart data shows

Our review of risk causes/controls has identified one control around implementing financial controls using COSO methodology. This will be taken forward with an internal audit planned for 2024/25.

Other Significant Financial Risk

If pension rates increase and are unfunded then it can threaten the financial sustainability of the college. Job evaluation outcome could result in significant financial exposure to UHI Perth.

The chart data shows

Our review of strategic risk has identified 2 risk causes and one risk control regarding other significant financial risk. The control is 100% complete and will be tested for effectiveness in time for the next reporting cycle.



Operational Risk Overview May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#)

Risks

Systems/Technology

Unsuitable systems or the inability to optimise the capabilities of current systems would result in poor outcomes for staff and students and would have a negative impact on student numbers, retention and reputation.

The chart data shows

The number of risk controls has increased from 1 to 3 since the last review. One control is 100% complete and its effectiveness will be reviewed by next reporting cycle.

Staff

If staff are unsure what their role is or are not competent and/or motivated to carry out their role it could result in poor performance for staff and students, loss of staff, poor strategic outcomes etc.

The chart data shows

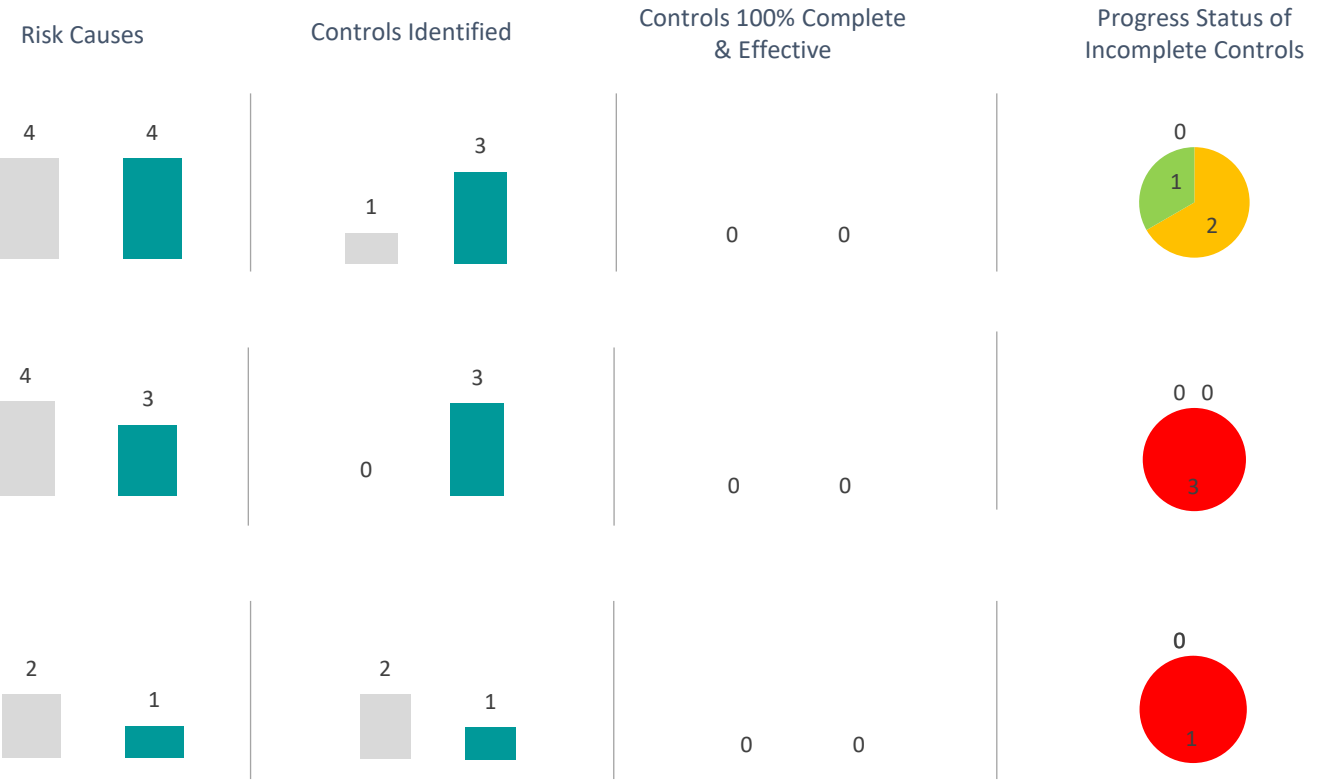
The number of risk causes have reduced by one following review and 3 new controls have been identified around staff professional reviews and competence matrices.

Processes

Poor processes can add significant cost and result in poor outcomes for staff and students. It is important that the college implements a system of continuous improvement to maximise performance

The chart data shows

No change since last reporting cycle, however continuous improvement is an area that has been identified for investment through organisational change allowing us to create sustainable efficiencies for our ongoing sustainability.



Reputational Risk Overview May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#)

Risks

Business Relationships

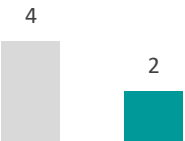
Business relationships are critical to curriculum development, student outcomes and our reputation.

The chart data shows

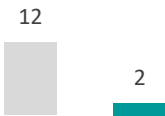
One control around communications planning for external stakeholders is 100% complete and its effectiveness will be reviewed by the next reporting cycle.



Risk Causes



Controls Identified



Controls 100% Complete & Effective



Progress Status of Incomplete Controls

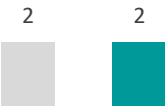
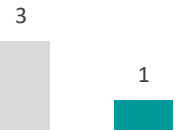


Student Satisfaction

Poor student satisfaction feedback can have a negative impact on reputation, student numbers and retention.

The chart data shows

All 3 controls are 100% complete and will be reviewed for effectiveness by next reporting cycle.

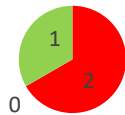
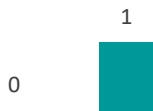


Culture

Poor culture can have a negative reputational impact resulting in lower student numbers and retention. It can also make the recruitment of quality staff difficult.

The chart data shows

One control is 100% complete and its effectiveness verified. Two controls looking at strategic values are being developed and implemented as part of organisational change.

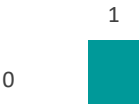
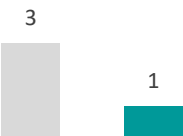


Media

Media has a number of risks to the success of UHI Perth.

The chart data shows

The identified control around communications planning for external stakeholders is 100% complete and its effectiveness will be reviewed by the next reporting cycle



Reputational Risk Continued May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#)

Risks

Social Responsibility

There would be risks to UHI Perth from not meeting its Social Responsibility.

The chart data shows

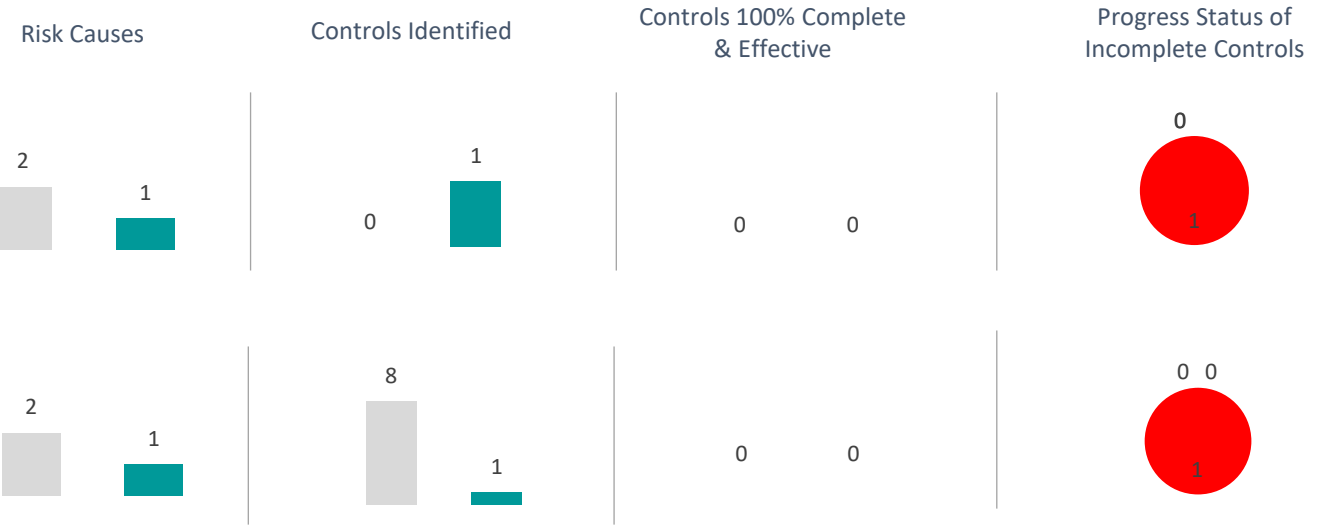
The control to put in place a Social Responsibility Plan is being developed and progress will be reviewed for the next reporting cycle.

Environment

The environment is a significant concern for staff, students and society. Governments set targets that, if not achieved, will impact on our reputation and income through lower student numbers.

The chart data shows

The control to put an environmental plan in place is being reviewed to align with existing separate reports and develop a single, streamlined report.



Strategic/External Risk Overview May 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2023-24](#)

Risks

Strategy & Strategy Execution

UHI Perth’s strategy sets our direction and culture. Strategies must be flexible and should be reviewed annually. Just as important is the ability of an organisation to execute the strategy.

The chart data shows

Two controls around a Board approved Strategic Plan and reporting of KPIs at Board level are 100% complete and the effectiveness of the Strategic Plan approval verified. A 3rd control to review the Strategic Plan annually will be taken forward through the organisational change process.

Last Report

Current

< 50% Complete

50%- 75% Complete

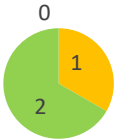
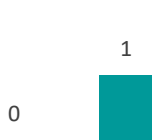
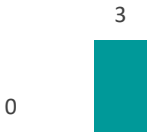
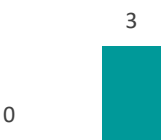
> 75% Complete

Risk Causes

Controls Identified

Controls 100% Complete & Effective

Progress Status of Incomplete Controls

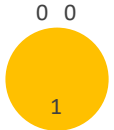


UHI

The RSB and Executive Office have a significant amount of influence over what UHI Perth can and cannot do. UHI Perth must assess the risks associated with decisions made by the RSB and EO.

The chart data shows

One new control around a report on RSB/EO decisions was identified during the last board cycle and will be reviewed and developed for reporting at the next cycle.

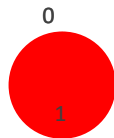
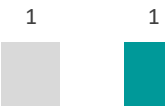


UK Governments

Actions and legislation through the UK and or Scottish Governments can have a significant impact on the college. We should assess the risks associated with Government decisions and plan to minimise any impact.

The chart data shows

One new control around reporting on horizon scanning was identified during the last board cycle and will be reviewed and developed for reporting at the next cycle..

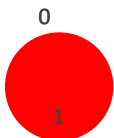
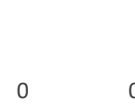
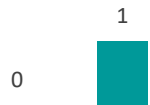
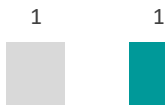


Global Events

Global events can impact UHI Perth in many ways from student numbers to increasing costs. UHI Perth should monitor global events and assess risk. Plans should be put in place to minimise impact.

The chart data shows

As above, one new control around horizon scanning for this risk area has been identified and will be reviewed and developed for reporting at the next Board cycle..



Strategic/External Risk Continued May 2024



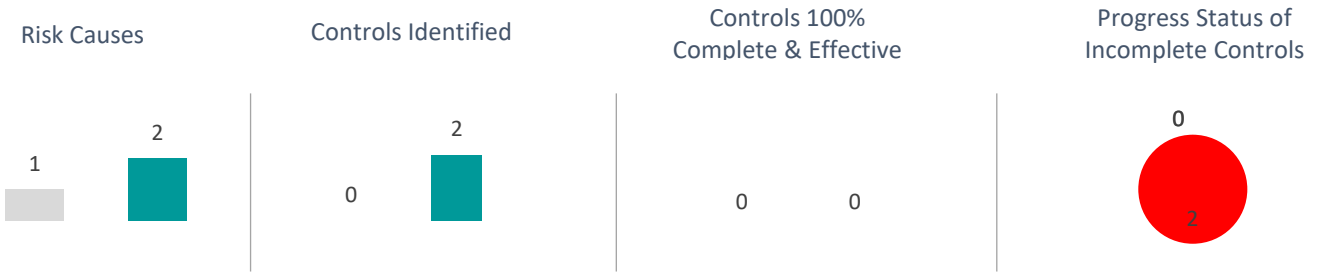
Risks

Other Significant Strategic/External Risk

AI is a growing risk which needs to be monitored and understood. Business continuity plans and operational resilience are key to anticipating and responding to strategic and external risk.

The chart data shows

As above, controls around horizon scanning for other risk areas currently identified as AI and Business Continuity will be reviewed and developed for reporting at the next Board cycle..



Board of Management Risk Appetite Overview

Risk Category	Risk Appetite	Max Risk Score	Risk Description	Risk Appetite Descriptor
Academic Income	Minimal	6	Academic SFC funding risk relates to the potential negative impact on student numbers, student retention, student outcomes, business partnerships and student experience.	The Board of Management will allow minimal risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Commercial Income	Cautious	10	Non-SFC funding risk relates to potential negative impact on student numbers, student retention, student outcomes, business partnerships and student experience.	The Board of Management will allow a cautious approach to risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Legal & Compliance	Averse	3	Legal & Compliance risk relates to any situation that would create a legal issue for UHI Perth or its partners or non-compliance with statutory or regulatory requirements. This category includes health and safety.	The Board of Management are averse to risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Financial	Minimal	6	Financial risk relates to any financial matter that could have a significant negative impact on the cash position of UHI Perth. This area also covers the financial management of UHI Perth.	The Board of Management will allow minimal risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Operational	Open	15	Operational risk relates to risks associated with the operational building blocks of systems, management of staff, staff competence and processes.	The Board of Management are open to risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Reputational	Averse	3	Reputational risk relates to areas that could have a negative impact on the reputation of UHI Perth and includes business relationships, student satisfaction, culture, media relationships, social responsibility and environment.	The Board of Management are averse to risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Strategic/External	Minimal	6	Strategic/External risk relates to external areas that could impact on the ability of UHI Perth to achieve its strategy or to the financial sustainability of the organisation.	The Board of Management will allow minimal risk in this Risk Category. Any decisions by managers or staff that would create a combined risk score (Likelihood x Impact) which is higher than the maximum 'Risk Range' for this Risk Category, should make and approval request to the Audit Committee before proceeding.
Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.				

Internal Audit Follow Up Actions Overview May 2024

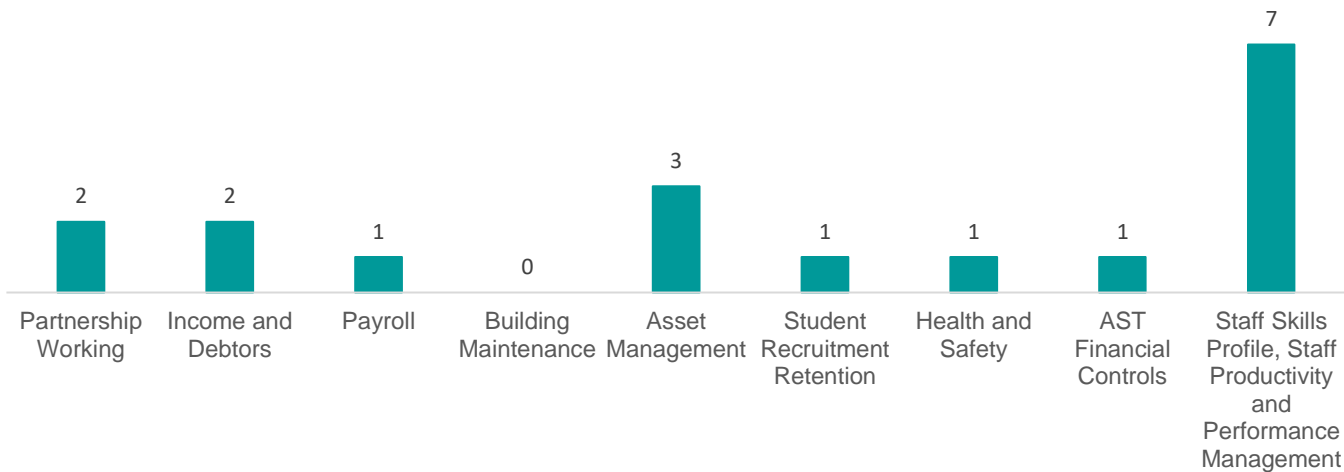
Progress report

Since the last Audit Committee meeting:

- A full progress review was carried out with audit owners
- 17 actions are still outstanding
- 2 further have been updated as 'Complete'
- Audit 2022/08 Building Maintenance is now complete with no further outstanding actions
- Audit 2022/10 (2021/08) Staff Skills Profile Staff Productivity and Performance Management has 7 actions still to be completed. Activity has been on hold pending the outcomes of the UHI Perth Financial Sustainability project and restructuring and is due to recommence during the summer 2024 with new expected completion dates identified.

Please see below a breakdown of actions by audit area.

Internal Audit Follow Up Actions by Area May 2024



	Action Grade:	Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of					
		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					
Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	May 2024 Progress	RAG Status
2022/05	Partnership Working	Agree with UHI the use of MS Dynamics CRM including data protection requirements and communicate use to academic and support services	NTP Manager	30/06/2023	31/08/2024	Partial Completion	UHI Development Team require to establish a data sharing agreement with all academic partners to provide access to Raiser's Edge. Their staffing changes have resulted in a delay to this and they estimate this is likely to be August before this can be done.	
2022/05	Partnership Working	Identify staffing resource for supporting strategic objectives on key strategic partnership working including succession planning. Associated risks for delivering objectives should be monitored.	Depute Principal Operations	30/06/2023	28/06/2024	Partial Completion	The proposal document identifies international as a growth area and new roles of International Partnership Coordinator and International Partnership Officer have been proposed to support this expansion to be line managed by the new role of Director of Commercial. Consultation with Trade Unions is due to end by 25 May. The process will be clearer by end of June 2024.	
2022/06	Income and Debtors	Include a formal credit note procedure in the Finance team procedural guidance under development including requirement for an audit trail for credit notes approval on bluQube	Head of Finance	31/12/2022	31/07/2024	Little or no progress	Unchanged, remains a resourcing and prioritisation issue.	
2022/06	Income and Debtors	Existing debt recovery process to be documented and approved internally and incorporated within the procedural guidance under development and communicated to stakeholders.	Head of Finance	31/12/2022	31/07/2024	Partial Completion	Unchanged, remains a resourcing and prioritisation issue.	
2022/07	Payroll	As part of the procurement process for the new HR and Payroll System, management should explore the potential inclusion of a timesheet module which will automate the submission and approval of timesheets.	Head of HROD and Payroll Manager	31/12/2022	31/12/2024	In progress	No further progress at this stage.	
2022/08	Building Maintenance	The College should develop a proactive rolling five-year programme of building condition surveys to identify and meet future estate maintenance needs.	Head of Estates	31/03/2023	31/03/2024	Complete	The workstream and consultation have identified areas for investment however the financial sustainability makes progress extremely difficult.	

	Action Grade:	Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of					
		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					
Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	May 2024 Progress	RAG Status
2022/10	Asset Management	The College should develop a comprehensive approach to the identification, maintenance and security of all of its assets held. The revised approach should ensure that a complete asset register is created and maintained for all assets, not just those with a capitalised value or assets which are IT related.	Head of Finance	31/12/2022	22/12/2023	Partial Completion	Unchanged, remains a resourcing and prioritisation issue.	
2022/10	Asset Management	To support the implementation of a revised approach to maintain a complete asset register in the College, guidance should also be prepared and implemented to support the revised approach.	Head of Finance	31/12/2022	not known	Little or no progress	Unchanged, remains a resourcing and prioritisation issue.	
2022/10	Asset Management	The College should develop a programme of regular inspections to confirm assets are still held and in operational use or identify where they are lost or missing. As part of this approach a process should be developed on how to identify, report and investigate any missing assets. This approach should be aligned to align with the guidance.	Head of Finance	31/12/2022	not known	Little or no progress	Unchanged, remains a resourcing and prioritisation issue.	
2022/10	Student Recruitment & Retention	The online Attendance and Performance Monitoring Procedures should be updated with business continuity arrangements and in line with good version-controlled practices	Head of Student Experience	30/06/2022	28/06/2024	Partial Completion	Updating of policies and procedures now able to be prioritised with a revised completion date of August 2024.	
2022/10	Health & Safety	The College should ensure that all health and safety policies are reviewed and updated in line with the agreed review schedule	Head of HROD	10/12/2020	31/12/2024	Partial Completion	No further progress at this stage.	

	Action Grade:	Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of					
		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					
Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	May 2024 Progress	RAG Status
2022/10	AST Financial Controls	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 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. 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.	AST GM	28/02/2021	tbc	Partial Completion	No further update at this stage.	
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	Management should ensure that there is a strategic workforce plan in place that reflects the vision for Perth College and aligns with its review of the Corporate Strategy and Learning, Teaching, and Assessment Strategy.	Head of HROD	30/04/2022	31/12/2024	Not yet started	To commence over summer 2024, revised completion date of 31/12/2024	
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	Management should develop a timeline and action plan to implement a formal succession planning process for its management and leadership teams and this should be aligned with the strategic workforce plan highlighted in R2.	Head of HROD	30/06/2022	31/12/2024	Little or no progress	To commence over summer 2024, revised completion date of 31/12/2024	
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	Management should consider developing a change process and documenting the arrangements for Sector Managers to request, and obtain formal approval, for securing outsourced staff from other departments. Outsourced staff should be accurately accounted for within the new department's budget.	Head of HROD	31/05/2022	31/12/2024	Little or no progress	Being built into the new CPR model - this is being taken forward by Finance/SDD's	

	Action Grade:	Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of					
		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					
Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	May 2024 Progress	RAG Status
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	Management should update the CPD policy and ensure that procedures are updated, and version controlled in line with good practice. This work should dovetail with the actions on developing a revised strategic workforce plan set out in R2. The governance arrangements should be updated in the revised policy, with specific reference made to the role of the Engagement Committee and the Finance and General Purposes Committee in providing ongoing oversight	Head of HROD	31/05/2022	31/12/2024	Little or no progress	Perth looking to implement a local policy. No further progress at this stage.	
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	All line managers should ensure timely submission of completed induction documentation to the HR Department. Management should consider automating the induction process, as an integral part of the current evaluation of the HR system specification, to allow line managers to self service employee records and to allow HR to readily and effectively identify gaps or support needs for line managers and new staff.	Head of HROD	30/06/2022	31/12/2025	Partial Completion	Move to automation has not yet started but should make target date. Documentation currently all available via PerthHUB.	
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	During the review of the new HR system (R7), management should consider automating the probationary reviews process so that managers are updating the new system as probation progresses. In the interim period, line management should also be reminded of their responsibilities to complete induction, in line with agreed requirements, through targeted manager training. Staff who have not completed formal reviews during the COVID-19 pandemic should be reviewed to identify any additional pay due to them and to confirm that they have had their training needs assessed. The financial consequences of any CPD requirements identified should be considered as part of the next departmental budget review exercise.	Head of HROD	30/06/2022	01/12/2024	Complete	Automatic probation triggers are in the spec for the new HR system. A manual process to manage probation is in place with reminders going out to staff.	

	Action Grade:	Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of					
		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					
Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	May 2024 Progress	RAG Status
2022/10	Staff Skills Profile, Staff Productivity and Performance Management	During the current ongoing review of the HR System (R7), management should consider the user requirements for Occupational Development and define what constitutes an effective CPD management system for UHI Perth. A process should be established to ensure all training is accredited within training records.	Head of HROD	30/06/2023	31/12/2025	Partial Completion	No further progress at this stage.	

Committee	Audit Committee
Subject	National Fraud Initiative
Date of Committee meeting	28/05/2024
Author	Lynn Murray, Depute Principal, Operations
Date paper prepared	22/05/2024
Executive summary of the paper	Update on the National Fraud Initiative
Consultation How has consultation with partners been carried out?	No
Action requested	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	Yes/ No
Risk implications (If yes, please provide details)	Yes/ No Risks relating to fraud
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 	Financial sustainability

<ul style="list-style-type: none"> • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</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>Set out any data protection aspects and whether a data protection impact assessment is needed</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?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

* 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? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

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

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

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

1. Introduction

The National Fraud Initiative (NFI) is a data matching exercise that helps prevent and detect fraud in the public and private sectors. The exercise is carried out every two years and the most recent one took place at UHI Perth during the financial year 2023/24.

2. Background

Historically there appears to have been some issues with the NFI exercise.

- In February 2020 external audit reported at the Extraordinary Board meeting that the College didn't fully participate in the NFI exercise within the timetable set by Audit Scotland and NFI is not yet embedded within the College's Fraud Policy and Response Plan.
- In January 2021 it was noted that reasonable progress had been made in investigating matches as there were challenges in accessing the system and no actual or suspected fraud had been identified.

3. NFI exercise – 2023/24

The Vice-Principal Operations (VPO) identified in his handover to the Depute Principal Operations (DPO) that there had been some issues accessing the NFI portal for the 2023/24 matching exercise but all of the data matching differences had been investigated and there were no instances of fraud or error.

After meeting Audit Scotland about the NFI exercise at the end of March it became apparent that this information had not been updated in the NFI portal so there was no evidence of completion. The author of the national NFI report said that he would have to record UHI Perth as not having completed. The Finance Team gained access to the portal and this information was updated in April.

The Audit Scotland report author also sent the checklist that Deloitte, our external auditors, discussed with the VPO which had an overall red rating (see appendix 1). There was nothing that could be done at that stage to change the rating. The DPO understands that the NFI is a necessary exercise and an important element in minimising the risk of fraud so will take action to carry out the activities outlined in the checklist when financial resources are available.

Internal Audit will review the College's arrangement for risk management this year and it will be useful to see their recommendations.

NFI Questionnaire 2023

Audited body: **Perth College**

Auditor who completed the questionnaire: Alistair Pearson, Senior Associate, Deloitte LLP.

Audit Manager who reviewed this questionnaire: Rebbecca McConnachie, Senior Manager, Deloitte LLP

Officer in NFI participating body who agreed the responses in this questionnaire: Iain Wishart, Vice Principal – Operations, Perth College.

Date completed: 15/02/2024

Submission deadline: 15 March 2024

Previous RAG rating: Green

Governance arrangements

Questions	Yes/no /partly	Comments –	Conclusion (green/amber/red)
1. Is the NFI an explicit part of the body's counter-fraud strategy and arrangements?	Partly	<p>The College comply with compulsory data requirements, so they recognise NFI but do not use it beyond what is compulsory.</p> <p>NFI is not included in the Fraud Policy of the College.</p> <p>The College uses internal audit and internal controls ahead of NFI, NFI is just deemed as a mandatory exercise.</p>	Amber
2. Has the self-appraisal checklist , referred to in the 2022 NFI Report , been considered by management and those charged by	No	<p>Iain will suggest the adoption to the new FD and the HoF.</p> <p>The College is undergoing a restructure of their Risk Management. Part of this will</p>	Red

Governance as part of the planning for the 2022/23 NFI exercise?		focus on COSO for internal controls to improve internal controls to a much greater level. Iain believes NFI would complement COSO going forward.	
3. Where appropriate and practicable did the body submit data on behalf of its ALEOs or joint boards?	N/A	Not applicable	N/A
4. Are NFI progress and outcomes reported regularly to senior management and elected/board members (e.g. the audit committee or equivalent)?	No	Based on the call with Iain, he is now going to inform the board on a more regular basis. The College will adopt the approach of reporting progress and outcomes from their next Audit Committee meeting in March 2024.	Red
5. Where the body has not submitted data or used the matches returned to it, e.g. council tax single person discounts, are alternative fraud detection arrangements in place?	Yes	Internal Audit and Internal Controls. The College is being subject to an Internal Audit on Fraud and Risk Management in August 2024.	Green
6. Is the NFI Key Contact the appropriate officer for that role and does he/she: •oversee the exercise properly? •have the time to devote to the exercise? •have sufficient authority to seek action across the organisation?	Partly	Henry Nicholson is the Key Contact for Perth College (Head of Finance). He left the College in January 2024. The correct officer is in place and has authority/access to authority but cannot oversee the exercise properly due to capacity constraints in finance. Concerns over capacity constraints in the finance	Amber

		department was raised in EY's 2021/22 annual report and concluded that this was a significant risk to the College. Since then, not a lot has been done to rectify this.	
7. Does the body review any identified frauds and errors and use this information to improve internal controls?	Yes	<p>No fraud has been identified this year but they use Internal Audit recommendation and Internal Control mechanism to put preventative controls in place.</p> <p>The College is being subject to an Internal Audit on Fraud and Risk Management in August 2024.</p> <p>No activity recorded.</p>	Green

NFI data submission and match investigations

Questions	Yes/no /partly	Comments	Conclusion (green/amber/ red)
8. Did the body submit the required data on time?	Yes	All data submitted in time for first matching run.	Green
9. Did the body deploy appropriate resources on the NFI exercise including sufficient capability and capacity to investigate fraud?	No	<p>Resources were deployed in submitting the data.</p> <p>No follow-up activity recorded.</p> <p>Iain stated that little activity had been undertaken (Henry had said this to him before the call) but as per the NFI portal, no</p>	Amber

		follow-up activity has been actioned.	
10. Did the body give priority to following up high risk matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?	No	No follow-up activity recorded. Data from creditors, procurement and payroll all unactioned.	Red
11. Has the body completed its review of the 2022/23 matches and were matches adequately investigated? If not, please provide the reasons why this is the case.	No	There were 100 matches between payroll, creditor, and procurement reports. As per the NFI system, none of these matches have been processed, cleared, or are undergoing investigation. Therefore, we can conclude there has been no follow-up activity.	Red
12. Has the body recorded the results of its investigations and closed off the NFI reports appropriately on the NFI system? (For local authorities this also includes ReCheck for council tax matches.) If not, please provide the reasons why this is the case.	No	No follow-up activity recorded, see above.	Red

13. Has the body taken appropriate action in cases where fraud is alleged (eg disciplinary action, penalties or reporting to the Procurator Fiscal)? Are funds being appropriately recovered where frauds or errors have been identified? If a body is not recovering recoverable overpayments please provide their reasons.	N/A	No follow-up activity recorded, see above.	N/A
14. How many cases have been taken to court and /or reported to Police Scotland or the Procurator Fiscal as a result of the NFI in the last 2 years? What were the outcomes and were these published?	N/A	No follow-up activity recorded, see above.	N/A
15. Were there any cases with significant outcomes not taken forward for prosecution and reported to Police Scotland or Procurator Fiscal? If so, why were they not taken forward?	N/A	No follow-up activity recorded, see above.	N/A
16. Has the body identified any interesting or significant cases from the NFI matches it received? If so, are these recorded on the appropriate section of the NFI system?	No	No follow-up activity recorded, see above. Therefore, we are unable to tell if there are interesting/significant cases.	Red
17. Please provide any examples of good	No	No follow-up activity recorded, see above.	Red

practice or improvements to internal controls that the body has made as a result this NFI exercise.		Therefore, the College has been unable to improve internal controls as a result of the NFI exercise.	
18. What did it cost the body to administer the 2022/23 NFI exercise? Please provide details if available.	N/A	The College did not track this so cannot give an estimate person. The person who did most of the work (henry Nicholson) has left Perth College.	Green
19. Overall, how do you rate your audited body's engagement with the NFI exercise (planning, progress, and response to outcomes)? Note 1 <i>Note that the auditor's view on this should be reflected in the annual audit report. NFI participation is part of an organisation's overall strategy for protecting against fraud and error. It is not, however, a substitute for these wider arrangements.</i>		<p>The College seems to be severely disinterested in the NFI exercise. They are more interested in COSO and internal controls.</p> <p>In the call with the College, it was noted that they deemed the NFI exercise to be of existence as a form of tokenism, as opposed to what they believed as a better approach – for Audit Scotland to encourage the adoption of COSO.</p> <p>The College believed that the NFI exercise was just a cumbersome, bureaucratic task administered by Audit Scotland.</p> <p>There were 100 matches between payroll, creditor, and procurement reports. As per the NFI</p>	Red

		<p>system, none of these matches have been processed, cleared, or are undergoing investigation. This is largely due to capacity constraints within the finance function.</p> <p>Therefore, we can conclude there has been no follow-up activity.</p> <p>Concerns over capacity constraints in were raised in EY's 2021/22 annual report and concluded that this was a significant risk to the College. Since then, not a lot has been done to rectify this.</p> <p>To conclude, we award Perth College with a red RAG rating mainly due to their lack of follow-up activity and their attitudes towards the exercise. The introduction of a new HoF may create opportunities to increase the prioritisation of the exercise within the College.</p>	
20. Please provide any other comments that you consider would be helpful in assessing the body's NFI arrangements.			

e.g. other data-matching exercises outwith the NFI.			
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Note

As a general guide it may be considered that two or more "amber" assessments would suggest an "amber" overall conclusion with two or more "reds" suggesting an overall "red" conclusion. However, local circumstances should be considered in all cases.

Perth College

Health, Safety and Wellbeing

Internal Audit report No: 2024/05

Draft issued: 14 May 2024

Final issued: 16 May 2024



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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

Satisfactory

System meets control objectives with some weaknesses present.

Risk Assessment

A review of the UHI Perth ('the College') ERM Risk Register, identified the following specific risk relating to Health, Safety and Wellbeing:

- Health and Safety - The health and safety of staff, students and visitors is probably the number one objective of the College. Failure to achieve this would have a significant impact on the reputation of the College. (Post Risk Mgmt Risk Score – 4).

Background

As part of the Internal Audit programme at the College for 2023/24 we carried out a review of the systems in place in relation to Health, Safety and Wellbeing. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Overall responsibility for ensuring the College is compliant with the applicable Health, Safety and Wellbeing regulations and legislation sits with the College's Board of Management. The operational responsibility for overseeing the fulfilment of the College's Health, Safety and Wellbeing procedures sits with the Principal and Chief Executive of the College, supported by the Depute Principal, Senior Leadership Team (SLT), and the wider College staff. To support staff in ensuring the College's procedures are effectively applied, the College has a Health, Safety and Wellbeing Adviser in place, who assists the leadership team and all College staff in managing Health, Safety and Wellbeing risks, and monitors the completion of risk assessments and incident and accident reports. The Health, Safety and Wellbeing Adviser reports to the Head of Human Resources (HR) and Organisational Development (OD).

The College's Health, Safety and Wellbeing practices are defined in the College Health and Safety Policy which details the specific responsibilities of College management, whilst also highlighting the responsibilities of all staff and students across the College in ensuring the safety and wellbeing of their peers. The Policy is available to all staff, students and stakeholders via the College's website, and this is maintained and periodically updated by the Health, Safety and Wellbeing Adviser. The Policy is accompanied by a Health and Safety Policy Arrangements document which defines the specific processes in place for each of the key Health, Safety and Wellbeing risks, and this is updated in line with the Policy, and also available to all staff.

The College has risk assessment and incident and accident reporting mechanisms in place, to ensure that it is monitoring the risks in place within the College and implementing effective mitigants to manage these risks. The Health, Safety and Wellbeing Adviser acts as a support function for the staff undertaking these processes. The College's Health, Safety and Wellbeing data is reported to the College's Health and Safety Committee four times per year, with an annual Health, Safety and Wellbeing Report prepared and submitted to the Board of Management at the end of each academic year.



Scope, Objectives and Overall Findings

This audit reviewed the arrangements in place within the College to deal with Health, Safety and Wellbeing.

The main objective of this audit was to review the College's overall arrangements for dealing with Health, Safety and Wellbeing and to consider whether these are adequate and operating effectively in practice.

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

Objective	Findings				
The objective of the audit was to obtain reasonable assurance that the College has:		1	2	3	Actions already planned
		No. of Agreed Actions			
1. A Health, Safety and Wellbeing policy and documented procedures which are communicated to all staff	Good	-	-	-	✓
2. A formal risk identification and assessment process.	Requires Improvement	-	1	1	
3. A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation.	Requires Improvement	-	1	-	
4. Regular monitoring of Health, Safety and Wellbeing systems to ensure that they are functioning effectively including Health and Safety audits, carried out either internally or by external agencies such as the Health and Safety Executive.	Good	-	-	-	
5. An incident and accident recording system with follow-up and implementation of new controls where required.	Good	-	-	-	
6. Regular reporting of Health, Safety and Wellbeing to the College Senior Leadership Team and to the Board of Management.	Good	-	-	-	
Overall Level of Assurance	Satisfactory	-	2	1	
		System meets control objectives with some weaknesses present.			

Audit Approach

From discussion with the Head of HR and OD and the Health, Safety and Wellbeing Adviser, and review of procedural documentation, we identified the internal controls in place and compared these with expected controls. A walkthrough of key systems was then undertaken to confirm our understanding, and this was followed up with compliance testing where considered necessary. We have reported on areas where expected controls were found to be absent or where controls could be further strengthened.

Summary of Main Findings

Strengths

- A Health and Safety Policy is in place and available to all staff, students and stakeholders.
- A Health and Safety Policy Arrangements document is in place detailing the key processes.
- Risk identification and assessment procedures are in place for all College activities.
- Refresher training of mandatory Health and Safety modules is undertaken every three years.
- Training for new equipment is undertaken using the manufacturer's instructions with the Health, Safety and Wellbeing Adviser assisting the process owner where it is deemed necessary.
- Training for new legislation is undertaken with the Health, Safety and Wellbeing Adviser assisting the process owner.
- An internal audit program is in place, with audits conducted over all high-risk areas on an annual basis.
- Audit questionnaires and guidance for compliance is provided to all process owners in advance of the audit being conducted.
- An accident and incident recording and reporting process is in place at the College.
- The Accident and Incident form is available on the Health, Safety and Wellbeing area of each department's Sharepoint site.
- Investigation and follow up is undertaken for all accidents and incidents which require it.
- A Health, Safety and Wellbeing report is provided to the Health and Safety Committee which meets four times per year.
- A Health and Safety Operational Risk Register is maintained, which includes actions in place to minimise Health and Safety risks and any further action required. This is reviewed by the Health and Safety Committee quarterly and Audit Committee every six months.
- An annual Health and Safety report is provided to the Board of Management at the end of each academic year.

Weaknesses

- From a sample of 10 risk assessments reviewed, it was noted that three of these had not been reviewed and updated annually in line with the College's procedures, and the date of manager review had not been recorded for another. Two of the risk assessments inspected were noted as having been prepared and reviewed by the same Technician, and although it was noted from discussions with the Health, Safety and Wellbeing Adviser that the Technician was sufficiently skilled to do so, the College's Policy includes the requirement for management review and sign off of each completed risk assessment.
- From inspection of the mandatory Health and Safety training report, it was noted at the time of the audit fieldwork that there were members of staff who had joined the College in the current academic year and whose probationary period (six months) had elapsed, who had not yet completed their mandatory training (completion rates between 72 and 79%). This mandatory training should be completed every three years by existing staff as a refresher however the report highlighted completion rates between 77 and 79% for all staff.

Acknowledgments

We would like to take this opportunity to thank the staff at UHI Perth who helped us during the course of our audit.

Main Findings and Action Plan

Objective 1: A Health, Safety and Wellbeing policy and documented procedures which are communicated to all staff.

From discussions with the Head of Human Resources (HR) and Organisational Development (OD), it was established that there is a Health and Safety Policy and a Health and Safety Policy Arrangements document in place, which define the College's responsibilities regarding Health and Safety, and the processes in place for managing these. Both of these documents are available to all staff via the College's intranet site and via the College's website.

Health and Safety Policy

The College's Health and Safety Policy is ultimately owned by the College's Board, with overall responsibility for managing and implementing the Policy on a day-to-day basis sitting with the Principal and Chief Executive. The Policy was signed-off by the Principal and Chief Executive and the Chair of the Board in August 2023.

Reference is made to the relevant legislation to which the College is required to adhere, with the Policy stating that "the primary legislation is the Health and Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations 1992." Reference is made to the legislation throughout the document to highlight any relevant areas.

From inspection of the Policy, it was noted that the responsibilities of key parties across the College regarding Health and Safety is defined, with the following personnel / groups noted:

- UHI Perth Board of Management;
- The Principal and Chief Executive;
- The Depute Principal;
- Senior Leadership Team (SLT);
- Sector Development Directors / Sector Managers, Departmental Managers;
- Lecturers and Programme / Course Leaders;
- Head of Estates;
- HR;
- Occupational Health Provider;
- Health, Safety and Wellbeing Adviser;
- Employees;
- Students and Trainees;
- Contractors and their Employees; and
- Visitors.



Objective 1: A Health, Safety and Wellbeing policy and documented procedures which are communicated to all staff (Continued).

The Policy also makes reference to the role of the Health, Safety and Wellbeing Adviser as a support service to the College's management and operational staff. It was noted from discussions that the purpose of this is to add clarity on the processes for which the Health, Safety and Wellbeing Adviser is responsible, with the onus being on the process owners to reach out to the Health, Safety and Wellbeing Adviser for support where required.

The Health and Safety Committee remit and terms of reference are also provided to define the responsibilities of the Committee, quorum, frequency of meetings, and objectives of the meetings, with the auditing practices, continuous improvement, communications and Health and Safety reporting also documented. The Health and Safety Policy in place is comprehensive in ensuring the staff and stakeholders within the College can have a sufficient understanding of their responsibilities and high-level knowledge of the processes in place to achieve these.

Health and Safety Policy Arrangements

The Health and Safety Policy Arrangements document defines the processes in place for fulfilling the requirements of the College's Health and Safety Policy, with this document reviewed and updated in line with the changes made to the Health and Safety Policy. From inspection of the document, key risk areas are identified, with the processes for each of these areas defined within the document. Key areas included in the document cover processes such as: Accident Incident and Near Miss Reporting, Display Screen Equipment (DSE), First Aid, Training, Personal Protective Equipment (PPE), Risk Assessment and Working at Height, among others.

Within each of the sub-headings of the document, the processes in place for mitigating the risks within the respective areas are defined, with any relevant regulations and legislation referenced to enhance the reader's understanding of any compliance related risks to the College. In addition to this, there are links provided to the relevant legislation, College policies / procedures, and any external guidance which is required to be reviewed to undertake the procedure in a safe and compliant manner.

From inspection of the Health and Safety Policy Arrangements document it was noted that key areas per best practice are documented for use by any staff, stakeholders and students.



Objective 2: A formal risk identification and assessment process.

Risk Assessments

All risk assessments are on the dedicated Health, Safety and Wellbeing areas within the Sharepoint sites of each department within the College. The Health, Safety and Wellbeing Adviser only has access to the areas provided by the process owners. In addition to the individual Sharepoint sites, there is a Health, Safety and Wellbeing section of the main College Sharepoint site where the Health and Safety forms and updates can be obtained.

All risk assessments are required to be prepared, maintained, and updated by the process owners, with annual reviews being undertaken to ensure the risk assessment is still applicable to the current process requirements and any regulations / legislation. Training was provided to all key process owners in 2023 to provide them with the skillset to identify hazards and assess risks within their processes, and as such, the Health, Safety and Wellbeing Adviser acts as a support service in reviewing risk assessments prior to them going live.

Sample Testing

In order to establish whether the risk assessments have been adequately completed, reviewed and updated, a sample of 10 risk assessments was selected and inspected for their contents, with the following noted:

- Two of the risk assessments were overdue for review, having last been reviewed in October 2020;
- One of the risk assessments was overdue for review, having last been reviewed in February 2023;
- Two risk assessments were noted as having been completed and reviewed by the same Technician;
- One of the risk assessments had been reviewed by the process owner's line manager following initial completion, however, no date was provided; and
- Four risk assessments were sufficiently complete and periodically reviewed and updated in line with the College's processes.

It was noted from discussions with the Health, Safety and Wellbeing Adviser that they are in the process of obtaining access to each of the departmental risk assessment areas of their Sharepoint sites, with the aim of having unrestricted access in the future, via a risk assessment library. This will allow the Health, Safety and Wellbeing Adviser to review the validity of the documentation in place at any given time, and staff across departments to access the necessary documentation efficiently. As such, an action in progress has been noted.



Objective 2: A formal risk identification and assessment process (Continued).

Observation	Risk	Recommendation	Management Response
As noted above, from a sample of 10 risk assessments reviewed, three had not been reviewed and updated annually in line with the College's procedures, and the date of manager review had not been recorded for another.	There is a risk that documentation is referred to by staff prior to undertaking an activity, which is no longer fit for purpose in allowing the user to sufficiently manage the risks involved.	R1 - It is recommended that the College implements an annual management review process, whereby the dates of risk assessment expiry are recorded by the process owner and provided to their line manager for follow up purposes, with line managers also signing and dating their review on an annual basis. Additionally, it is recommended that a reminder be issued to all process owners to review their risk assessments to ensure that these have been reviewed in line with the required timeframes, updating any documentation where lapses have been identified.	<p>We agree with this recommendation but are looking to implement a Health and Safety system which will automate most reminders, and where all documents are held (centrally in one repository). We anticipate this to be in place by the end of 2025.</p> <p>To be actioned by: Health, Safety and Wellbeing Adviser</p> <p>No later than: 31 December 2025</p>
			<div>Grade</div> <div>2</div>

Objective 2: A formal risk identification and assessment process (Continued).

Observation	Risk	Recommendation	Management Response	
Two of the risk assessments inspected were noted as having been prepared and reviewed by the same Technician, and although it was noted from discussions with the Health, Safety and Wellbeing Adviser that the Technician was sufficiently skilled to do so, the College's Policy includes the requirement for management review and sign off of each completed risk assessment.	There is a risk that the risk owners within the College do not have sufficient oversight over the risk assessments being referred to for activities for which they are responsible.	R2 - It is recommended that the College ensures that all risk assessments are reviewed and approved by the preparer's line manager or relevant senior manager, prior to being made available for use, in line with the Health and Safety Policy Arrangements.	<p>We agree with this recommendation and will look to implement this immediately as risk assessments are reviewed.</p> <p>To be actioned by: Line Managers and checked by Health, Safety and Wellbeing Adviser</p> <p>No later than: All reviewed and updated by March 2025</p>	
			Grade	3

Objective 3: A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation.

Induction / Mandatory Refresher Training

Induction training is in place for all new staff across the College, with this falling under the mandatory training to be undertaken for all staff during their probationary period of six months from the date of the commencement of their employment. This is controlled and monitored at a line manager level, as staff may have their probationary period extended if all mandatory training, including Health and Safety training, has not been completed. The College's core induction training is undertaken through the Brightspace platform, where completion is monitored through the HR team's mandatory training reports which are run periodically throughout the academic year. An additional platform is in place on which the College provides Health and Safety training (Marshalls) where staff can complete two Health and Safety focussed modules (HandS Part 1 and Part 2) and a Stress Management course. All training is required to be completed within the probationary period, as with the core induction training, and subsequently, every three years as a refresher. Site inductions are also undertaken by the Health, Safety and Wellbeing Adviser to familiarise new staff with the College's layout and to flag any risks and key processes.

In order to determine the completion rates of the training undertaken, we obtained copies of the most recent reports generated by the HR and OD team for each of the courses available. As such, the most recent report for the Marshalls training was generated in March 2024, and notes the completion of the 'Health and Safety Part 1', 'Health and Safety Part 2' and 'Stress Management' courses. It was noted that the reports detail the employees' date of enrolment, and the status of completion for each of the courses to which they are allocated. From a review of the data of incomplete courses for staff who had joined in the current academic year up to October 2023, and who had therefore passed their probation period of six months at the time the report was prepared, the following was noted:

- 7 members of staff had not completed the Health and Safety Part 1 course (79% completion);
- 8 members of staff had not completed the Health and Safety Part 2 course (72% completion); and
- 5 members of staff had not completed the Stress Management course (79% completion).

It was noted from discussions with the Health, Safety and Wellbeing Adviser that there is an expectation for all staff to have completed these courses in addition to their Brightspace training prior to the completion of their probation and, as such, an issue has been noted.

From a review of the data across all College staff included in the report similar levels of completion were identified (completion rate between 77 and 79%). Maintaining compliance levels with mandatory training has been a recurring issue for the College for some time and was highlighted in previous internal audit reports (last one issued in August 2020), although the level of compliance had improved since then.

New Equipment / Changes in Legislation and Regulations

All new equipment training is undertaken manufacturer instructions / guidance, with any required changes to the standard procedures the responsibility of the process owner to develop, implement and manage going forward. Any changes in legislation / regulations, is also the responsibility of the process owner to flag the need for a training exercise to be undertaken to ensure staff and students have a sufficient understanding of the changes.



Objective 3: A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation (Continued).

Student Training

Student training is the responsibility of the College's curricular staff, who undertake 'toolbox talks' prior to undertaking a process in the classroom / workshop, with additional supervision undertaken in some cases depending on the complexity of the activity and the level of risk attached to it.

Observation	Risk	Recommendation	Management Response
<p>From inspection of the mandatory Health and Safety training report, it was noted at the time of the audit fieldwork that there were members of staff who had joined the College in the current academic year, and whose probationary period (six months) had elapsed, who had not yet completed their mandatory training (completion rates between 72 and 79%).</p> <p>This mandatory training should be completed every three years by existing staff as a refresher however the report highlighted completion rates between 77 and 79% for all staff.</p>	<p>There is a risk that staff at the College do not have an adequate understanding / awareness of the key Health and Safety procedures within the College.</p>	<p>R3 - It is recommended that the College reviews the escalation process where mandatory training has still not been completed after reminders have been issued, with reporting to senior management and overall completion rates reviewed by the Health and Safety Committee at each meeting.</p>	<p>This process will be reviewed, and the detailed data made available to the Perth Leadership Group bi-monthly, and summary information to the Health and Safety Committee at each meeting for the Health and Safety training.</p> <p>To be actioned by: Head of HR and OD</p> <p>No later than: 1st Health and Safety committee in 2024/25</p>
			<p>Grade</p> <p>2</p>

Objective 4: Regular monitoring of Health, Safety and Wellbeing systems to ensure that they are functioning effectively including Health and Safety audits, carried out either internally or by external agencies such as the Health and Safety Executive.

Internal Audits

The College's Health, Safety and Wellbeing Adviser fulfils an audit programme, covering the College's academic year, over the high-risk areas within the College, with a standard audit form in place to be completed during the visit for each department. The Health, Safety and Wellbeing Adviser determines the department visit date, and provides the relevant process owner / Head of Department with four to six weeks' notice of the visit to ensure the relevant staff are available and facilities can be accessed. Each audit is documented on an audit checklist, and following each audit inspection, the Health, Safety and Wellbeing Adviser provides action plans to the process owners, with any high priority issues flagged to the Head of HR and OD for follow up, with the remainder followed up at the next audit. The Head of HR and OD passes any high priority issues directly to the relevant member of the SLT to address with the process owner, as the onus on remedying the issue sits with the process owner and ultimately the member of senior management overseeing this.

From inspection of the audit checklist, it was established that each question is assigned a number from 0 to 3, with 3 being fully compliant, 2 being mainly compliant, 1 being partially compliant, and 0 being non-compliance and the audit graded as a compliance failure. Totals achieved in each section of the checklist are noted against the highest possible totals (the number of questions multiplied by 3). The checklist is split into 10 sections:

- Health and Safety Management Arrangements;
- Health and Safety Information;
- First Aid, Accident, Incident, Near Miss Reporting;
- Occupational Health;
- Equipment and Machinery;
- Electrical;
- Personal Protective Equipment (PPE);
- Fire;
- Housekeeping, Storage and Welfare; and
- Traffic Management.

In order to establish the level of information provided on the audit forms, we obtained a copy of the audit undertaken over the Motor Vehicles area at the College, and a copy of the summary provided to the process owner. From inspection of the Motor Vehicle checklist, it was noted that the area had non-compliance noted concerning: COSHH, Manual Handling, DSE, and Housekeeping, Storage and Welfare. The audit is noted as having a cumulative score of 86% compliance which falls into the 'mainly compliant' banding, however, the findings summary provided to the process owner and the relevant member of SLT noted the issues identified and assigned high priority actions to the relevant members of staff due to the compliance nature of the issues.

External Audits

From discussions with the Health, Safety and Wellbeing Adviser it was noted that the College has not undergone any recent external health and safety audits from organisation such as the Health and Safety Executive (HSE) or the Care Inspectorate for the College nursery.



Objective 5: An incident and accident recording system with follow-up and implementation of new controls where required.

Accident and Incident Reporting

All accidents and incidents within the College are attended by the designated First Aider(s) on call at the time of the event. The First Aider assesses the condition of the person involved in the accident / incident and carries out the necessary treatment to ensure their immediate safety. The First Aider then completes the accident and incident form, the blank copy for which can be obtained from the Health, Safety and Wellbeing area of the College's intranet site. This is then emailed to the Health, Safety and Wellbeing Adviser, who reviews the form's contents in order to assess the severity of the incident and completeness and sufficiency of the information provided. The Health, Safety and Wellbeing Adviser then investigates the issue where relevant and follows up with the parties involved to ensure any actions required have been addressed. Where an accident is RIDDOR reportable, the Health, Safety and Wellbeing Adviser is responsible for determining this, and they prepare and submit the report to the HSE.

The Health, Safety and Wellbeing Adviser takes all forms submitted in the year and collates the information from these onto a spreadsheet for central record maintenance, and the data is then extracted from this for reporting purposes. The accident and incident statistics are reported quarterly to the Health and Safety Committee to detail the number of accidents, incidents and near misses.

Near Miss Reporting

It was noted from discussions with the Health, Safety and Wellbeing Adviser that there is a Near Miss / Hazard Identification Form in place, which is accessible via the Health, Safety and Wellbeing Sharepoint site, which is submitted through the same process as the Accident and Incident forms. From inspection of the form, it was noted that information regarding the hazard identified is provided, in addition to any actions taken to remedy the risk, with management sign off in place to document their awareness / understanding. All hazards / near misses are investigated by the Health, Safety and Wellbeing Adviser, with any actions documented and followed up on where necessary.

Sample Testing

A sample of accident and incident reports were obtained and inspected for compliance with the College's processes, and from which the following was noted:

- All 10 of the reports were completed by the First Aider attending the incident;
- Eight of the accidents required first aid action to be taken, with the two remaining accidents assessed and no further action deemed necessary;
- One report was RIDDOR reportable, the form for which had been submitted four days following the incident, in line with the HSE requirements;
- Seven of the reports were reviewed and signed by the assessor's line manager, with one of these being dated as the day prior to the incident, in error (the form was noted as being received by the Health, Safety and Wellbeing Adviser on the same date as the incident); and
- Three of the reports were not reviewed by the assessor's line manager, which from discussions with the Health, Safety and Wellbeing Adviser were noted as not being required due to the minor nature of the report, with no actions or further investigation required.

From inspection of the reports sampled, it was noted that all reports were reviewed by the Health, Safety and Wellbeing Adviser, with investigation undertaken where required. Given the review process currently in place we have not made a recommendation in relation to the minor error in the line manager review date, which has been accepted as a typing error and oversight during Health, Safety and Wellbeing Adviser review.



Objective 6: Regular reporting of Health, Safety and Wellbeing to the College Senior Leadership Team and to the Board of Management.

High Priority Reporting

The Health, Safety and Wellbeing Adviser flags any immediate issues identified from audits or in the normal course of business at the College to the Head of HR and OD for reporting to SLT via direct communications or through papers presented to the SLT at their regular meetings. The purpose of this is to initiate a prompt response to any issue which could result in harm to staff, students or stakeholders, or any damage to the College's property, and by raising this directly with the appropriate member of SLT, they have sufficient oversight of the process owners and therefore the timeliness of issues being addressed.

In addition to this, the Head of HR and OD attends the Health and Safety Committee and Chairs the Policy sub-group. The Head of HR and OD also oversees the training budget for the entire College, with a focus made solely on mandatory training as a result of budgetary restrictions.

Health and Safety Committee

The Health, Safety and Wellbeing Adviser prepares a report which is presented at each meeting of the Health and Safety Committee, which take place four times per academic year. The Committee is attended by members of the College's SLT, operational management, and the trade union representatives. We obtained and inspected copies of the three most recent Committee minutes, and noted that the following information was provided:

- Actions from previous meetings;
- Topical issues within the College;
- Updates from the subgroups;
- Results from internal Health and Safety audits undertaken;
- Accident and incident statistics;
- An update from the Health, Safety and Wellbeing Adviser;
- An update from the Head of Estates; and
- Trade Union matters.

From inspection of the minutes of Committee meetings in the current academic year, it was noted that staff with sufficient decision-making authority in the relevant departments are present to action any issues. It was also noted that the level of information provided is in line with good practice identified at similar organisations.



Objective 6: Regular reporting of Health, Safety and Wellbeing to the College Senior Leadership Team and to the Board of Management (Continued).

Health and Safety Operational Risk Register

A Health and Safety Operational Risk Register is maintained, which includes actions in place to minimise Health and Safety risks and any further action required. This is reviewed by the Health and Safety Committee quarterly and Audit Committee every six months.

Annual Report

The Health, Safety and Wellbeing Adviser prepares an annual report detailing the College's key Health and Safety matters in the past academic year and presents this to the College's Board of Management for their review and understanding. From inspection of the report for academic year 2022/23, it was noted that the following information was provided:

- Health and Safety Management (Policy and procedure updates);
- Audit and Review (Findings from Internal and External Audits undertaken in the year);
- Monitoring Performance (KPIs, Accidents and Incident Reporting, Fire Safety etc.);
- Health and Wellbeing (Stress Management, Staff and Student Wellbeing);
- Communication and Networking with External Agencies and Groups; and
- Going Forward (Upcoming Training and Internal Audits).

From inspection of the report submitted to the Board it was noted that management presents sufficient information for the Board members to understand the College's position and raise any queries where necessary.

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Strategic Internal Audit Plan 2024 to 2026 and Internal Audit Annual Plan 2024/25

Internal Audit Report No: 2025/01

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1. Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the strategic internal audit plan for 2024 to 2026 and the annual operating plan for the year ended 31 July 2025. Following the decision to invoke the extension period on the current internal audit contract, the decision was taken to develop a two-year internal audit programme, which is aligned to the extension period. The annual plan is based on the proposed allocation of audit days for 2024/25 as set out in the Internal Audit Strategic Plan 2024 to 2026. The preparation of the Strategic Plan involved dialogue with the Perth Leadership Group, and will be presented for consideration and approval by the Audit Committee at its meeting in May 2024.
- 1.2 A copy of the Internal Audit Strategic Plan is included in Section 2 of this report. The previous coverage for earlier years has been included in a separate table in Appendix 1, in order to provide enhanced visibility on the topics audited in previous years.
- 1.3 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2024/25, together with the proposed audit approach. The outline scopes will be refined and finalised after discussion with responsible executive leads prior to each audit commencing.
- 1.4 Separate reports will be issued for each assignment with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of assurance for the area reviewed and therefore the priority that should be given to each report.
- 1.5 We can confirm that our audit service complies with Public Sector Internal Audit Standards (PSIAS).

2. Strategic Plan 2024 to 2026

The Strategic Plan covers the financial years 2024/25 to 2025/26. Audit days have been allocated to the categories identified from our review of key risk areas to produce a rolling programme of work. Frequency of visits, the number of days allocated, and the position in the audit cycle has been determined with reference to the combined risk factors identified in the ANA, and previous internal and external audit coverage.

Audit Methodology

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and give a timeframe for completion.
- Follow-up of action plans in future years.

3. Strategic Plan 2024 to 2026

Proposed Allocation of Audit Days

	Category	Priority	Planned 24/25 Days	Planned 25/26 Days
Reputation				
<i>Publicity and Communications</i>	Gov	H	5	
<i>Health and Safety / Wellbeing</i>	Gov	H		
Student Experience				
<i>Curriculum</i>	Perf	M		
<i>Quality</i>	Perf	M		
<i>Student support</i>	Perf	M		5
<i>Student recruitment and retention</i>	Fin/Perf	M/H		
<i>Student welfare – Duty of Care</i>	Perf	M		
<i>Students' Association</i>	Gov	M	5	
Staffing Issues				
<i>Staff recruitment and retention</i>	Perf	M		
<i>Staff development</i>	Perf	M		
<i>Payroll</i>	Fin	M/H		
<i>Teaching staff utilisation BPR</i>	Perf / Fin	M		6
<i>Integrated HR/Payroll system implementation?</i>	Gov/ Fin	H		6
Estates and Facilities				
<i>Building maintenance</i>	Fin/Perf	M/H		
<i>Estates strategy / Estates projects</i>	Fin/Perf	M	5	
<i>Space management / room utilisation BPR</i>	Perf	H		
<i>Asset / fleet management</i>	Perf	M		
Financial Issues				
<i>Budgetary control</i>	Fin	M		
<i>Student invoicing and debt management</i>	Fin	M		
<i>General ledger</i>	Fin	L		
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	M/H		
<i>Debtors / Income</i>	Fin	M/H		
<i>Cash & Bank / Treasury management</i>	Fin	M		
<i>Fraud Prevention, Detection and Response</i>	Fin	M		
<i>Financial sustainability</i>	Fin	H	5	
<i>General review of Financial Controls</i>	Fin	H	7	

Strategic Plan 2024 to 2026

Proposed Allocation of Audit Days (Continued)

	Category	Priority	Planned 24/25 Days	Planned 25/26 Days
Commercial Issues				
Business Development	Fin/Perf	M		5
External Activities	Gov/Fin/Perf	M		
Organisational Issues				
Risk Management	Perf	M/H		
Business Continuity	Perf	M		
Corporate Governance	Gov	M		5
Corporate Planning	Perf	M		
Performance reporting / KPIs	Perf	M/H		
Partnership Working (incl. Regional Engagement)	Gov/Perf	H		
Equality, Diversity, and Inclusion	Gov	L		
Environmental Sustainability	Gov/Perf	M		
Information and IT				
Cyber security	Perf	M/H		
Data protection / records management	Gov	H		
FOI	Gov	M		
ICT and Digital Transformation	Perf	M/H		
Strategy implementation (with specific focus on digital capability)				
Licencing	Perf	L		
Other Audit Activities				
Credits Audit	Required		6	6
Bursary, Childcare and Hardship Funds Audit	Required		5	5
EMA Audit	Required		1	1
Management and Planning)			3	3
External audit / SFC)				
Attendance at Audit Committee)				
Follow-up reviews			3	3
Audit Needs Assessment			1	
Total			46	45
			====	====

Category: Gov – Governance; Perf – Performance; Fin – Financial

BPR = Business process review



3. Outline Scope and Objectives

Audit Assignment:	Publicity and Communications
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	5

Scope

This audit will focus on the systems in place within the College for the management of positive and negative publicity externally, and internal communication.

Objectives

The objectives of the audit will be to ensure that:

- policies, procedures and systems in place assist the College to maximise the benefits from positive publicity and effectively manage negative publicity, reducing the potential risk of damage to the College's reputation; and
- appropriate strategies, procedures, ICT and other systems are in place to assist and encourage internal communication and joint working between campuses and Academic Faculties / Support Services and also in managing and co-ordinating communications with UHI Executive Office and the UHI Marketing Team.

Our audit approach will be:

The senior managers who oversee marketing and communications activity within the College, and a sample of other College managers and staff, will be interviewed to determine current working practices.

The College's internal and external communication strategies, policies and procedures will be reviewed, and their content benchmarked against good practice, identifying any areas requiring improvement.

The results of recent staff surveys relevant to internal communication will be reviewed to ensure that issues raised are being addressed where appropriate.

Audit Assignment:	Students' Association
Priority:	Medium
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	5

Scope

Student engagement at the College is about students and staff working together to improve the learning and teaching experience. The College wants its students to be involved in all aspects of learning, helping to shape the College's direction by being a key part of the decision-making process in the College.

The scope of this audit will be to review the College's student engagement activities including the link with the Students' Association (HISA).

Objectives

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

- a comprehensive and robust Student Engagement Strategy is in place which is reviewed on a regular basis;
- student engagement is monitored and evaluated on a regular basis;
- there is evidence of student engagement outcomes influencing planning and decision making;
- adequate resources are allocated to student engagement activities, including the Students' Association; and
- training and support is provided to staff and students where necessary.

Our audit approach will be:

From discussion with the Vice Principal - Academic, the Head of student Experience, the Students' Association President, and other relevant managers and staff, we will establish the College's approach to student engagement and compare with good practice.

Audit Assignment:	Estates Strategy / Estates Projects
Priority:	Medium
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	5

Scope

The scope of this aspect of the audit will be to review and test the policies and procedures in place for the planning, control and monitoring of estates projects relating to the College estate.

Objectives

The specific objectives will be to ensure that the policies and procedures are in line with Scottish Funding Council and other good practice guidance in relation to:

- the Estates Strategy has been developed and aligned with key strategic priorities and also takes cognisance of supporting strategies and plans (such as the financial plan, curriculum planning, digital strategy and people strategy).
- the capital project identification and appraisal process, including the information provided to management and the Board of Management and its committees for decision making purposes;
- risk management and contingency planning on capital projects and other planned estates projects (including projects to address backlog maintenance);
- the selection and management of consultants and contractors, including the tendering process and performance management; and
- the monitoring of progress made on projects and expenditure against budget, by management and Board committees.

Our audit approach will be:

We will review relevant documentation including, the Estates Strategy, policies, procedures, estates project appraisal documents etc. relating to capital and revenue funded estates related projects and will discuss these procedures with appropriate staff.

We will consider whether the policies and procedures are in line with good practice in relation to planning, control and monitoring of capital projects and, for a sample of recent capital projects, we will test compliance with these.

Audit Assignment:	Financial Sustainability
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	6

Scope

The scope of the audit will be to review the long-term financial planning arrangements which the College has in place to ensure financial sustainability, supporting effective planning and business decision making in the medium to long term.

Objectives

In particular, the objectives of the audit will be to review the current financial strategy and ensure it is adequate and flexible enough to address the impact of the impact on public sector funding so that the College remains financially viable and to obtain reasonable assurance that:

- the College has developed a financial strategy, which includes long-term financial forecasts that underpin the organisations strategic aims;
- the College is effectively engaged with UHI (as Regional Strategic Body) in developing its financial strategy;
- Risks to the successful achievement of the financial strategy have been identified and are being managed in line with the College's risk management policy;
- Robust scenario planning and forecasting has been undertaken which includes sensitivity analysis to fully understand the impact of the cost-of-living crisis, and public sector funding constraints on the College's strategy; and
- There is a clear focus on identifying and delivering savings opportunities.

Our audit approach will be:

We will assess whether the above objectives have been met, through discussions with the Depute Principal, the Depute Principal - Operations and other key staff, and review of relevant documentation. The review will be primarily of the systems and procedures in place although compliance testing will be carried out where appropriate

Audit Assignment:	General review of Key Financial Controls
Priority:	High
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	7

Scope

The focus of audit activity will be on reviewing the key financial controls in place, and the extent to which these controls are operating effectively in practice.

Objectives

The main objective of the audit will be to assess the effectiveness of the organisation's internal financial control systems, including risk management, internal control processes, and schemes of delegation, to ensure that they are robust and effective in mitigating risks to the College.

We will seek to obtain reasonable assurance that the College has an effective control environment across the following areas:

- Payroll
- Cash & Bank
- Debtors / Income
- Accounts Payable
- General Ledger (including financial journals and routine financial reconciliations).

Our audit approach will be:

Through discussion with the Depute Principal - Operations, and other relevant College staff, and review of procedural documentation, we will document the internal controls in place and compare these with expected controls. A walkthrough of key control systems will be undertaken to confirm our understanding, and this will be followed up with detailed testing to confirm that the controls developed are operating effectively (where considered necessary). We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Audit Assignment:	Credits Audit
Priority:	Required annual audit
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	6

Scope

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditor assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the student activity data for the academic year (FES return).

Objectives

To obtain reasonable assurance that:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return is free from material misstatements.

Our audit approach will be:

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

A detailed analytical review will be carried out to obtain explanations for significant variations from previous year's activity.

Our testing will be designed to cover the key risk areas identified in Annex C of the Credits Audit guidance.

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

Audit Assignment:	Bursary, Childcare and Hardship Funds Audit
Priority:	Required annual audit
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	5

Scope

We will carry out an audit on the College's student support funds for the year ended 31 July 2024 and provide an audit certificate.

Objectives

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC and SAAS;
- payments to students are genuine claims for hardship, childcare or bursary, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2024 is in agreement with underlying records.

Our audit approach will be:

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

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and the discretionary funds and childcare.

Audit Assignment:	Education Maintenance Allowance (EMA)
Priority:	Required annual audit
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	1

Scope

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

Objectives

To obtain reasonable assurance that:

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

Our audit approach will be:

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

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Fieldwork Timing	TBC
Audit Committee Meeting:	TBC
Days:	3

Scope

This review will cover reports from the 2023/24 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

Objectives

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

Our audit approach will be:

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

Appendix 1 - Previous Internal Audit Coverage - 2018 to 2024

	Category	Priority	Actual 18/19 Days	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days
Reputation								
<i>Publicity and Communications</i>	Gov	M						
<i>Health and Safety / Wellbeing</i>	Gov	H		3				5
Student Experience								
<i>Curriculum</i>	Perf	M			3			
<i>Quality</i>	Perf	M				5		
<i>Student support</i>	Perf	M						
<i>Student recruitment and retention</i>	Fin/Perf	M/H			5			
<i>Student welfare – Duty of Care</i>	Perf	M						
<i>Students Association</i>	Gov	L/M						
Staffing Issues								
<i>Staff recruitment and retention</i>	Perf	M						
<i>Staff development</i>	Perf	M			4			
<i>Payroll</i>	Fin	M/H	8	5		5		
<i>Teaching staff utilisation</i>	Perf / Fin	M						
Estates and Facilities								
<i>Building maintenance</i>	Fin/Perf	M/H				4		
<i>Estates strategy / capital projects</i>	Fin/Perf	M						
<i>Space management / room utilisation BPR</i>	Perf	H					5	
<i>Asset / fleet management</i>	Perf	M			5			



Strategic Internal Audit Plan 2024 to 2026 and Internal Audit Annual Plan 2023/24 - DRAFT

	Category	Priority	Actual 18/19 Days	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days
Financial Issues								
<i>Budgetary control</i>	Fin	M		3				
<i>Student invoicing and debt management</i>	Fin	M						
<i>General ledger</i>	Fin	L						
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	M/H		4			5	
<i>Debtors / Income</i>	Fin	M/H				4		
<i>Cash & Bank / Treasury management</i>	Fin	M						
<i>Fraud Prevention, Detection and Response</i>	Fin	M						4
<i>Financial sustainability</i>	Fin	H						
<i>Key financial controls – AST Ltd</i>	Fin	M						
Commercial Issues								
<i>Business Development</i>	Fin/Perf	M						
<i>External Activities</i>	Gov/Fin/Perf	M						
<i>International products and partnerships)</i>	Gov/Fin/Perf	H	4					
<i>International student recruitment)</i>	Fin/Perf	H		3				
Organisational Issues								
<i>Risk Management</i>	Perf							5
<i>Business Continuity</i>	Perf						5	
<i>Corporate Governance</i>	Gov							
<i>Corporate Planning</i>	Perf				3			
<i>Performance reporting / KPIs</i>	Perf						4	
<i>Partnership Working (incl. Regional Engagement)</i>	Gov/Perf					5		
<i>Equalities</i>	Gov							
<i>Environmental Sustainability</i>	Gov/Perf							



Strategic Internal Audit Plan 2024 to 2026 and Internal Audit Annual Plan 2023/24 - DRAFT

	Category	Priority	Actual 18/19 Days	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Planned 23/24 Days
Information and IT								
Cyber security	Perf	M/H						5
Data protection / records management	Gov	H					5	
FOI	Gov	M						
ICT and Digital Transformation Strategy implementation (with specific focus on digital capability)	Perf	M/H						4
Licencing	Perf	L						
Other Audit Activities								
Credits Audit	Required		5	5	5	5	5	5
Bursary, Childcare and Hardship Funds Audit	Required		4	4	4	4	4	4
EMA Audit	Required		1	1	1	1	1	1
Management and Planning)			3	3	3	3	3	3
External audit / SFC)								
Attendance at Audit Committee)								
Follow-up reviews			2	2	2	2	2	2
Payroll Double Payment						5		
Audit Needs Assessment						2		
Total			27	33	35	45	39	38
			=====	=====	=====	=====	=====	=====



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Committee Cover Sheet

Paper No. 7

Name of Committee	Audit Committee
Subject	FOI & Data Protection Quarterly Update
Date of Committee meeting	28/05/2024
Author	Ian McCartney, Clerk to the Board
Date paper prepared	16/05/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Summary of data relating to FOI requests received and data protection issues raised for the Quarter to 30 April 2024
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Information provided in this paper is provided within quarterly statistics provided to the Scottish Information Commissioner
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	College Growth & Ambition SO4 – Our Ways Of Working

Committee Cover Sheet

<p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk?</p> <p>If yes, please provide details.</p>	<p>Yes</p> <p>Trends inform Enterprise Risk Management</p>
<p>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Data Protection</p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p> <p>Click or tap here to enter text.</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>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p>Status</p> <p>(ie confidential or non-confidential)</p>	<p>Non-Confidential</p> <p>If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld:</p> <p>Click or tap here to enter text.</p>

Committee Cover Sheet**Freedom of Information**

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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"/>

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

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

and

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

Quarterly Freedom of Information & Data Protection Update

Academic Year 2023/24 | Quarter 3 | February – April 2024

1. Summary

The most recent quarter returns the highest number of FOI requests for a single 3-month period since records have been retained, and the YTD is already running ahead of the full year total of any previous year.

This spike is likely to have been prompted by the recent consultation process, therefore is not entirely unexpected, and HR & Finance remain the main area of investigation.

2. Freedom of Information

a. Total Number of Requests 2023/24

2023/24 Quarter 2	2023/24 YTD	2022/23 Full Year	2021/22 Full Year	2019/20 Full Year	2018/19 Full Year
21	40	39	22	28	39

b. Request Topics – 2023/24

Type	Q3	YTD
Academic-Related	0	1
Student-Related	3	4
Compliance	0	0
Finance/Procurement	5	10
Estates	3	6
HR	8	15
Operational Management	0	0
IT	2	4
TOTAL	21	40

c. Response Times – 2023/24

Response Time	Q3	YTD
Replied within Statutory Time	21	40
Late	0	0
To be completed	0	0
TOTAL	21	40

d. Request Sources – 2023/24

Type	Q3	YTD
Legal Representative	0	0
Campaigning Groups	0	1
Trade Union	2	6
Press	4	4
Scottish Parliament	1	6
Staff	1	1
Student	0	0
University Research	1	1
Industry	2	5
Unknown/Anonymous	10	16
TOTAL	21	40

3. Data Protection

a. Total Number of Requests/Incidents

	2023/24 Q3	2023/24 YTD	2022/23 Full year	2021/22 Full year	2020/21 Full Year	2019/20 Full Year	2018/19 Full Year
Subject Access Requests	1	1	5	5	6	6	10
Data Breaches	1	2	5	6	7	13	13

b. Data Breach Information

Incident	Action Taken	ICO informed?
Member of staff in HR, when issuing new contracts to 10 members of AST staff to review and sign, accidentally attached details (including salary levels) of a different role on a higher grade and issued via CC.	<p>Emails deleted successfully and correct emails reissued.</p> <p>Training in alternative/safer routes to provide data to groups of individuals has been agreed for HR team.</p>	No – risk was assessed as being below reportable threshold as role had recently been advertised so no inherent risk to breach of personal data.

Ian McCartney
16 May 2024

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 & Resources Committee, the Staff Board Member nominated to Finance & Resources Committee, and the Student Board Member nominated by HISA Perth to Finance & Resources Committee.
- No member of the Finance and Resources Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance & Resources 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.

Reviewed: September 2022