

# Audit Committee

## Agenda

**Meeting reference:** Audit 2022-25/01

**Date:** Wednesday 09 October 2024 at 5.00pm

**Location:** ASW (Room 961)

**Purpose:** Scheduled meeting

\* Denotes items for approval or discussion.

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

	Agenda Items	Author	Led by	Paper
1	Welcome and Apologies		Chair	
2	Additions to the Agenda			
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of Audit Committee held on 28 May 2024		Chair	Paper 1
5	Actions arising from previous minutes			
6	<b>Items for Approval/Endorsement</b>			
*6.1	Annual Health & Safety Report (including H&S Policy Statement)	Health Safety & Wellbeing Adviser	Director of HR & OD	Paper 2
7	<b>Monitoring &amp; Compliance</b>			
*7.1	Enterprise Risk Management Report & Strategic Risk Register	Depute Principal (Operations)	Depute Principal (Operations)	Paper 3
*7.2	Code of Good Governance – Compliance Template	Clerk	Chair	Paper 4
8	<b>Audit Plans, Reports &amp; Updates</b>			
*8.1	External Audit 2023/24 – Audit Plan	External Auditor	External Auditor	Paper 5
*8.2	Internal Audit Report 2024/06 - Cybersecurity	Internal Auditor	Internal Auditor	Paper 6

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*8.3	Internal Audit Report 2024/07 - ICT & Digital Transformation Strategy	Internal Auditor	Internal Auditor	Paper 7
*8.4	Internal Audit Report 2024/08 - Fraud Prevention, Detection and Response	Internal Auditor	Internal Auditor	Paper 8
*8.5	Internal Audit 2024/25 - Final Annual Plan & Progress Report	Internal Auditor	Internal Auditor	Paper 9 Paper 9a
9	<b>FOI &amp; Data Protection</b>			
*9.1	Freedom of Information & Data Protection quarterly update	Clerk	Clerk	Paper 10
10	<b>Committee Updates</b> (for noting by Committee)			
10.1	Amendments to Terms of Reference for sub-committees of Health & Safety Committee			Paper 11
10.2	Health and Safety Committee: <ul style="list-style-type: none"> <li>19 June 2024</li> </ul>		Chair	Paper 12
11	<b>Date and time of next meeting:</b> <ul style="list-style-type: none"> <li>Wednesday 11 December 2024</li> </ul>	Clerk		
*12	<b>Review of Meeting</b> (Committee to check against the Terms of Reference to ensure all competent business has been covered)			Paper 13

# Audit Committee

## DRAFT Minutes

**Meeting reference:** Audit2023-24/04

**Date:** Tuesday 28 May 2024

**Location:** Boardroom (Braham Room 019)

**Members present:** Derek Waugh, Chair, Audit Committee  
Debbie McIlwraith Cameron, Board Member  
Ian Robotham, 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)  
Ian McCartney, Clerk to the Board  
David Archibald, Henderson Loggie, Internal Auditor  
Ian Howse, Deloitte's, External Auditor (until Item 6.3)  
Thomas Rotherham, Deloitte's, External Auditor (until Item 6.3)

**Apologies:** Veronica Lynch, Vice Principal (External)  
Katy Lees, Head of HR & Organisational Development

**Chair:** **Derek Waugh**

**Minute Taker:** Ian McCartney

**Quorum:** 3

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## **MINUTES**

<b>Item</b>		<b>Action</b>
<b>1.</b>	<p><b>Welcome &amp; Apologies</b></p> <p>Chair welcomed all to meeting and advised that Ian Robotham had been appointed to Audit Committee following his appointment to the Board.</p> <p>Chair noted presence of External Auditors attending remotely.</p>	
<b>2.</b>	<p><b>Additions to the Agenda</b></p> <p>There were no additions to the agenda.</p>	
<b>3.</b>	<p><b>Declaration of Conflict of Interest in any Agenda Item</b></p> <p>There were no conflicts of interest noted.</p>	
<b>4.</b>	<p><b>Minutes of Meeting of Audit Committee, 19 March 2024</b></p> <p>Aside from a minor correction to Item 10.1, the minutes were approved as a true and accurate record of the meeting.</p> <p>Clerk to amend the minutes accordingly.</p>	Clerk
<b>5.</b>	<p><b>Matters Arising from previous minutes</b></p> <p><u>Item 7.2 – Internal Audit Follow-Ups</u></p> <ul style="list-style-type: none"> <li>i. Link now added to ERM papers.</li> <li>ii. Resourcing issues within Finance Department still ongoing, although it was noted that the issue was not around willingness, rather attracting the required level of candidates was proving problematic.</li> </ul> <p><u>Item 10.1 – Letter from Audit Scotland</u></p> <p>Depute Principal (Operations) advised that the matter had been raised with UHI as part of wider discussions within the Academic Partnership around external auditing, and Committee were advised that the Principal of UHI had met with Audit Scotland this week as part of continued discussions.</p>	
<b>6.1</b>	<p><b>Enterprise Risk Management Report</b></p> <p>Depute Principal (Operations) introduced Paper 2, which was presented in an amended format in response to previous requests, and noted that all pre-mitigation Risks are above the Board</p>	

	<p>Appetite levels, with delays in implementing effective controls and implementing internal audit actions. Issues are caused partly by implementation of the new system but mainly due to the PLG's current other priorities.</p> <p>Chair drew attention to the levels of red/amber within Report and sought reassurance that the momentum in the move to the new model would not be lost. Principal noted that the model was still a work in progress and red/amber warnings are to be expected given the current issues affecting the College.</p> <p>Depute Principal (Operations) suggested there is more detail in the model than would be expected within a Strategic Risk Register, but the model will be helpful once fully operational. Chair stressed that purpose of the model was to provide Board with full reassurance around Risk. Depute Principal (Operations) noted that there are some timing issues around the data, however this was likely to improve over the next few months, in particular finance-based measures.</p> <p>Depute Principal (Operations) identified that there were 7 strategic risks higher than Board's Risk Appetite due to recent changes within the ERM. Chair noted that there is a need to provide some detail to the Board on this, but questioned what format this should take. Principal suggested either a brief paper or note the issue within the Audit Summary Report. Chair agreed with the latter as it allows reflection on concerns with an expectation of improvements and reassurance that the correct monitoring is in place.</p> <p>Board Member queried the significant differences around agreed/revised completion dates. Depute Principal (Operations) acknowledged this, noting resource issues as focus has been on the sustainability project. Board Member advised that dates may need to change to reflect wider factors that have arisen since the ERM was implemented. It was <b>AGREED</b> that target dates be reviewed prior to next Audit Committee meeting.</p> <p>Committee <b>noted</b> Paper 2.</p>	Depute Principal (Operations)
6.2	<p><b>National Fraud Initiative (NFI) Report</b></p> <p>Depute Principal (Operations) presented Paper 3, which provided an update on NFI following a red rating received from Audit Scotland. Depute Principal (Operations) advised that the factors producing the red rating were being addressed. All of the data-matching differences have since been investigated and there were no instances of fraud or error, however nothing can be done to change the rating.</p> <p>Board Member expressed concern around the damning nature of some of the comments in the Report, particularly when previous</p>	

	<p>Report returned a green rating, and queried whether some of the criteria had changed in the interim. Depute Principal (Operations) was unclear whether any criteria had changed, however reassured Committee that the NFI review exercise will be fully adhered to in a positive manner, as would be expected by a public body.</p> <p>Board Member noted the Report would be on public record and wondered about the reputational risk this may present. Internal Auditor noted that the summary report is presented online so addressing the Report's areas of concern as soon as possible should mitigate the associated risks. Internal Auditor noted that Publicity &amp; Communications was due to be reviewed over the summer as part of the Audit Plan being discussed later, and an NFI focus could be built into this process. Committee <b>AGREED</b> to this proposal.</p> <p>Committee <b>noted</b> Paper 3.</p>	Internal Auditor
6.3	<p><b>External Audit 2022/23 - Update</b></p> <p>Chair welcomed representatives from Deloitte's to the meeting to discuss the ongoing situation around the publication of the 2022/23 Annual Audit.</p> <p>External Auditor noted that the triennial pension fund evaluation had been completed by 31<sup>st</sup> March and the Actuarial Report showed a material difference, therefore balances will require to be reviewed. Audit Scotland also need to complete their review, and accounts cannot be signed off until this is complete – indications are that this will not be concluded until July or August, so External Auditors are looking at alternative methods to reach a position where accounts can be signed off.</p> <p>Chair queried whether there were any issues beyond those raised due to the pension fund evaluation. External Auditors noted that a few areas around statements and procedures required testing, however Deloitte's staff are booked in to complete this work. External Auditor further noted that there was no anticipation of anything other than minor amendments around disclosures beyond the pension fund evaluation.</p> <p>Depute Principal (Operations) reminded Committee that had UHI Perth been able to sign off accounts before March as intended then the triennial review would not have impacted on the 2022/23 accounts. Depute Principal (Operations) added that UHI Perth have struggled to receive a definitive list from Deloitte's of planned activities with dates.</p> <p>Depute Principal (Operations) advised Committee that around one third of audits across the sector are being reported late and it is felt that it may take at least 2 years to get back on track, which will</p>	

	<p>affect scheduling for the 2023/24 audit. External Auditor responded that a resourcing plan was being put in place to return to December delivery, and that lessons have been learned from 2022/23 to be implemented for 2023/24.</p> <p>Chair queried when a plan for the 2023/24 Audit would be presented. External Auditor advised that it was planned to be present at the next Audit Committee meeting.</p> <p>Chair asked how confident Committee should be that the triennial pensions review would be complete by August. External Auditor advised that clarification was still awaited on that issue.</p> <p>Board Member queried what direction a material change around the pensions review is likely to be in. External Auditor advised that the expectations were for an increase to the value of the pension and a related increase in the scheme's, which would be in line with market recovery. Depute Principal (Operations) further noted that contribution rates have reduced, which implies that values are increasing.</p> <p>Chair queried whether there was any expectation of communications from Audit Scotland that UHI Perth would be able to reference. Principal advised that, if this was to be forthcoming, it would likely be at UHI level.</p> <p>Board Member suggested that a short statement on the issue be included in the annual report in order to provide justification for the delay in reporting to, amongst others, OSCR. Principal added that the issue has affected UHI Perth's reputation despite issue not being of the college's making.</p> <p>External Auditor acknowledged the frustration being felt and apologised for the reputational damage caused, and committed to addressing issues with the intention to be fully back on track by the end of December.</p>	
7.1	<p><b>Internal Annual Report 2023-24/01 – Health, Safety &amp; Wellbeing</b></p> <p>Internal Auditor presented Paper 4, noting that this area was previously reviewed in 2019/20 and that there has been progress in the policy/procedure framework and leadership being shown, and, notwithstanding the recommendations made, the College is moving in the right direction.</p> <p>Internal Auditor advised that future focus should be around mandatory training, the implementation of review and escalation processes, and automatic reminders for risk assessments.</p> <p>Board Member queried the December 2025 implementation date</p>	

	<p>under Objective 2 and wondered whether there should be some interim actions/dates to ensure matters are progressed. Internal Auditor noted that this implementation date refers to the implementation of the formal system, however informal systems are already being implemented. Board Member requested that this recommendation be split into 2 items in order to reference interim actions/systems. Internal Auditor <b>AGREED</b> to revise accordingly.</p> <p>Committee <b>noted</b> Paper 4.</p>	Internal Auditor
7.2	<p><b>Internal Annual Report 2023-24/02 – Risk Management</b></p> <p>Internal Auditor presented Paper 5, submitted as a late Paper, noting a positive report highlighting that a populated ERM all required risk monitoring, and advising that control mechanisms within the ERM are good but are reliant on local input being maintained so will need regular monitoring.</p> <p>Chair welcomed the report and noted the increased visibility of risks that may not have been in place under the previous reporting system.</p> <p>Committee <b>noted</b> Paper 5.</p>	
7.3	<p><b>Internal Annual – Audit Plan 2024-2026</b></p> <p>Internal Auditor presented Paper 6, noting that a 2-year Plan had been prepared due to the agreed 1+1 extension of the Internal Audit contract.</p> <p>Internal Auditor noted that the priority levels had been reviewed since the last iteration, and that a meeting had taken place with the Chair to sense-check the Plan.</p> <p>Depute Principal (Operations) queried whether International should be included, possibly at the expense of HISA. Chair expressed discomfort at replacing HISA, but could see merit in replacing Estates Strategy given the likely lack of funds for large-scale projects in the next few years.</p> <p>Committee <b>AGREED</b> to replace Estates Strategy with International. Internal Auditor to provide amended version of the Plan for circulation.</p> <p>Board Member queried whether the timings around Financial Sustainability and Financial Controls need to be revisited given the current resource issues within Finance as discussed previously. Internal Auditor noted that finalisation of the dates for the work is agreed with management and built into the standard process.</p> <p>Committee <b>noted</b> Paper 6.</p>	Internal Auditor



8	<b>Freedom of Information &amp; Data Protection – Quarterly Update</b>  Clerk presented Paper 7, noting the increased activity driven by FOI requests related to the current consultations.  Clerk advised that an FOI request on the position of the nursery has been reviewed as the college deem that commercially sensitive, and may subsequently be submitted for further review by the Scottish Information Commissioner.  Committee <b>noted</b> Paper 7.	
9	<b>Date &amp; Time of Next Meeting</b>  <ul style="list-style-type: none"> <li>Wednesday 09 October 2024 (tbc)</li> </ul>	
12.	<b>Review of Meeting</b>  Committee confirmed that the meeting had been conducted in line with its Terms of Reference.	

**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** ☒

<b>Committee</b>	Audit Committee
<b>Subject</b>	Annual Health, Safety and Wellbeing Report
<b>Date of Committee meeting</b>	09/10/2024
<b>Author</b>	Ian Bow, Health, Safety and Wellbeing Advisor
<b>Date paper prepared</b>	02/10/2024
<b>Executive summary of the paper</b>	<p>This report is intended to give board members, senior management and all stakeholders an understanding of health, safety and wellbeing arrangements in place within the College, and to provide assurances on the adequacy of these measures.</p> <p>This report is a statement of UHI Perth health and safety management for the academic year 2023/24 and its intentions going forward for 2024/25 and beyond.</p> <p>This report highlights the key health and safety measures and systems within our Safety Management System to minimise risk and ensure the health, safety and wellbeing of our staff, students and visitors.</p> <p>UHI Perth is committed to continual improvement of health and safety. The contents provide a review of management arrangements, health and safety activities and lessons learned in this reporting period.</p>
<b>Consultation</b> Please note which related parties, stakeholders and/or Committees have been consulted	<p>Health and Safety Committee</p> <p>Full approval and signing of the H&amp;S Policy Statement is required at Board of Management.</p>
<b>Action requested</b>	<p><input type="checkbox"/> For information</p> <p><input checked="" type="checkbox"/> For discussion</p> <p><input checked="" type="checkbox"/> For endorsement</p> <p><input type="checkbox"/> For approval</p>

## Perth College UHI

<p><b>Resource implications</b></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><b>Risk implications</b></p> <p>Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk?</p> <p>(If yes, please provide details)</p>	<p>Yes</p> <p>Outline of actions taken by the college</p>
<p><b>Link with strategy</b></p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	<p>n/a</p>
<p><b><u>Equality and diversity</u></b></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please give details:</p>	<p>No</p>
<p><b><u>Data Protection</u></b></p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please give details:</p>	<p>No</p> <p>Click or tap here to enter text.</p>

## Perth College UHI

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

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

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

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

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

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

and

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

# **Annual Health, Safety and Wellbeing Report**

## **Academic Year 2023-2024**

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## **Executive Summary**

The Academic Year 2023-24 proved to be challenging in many ways. Uncertainty regarding the financial situation of the organisation resulted in a period of organisational change and industrial action from both our Academic and Professional Services staff over nationally agreed pay meant there were significant disruptions as well as additional stressors placed upon our students and staff. We have, in the end, come out of this period with a different perspective and acceptance that we can and will address the local stressors and maintain a safe working environment.

Managers have received training to address the stressors within their area of responsibility and to conduct stress surveys and risk assessments for their departments, teams and individuals with support, advice and guidance readily available.

Our planned Health and Safety compliance audits of high-risk areas followed a review of legislative and internal policy requirements. Audits conducted under a revised methodology were completed and identified where improvements in departmental safety management systems must be made. Verification of the above findings were provided by Henderson Loggie who audited our safety organisational safety management system during April and May and identified only two areas which required improvement.

These audits were instrumental in highlighting weaknesses where safety matters require attention. We are confident the College is complying with legislation, internal policies and procedures. Health and Safety Policies and Procedures continue to be reviewed by the Health and Safety Committee to ensure they meet our needs and legislative requirements.

Focus for this period concentrated on training and risk assessment where steps have been taken to train and refresh competencies of our employees, especially those with specific health and safety responsibilities. Following the restructuring of management roles, the imperative was to ensure that “new” postholders had the requisite skills and knowledge.

## **Introduction**

This Annual Health, Safety and Wellbeing Report for the Academic Year 2023-2024 is compiled by the Health, Safety and Wellbeing Adviser to provide an insight into the Health and Safety Management System at UHI Perth. It shall give the Principal and Chief Executive, Board of Management, Health and Safety Committee and all stakeholders detail of the actions and initiatives taken to enhance the health, safety and wellbeing of our employees and students.

This academic year has yet again been challenging for our employees and students with a major organisational change process being undertaken. UHI Perth has over 5,500 students and over 480 employees. Whilst we adapt to a new structure, roles and responsibilities and new ways of study and work in these challenging times, we understand the pressures our employees and students face. Every effort has been taken to ensure we provide a healthy and safe work environment where employees and students can thrive.

## **1. Health and Safety Management**

### **1.1 Policy**

The UHI Perth Health and Safety Policy is the foundation of the College Safety Management System. The Policy is read in 3 parts, the Statement of Intent (Part 1) which is signed by the Principal and Chief Executive and the Chair of the Board of Management. It states their commitment to ensuring a safe and healthy working environment. Health and Safety Organisation (Part 2), identifies roles and responsibilities to ensure the Policy is enacted effectively. Health and Safety Arrangements (Part 3), supplement additional health and safety related policies and procedures giving further direction and guidance on the implementation and enacting of the policies. These health and safety related policies and procedures provide instruction, guidance to ensure legal compliance.

### **1.2 Planning and Implementation**

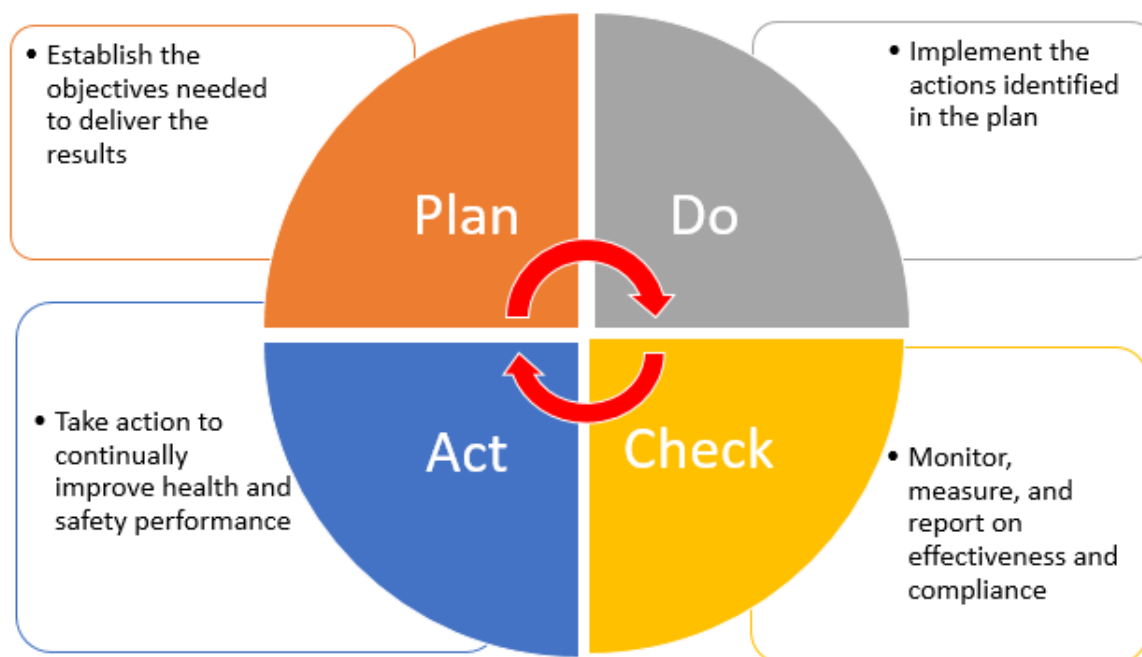
UHI Perth, (the College), as the employer, has a legal duty to put in place suitable arrangements to manage Health and Safety. The Management of Health and Safety at Work Regulations 1999 requires the College, as the employer, to ensure measures are in place to control health and safety risks. The Health and Safety Executive (HSE) state the employer should have processes and procedures in place to meet the legal requirements and as a minimum:

- a written health and safety policy;
- assessments of the risks to employees, students, contractors and any other people who could be affected by their activities and record the significant findings in writing;
- arrangements for the effective planning, organisation, control, monitoring and review of the preventive and protective measures that come from risk assessment;
- access to competent health and safety advice;
- provide employees and students with information about the risks in the workplace and how they are protected;
- information, instruction and training for employees and students in how to deal with the risks;



- ensuring there is adequate and appropriate supervision in place;
- consulting with employees about their risks at work and current preventive and protective measures.

The diagram below, “Plan, Do, Check, Act”, is a cycle where we set our objectives as directed in our Health and Safety Policies then implement those objectives by establishing safe working environments and procedures. We check our plans by monitoring and audit to establish if our systems are effective and if not, we take actions and adjust, continually striving to improve our performance.



The Policy and Procedure Group (a sub-group of the Health and Safety Committee) are continuing to review policies and procedures in line with recommendations made by the Henderson Loggie external audit in May 2020. These documents are reviewed by the Health and Safety Committee on a 2 yearly basis, the exception is the UHI Perth, Health and Safety Policy and procedures documents, which are reviewed annually.

In January 2024, the Health and Safety Committee were asked to approve the combining of the Emergency Evacuation Procedure with the Fire Safety Management Policy and procedures, and the Control of Noise at Work Policy with the Controls of Vibration Policy. This was approved and the policies approved in February, thus reducing the overall workload from 21 documents to 19.

Equality Impact Assessments (EQIA's) ensure policies, procedures, practices and decisions are fair, meet the needs of employees and students and that they are not inadvertently discriminating against any protected group. All our Policies and Procedures are Equality Impact Assessed and once approved by Health and Safety Committee policies and procedures group and then through the Perth Leadership Group are published on our website.

The Health and Safety Committee plays an integral part in the Health and Safety Management by:

- Monitoring the organisation's health and safety performance against legal and statutory requirements.
- Delivering Health and Safety Policy(ies), strategy and plans and in particular, the College Health and Safety Programme and make recommendations.
- Reviewing annually the College health and safety management system and the relevant parts of the risk register and make recommendations.
- Providing a consultation forum for management, employees and unions on health and safety matters
- Promote co-operation between the College and its employees and students in instigating, developing and carrying out measures to ensure health and safety.
- Ensuring accidents and near misses are recorded, fully investigated and commit to reducing work-related injury and ill health and to take all reasonable steps to promote health and well-being at work
- Reviewing accident, incident, work related absence and occupational ill-health trends and to make recommendations for corrective action.
- Considering reports on health and safety inspections, audits and other monitoring activities and make recommendations.
- Considering reports and information provided by inspectors of the enforcing authorities.
- Considering reports submitted by Trade Union Safety Representatives or other Committee members.
- Promoting and overseeing health and safety training in the College at all levels and monitor attendee data.
- Making recommendations on improvement of health and safety performance and minimisation of occupational injury and ill health as appropriate

### **1.3 Cooperation and Communication**

The Health and Safety Committee consists of representatives from curriculum areas, professional and support services departments, Trades Unions and Students and is the forum for discussion, information and consultation. Membership was expanded during this reporting period to include additional representatives from Professional Services. The Committee has met on 4 occasions in this reporting period. Membership of the committee consisted of:

- Chair (Head of HR & OD)
- Member of Board of Management
- Depute Principal
- Vice Principal Operations
- 4 x Sector Development Directors (or deputy)
- Head of Learning and Teaching Enhancement
- Head of Student Experience
- Head of ICT and Digital Transformation
- Head of Business Development
- Director of the Centre for Mountain Studies
- Library and Careers Team Leader
- Quality Manager
- Unison Employee Side Representative(s)
- EIS Employee Side Representative(s)
- Head of Estates

- Health, Safety and Wellbeing Advisor
- Student Body Representative

It should be noted that the Member of the Board of Management was not able to attend any of the meetings during the academic year.

Due to reorganisation, a revamped representative structure going forward for this Committee has been announced. Membership shall be as detailed below:

- Director of Estates (Chair)
- Director of Curriculum, AHE
- General Manager, ASW
- Director of Teaching, Learning & Quality Enhancement
- Director, Student Experience
- Director of Finance
- Health, Safety and Wellbeing Adviser
- Director of Information Services
- Director of HR & OD
- Depute Principal, Operations
- Director of Curriculum, BSTW
- Director – Centre for Mountain Studies
- EIS H&S Representative
- Unison H&S Representative
- Board of Management 'H&S Champion' - pending appointment
- HISA Representative
- AST Training Manager (optional)

On our PerthHub Intranet Site we have SharePoint communication pages for Health, Safety and Wellbeing and a separate page for Health and Wellbeing. The former contains information on General Health and Safety, Risk Assessments, Training Materials and Resources, Health and Safety Performance and Employee Health and Wellbeing. The latter contains information on Healthy Eating, Stress Awareness and Mental Wellbeing and Physical Wellbeing and Workplace Wellbeing.

These pages provide us with the ability to directly communicate instantly with updates, news, promotions and links to internal and external sites.

## **1.4 Training and Competence**

The Health and Safety at Work Etc. Act 1974 and the Management of Health and Safety at Work Regulations 1999, place duties on the College as the employer to provide suitable and sufficient information, instruction and training in order to ensure health and safety compliance and competence of employees to carry out their role.

During this reporting period the Health, Safety and Wellbeing Adviser has conducted 20 in-house face-to-face training sessions with a variety of employee groups in order to address the above.

To date, 6 members of the Perth Leadership Group have successfully completed the Institute of Occupational Safety and Health (IOSH) Managing Safely and 2 others having completed their NEBOSH qualification which is higher than the IOSH Managing Safely. 1

member of the Senior Leadership Team has completed the IOSH Safety for Executives and Directors and another enrolled to complete the programme.

To provide our employees with the skills and competence for their roles, we have provided a variety of face-to-face training sessions. In this reporting period, we have trained an additional 9 General Risk Assessors and 4 Manual Handling Risk Assessors as well as providing specific training to employee groups where a need has been identified. 2 new estates facilities employees attended Manual Handling, Working at Height and Lone Working training.

Our First Aid trained personnel are certified for 3 years as competent. Prior to their certification ending, they are given the opportunity to requalify. We have trained another employee to conduct the first aid role within our Brahan Food Court providing immediate in-situ response to any injury. An additional 5 employees have completed the Scottish Mental Health First Aid training which teaches people how to identify, understand and help someone who may be experiencing a mental health issue.

Perth and Kinross Council provide a driving competency training course for minibus called MiDAS. 4 employees have attended and passed this course which promotes a UK wide standard for the assessment and training of minibus drivers and is viewed as best practice. The scheme aims to enhance minibus driving standards and safe operation of minibuses. This is important to us as we transport our students to outdoor events, exhibitions and educational visits.

Online mandatory Health and Safety training continues on the Brightspace and Marshalls platforms and is monitored by Human Resources (HR). All new employees are required to complete the modules within their probationary period. These modules are time bounded and are to be refreshed every 3 years. Managers and individuals are sent reminders from HR when their training is not complete or if they are out of date. Below is a table indicating overall levels of compliance.

Table 1. Mandatory Health and Safety e-learning

<b>Mandatory Module</b>	<b>Completed</b>	<b>Incomplete/ due refresher</b>	<b>Overall</b>
Fire Awareness	400	79	83.4%
Stress Awareness	391	89	81.5%
Health & Safety 1	384	96	80%
Health & Safety 2	392	88	81.7%

## 1.5 Risk Management

Risk management is a step-by-step process for controlling health and safety risks caused by hazards in the workplace. A sensible approach to health and safety means focusing on

the significant risks, those with potential to cause real harm and suffering, and avoiding wasting resources on everyday and insignificant risks.

Managing our risks is a priority and compliance with the Management of Health and Safety at Work Regulations 1999, Regulation 3 must be adhered to. Managers and departmental risk assessors manage this at local level by:

- identifying hazards in their tasks, processes and activities that could cause injury or illness in the workplace;
- deciding how likely it is that someone could be harmed and how seriously by evaluating the risk and consulting the operatives;
- taking actions to eliminate the hazard, or if this isn't possible, controlling the risk by reducing it to as low as reasonably practicable.

A hazard survey has been conducted for each department and work environment in order to identify those foreseeable hazards likely to cause harm, considering the tasks, processes and activities undertaken within the work environment. This is the foundation of the risk assessment process.

Risk assessments are to be completed and then reviewed annually or where there has been an incident, or it is suspected the controls measures identified are not effective or are too stringent.

Our Estates Department engage contractors to conduct works on site. All approved contractors must provide the Estates Department with copies of their Risk Assessments and Method Statements (RAMS), which are examined and commented upon as required prior to any works commencing as well as their public liability insurance details. Contractors are given a Health and Safety Induction by a member of the Estates team prior to conducting any works. Additionally, work permits are issued by Estates for hot works, working with electricity, roof access etc.

Departmental workplace health and safety inspections are conducted by departmental employees on a risk basis with higher risk areas completing an inspection twice a year and low risk area once. The main benefit of these inspections is the raising of awareness by employees to issues they may overlook within their work environment. Negative issues are raised in an appropriate manner either via the Estates Department, departmental or line managers or by seeking advice and guidance from the Health, Safety and Wellbeing Adviser.

The Organisational Health and Safety Risk Register has been reviewed and presented to the Health and Safety Committee. Review of the risk register is conducted to monitor levels of risk from 17 different hazards identified, taking into account any trends in accidents and incidents, sector activities and national trends.

## **1.6 Advice and Support**

The Health, Safety and Wellbeing Adviser (HSWA) is the appointed "Competent Person" as per the Management of Health and Safety at Work Regulations 1999, Regulation 7 and the appointed "Responsible Person" on behalf of UHI Perth for the reporting of accidents and incidents which fall under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). In the absence of the HSWA, we have access to support and guidance from the Head of Estates at UHI Perth and other Health and Safety Competent Persons with the UHI Partnership.

The Health, Safety and Wellbeing Adviser continues to provide support and advice to management, employees and students. Audits and inspections in this reporting period has identified a continuing requirement for health and safety related training as well as advice, guidance and assistance for risk assessment compliance.

## 2. Audit and Review

### 2.1 Internal Audits

Internal Health and Safety Audits identify strengths and weaknesses in the Safety Management System at organisational and departmental level and direct management and employees towards improvements, ensuring the application of our Policies and Procedures as well as legal compliance. The above also raise the profile of Health and Safety with employees and students.

The internal audit questionnaire was reviewed in December 2023 by the Head of Estates, Sector Development Director for STEM and the Health, Safety and Wellbeing Adviser. The audit question set has undergone a fundamental change, reducing from 96 questions to 57 concentrating on legislative and policy requirements.

During this reporting period, 9 of the “higher” risk areas were re-audited. The question set is divided into 10 sections:

- Health and Safety Management Arrangements
- Health and Safety Information
- First Aid, Incident, Near Miss Reporting
- Occupational Health
- Plant, Equipment and Machinery
- Electrical
- Personal Protective Equipment
- Fire
- Housekeeping, Storage and Welfare
- Traffic Management

The grading system is in line with the overall ranking detail below, giving a percentage of conformity to the Audit Question Set although where a particular critical question relates to legislation or UHI Perth policy and is found to be non-complaint, this would constitute an audit failure where immediate remedial actions are to be taken.

<b>Scoring between 90% - 100%, Green, Fully compliant with possibly some minor observations</b>
<b>Scoring between 75% - 89%, Yellow, Mainly compliant with some minor observations</b>
<b>Scoring between 60% - 74%, Amber, Partially compliant with some major observations</b>
<b>Scoring between 0% - 59%, Red, Non-compliant with a large number of significant observations.</b>

Common non-compliance issues found were non-review of risk assessments or no assessments available, or unsuitable storage of hazardous materials. Other issues relating to policy non-compliance were incomplete mandatory health and safety e-learning and non-completion and recording of workplace inspections. An audit summary and action plan is

created for each, forwarded to the responsible manager and head of department for scrutiny and action. Priority 1 observations require immediate response and resolution.

To ensure observations and actions from these audits are followed through, actioned and resolved, feedback is sought to provide an update of action plans and progress towards resolution to the Health and Safety Committee for scrutiny.

Due to ongoing industrial action and time constraints, 2 of the identified “higher” risk area have yet to be audited. This will take place in August 2024.

Higher risk areas audited during this reporting period are identified in the table below.

Table 2. Health and Safety Audits conducted

Date	Area	Audit Pass/Fail	Compliance Rating	No of Priority 1 Actions Identified	No of Priority 1 Actions Completed
14/09/2023	Sports and Fitness	Pass	95%	0	N/A
25/01/2024	Plumbing and Gas Technology	Fail	92%	3	3
09/02/2024	Food Studies and Hospitality	Pass	98%	0	N/A
28/02/2024	Motor Vehicle	Fail	86%	5	5
06/03/2024	Construction/Built Environment	Fail	92%	3	3
21/03/2024	Joinery Workshop	Fail	94%	3	3
26/03/2024	ASW Commercial	Fail	83%	5	5
11/04/2024	Engineering Workshop	Pass	90%	0	N/A
25/04/2024	Aviation Hub	Fail	88%	3	3
22/05/2024	Audio Engineering & Theatre Arts	Fail	83%	8	4

## 2.2 External Audit

An external audit of UHI Perth Health, Safety and Wellbeing was conducted by Henderson Loggie in April and May 2024. A “Level of Assurance” of Satisfactory (System meets control objectives with some weaknesses present), was given with observations in 2 objectives.

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.	<b>Requires Improvement</b>	-	1	1	
3. A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation.	<b>Requires Improvement</b>	-	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.	<b>Good</b>	-	-	-	
5. An incident and accident recording system with follow-up and implementation of new controls where required.	<b>Good</b>	-	-	-	
6. Regular reporting of Health, Safety and Wellbeing to the College Senior Leadership Team and to the Board of Management.	<b>Good</b>	-	-	-	
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>	-	<b>2</b>	<b>1</b>	
		System meets control objectives with some weaknesses present.			

The College Nursery has received no external audits from the Care Inspectorate or the local authority and this provision was closed in June 2024.

### 2.3 Departmental Health and Safety Inspections

As noted in the Internal Audits, the completion and recording of Departmental Health and Safety Inspections using the Workplace Inspection Checklist document has slipped again in some areas. The reduction of questions in the audit question set was due to duplication of themes in the workplace inspection checklists, therefore there was an expectation for many more being sent to the HSWA although most are held in the department files. The HSWA has requested “read only” access to departmental health and safety SharePoint areas to monitor health and safety compliance.

Workplace inspections for “Low Risk” areas (ie. library, offices, classrooms) are to be undertaken once in an academic year whereas “High Risk” (ie. kitchens, workshops) undertake a formal inspection each semester.

Managers and employees are required to examine:

- Workplace Space and Layout
- Work Equipment
- Slips, Trip and Fall Hazards
- Manual Handling Hazards
- Fire Safety
- Disability Access and Arrangements



Furniture and Fittings  
Welfare Arrangements  
Risk Assessments

Negative responses are highlighted on an action plan for resolution. Managers are to ensure they are followed through to completion.

### **3. Monitoring Performance**

#### **3.1 Proactive and Reactive Monitoring**

Proactive monitoring in terms of safety management is about identifying and resolving any issues before an incident or an accident occurs. Proactive safety measures include:

- Inspections
- Interviewing
- Audits
- Monitoring performance
- Monitoring behaviour
- Checking procedures
- Safety sampling

Our internal Safety Audits and Workplace Inspections, ongoing training, near-miss reporting all form part of our proactive safety management arrangements. The benefits of the proactive safety regime are that we improve and imbed a positive safety culture helping to prevent accidents from occurring.

Reactive monitoring is about dealing with issues, accidents and incidents after an event has occurred. Reactive monitoring of safety measures is about putting things right, correcting the fault and putting in place measures to stop the event happening again. Reactive safety measures include:

- Accident reporting
- Accident investigation
- Incident investigation
- Ill health and sickness reviews
- Identifying trends

Proactive monitoring in the form of Safety Tours observing work practices, Safety Sampling and Safety Surveys examining activities, processes or work areas continue and have highlighted numerous issues which have been raised with departmental heads as well as the Estates Department where required. Most issues are quickly resolved by the manager or operative. Where there is a resource requirement, these are raised through the appropriate channel.

Reactive monitoring as noted in 2.1 above, Health and Safety Audits, has proved invaluable as a means of identifying areas of good practice and where improvements can and must be made. Matters arising are noted on the Departmental Health and Safety Audit Action Plans for resolution. Action plans are reviewed to monitor completed and outstanding actions. As above, managers are responsible for ensuring actions are resolved.

Departmental Workplace Inspections (1.5 above) are completed on a risk basis. It was also noted in the health and safety audits the question posed regarding fault reporting with respondents confirming the correct procedures.

Where an accident, incident, near miss or dangerous occurrence was reported, investigations were conducted where applicable in line with current procedures and to the commensurate level dependant on actual injury, damage or potential to cause injury or damage. Near misses and any dangerous occurrences were investigated in all cases with corrective actions identified where required and practicable.

Sickness absence monitoring continues by the HR&OD Department who provide support and guidance to employees and managers.

### **3.2 Key Performance Indicators (KPI's)**

The comparison of Key Performance Indicators with previous years is shown in the table below. Unfortunately, the UHI Health and Safety Practitioners Group has not met formally during this reporting period therefore we have no opportunity to compare our KPI's with other institutions within the partnership. A table of the KPI's is at Appendix 1.

### **3.3 Accidents, Incidents and Near Misses**

During this reporting period there have been 68 reported accidents and incidents requiring first aid intervention. Appendix 2 of this report shows a graphical display of the full academic year, and the quarterly statistics reported to Health and Safety Committee. Also included in Appendix 2 are year-on-year graphs for comparison from the academic year 2020-21 to 2023-24.

Accident, Incident, Near Misses etc. are reported quarterly to the Health and Safety Committee. Annual statistics show a decrease of reports from last year and also a decrease in the number of students and employees injured. In addition, it is noted that the number of injuries in our Academy of Sports and Wellbeing (ASW Commercial) has reduced in this reporting period from 30 reported sports injuries to 15. For reporting purposes, these figures are subtracted when reporting our Key Performance Indicators (KPI's).

Of all the incidents, 38 were classed as "Negligible", a minor injury requiring minimal First Aid and a return to work/activity. 29 were classed as "Low", again a minor injury requiring minimal First Aid and a return to work/activity but with possible repercussions. There was 1 "Medium" incident requiring First Aid and/or further treatment off site with an absence from work or study and finally. No "High" grade incidents were reported which require medical treatment and stay in hospital and absence from work or study for over 7 days. There have been 3 RIDDOR reportable instances, these include a student with a hand laceration caused by sheet metal, another relates to a student who had tripped on a pathway leading to the carpark and sustained a fracture of the ankle. The 3<sup>rd</sup> was another student who required hospital treatment due to a drill bit entering his hand.

Our First Aid Team attended to 40 calls for assistance where persons did not have an accident on Campus but required first aid assistance. Calls included students feeling unwell, suspected anaphylaxis, fainting episodes, anxiety and panic attacks, seizures and nose bleeds as well as dressing or re-dressing injuries acquired externally including self-harm wounds.

There were 6 Hazardous Situations reported which notably included an electric grill being left on overnight, a minor mercury spill, concern over loose dogs jumping up on a mother and child, bald tyres on the college mini-bus and faulty electrical lights/switch in a staff base.

A Safety Concern was raised regarding academic staff not following due process of completing required documentation prior to a student residential visit.

8 Near Misses were reported during this period. Main concerns raised were caretaking staff entering buildings as Storm Babet subsided, a vehicle disregarding the one-way system early in the morning, trip hazards which had not been mitigated effectively and report of reckless driving.

All reports were investigated, and suitable measures put in place where required and practicable. No injuries were sustained.

### **3.4 Sickness Absence**

The total days lost due to sickness absence for the period was 2962.5 days. Short term sickness absence (less than 4 weeks) attributed to 1482.5 days lost and long term attributed to 1480 days lost.

A comparison with the period August 2022 – July 2023 shows an increase in the total days lost due to sickness absence of 35% taking the level of sickness absence to just below those seen in 2021-2022. There was also an increase in short term sickness absence for all categories of staff (Professional Services (13% increase), Academic (20% increase) and Management (58% increase – which due to numbers of staff in this group equates to a 13.5 day increase)), and also an increase in long term sickness absence for Professional Services (46% increase) and Academic Staff (78% increase).

The top three reasons for Long Term Sickness Absence were: Work-related stress (17%), Cancer (16.6%) and Injury (14%).

The top three reasons for Short term sickness absence were: Work related stress (30%), Cold/Flu (13.3%); Not disclosed (7%).

Of the 31 members of staff who were off on long term sickness absence during the 2023-24 financial year and up to the point of creation of this report 7 chose to leave and we had two deaths in service.

Our aim is to ensure, where possible, that all colleagues who are absent from work have a successful and sustained return, in some cases this may be to an alternative role or a modified role where reasonable adjustments have been made. UHI Perth has also put reasonable adjustment passports in place to allow staff to have more visibility of the arrangements for reasonable adjustments and we support staff to submit access to work claims where possible.

The Disability Review delivered during 2023-24 recommended that there be a centralised reasonable adjustment budget and this is being taken forward in the next financial year.

There may a successful and sustained return to work is not possible, for example, a colleague has a permanent medical condition which deems them incapable of undertaking

employment to normal retirement age. In these cases, if a colleague is a member of the pension scheme, they may be able to access their pension benefits early. There were no such cases during 2023-24.

### 3.5 Fire Safety

Fire Risk Assessments were conducted by the HSWA on all Campus buildings in June 2024:

Brahan  
Goodlyburn (including Dunne Aviation Hub)  
ASW  
Webster  
Glen Lyon  
Glen Almond  
Glen Shee

Minor observations noted during the assessments have been discussed with the Head of Estates and Estates Officer for corrective actions.

The former Nursery has yet to be assessed due to the proposed change of use. This will occur once the review of accommodation has been finalised.

There were no callouts to Scottish Fire and Rescue Service during College hours in this reporting period.

There have been 5 fire evacuations of buildings on Campus in this reporting period, all of which were false alarms.

- Brahan room 144a Textile Room. Contractors running IT cables in ceiling void, smoke detector in void activated by dust.
- Goodlyburn male toilets adjacent to room 409, Art Studio. Vaping in toilets activated the smoke detector.
- Brahan room 302 male changing room. Smoke alarm activated, no indication of vaping, smoking or aerosol deodorant.
- Goodlyburn level 3 accessible toilet, vaping activated the smoke detector
- Goodlyburn Electrical Workshop, toast stuck in toaster activated smoke detector in corridor. Noted the smoke detector in the “kitchen” area was covered with a rubber glove.

2 records have been filed relating to “bonfires” in the wooded area to the rear of Brahan, One was attended by Scottish Fire and Rescue Service in the early hours of the morning causing damage to a conifer and shrubbery. Cause was not recorded, and no report received from the Fire Service. The second incident was noted by our Facilities staff who fully extinguished the residue of a “bonfire”.

To ensure the safe evacuation of persons with physical impairments (ie. mobility or sight) our 12 evacuation chairs located across the Campus were inspected and serviced in April 2024. Evac-Chair training sessions with our Evacuation Team identified difficulties using the chairs over the safety strips located in some of our stairwells. The textured safety strips will be replaced during summer works 2024.

All emergency fire-fighting equipment (FFE) (extinguishers and blankets) were inspected and serviced in October 2023 with replacement equipment for all those past their shelf or servicing timeline.

Fire Awareness training (see 1.4 above) on the Brightspace platform continues as a mandatory requirement for all employees. Fire Marshall training on the same platform is obligatory to most academic staff and also those nominated to be Fire Marshalls for their work environment. To date, we have 384 trained Fire Marshalls.

Building Fire Logbooks were introduced in February 2024 which formalises the weekly, monthly and annual assurance checks, inspections and recording of fire safety equipment and matters by our Estates Caretakers.

We reviewed our Fire Safety Management Policy and Procedures to put in place measures to ensure any activation of the alarm during the period of occupancy in any building is investigated and a confirmatory 999 call made to the Scottish Fire and Rescue Service as appropriate. Testing of these arrangements have proved effective in ensuring a safe and timely evacuation.

## **4. Health and Wellbeing**

### **4.1 Health and Wellbeing Group**

The Health and Wellbeing Group met on 5 occasions prior to being subsumed into the Perth Staff Group. The rationale for this move was to address one of the major issues from the Stress Survey which commented on the number of meetings some employees were obliged to attend and the stressors placed upon them due to the volume of meetings. The group consists of members from Curriculum and Professional Services and is chaired by a member of the Senior Leadership Team.

Health and Wellbeing is a standing agenda item for this group where matters concerning the promotion of healthy eating and lifestyles, mental and physical health are reported and discussed.

During this academic year we have again promoted National No Smoking Day, Men's Health Week, Mental Health, Stress Awareness Month, Cancer awareness including Prostate Cancer and the new Employee Assistance Programme which replaces our offering from Rowan Counselling.

In April we promoted Stress Awareness Month with face-to-face stress awareness sessions, publications from MIND, Mental Health UK, NHS Scotland and the Stress Management Society as well as the resources available on the Health and Wellbeing SharePoint page.

### **4.2 Stress**

In January 2024, we conducted a repeat Stress Survey with our employees in order to determine the stressors being felt in the workplace. With the main stressors identified, many of which stem from the current financial position and uncertainties over the College future, the Stress Management Group are taking forward the key issues raised in an effort to alleviate the stressors.

To address the issue of stress, in particular stress in the workplace, we have promoted our e-learning Stress Awareness package as well as face-to-face training. UHI Perth is working towards the recommendations of the Health and Safety Executive (HSE) Management Standards. These standards represent a set of conditions which if present:

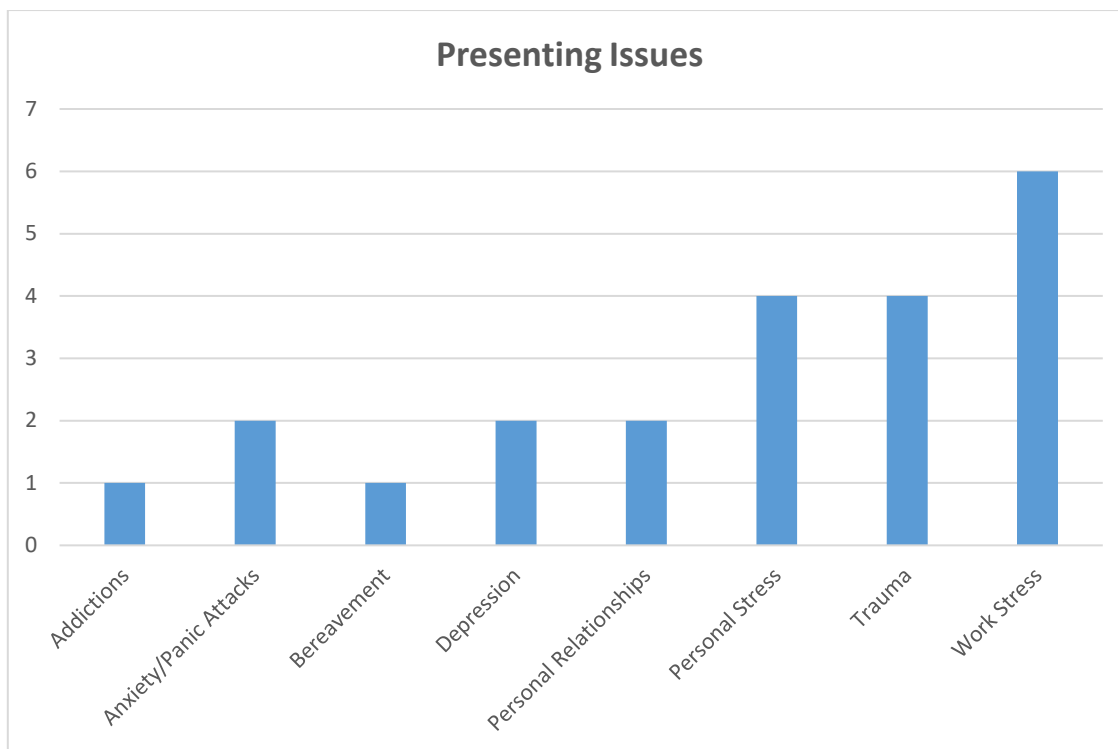
- demonstrate good practice through a step-by-step risk assessment approach
- allow assessment of the current situation using pre-existing data, surveys and other techniques
- promote active discussion and working in partnership with employees and their representatives, to help decide on practical improvements that can be made
- help simplify risk assessment for work-related stress by:
  - identifying the main risk factors
  - helping employers focus on the underlying causes and their prevention
  - providing a yardstick by which organisations can gauge their performance in tackling the key causes of stress.

They cover 6 key areas where workplace pressures are likely to exist and if not managed properly can have an adverse effect on employee health and safety. These areas are:

- Demands, this includes issues such as workload, work patterns and the work environment
- Control - how much say the person has in the way they do their work
- Support - this includes the encouragement, sponsorship and resources provided by the organisation, line management and colleagues
- Relationships - this includes promoting positive working to avoid conflict and dealing with unacceptable behaviour
- Role - whether people understand their role within the organisation and whether the organisation ensures that they do not have conflicting roles
- Change - how organisational change (large or small) is managed and communicated in the organisation

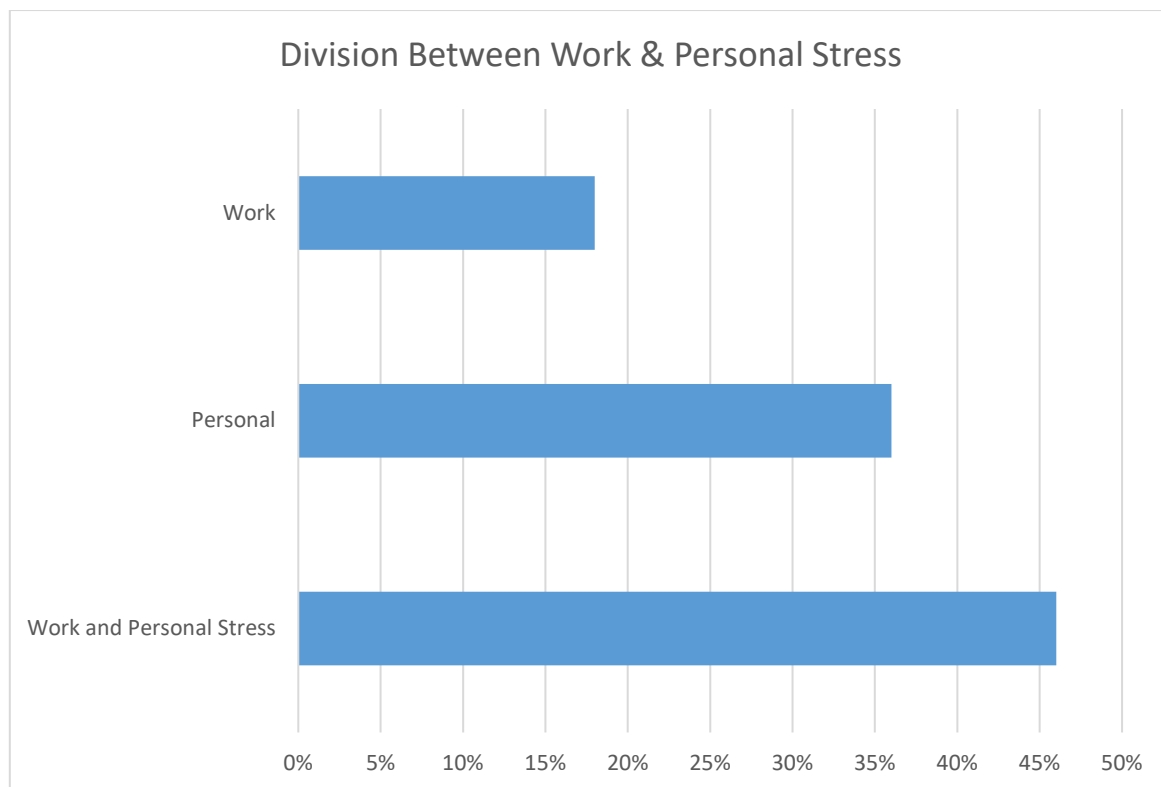
The HSWA has conducted face-to-face Stress Awareness sessions of 1 hour with 10 attendees designed to raising the issues of stress, signs and symptoms, causation and methods of alleviating stress in ourselves, colleagues, friends and family. We have also provided Managing Stress for Managers training sessions to build on their skills and confidence to address stress and conduct Stress Surveys and Stress Risk Assessments with their teams and individuals and to provide guidance and support to them. These sessions have been attended by 30 managers. Stress surveys are to be conducted in all work areas as a starting point in opening discussions which will then lead to managers conducting stress risk assessments.

Rowan Consultancy were our Counselling Service, providing a confidential counselling service where employees can arrange for a minimum of 6 counselling sessions for work related and personal stress, anxiety and panic attacks, personal development, bereavement, loss, relationship issues and trauma. During this reporting period, 22 employees have attended the counselling service, either face-to-face, online or via the telephone. Of those completing in this reporting period, the table below indicates the issue the employee presented with.

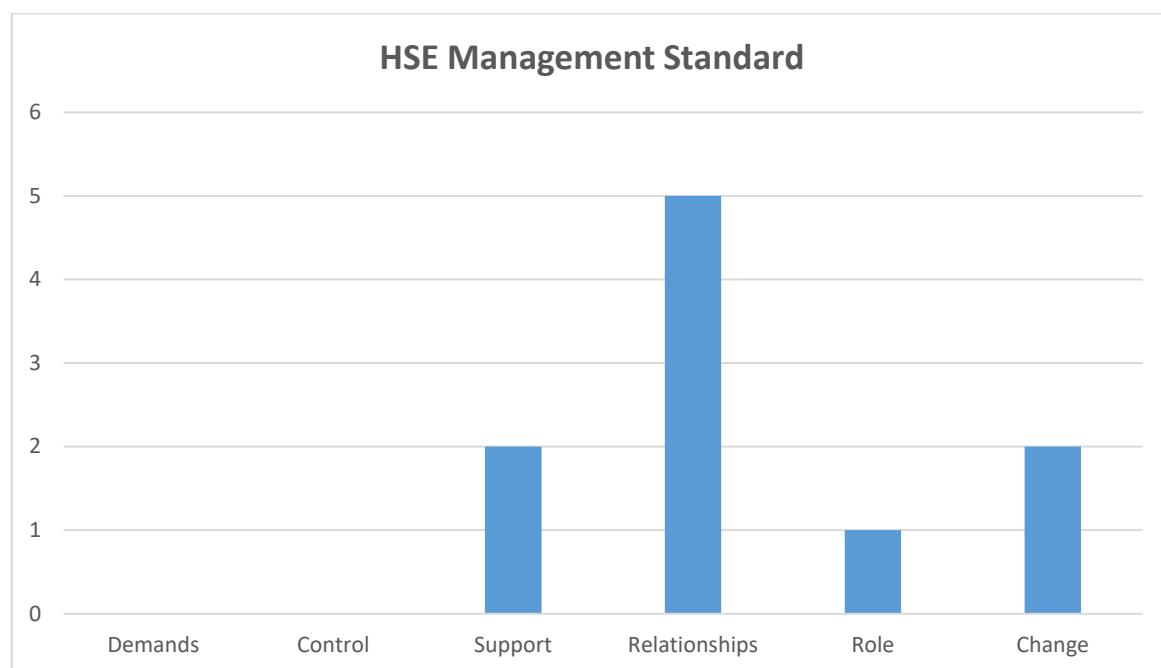


The statistics compared to last year are:

Addictions – increased from 0 to 1  
Anxiety and Panic Attacks - decreased from 8 to 2  
Depression – increased from 0 to 2  
Loss & Bereavement – stayed the same at 1  
Personal Development – decreased from 3 to 0  
Personal Relationships – decreased from 4 to 2  
Personal Stress – increased from 2 to 4  
Trauma – increased from 1 to 4  
Work Stress – increased from 3 to 6



The 6 employees who presented with work related stress noted their primary issue in the context of the HSE Management standards below (each employee can note a maximum of 3 standards). The Stress Management Group continue working to meet the standards.



The statistics compared to last year are:

Personal Issues – reduced from 41%.

Work Issues – increased from 14%

Work and Personal Issues - decreased from 45%

Following the work from the Stress Management group the following objectives were set

- All Heads of Departments shared the results from the stress survey with their teams and were then required to hold a team stress risk assessment to assess how their



individual teams/departments are feeling and whether they mirror the results seen in the 2024 survey – some of these team stress risk assessments remain pending

- Heads of Department were then tasked to collectively identify the top 10 stressors for the College.
- Staff were encouraged to speak to their line manager, Head of Department, Trade Union representative or HR
- A recommendation that PLG managers go through 360° appraisal in 24/25 – this is being put in place
- The Stress Management Policy was updated
- Any new line managers must have the line manager stress awareness training.

### **4.3 Health Surveillance**

Medigold, our Occupational Health Provider have conducted 6 health surveillance clinics on Campus for those employees who were identified as requiring health surveillance due to their role and activities conducted within their work environment. Health surveillance testing has been arranged for Noise Induced Hearing Loss (Audiometry), Respiratory function (Spirometry) and blood testing for lead.

The logistics of arranging clinics and ensuring employees are invited to attend at a suitable date and time has been arranged by the Human Resources Department. Of the 6 clinics so far, most employees have been tested as identified below.

- **Audiometry (Hearing)**
  - Required: 93
  - Tested: 59
  - Outstanding: 34
- **Spirometry (Lung Function)**
  - Required: 28
  - Tested: 20
  - Outstanding: 8
- **Lead Testing (Blood Testing)**
  - Required: 3
  - Tested: 0
  - Outstanding: 3

Noting the staff can decline an offer to attend the health surveillance clinic. There are additional clinics arranged towards the end of the year.

### **4.4 Student Health and Wellbeing**

The Student Health and Wellbeing Group, which is co-chaired by the HISA President and the Student Services Manager, was a sub-committee of the Health and Safety Committee. This group had not met during this reporting period and has also been disbanded in order to reduce the number of group and committee meetings employees were required to attend. The work identified in this group will be picked up by the Learner Engagement Group

The Student Counselling Service offers and provides free confidential face to face or online counselling to all students. During this reporting period, we have 3 British Association for Counselling and Psychotherapy (BACP) registered in-house counsellors.

Students can self-refer by emailing the counselling inbox or specific counsellor, be referred by academic or support employee or via other members of Student Services. Counselling is offered as short-term 6 session blocks with a blended approach of face to face and online.

The Wellbeing and Support Service provides mental wellbeing support for all students at UHI Perth. It is a free, confidential service offering face to face, telephone or Teams appointments for support and Personal Learning Support Plans (PLSP). The service consists of 1 full time Student Support Worker (SSW) and 2 full time Wellbeing and Support Officers (WBSOs).

The SSW and the WBSOs each provide 'duty cover' one day per week to support those students presenting in crisis or deep distress and who may pose a danger to themselves or others. Part of the duty cover responsibilities is to monitor and respond to communications through the designated duty cover email address.

The Wellbeing Service takes a proactive approach to promoting the need for students to take responsibility for their mental wellbeing. The service offers workshops to the wider student population to foster improved mental wellbeing, resilience, and therefore academic achievement.

It is hoped by promoting the importance of a positive sense of mental wellbeing that we can have a positive overall impact on students and their experience whilst they study at UHI Perth. The aim of the Wellbeing service continues to be to reduce the number of students whose mental health worsens over the course of the academic year by providing an open, non-judgemental approach to self-care within a mental health context.

Prior to the start of the 2023/24 academic year, UHI Perth employed a Mental Health Coordinator (MHC) who was tasked with developing strong links with local support agencies so that colleagues within Student Services could refer into these organisations as appropriate. During this academic year the MHC has worked to develop partnerships in the local community with the view of supporting our students more effectively. While doing so, the MHC was able to bring various specialist external services onto campus to provide support directly to our students. These services include The Samaritans, Mindspace, the Rape and Sexual Abuse Centre (RASAC) and Positive Steps. This makes it easier than ever before for our students to get the specialised support they need, removing many of the barriers that they previously experiences preventing them from using such resources.

The MHC has also set up various groups for college students and colleagues as well as delivering training to colleagues and outside agencies. The groups include the Man Cave (one of students and one for employees) the Neurodiverse Group for students and the delivery of the Scottish Mental Health First Aid (SMHFA) training to both internal and external colleagues. Unfortunately, the funding for this role was removed by the Scottish Government so this role end at the end of this financial year.

The College continues to have three internal Scottish Mental Health First Aiders who deliver this training for any member of staff who wishes to undertake this qualification.

#### **4.5 Academy of Sports and Wellbeing (ASW)**

The Academy of Sports and Wellbeing (ASW) provide an important venue for our staff, students and the wider community to train, participate in and enjoy a variety of sports and activities, improve health and fitness as well as overall wellbeing. As highlighted below, the ASW is seen as a popular and invaluable asset to the College and the community.

The climbing wall has term time provisions of climbing and bouldering activities for children as well as adults. Our National Indoor Climbing Award Scheme for 7+ year olds is currently sold out for its 3<sup>rd</sup> term in a row with a wait list of 140+ children. Academy of Rock was introduced in February for P1/2's. It is also in its 3<sup>rd</sup> term, each term having to expand to meet demand. Again, this is currently sold out and have 20+ children on the waiting list for a space.

Our toddler sessions are very popular, running 3 times a week giving parents a chance to connect in a different environment.

We have had to increase our adult social climbing sessions to meet demand. This has helped us support lots of new or anxious people to join the climbing community.

ASW has hosts 16 different sports clubs for their regular training venue across 7 different sports. One club of note that has moved to us is Perth Parrots floorball team. They are a LGBTQI+ inclusive club who make sport inclusive to all.

We hosted 55 major events in 2023-24 and have 102 major events booked in to happen in 2024-25 with us hosting 2 international tournaments for Futsal and Floorball. We have just hosted pickleball for the Queltic games a LGBTI+ sporting event.

With the closure of Bells we are Perth's main venue for disability sport and host many clubs and major events promoting disability sports and are working closely with disability Scotland to ensure this continues.

Our gym membership has increased exponentially. We now have 1178 full members, 99 of which are UHI Perth employees. There are also 1787 casual members who use our facility as and when they wish.

Our fitness timetable now has over 50 classes available. These include classes to support all members of the community to enjoy fitness such as Zumba tone, low impact dance, various types of yoga and learn to lift sessions.

Our Active Campus Coordinator continues to offer ad-hoc sessions for staff as well as working with the ASW team to deliver sessions for staff and students.

#### **5. Communications and Networking with External Agencies and Groups**

This academic year, there have been no formal reports to the Health and Safety Executive (HSE) or requests from them to provide information or reports. Pertinent updates for the FE/HE sector from the HSE are provided during the College Development Network (CDN) Health, Safety and Wellbeing Group by a representative of the HSE.

The HSWA is a member of the above group as well as the Tayside Health and Safety Forum and the UHI Health and Safety Practitioners Group. The main topics of discussion throughout this year have been the changes to SFRS protocols, hybrid working, electric

vehicles batteries, smoking and vaping in or near buildings, training and development of employee and the reporting of violence and aggression. Within these forums, we share experience, knowledges and best practice.

## **6. Going Forward – 2024-2025**

Progress is being made in promoting the Safety Management System to ensure it is robust and effective in providing a safe and healthy work environment. We shall continue with our “Plan, Do, Check, Act” cycle to ensure our objectives are on track.

### **6.1 Training and Competence**

We shall continue to provide IOSH training opportunities for our managers to raise their competence and awareness of the Health, Safety and Wellbeing issues.

Face-to-face in-house training sessions for subjects such as General, Control of Substances Hazardous to Health (COSHH) and Manual Handling Risk Assessors, COSHH Awareness, Working at Height, Manual Handling, Lone Working, Stress Awareness and Managing Stress for Managers shall be delivered throughout the year. Sessions will be offered to all employees and placed on the HR system for booking purposes. Additional bespoke training for individuals and employee groups will also be provided where a requirement is identified.

We will continue to promote our online training resources on Brightspace and Marshalls platforms with regular reviews and reports of enrolment and completion of mandatory training modules.

### **6.2 Internal Audits**

The draft programme of Internal Health and Safety Audits and follow-up reviews of re-audits of higher risk areas will be put to the Health and Safety Committee in August. All other “lower risk” areas shall be programmed for audit during this academic year. Again, the focus shall be on monitoring compliance and previous audit action plan progress. Our Trades Union colleagues will continue to be invited to be part of the audit team and it is hoped their participation will be forthcoming where practicable.

### **6.3 Risk Assessment**

The internal audit programme has identified the requirement for suitable and sufficient risk assessments which are regularly reviewed and amended as required. As stated above, additional training sessions will be programmed for General, COSHH and Manual Handling risk assessors. Continual review of risk assessments and compilation of new assessments for tasks, processes and activities shall proceed as directed in procedures.

### **6.4 Health and Wellbeing**

We shall continue to provide advice and guidance to our employees and students and promoting healthy lifestyles, stress awareness and management along with a monthly focus on current and abiding issues such as No Smoking Day, Mental Health Week, Stress Awareness Month, Men’s Health Week, Cancer Awareness days etc.

Additionally, we shall be promoting the monthly wellbeing topics from IDEAL our Employee Assistance Programme

## **6.5 Consultation**

We will improve our consultation and clarity of relevant health, safety and welfare issues with our Trade Union colleagues as legally required by the Safety Representatives and Safety Committee Regulations 1977 and the Health and Safety (Consultation with Employees) Regulations 1989. We will actively seek their involvement to improve the safety management system and safety culture.

## **Appendices**

Appendix 1 - Key Performance Indicators

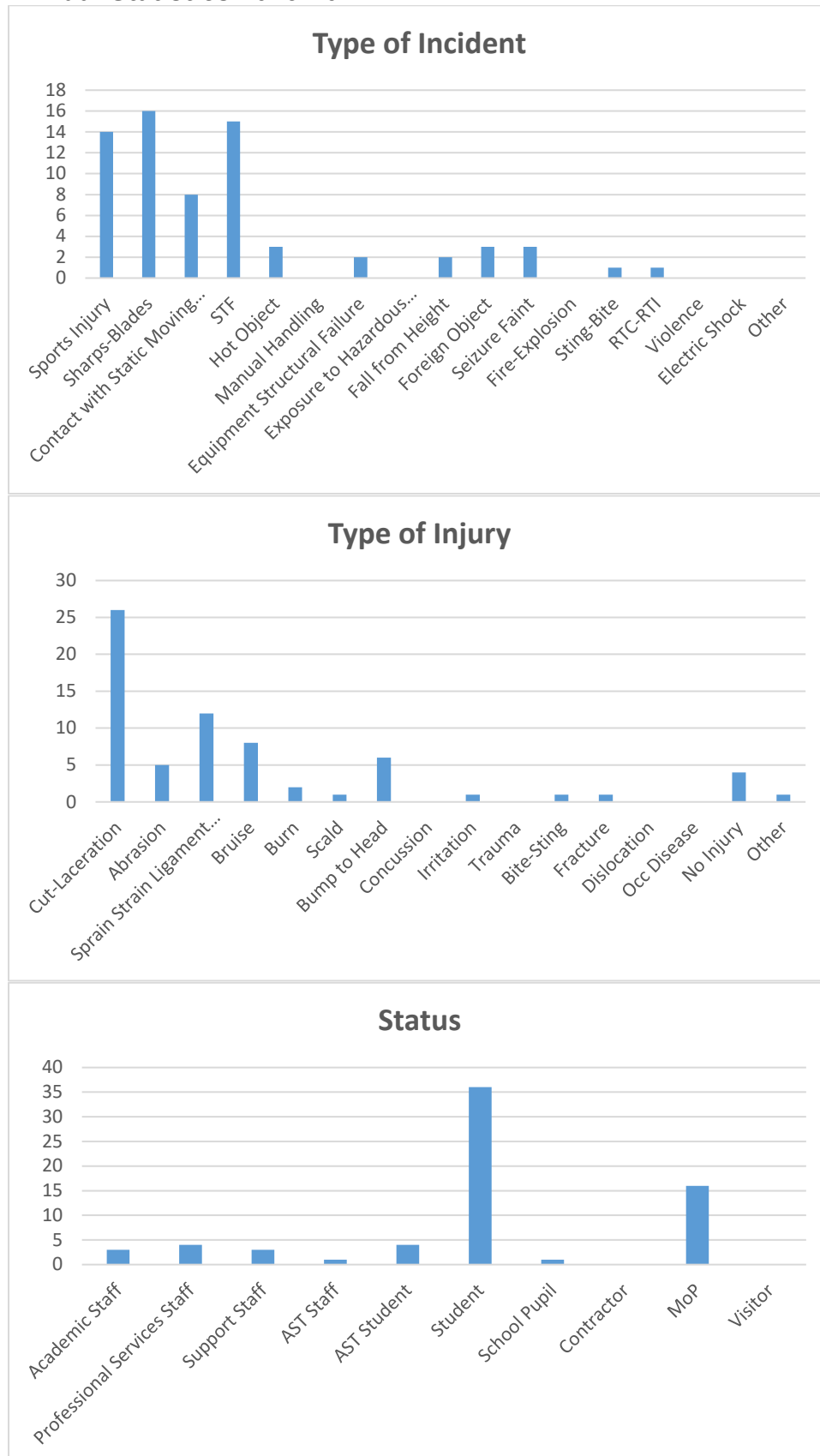
Appendix 2 - Accident and Incident Statistics

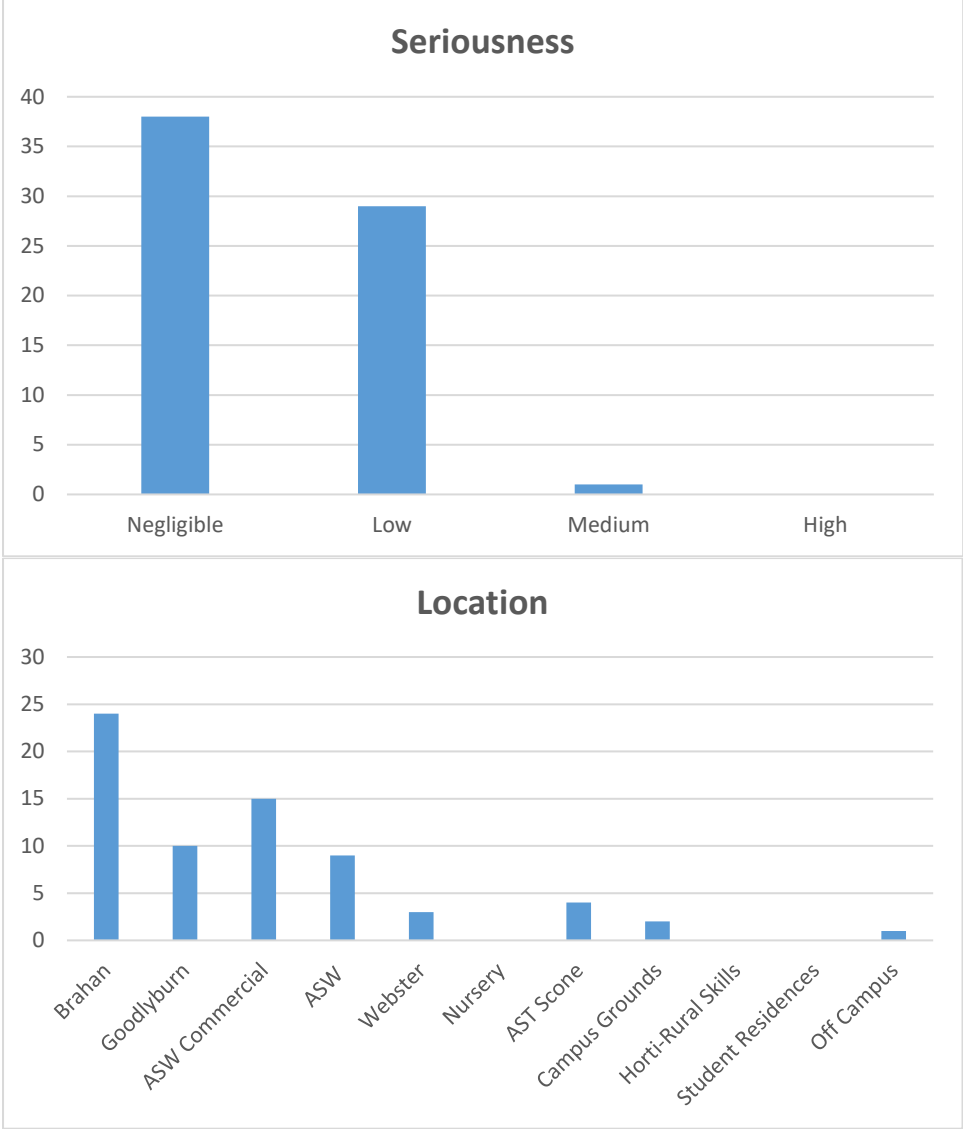
Appendix 3 - Sickness Absence Statistics

# Appendix 1

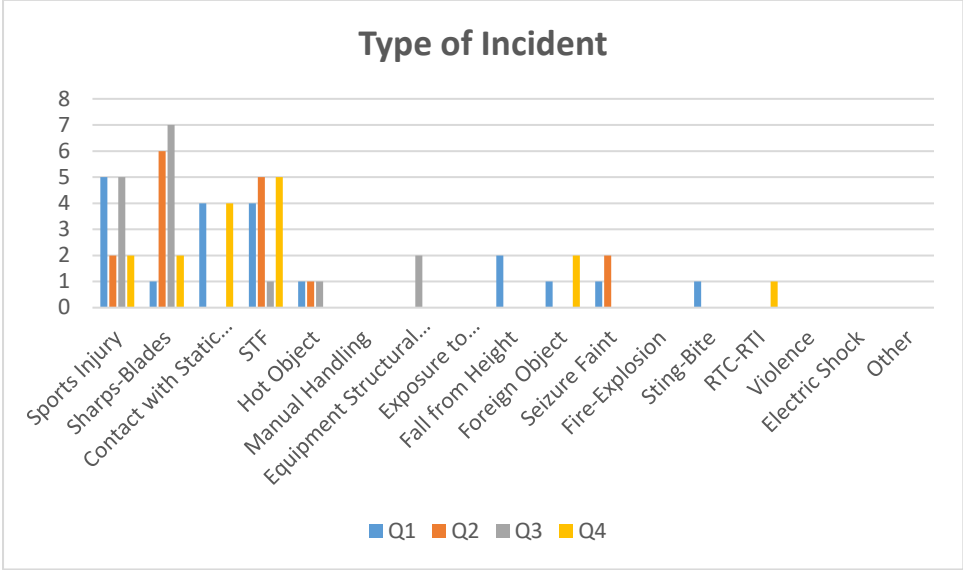
Action	Actual 20/21	Actual 21/22	Target 22/23	Actual 22/23	Target 23/24	Actual 23/24	Target 24/25
Number of Leaders hold IOSH Directing Safety certification.	2	2	2 or more	1	2	1	2
Number of CMT members and identified employee who hold IOSH Managing Safely or equivalent (ie. NEBOSH Qualification).	7	9	10	9	All 11 CMT managers	10	All PLG Managers
Number of employees having completed mandatory health and safety training.	88%	83%	90%	92%	90%	All trainings 81.7%	90%
Number of departmental safety inspections.	7		Min 54	41	47	32	35
Number of Internal Audits conducted against plan. *some audits combined for curriculum areas	0/10	15/18	26	23*	12	10	12
Number of Internal Audit Level 1 Priority Actions outstanding.	Info not available	3	0	0	0	4	0
College sickness absence within agreed levels (average sick days per head)	4.5	6.03	< national average	5.95	Less than 6.00	6.2	< CIPD quoted figure
College turnover levels within agreed levels	13%		20.5% or under	16%	Less than 20%	20.5%	Less than 20%
Number of accidents/incidents (minus MoP Sports Injuries)	19	67	<90	79	<100	52	<90
Number of near miss, hazard and dangerous occurrence reports.	4	17	Min 20	20	Min 25	15	Min 25
Number of employee lost time accidents.	0	0	0	0	0	0	0
Total number of working days lost due to accident/injury/ill health.	2263	3219	5% lower	2193 (32%)	5% lower	2962.5	5% lower
Number of RIDDOR reportable accidents and ill health.	0	0	0	0	0	3	5
Number of contractor accidents on site.	0	1	0	1	0	0	0
Number of safety related insurance claims.	0	0	0	0	0	0	0
Number of employees absent due to work related stress during year.	4	5	5 or less	7	Less than 10	8	Less than 10
Number of employees absent due to work related musculoskeletal disorders.	0	0	0	0	0	0	0

## Annual Statistics 2023-2024

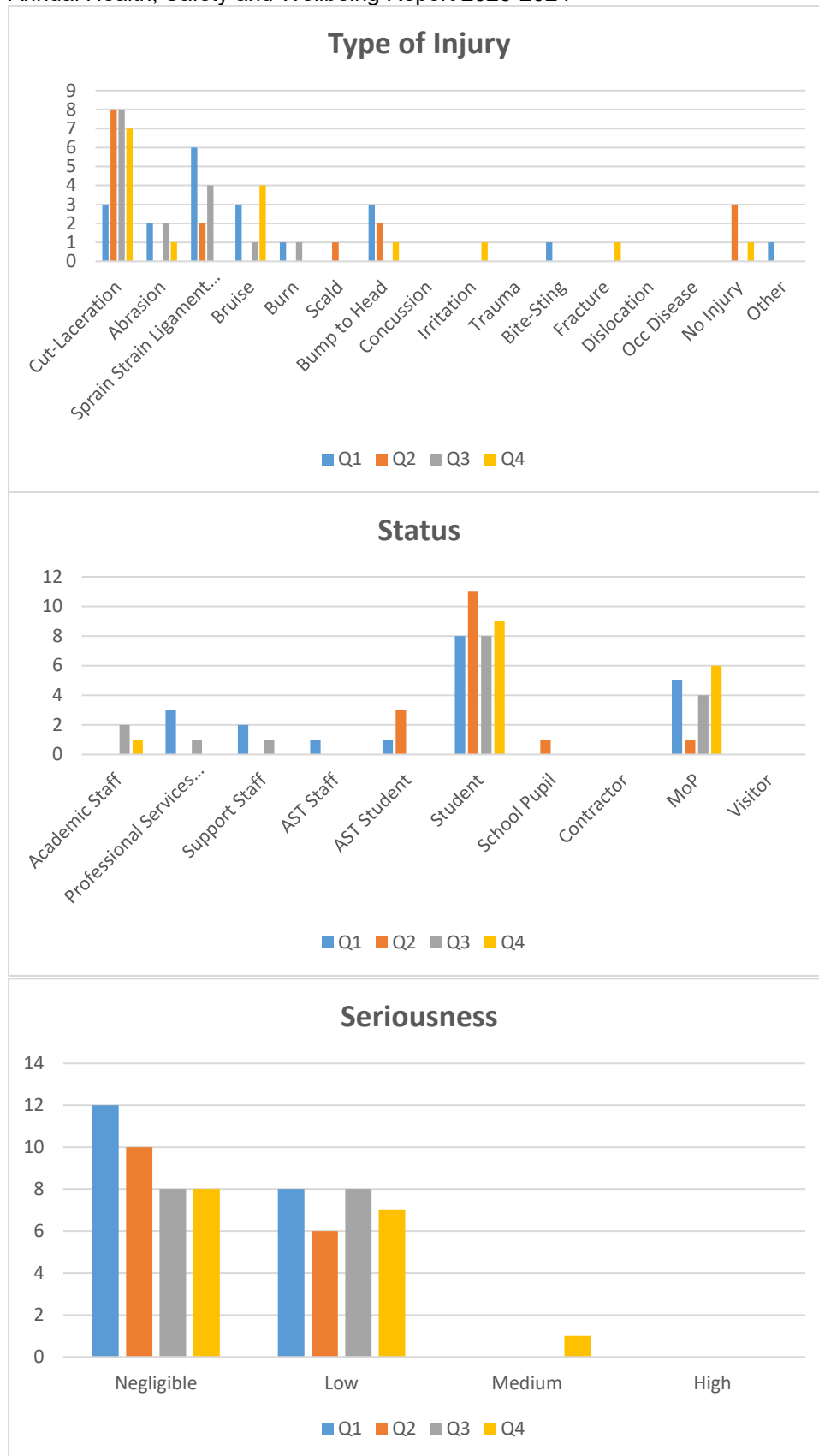


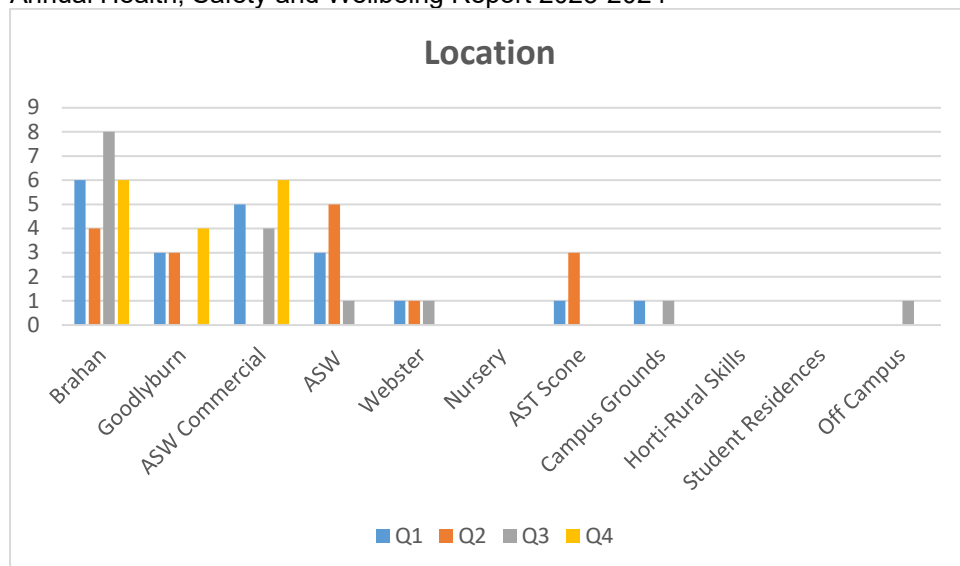


2023-2024 Quarterly Statistics

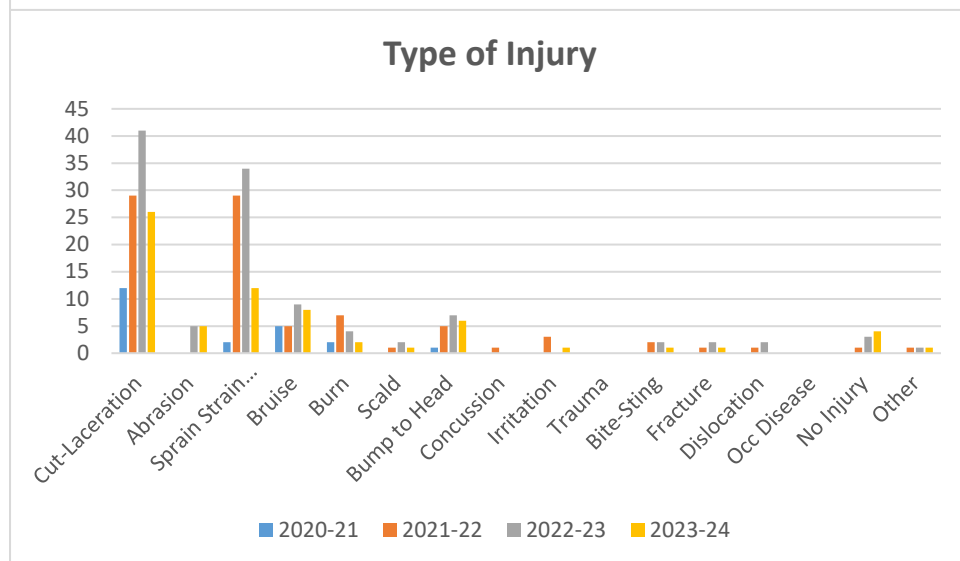
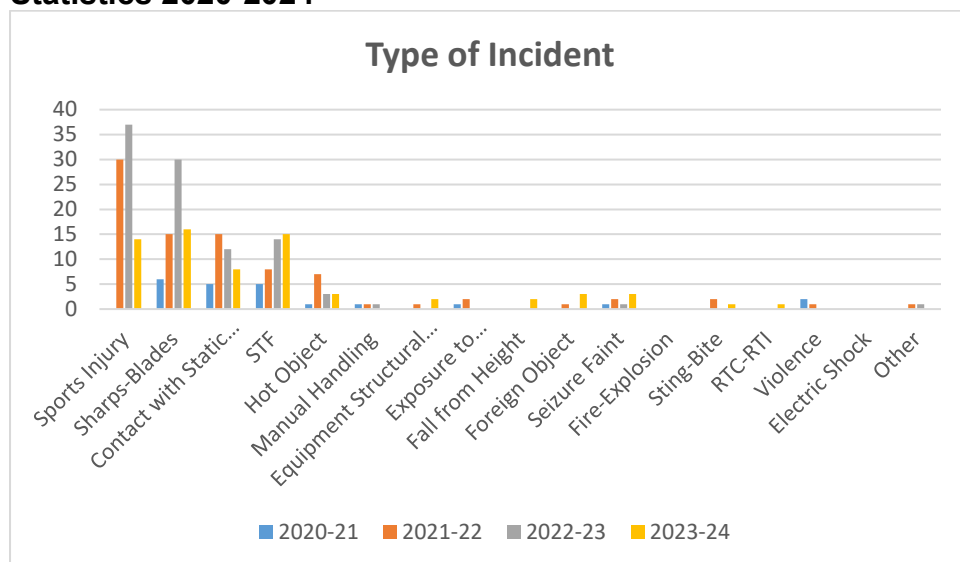


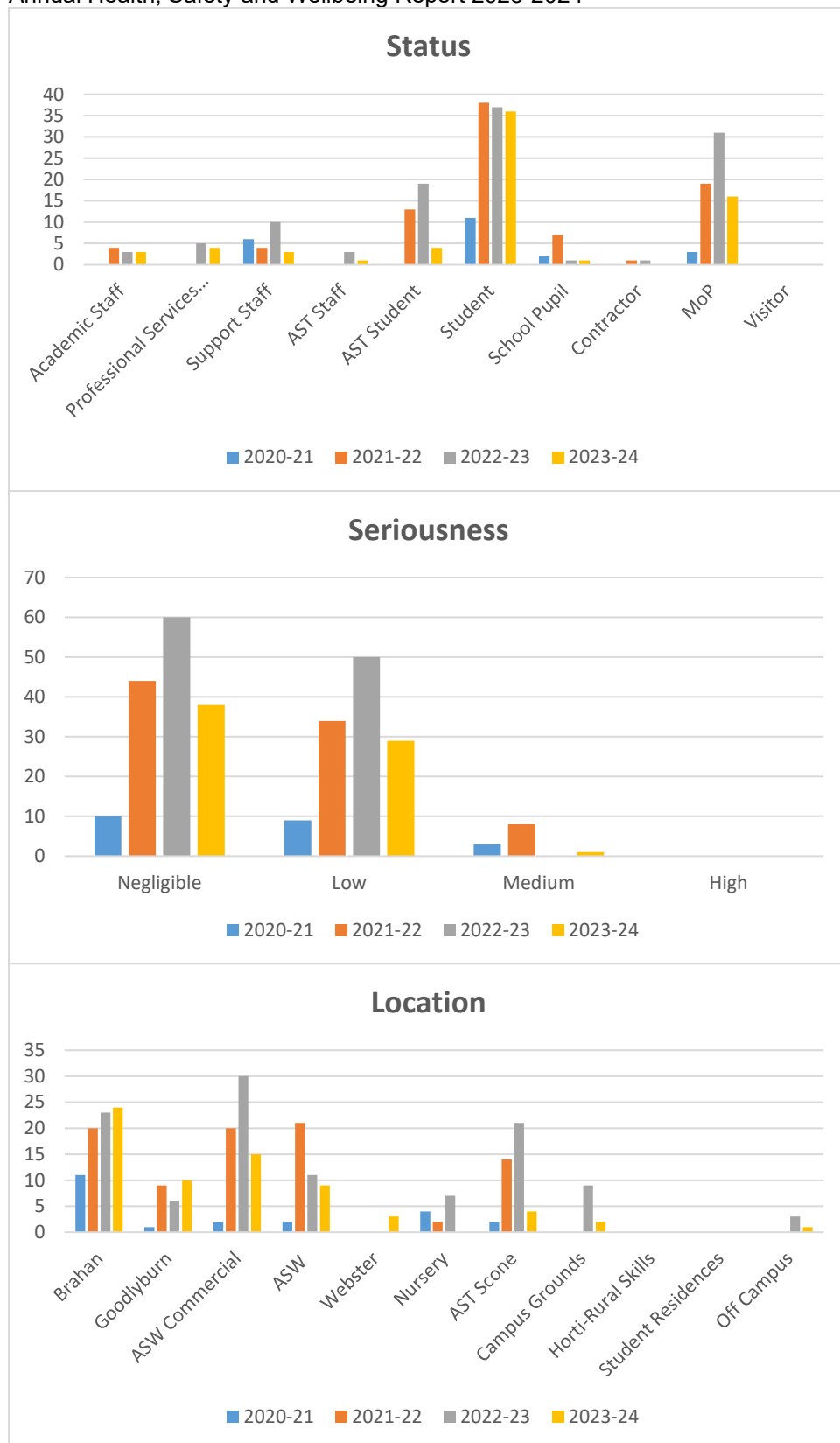






## Statistics 2020-2024





## Sickness Absence Statistics

	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
	(full year)		(full year)		(full year)		(full year)		(full year)		(full year)	
	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head
<b>Management</b>	15	0.6	35	1.95	0	0	105	5.8	23	1.31	36.5	1.9
<b>Support/Professional Services</b>	1908	5.9	3161.5	12.65	1557	6.7	1987	8.49	1284	7.73	1619.5	7.0
<b>Academic</b>	1011	4.5	852	3.46	706	2.8	1128	4.32	886	4.79	1306.5	5.7
<b>Total</b>	<b>2934</b>	<b>5.19</b>	<b>4048.5</b>	<b>7.88</b>	<b>2263</b>	<b>4.5</b>	<b>3219</b>	<b>6.03</b>	<b>2193</b>	<b>5.95</b>	<b>2962.5</b>	<b>6.2</b>

## Health and Safety Policy Statement

The Board of Management of Perth College, also known as and hereinafter referred to as “UHI Perth”, attaches the greatest importance to safeguarding the health, safety and welfare of all employees, students, visitors and others who use or visit the premises, and regards the promotion of health and safety measures as a mutual objective for management and employees at all levels.

It is the commitment of UHI Perth, to act within the requirements of the Health and Safety at Work etc, Act 1974, and subsequent legislation, and to ensure that the health, safety and welfare of all employees, students, visitors and others who may be affected by our undertakings is safeguarded, so far as is reasonably practicable.

To meet these criteria, UHI Perth will:

- regard legal compliance as the lowest acceptable standard of management regarding health, safety and welfare.
- assess work activities by identification of hazards and evaluation of risks.
- minimise risk to health through the provision and maintenance of suitable plant, buildings, facilities, equipment, and the provision of safe systems of work.
- minimise unavoidable risks using physical control measures and issue of personal protective equipment. provide safe arrangements for the use, handling, storage and transport of articles and substances.
- provide necessary information, instruction, training and supervision to ensure the health and safety of employees and others.
- consult with employees' representatives on health and safety matters.
- provide a comprehensive and effective Occupational Health Service, including health surveillance where appropriate.
- implement a monitoring, inspection and audit process to ensure effective management of health and safety.
- co-ordinate, co-operate and exchange relevant information with organisations providing support and facilities to employees and students.
- co-ordinate, co-operate and exchange relevant information with contractors and visitors.
- integrate health and safety responsibilities into everyday working practices and managerial responsibilities.

UHI Perth requires that all employees, students, contractors and visitors co-operate in regarding safe working as a prime objective, by working within established safe procedures.

The Organisation for implementation of these objectives is set out in the Health and Safety Policy. Arrangements for implementation are contained in separate documents and are to be read alongside associated Health and Safety related Policies and Procedures which are reviewed and updated as directed or as required, to ensure best practice methods for managing Health and Safety are achieved.

Signature:

Date:

Dr Margaret Cook, Principal and Chief Executive

Signature:

Date:

Graham Watson, Chair of the Board of Management

## Committee Cover Sheet

Paper No.3

<b>Name of Committee</b>	Audit Committee
<b>Subject</b>	ERM Risk Management Report
<b>Date of Committee meeting</b>	09/10/2024
<b>Author</b>	Risk Management & Project Officer
<b>Date paper prepared</b>	02/10/2024
<b>Executive Summary</b> 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
<b>Committee Consultation</b> 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:
<b>Action requested</b>	<input checked="" 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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a> If there is no direct link to Strategic Objectives, please	Managing risk is a critical requirement to ensure the achievement of our strategic objectives.

## Committee Cover Sheet

provide a justification for inclusion of this paper to the nominated Committee.	
<b>Resource implications</b> Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
<b>Risk implications</b> Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No Click or tap here to enter text.
<b>Equality &amp; Diversity</b> Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
<b>Data Protection</b> Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
<b>Island communities</b> Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.

## Committee Cover Sheet

<b>Status</b> (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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)



# Enterprise Risk Management (ERM)

**Risk Management Report October 2024**

**CHI | PERTH**

Prepared by Risk Management & Project Officer/ Depute Principal Operations

# Risk Approach **October 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 the Risk Environment

### UHI Perth Organisational Restructure

- The organisational restructure process is largely complete with the new academic structure agreed; however, individual consultations are still ongoing in a few instances which has led to delays with the appointment of some roles and a continuing level of uncertainty for those impacted.

### Financial Outlook

- This is set within the context of some savings identified but still to be realised for 2024-25 to support our financial sustainability.

### UHI Context

- At UHI level work is progressing with the OBC (Outline Business Case) for the new operating model with its aim to deliver a more integrated partnership.

## Change in Risk Since Last Reporting Cycle

- No new risks/risk controls identified.
- No risks have been removed from the register
- No change to the Risk Descriptions
- Recommendation to Audit to approve the addition of a 'People' risk category

## UHI Perth Risk Management Risk Categories/Risk Events

### Product Delivery Risk

- Products and Services
- Competition and Market
- Product/Service Delivery
- Physical/Digital Estate & Infrastructure

### Legal & Compliance Risk

- Contracts
- Employment Law
- Litigation
- Governance
- Health & Safety
- International Business

### Financial Risk

- Cash
- Financial Management
- Financial Controls
- Other Significant Financial Risks

### Operational Risk

- Systems/Technology
- Processes
- Staff

### Reputational Risk

- Business relationships
- Student Satisfaction
- Culture
- Media
- Social Responsibility
- Environment

### Strategic/ External Risk

- Strategy & Strategic Execution
- UHI
- UK Governments
- Global Events
- Other Significant Strategic/External Risks

# 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.
<b>Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.</b>				

## Product Delivery Risk

### Products & Services

Our products and services can impact on student numbers, retention, student outcomes, partnerships, costs and our overall reputation. Curriculum planning should ensure that all associated risks are covered.

### Competition & Markets

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.

### 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 and achievement.

### 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 student experience.

## Legal & Compliance Risk

### Contracts

Contracts that have not been reviewed/approved by legal counsel or do not comply with the authorisation limits leave the college open to significant financial and reputational risk.

### Employment Law

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

### Litigation

The optimal position is to prevent legal cases against UHI Perth. However, there must be a process in place to predict, report and manage potential and actual litigation against the college.

### Governance

Lack of robust/compliant/effective governance structure

### Health & Safety

The health & safety of staff, students and visitors is a high priority for UHI Perth. Failure to achieve this would have a significant impact on our reputation.

### International Business

different countries have different laws/regulations. Failure to comply with these could have a significant impact on UHI Perth

## Financial Risk

### Cash

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

### 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 level, on performance v target.

### Financial Controls

Effective controls, through an ERM process, need to be in place. These controls should be designed to prevent or detect fraud, theft and loss of college assets.

### Other Significant Financial Risk

There are a number of risks that can be over a short space of time and can vary in origin. However, these risks can have a significant impact on the financial sustainability of UHI Perth.

## Operational Risk

### Systems/Technology

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

### 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

### Staff

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

## Reputational Risk

### Business Relationships

Business relationships are critical to curriculum development, student outcomes and reputation. Their development and management is important.

### Student Satisfaction

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

### 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.

### Media

Developing and managing media channels can add significant value to the reputation of the college and higher student numbers.

### Social Responsibility

Not meeting our Social Responsibility would have a negative impact on reputation and our income.

### Environment

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

## Strategic/ External Risk

### Strategy & Strategy Execution

It's important to review strategy relevance on an annual basis and how we are executing the strategy. UHI

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

### 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.

### 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. Other Significant Strategic/External/Project Risk There are a number of risks that can vary in origin which can have a significant impact on the financial sustainability of UHI Perth.

# Risk Overview October 2024

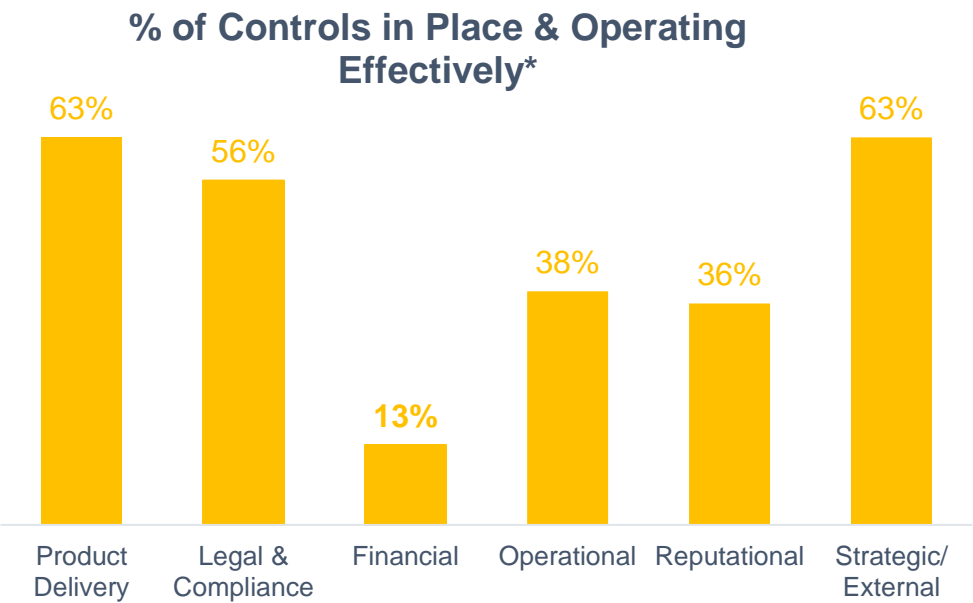
## Progress report

Since the last Audit Committee meeting, the Risk Management team has:

- Carried out a full review of the risks and controls with risk owners (in line with our process).
- Confirmed there are no new risk causes or controls for addition to the Register
- Seen an overall increase in the number of controls in place and operating effectively, from 13% to 49%
- Highlighted that the financial controls have a red rating. The recently appointed Director of Finance is reviewing and assessing the controls with a view to making improvements during the 2024-25 financial year, which will be subject to internal audit.
- Brought to SLT attention risks/controls where there has been little or no progress since the last reporting cycle
- Agreed to table assessment and mitigation of risk categories at future PLG/ SLT meetings for each reporting cycle. This will be included in the ERM report at future Audit Committee meetings.
- The Transitions team for the financial sustainability project has referred to the change management risk assessment exercise, tabled at the Audit Committee in May 2024, to put in place mitigating actions.

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#).

Risk Overview October 2024



\* Calculated from the No. of Controls 100% Complete / Total No. of Controls per Category

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2024-25](#).

# Product Delivery Risk Overview October 2024

All individual risk sheets can be accessed via the following link:  
[ERM Risk Register 2024-25](#).

## 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

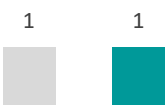
The risk control and its effectiveness has been assessed as 100% complete. The mitigations around this risk are managed through the annual curriculum review and target setting exercises.

Last Report    Current    < 50% Complete    50%- 75% Complete    > 75% Complete

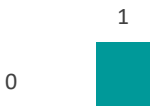
Risk Causes



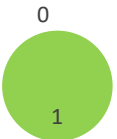
Controls Identified



Controls 100% Complete & Effective



Progress Status of Incomplete Controls

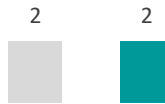


### Competition & Market

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

The risk control to create an income strategy remains at 50% complete and is being taken forward under the new organisational structure as will the other control to issue quarterly reports to SLT. Both controls are expected to be in place and operating effectively by the next reporting cycle.

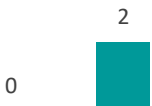
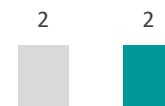


### Product/Service Delivery

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

Both risk controls and their effectiveness have been assessed as now 100% complete. The mitigations around this risk are managed through the embedding of learning & teaching enhancement and the [LTE Strategy](#) across the curriculum. Staff Development plans are identified through the professional review process.

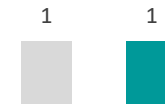


### Physical/Digital Estates & Infrastructure

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 risk control to create an income strategy remains at 50% complete and is being taken forward under the new organisational structure. Budget planning identifies key areas for investment across the estate however financial constraints impact the scope of what can be achieved.





# Legal & Compliance Risk Overview

## October 2024

Last Report

Current

< 50% Complete

50%- 75% Complete

> 75% Complete

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#).

### 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.

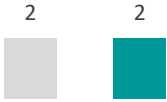
#### The chart data shows

Both risk controls around contracts have progressed to 50% complete and will move to 100% complete with the major review of the Contracts Policy due by the end of the academic year.

#### Risk Causes



#### Controls Identified



#### Controls 100% Complete & Effective

0 0

#### Progress Status of Incomplete Controls

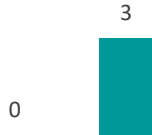


#### Employment Law

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

All 3 risk controls around ensuring we are up to date and complying with employment law are now 100% complete and effective with a succession planning exercise underway within the HR team to ensure there is no single point of failure with the dissemination of information.

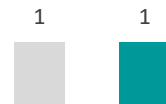


#### Litigation

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

No change since last reporting cycle, however insurance cover is in place for Professional indemnity and Public/Employer liability. Litigation will also sit within the assurance mapping report that is scheduled to be in place by the end of this academic year, 2024/25.



0 0

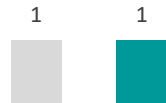
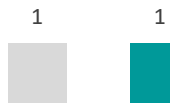


#### Governance

Lack of robust/compliant/effective governance structure

#### The chart data shows

The risk control around compliance with the [Code of Good Governance](#) is 100% complete, the effectiveness of the control will be tested by next reporting cycle.



# Legal & Compliance Risk **Cont.** October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#).

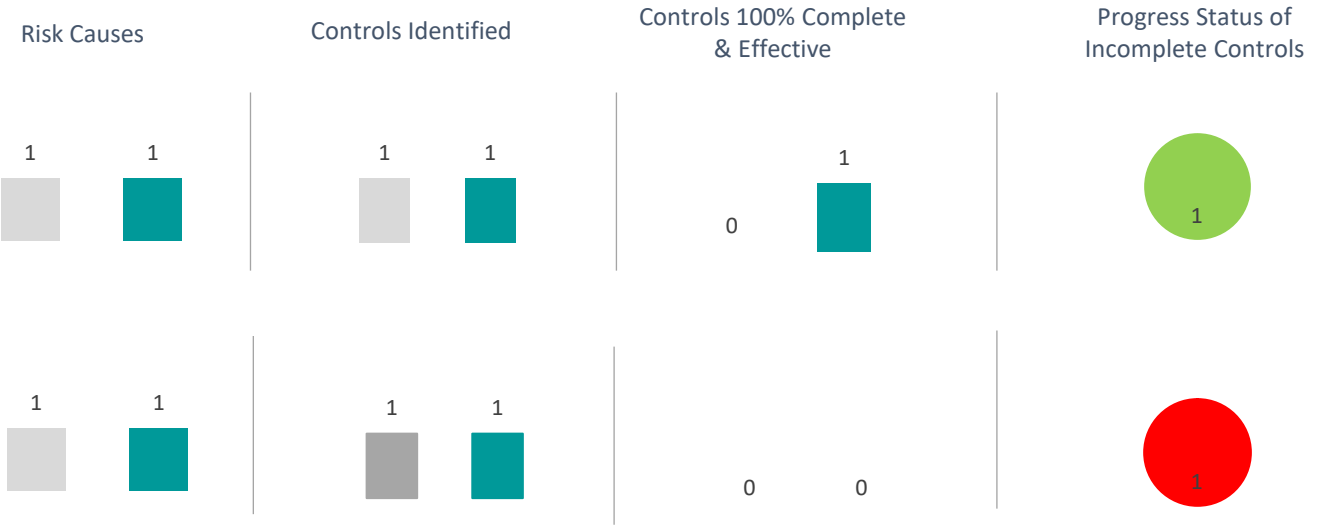
## Risks

**Health & Safety**  
The health & safety of staff, students and visitors is a high priority for UHI Perth. Failure to achieve this would have a significant impact on our reputation.

**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**  
The risk control and its effectiveness has been assessed as 100% complete. The mitigations around this risk are managed through the quarterly reporting of the H&S Risk Register to Audit Committee. Also, the most recent internal audit in 2023/24 found reporting control to be ‘good’.

**The chart data shows**  
Our review of risk causes has identified one control around compliance with legal requirements for international business. There has been no progress since the last report however an internal audit looking at this area is scheduled for November 2024.



# Financial Risk Overview October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#)

## 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**  
Due to the review of Finance reporting systems, the risk control around monthly reporting of cash flow and a quarterly cash update has been reassessed as 50% complete, down on the last reporting cycle. There will be significant progress made against this control by the next reporting cycle.

**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**  
There has been little progress since the last reporting cycle due to the review of Finance reporting systems and the significant amount of work that has been required for 2024-25 budget planning and forecasting. Three controls are expected to be in place and operating effectively 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**  
There has been limited progress made with the risk control to implement financial controls using COSO methodology. This methodology will be reviewed as part of the preparation for an internal audit looking at financial controls planned for the end of academic year 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**  
The control to report on the Financial Outlook and other significant financial risk on a quarterly basis to the F&R Committee is 100% complete and will be tested for effectiveness in time for the next reporting cycle.



# Operational Risk Overview October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#)

## 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

All 3 risk controls for this area are 100% complete and effective. Cybersecurity essentials certification has been achieved for 2024/25 and is reviewed annually.

### 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 risk control around clear job descriptions for staff is achieved through the professional review process and is 100% complete. There has been no progress however with the controls around a staff competence matrix and succession planning and these will be reviewed for feasibility in time for the next reporting cycle.

### 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 progress reported over the last 2 reporting cycles However, continuous improvement recommendations that came out from the workstreams will be prioritised for taking forward with progress expected for the next reporting cycle depending on available resources.



# Reputational Risk Overview October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#)

## Risks

### Business Relationships

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

#### The chart data shows

The control around communications planning previously 100% complete, will be reassessed as part of the refresh of the UHI Perth Communications Strategy. The mechanism for the other control to provide a business relationship status report to SLT is also being reviewed. Both controls are expected to be in place and operating effectively by the next reporting cycle.

Last Report

Current

< 50% Complete

50%- 75% Complete

> 75% Complete

#### Risk Causes



#### Controls Identified



#### Controls 100% Complete & Effective



#### Progress Status of Incomplete Controls

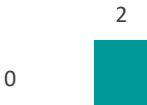


### Student Satisfaction

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

#### The chart data shows

Two of the controls around the set up and reporting of Student Surveys outcomes are 100% complete and effective. The 3<sup>rd</sup> control around action plans and 'closing the loop' is expected to be in place and tested for effectiveness for the next reporting cycle.

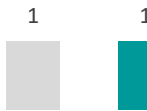


### Culture

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 around Board approval of the strategic values is 100% complete and its effectiveness verified. There has been little progress with the 2 other controls looking at the embedding of the strategic values. The feasibility of doing this in their current format will be reviewed in time for the next reporting cycle.

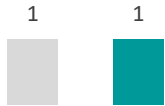


### Media

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 in responding and communicating success at local and national level confirmed.



# Reputational Risk Continued October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#)

## Risks

### Social Responsibility

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

#### The chart data shows

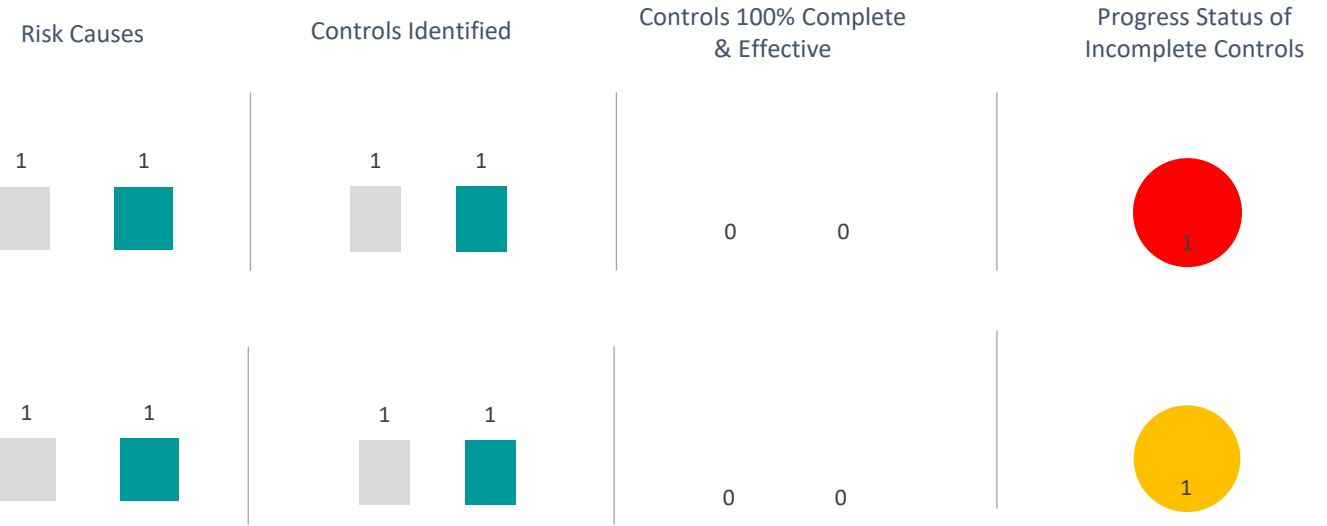
As an organisation there will be many examples of what we do that benefits others eg in the local community. However, the control to put a Social Responsibility Plan in place is still to be developed. This will be reviewed at SLT level for the next reporting cycle.

### 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 progressed to align with existing separate reports in order to develop a single, streamlined report. The control is expected to be in place and operating effectively by the next reporting cycle.



# Strategic/External Risk Overview October 2024

All individual risk sheets can be accessed via the following link: [ERM Risk Register 2024-25](#)

## 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.

### 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.

### 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.

### 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

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. There has been no progress with the 3<sup>rd</sup> control to review the Strategic Plan annually which has been raised with SLT.

### The chart data shows

The risk control is achieved through the quarterly Principal's Report to the Board and is 100% complete and effective.

### The chart data shows

The risk control is achieved through the quarterly Principal's Report to the Board and is 100% complete, the effectiveness of the control will be tested by next reporting cycle.

### The chart data shows

The risk control is achieved through the quarterly Principal's Report to the Board and is 100% complete, the effectiveness of the control will be tested by next reporting cycle.

Last Report

Current

< 50% Complete

50%- 75% Complete

> 75% Complete

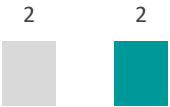
#### Risk Causes



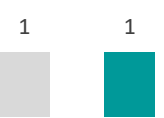
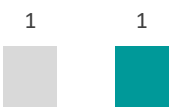
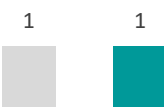
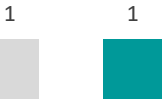
#### Controls Identified



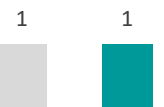
#### Controls 100% Complete & Effective



#### Progress Status of Incomplete Controls



0 0



0 0



# Strategic/External Risk Continued October 2024

All individual risk sheets, can be accessed via the following link: [ERM Risk Register 2024-25](#)

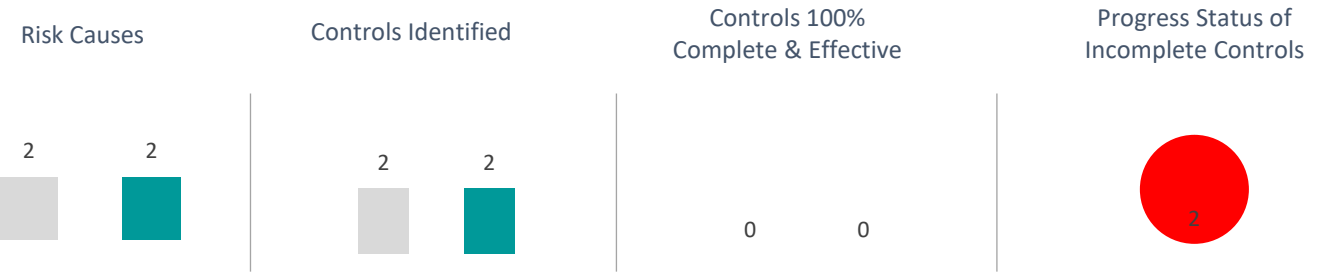
## Risks

### 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

Little progress with controls around horizon scanning for other risk areas currently identified as AI and Business Continuity, which has been raised at SLT level.





# Internal Audit Follow Up Actions Overview October 2024

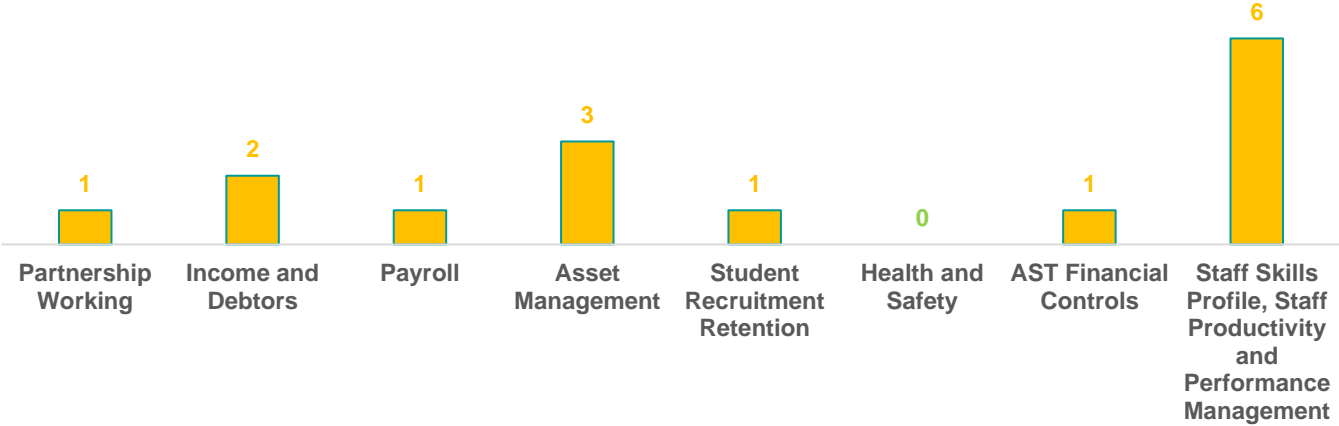
## Progress report

Since the last Audit Committee meeting:

- A full progress review was carried out with audit owners. A copy of the full review of the follow-up internal audit actions can be accessed via the following link
- 15 actions overall are still outstanding from the Follow-Up Internal Audit Report 2022/10
- Two further actions have been updated as 'Complete' in Partnership Working and Health & Safety respectively.
- Actions for Audit 2022/10 (2020/05) Health and Safety are now all complete
- Activity has been stalled with some of the 6 actions still outstanding for Audit 2022/10 (2021/08) Staff Skills Profile Staff Productivity and Performance Management impacted by the decision not to go ahead with the procurement of a new HR system at this time due to partners withdrawing and financial constraints.

Please see below a breakdown of the number of actions still to be completed by audit area.

**Internal Audit Follow Up Actions Still Outstanding by Area**  
**October 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	Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	October 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	Director of Curriculum: BSTW	30/06/2023	31/08/2024	Little or no progress	No further update on progress with the use of Raiser's Edge received from UHI.	
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	Complete	Key strategic partnerships including membership of committees and working groups have been allocated to members of PLG in line with their areas of responsibility and associated risks are captured within our risk register under Reputation.	
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	Director of Finance	31/12/2022	30/11/2024	In progress	A new completion date for November 2024 has been identified for this action.	
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.	Director of Finance	31/12/2022	30/11/2024	In progress	A new completion date for November 2024 has been identified for this action.	
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.	Director of HROD and Payroll Manager	31/12/2022	31/12/2024	In progress	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	Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	October 2024 Progress	RAG Status
2022/10	2021/04	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.	Director of Finance	31/12/2022	01/06/2025	In progress	A new completion date for June 2025 has been identified for this action.	
2022/10	2021/04	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.	Director of Finance	31/12/2022	31/07/2025	In progress	Guidance will be prepared as part of the development of a revised asset register. Implementation will take place once the asset register is in place.	
2022/10	2021/04	Asset Management	Until a full asset management solution has been developed and put in place (as described in R1 and R2), Finance should be informed by the Procurement team when a new asset is purchased over the capitalised value of £5,000 and the asset register should be updated on at least a quarterly basis.	Head of Finance	31/01/2023	n/a	Complete		
2022/10	2021/04	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.	Director of Finance	31/12/2022	30/08/2025	In progress	A programme of inspections and the resource required to carry these out will be scoped with the Depute Principal Operations as part of the development of the revised Asset Register.	

		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	Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	October 2024 Progress	RAG Status
2022/10	2021/06	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	Director of Student Experience	30/06/2022	28/02/2025	In progress	A completely new Attendance and Performance Monitoring Procedure will be taken to Perth Leadership Group for approval and implementation by February 2025.	
2022/10	2020/05	Health & Safety	The College should ensure that all health and safety policies are reviewed and updated in line with the agreed review schedule	Director of HROD	10/12/2020	31/12/2024	Complete	Review schedule for 2024/25 agreed.	
2022/10	2020/08	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		
2022/10	2021/08	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.	Director of HROD	30/04/2022	31/12/2024	Partial Completion	A new organisational structure	
2022/10	2021/08	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.	Director of HROD	30/06/2022	31/12/2024	Little or no progress	Key strategic partnerships including membership of committees and working groups have been allocated to members of PLG in line with their areas of responsibility as part of the implementation of the new leadership structure.	
2022/10	2021/08	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	Director of HROD/ Directors of Curriculum/ Director of Finance	31/05/2022	31/12/2024	In progress	The Directors of Curriculum will Director of Finance are taking forward as part of the Course Profitability Ratio (CPR) model.	

		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	Audit Report	Topic	Recommendation	Owner	Agreed Date	Revised Date	Status	October 2024 Progress	RAG Status
2022/10	2021/08	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	Director of HROD	31/05/2022	30/04/2025	In progress	The CPD Strategy, Policy & Procedures (POL152) will be reviewed and updated as part of the master policies and procedures renewal schedule for 2024-25.	
2022/10	2021/08	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.	Director of HROD	30/06/2022	30/04/2025	Partial Completion	The Staff Induction Procedure (POL138) will be reviewed and updated as part of the master policies and procedures renewal schedule for 2024-25.	
2022/10	2021/08	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.	Director of HROD	30/06/2023	31/12/2025	Little or no progress	No further progress at this stage. The purchase of a new HR system is currently not going ahead as the other APs have pulled out of the project and there is insufficient budget for Perth to pay for it on its own.	

<b>Committee</b>	Audit Committee
<b>Subject</b>	Code of Good Governance - Compliance Checklist
<b>Date of Committee meeting</b>	09/10/2024
<b>Author</b>	Ian McCartney, Clerk to the Board of Management
<b>Date paper prepared</b>	01/10/2024
<b>Executive summary of the paper</b>	<p>This paper presents the approved checklist of items of assurance required to meet Code of Good Governance, together with summary of current compliance, for discussion and recommendation.</p> <p>Committee are advised that of the 82 items listed for compliance, 79 have been assessed as "Effective", with three items (B7 – HISA Constitution; C^ - Register of Interests; &amp; C19 – Remuneration Committee) assessed as "Partial".</p> <p>Committee are advised that the Checklist is normally scheduled to submitted annually to 1<sup>st</sup> Audit Committee of each Board cycle to ensure compliance ahead of annual audit and financial statements being prepared.</p>
<b>Consultation</b> How has consultation with partners been carried out?	n/a
<b>Action requested</b>	<input checked="" type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	Items of non- or reducing compliance will inform Risk Register

## Perth College UHI

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

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

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

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

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

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>  
 and [http://www.itspublicknowledge.info/web/FILES/Public\\_Interest\\_Test.pdf](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)



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

Code Principal		Evidence	Assessment	Action required
<b>A1</b>	Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.	Perth College has an established Board which works collectively to set, demonstrate and uphold the values and ethos of the organisation. It meets a minimum of 4 times a year and holds development evenings and strategy days.	Effective	None
<b>A2</b>	Every board member must ensure that they are familiar with and their actions comply with the provisions of their board's Code of Conduct.	New Board Members receive induction on the Code of Conduct and other good practice guidance, and are invited to attend CDN Board Member induction events.	Effective	None
<b>A3</b>	<p>The Nine Principles of Public Life in Scotland, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively are:</p> <ul style="list-style-type: none"> <li>• Duty/Public Service</li> <li>• Selflessness</li> <li>• Integrity</li> <li>• Objectivity</li> <li>• Accountability and Stewardship</li> <li>• Openness</li> <li>• Honesty</li> <li>• Leadership</li> <li>• Respect</li> </ul>	The Board works collectively and follow the nine principles in its meetings and those of the Standing Committees. No issues have been raised in the operation of meetings which always start with declarations of conflicts of interest, and conclude with assessment against the Terms of Reference.	Effective	None
<b>A4</b>	The board is responsible for determining their institution's vision, strategic direction, educational character, values and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.	<p>The Board were regularly consulted in the development of the 2022-27 Strategic Plan for Perth College UHI.</p> <p>A new Standing Committee (Strategic Development Committee) was established in January 2022 to give an appropriate forum to discuss areas of non-core strategic income-raising activities for the College.</p>	Effective	None
<b>A5</b>	The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.	The College's Vision is outlined within the Strategic Plan.	Effective	None
<b>A6</b>	The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.	See A5	Effective	None
<b>A7</b>	The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its outcome agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.	N/A		



Code Principal		Evidence	Assessment	Action required
<b>A8</b>	The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body and support the regional strategic body to monitor performance in achieving the agreed outcomes.	The Chair is a member of the UHI Finance & General Purposes Committee. The Chair and Principal regularly attend additional UHI meetings to discuss key issues affecting the Partnership.	Effective	None
<b>A9</b>	The board must ensure that a comprehensive performance measurement system is in place which is clearly linked to the regional strategic framework and identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.	Key Performance Indicators are included within the Strategic Plan 2022-27 document available on the UHI Perth website: <a href="https://www.perth.uhi.ac.uk/about-us/our-college/strategic-plan/">https://www.perth.uhi.ac.uk/about-us/our-college/strategic-plan/</a> Board receives regular updates on KPIs via a Balanced Scorecard to allow appropriate Board scrutiny and monitor progress against key priorities.	Effective	None
<b>A10</b>	The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.	The Strategic Development Committee receives regular updates from the Senior Leadership Team on related undertaking, including discussions about business and stakeholder engagement. Opportunities for the local community to make more active use of the Academy for Sport and Wellbeing is promoted to the local community and staff.	Effective	None
<b>A11</b>	The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.	An active programme of classes at the ASW is in place. The Board also supports the wider use of the ASW facility for national and international sport events. ASW is competitively priced within the region for the facilities and classes provided, and pricing policies are regularly reviewed to ensure affordability, including student discounts.	Effective	None
<b>A12</b>	The board must provide leadership in equality and diversity.	An Equality, Diversity & Inclusion Officer is employed by the College, who brings equality and diversity matters from the Equality and Diversity Committee to the Learner Experience Committee. The board reviews, suggests modifications and ultimately endorses all College policies related to equality and diversity, and is proactive in encouraging the college to seek enhancement opportunities to further demonstrate our commitment.	Effective	None
<b>A13</b>	The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.	Board recruitment processes highlight the fact the College would welcome applications from under-represented groups, and the College advertises any Board vacancies through the "Public Appointments Scotland". "Women On Boards" and "Change the Chemistry" websites.	Effective	None

Code Principal		Evidence	Comments	Action required
<b>B1</b>	The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.	The HISA Perth President and Depute President attend meetings of the Board, Finance & Resources, Audit, Strategic Development and Learner Experience Committees and provide robust student input to all Committees.	Effective	None
<b>B2</b>	The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.	See B1.	Effective	None
<b>B3</b>	The board must consider the outcome of student surveys and other student engagements, and monitor action plans that could impact on the quality of the student experience.	Learner Experience Committee considers the outcomes from student surveys. Action Plans are developed and monitored for courses where outcomes may be a cause for concern.	Effective	None
<b>B4</b>	The college board must have regard to the <a href="#">Framework for the Development of Strong and Effective College Students' Associations in Scotland</a> . It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.	A Partnership Agreement between HISA and UHI is in place and projects are reported on via the Learner Experience Committee.	Effective	None
<b>B5</b>	The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.	HISA Perth employ 1 full-time and 1 part-time elected officers, plus permanent support staff members. In addition, funding has been approved for additional resources where required and budgets have allowed.	Effective	None
<b>B6</b>	The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.	Regular meetings are held between HISA Perth representatives and the Chair and Principal & Senior Management Team.	Effective	None
<b>B7</b>	The college board must review the written constitution of its students' association at least every five years.	UHI is responsible for reviewing HISA's Constitution, however consideration is being given to how best to include Academic Partners in this process to ensure that local representation includes some form of local input.	Partial - Systems to ensure local input provision have yet to be determined	<b>HISA to table proposals via UHI</b>
<b>B8</b>	The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.	The College received a very positive Progress Report from Education Scotland in April 2024. Education Scotland presented this Report to the Board in June 2024.	Effective	None
<b>B9</b>	The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high-quality services for students.	Quality processes are managed by a dedicated quality team who work with other agencies to promote quality enhancement.	Effective	None

Code Principal		Evidence	Comments	Action required
<b>C1</b>	The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.	The Board delegates the operational running of the College to the Principal & CEO, who ensures delivery of all agreed funding outcomes.  Progress is regularly reviewed at Finance & Resources Committee and at Board level	Effective	None
<b>C2</b>	The board must ensure delivery of its outcome agreement or in the case of an assigned college, its agreed contribution to the region's outcome agreement.	See C1	Effective	None
<b>C3</b>	The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.	In addition to the provisions noted above, all statutory duties are fulfilled by the Board directly or through its standing committees. In particular the statutory-required Audit and Remuneration committees are established and meet regularly. The Finance & Resources committee reviews outcomes against commitments at each meeting.	Effective	None
<b>C4</b>	Scottish Ministers have powers to remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.	Through board induction and ongoing development, the Board remain aware of its duties and obligations.	Effective	None
<b>C5</b>	The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people's life chances and social and economic well-being.	All elements mentioned are addressed at the various board standing committees and directly by the Board when circumstances require. The Board sets the tone and agenda for the College - a central importance is given to "putting the student experience and journey at the heart of everything we do". The board is proactive in encouraging policies that facilitate active engagement and influence with all stakeholders with a view to continuously refining the fitness of the College offers to students and the wider community.	Effective	None
<b>C6</b>	Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate. See Section D6 for the 'objective test' for judging if there is a conflict of interest.	A Register of Interests is regularly reviewed and published on the College's website. Declaration of interests are sought at the beginning of all Board and subcommittee meetings.	Partial – published Declarations on website requires review	<b>Clerk to process</b>
<b>C7</b>	The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes:  a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public  b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance  c) the retention of all key documentation which help justify the decisions made by the board and its committees  d) setting quorum for board and committee meetings in line with good practice and preferably at 50% or higher are non-executive members. A board should satisfy itself that adequate arrangements are in place to ensure that decisions it has delegated to committee are taken with a non-executive majority. When deciding a quorum, the chair of the board may be considered to be a non-executive member (see Annex 1 for the definition of non-executive)	In place and covered in College's Governance Manual. Members of the Board and Committees typically receive papers one week before meetings, and papers and approved minutes are published on the College's website in a timeous manner.  Electronic and hard copies of all Board papers are retained.  All Board and Committee quorums are in line with good practice and are noted within each committee's Terms of Reference.	Effective	None

	Code Principal	Evidence	Comments	Action required
<b>C8</b>	The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the board secretary (and any other members of staff). Incorporated college boards and regional boards have no powers to delegate functions to an individual board member (except the chair who has no authority to act out with their delegated powers).	Delegated responsibilities are published in College Governance Manual.  A review of Committee functions took place in 2021/22 resulting in a realignment of 2 committees in December 2022 to ensure strategic focus on relevant areas.	Effective	None
<b>C9</b>	The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.	All members of the Senior Leadership Team are in attendance at Board meetings and attend standing committee meetings where their portfolio is relevant. Members of the Perth Leadership Group are also invited to attend specific meetings when their specific expertise and insight is required.	Effective	None
<b>C10</b>	The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two-way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.	In place with regular meeting cycles and standing agenda items.  Minutes are prepared and circulated to the Committee Chairs between meetings, and formally approved (with any suggested amendments) at the next meeting.  Chairs submit Committee Summary Reports to each Board of Management meeting to ensure all members are aware of proceedings at each committee.	Effective	None
<b>C11</b>	The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.	Audit Committee oversees the management of risk on behalf of the Board via an Enterprise Risk Management approach. Summaries of the ERM are regularly presented to the Board for information.  Board utilises a risk appetite framework, which is reviewed periodically.	Effective	None
<b>C12</b>	The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.	See C11	Effective	None
<b>C13</b>	The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework. The Scottish Government Audit and Assurance Committee Handbook promotes the development of an assurance framework to aid the Committee in fulfilling this role.	The Board receives an annual report from the Audit Committee which provide assurances on systems of internal control.	Effective	None
<b>C14</b>	The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit and must work with management and auditors to resolve any issues in relation to financial reporting.	Internal Auditors attend every Audit Committee meeting and report on the internal audit plan; External auditors are routinely invited and attend most Audit Committee meetings. The Audit Committee receive and comment on Internal Audit Reports and recommendations.	Effective	None
<b>C15</b>	The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.	Follow up reviews are taken forward with Internal Auditors and reported to Audit Committee.	Effective	None
<b>C16</b>	The membership of the Audit Committee cannot include the board chair or the principal, and, in line with the Audit and Assurance Committee Handbook, 'executive members of the organisation should not be appointed to the Audit and Assurance Committee'. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.	The Principal attends Audit Committee and provides information in their executive management capacity only, not as a member.	Effective	None

	Code Principal	Evidence	Comments	Action required
C17	The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.	The Audit Committee meets with the internal and external auditors annually.	Effective	None
C18	At least one member of the Audit Committee should have recent relevant financial or audit experience.	The suitability of Independent Board members to sit on specific Committees is reviewed annually by the Chair.	Effective	None
C19	It essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.	To be reviewed	Partial – recent additions to Remuneration Committee may not have completed this training	Clerk to review and action where required.
C20	The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.	The Remuneration Committee fulfils this role.  A procedure exists for HISA Perth to comment on draft Principal's Objectives prior to their agreement by Remunerations Committee	Effective	None
C21	The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).	Remuneration Committee is chaired by the Vice Chair of the Board of Management.	Effective	None
C22	The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.	Finance & Resources Committee receives regular reports about the College's management accounts and immediate and long-term forecasts.	Effective	None
C23	The board must ensure that: <ul style="list-style-type: none"> <li>• funds are used as economically, efficiently and effectively as possible</li> <li>• effective monitoring arrangements are in place</li> <li>• college staff report relevant financial matters to it.</li> </ul>	In place via Finance & Resources Committee.	Effective	None
C24	For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See <a href="#">OSCR Guidance and Good Practice for Charity Trustees</a> .	This is covered in induction for new Board members both locally and via CDN training.	Effective	None
C25	The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.	Regular staff updates on HR business are provided to the Finance & Resources Committee.	Effective	None
C26	The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.	All College policies and procedures are available on the College's web site.	Effective	None
C27	The board must comply with the nationally agreed college sector <a href="#">Staff Governance Standard</a> .	Agreement was reached with the relevant unions around local implementation the Staff Governance Standard in August 2024	Effective	None

C28	The college board must comply with collective agreements placed on it through national collective bargaining for colleges.	<p>The Board is apprised of national bargaining matters as appropriate and regular JNC meetings are in place and reported to the Board via Finance &amp; Resources Committee.</p> <p>The Principal &amp; CEO attends regular Employers Association meetings and workshops at which collective bargaining and other national issues are discussed.</p>	Effective	None
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Code Principal		Evidence	Comments	Action required
<b>D1</b>	<p>The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by:</p> <ul style="list-style-type: none"> <li>• encouraging the effective contribution of all board members</li> <li>• fostering constructive challenge and support to the principal, executive team and fellow board members</li> <li>• effective team-working</li> <li>• positive relations between board members.</li> </ul> <p>The chair must engage with the principal and the board secretary in a manner which is both constructive and effective.</p>	<p>Board External Effectiveness Reviews were conducted in 2020 and 2024 and produced positive reports on Board Culture.</p> <p>Board External Effectiveness Review are required at intervals of no more than 5 years.</p>	Effective	None
<b>D2</b>	<p>The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.</p>	<p>The Board skills matrix is reviewed annually by the Chair via one-to-one meetings with all independent board members. A skills matrix is also utilised during the recruitment of new Board members.</p>	Effective	None
<b>D3</b>	<p>The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of 'non-executive'). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in <a href="#">The Guide for Board Members in the College Sector</a></p>	<p>The board has a nominated Senior Independent Board Member.</p>	Effective	None
<b>D4</b>	<p>Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.</p>	<p>Board members are aware of their responsibilities via induction for new Board Members and is reinforced through Board development events and through board members attending CDN workshops.</p>	Effective	None
<b>D5</b>	<p>Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.</p>	<p>HISA Perth President and Depute President are usually nominated by HISA Perth to act as full Board members.</p> <p>One teaching staff member and one support staff member are also elected to the Board by their peer group, and two Union Board Members are nominated by the recognised Trade Unions to provide additional knowledge and experience from a staff perspective.</p>	Effective	None
<b>D6</b>	<p>Where the college is a charity, all board members, as charity trustees, including staff and student board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The 'objective test' for judging if there is a conflict of interest is:</p> <p><i>"... whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body".</i></p>	<p>Covered in Board Member induction. See also comments above on reinforcing understanding of OSCR requirements (C24).</p>	Effective	None

	Code Principal	Evidence	Comments	Action required
D7	The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.	In place	Effective	None
D8	The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.	In place.	Effective	None
D9	The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.	In place, and noted within job description.	Effective	None
D10	The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.	See C20	Effective	
D11	The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the board secretary. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.	In place	Effective	None
D12	The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.	In place	Effective	None
D13	The board must provide a constructive challenge to the principal and executive team and hold them to account.	In place	Effective	None
D14	The board as a whole must appoint a governance professional who is responsible to it and reports directly to the chair in their governance professional capacity. The governance professional may be a member of the senior management team in their governance professional capacity, but they cannot hold any other senior management team position at the same time. The appointment and removal of the governance professional is a decision of the board as a whole.	In place, known as the Clerk to the Board.  The Clerk to the Board is not a member of the senior management team and holds no other College posts.	Effective	None
D15	All board members must have access to the governance professional who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive board secretary role includes: <ul style="list-style-type: none"> <li>facilitating good governance and advising board members on: <ul style="list-style-type: none"> <li>the proper exercise of their powers, including in relation to relevant legislation</li> <li>the board's compliance with its Financial Memorandum, the Good Governance Code, its Standing Orders and Scheme of Delegation</li> </ul> </li> </ul>	In place. The Chair encourages direct interactions of all Board members with the Clerk to the Board.  The Clerk to the Board is the acknowledged expert and source of guidance on board behaviours, and this is reflected within the job description for the Board Secretary.  The Clerk to the Board is pro-active in provision of advice on the effective running of Board business, and regularly participates in training and workshops to maintain effectiveness.	Effective	None



	<ul style="list-style-type: none"> <li>- their behaviour and conduct in relation to the board's Code of Conduct.</li> <li>• providing clear advice to the chair and the board/committees on any concerns the governance professional may have that board members have not been given: <ul style="list-style-type: none"> <li>- sufficient information</li> <li>- information in an appropriate form</li> <li>- sufficient time to monitor, scrutinise or make informed and rigorous decisions in an open and transparent way.</li> </ul> </li> <li>• attending and providing support to every board meeting and every meeting of every board committee. Where the governance professional is unable to attend, while the governance professional retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.</li> <li>• having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the governance professional.</li> <li>• reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e. SFC or the regional strategic body).</li> </ul>			
<b>D16</b>	<p>The board must ensure the governance professional:</p> <ul style="list-style-type: none"> <li>• has suitable skills, knowledge and behaviours to carry out their role effectively</li> <li>• receives appropriate induction, and if new to the role, is mentored by a more experienced board secretary for at least their first year</li> <li>• has adequate time and resources available to undertake their role effectively.</li> </ul>	In place.	Effective	
<b>D17</b>	The board must ensure arrangements are in place to deal with a governance professional's potential or real conflicts of interest.	In place - requirements on declarations of conflict of interest apply to the Board secretary as well as board members.	Effective	None
<b>D18</b>	For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.	<p>Whilst the College manages the recruitment processes for new Board members, responsibility for appointment lies with the RSB.</p> <p>Board recruitment processes are open, and adverts are widely placed on key stakeholder websites.</p>	Effective	None
<b>D19</b>	The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.	Student elections are managed by HISA and the Board receives regular briefings on the process followed and outcomes.	Effective	None
<b>D20</b>	The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The governance professional should support the chair in the provision of relevant induction for new board members.	New Board members attend CDN led induction and receive a local induction.	Effective	None
<b>D21</b>	The board must ensure all board members undertake appropriate training and development in respect of their governance role. The governance professional should support the chair in the provision of relevant training and development opportunities for board members,	In place.	Effective	None

	which should be tailored to meet board members skills and needs. The governance professional must keep records of the development activity of board members, including the chair.			
<b>D22</b>	The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.	In place via new Board member induction and as a follow up to Board member/chair 1:1s.	Effective	None
<b>D23</b>	Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.	In place – a review of the board members attendance and engagement and of the skills matrix is undertaken before an extension to a Board Member's tenure is made.	Effective	None
<b>D24</b>	The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.	Informal internal effectiveness takes place annually, led by the Chair.  An External Effectiveness Review was conducted between during spring of 2024. The Review Report has been issued to Board Members for approval at the Board meeting in October 2024.	Effective	None
<b>D25</b>	The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.	Process currently under review.	Effective	SIBM to agree format and implement
<b>D26</b>	The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.	In place, usually conducted over the summer recess period.	Effective	None
<b>D27</b>	The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.	N/A		
<b>D28</b>	The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.	Board regularly supplies data to UHI on performance and review matters.	Effective	None

Code Principal		Evidence	Comments	Action required
E1	The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.	College is in regular contact with key community stakeholders to ascertain local priorities, and this is fed to Board via Strategic Development Committee.	Effective	None
E2	The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.	The Board encourages renewal and reinforcement of college representation at all community levels.	Effective	None
E3	The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.	See E1	Effective	None
E4	The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.	Initiatives and changed circumstances that affect regional and national needs are regularly brought to the board for discussion and action. The Principal/CEO and others actively engage with national organisations such as Colleges Scotland.	Effective	None



## UHI Perth

**Planning report to the Audit Committee on the 2023/24 audit**  
**Issued on 04 October 2024 for the meeting on 09 October 2024**

# Introduction

## The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our planning report to the Audit Committee (“the Committee”) of UHI Perth (“the College”) for the 2023/24 audit. I would like to draw your attention to the key messages of this paper.

### **Audit plan**

We have updated our understanding of the College including discussions with management and review of relevant documentation from across the College.

Based on these procedures, we have developed this plan in collaboration with the College to ensure that we provide an effective audit service that meets your expectations and focuses on the most significant areas of importance and risk to the College.

### **Key risks**

We have taken an initial view as to the significant audit risks the College faces. These are presented as a summary dashboard on page [12](#).

### **Wider scope requirements**

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks.

In carrying out our risk assessment, we have considered the arrangements in place for each area, building on any findings and conclusions from the prior year audit, planning guidance from Audit Scotland and developments within the organisation during the year. Our wider scope significant risks are presented on pages [12 to 16](#).

# Introduction (continued)

## The key messages in this report (continued)

### **Our commitment to quality**

We are committed to providing the highest quality audit, with input from our market leading specialists, sophisticated data analytics and our wealth of experience.

### **Added value**

Our aim is to add value to the College through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the College promote improved standards of governance, better management and decision making and more effective use of resources.

We have also shared technical and sector updates on pages [26](#) to [28](#) of this plan.

**Nicola Wright**  
**Partner**

# Responsibilities of the Audit Committee

## Helping you fulfil your responsibilities

Why do we interact with the Audit Committee?

To communicate audit scope

To provide timely and relevant observations

To provide additional information to help you fulfil your broader responsibilities

As a result of regulatory change in recent years, the role of the Audit Committee has significantly expanded. We set out here a summary of the core areas of Audit Committee responsibility to provide a reference in respect of these broader responsibilities and highlight throughout the document where there is key information which helps the Audit Committee in fulfilling its remit.

- At the start of each annual audit cycle, ensure that the scope of the external audit is appropriate.
- Implement a policy on the engagement of the external auditor to supply non-audit services.

Oversight of external audit

Integrity of reporting

Internal controls and risks

Oversight of internal audit

Whistle-blowing and fraud

- Review the internal control and risk management systems (unless expressly addressed by separate Board risk committee).
- Explain what actions have been, or are being, taken to remedy any significant failings or weaknesses.

- Ensure that appropriate arrangements are in place for the proportionate and independent investigation of any concerns raised by staff in connection with improprieties.

- Impact assessment of key judgements and level of management challenge.
- Review of external audit findings, key judgements, and level of misstatements.
- Assess the quality of the internal team, their incentives and the need for supplementary skillsets.
- Assess the completeness of disclosures, including consistency with disclosures on business model and strategy and, where requested by the College, provide advice in respect of the fair, balanced and understandable statement.

- Consider annually whether the scope of the internal audit programme is adequate.
- Monitor and review the effectiveness of the internal audit activities.

# Our audit explained

## What we consider when we plan the audit

### Responsibilities of management

We expect management and those charged with governance to recognise the importance of a strong control environment and take proactive steps to deal with deficiencies identified on a timely basis.

Auditing standards require us to only accept or continue with an audit engagement when the preconditions for an audit are present. These preconditions include obtaining the agreement of management and those charged with governance that they acknowledge and understand their responsibilities for, amongst other things, internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Financial Reporting Council (FRC) guidance on good practice

The FRC, in its Review of Governance Reporting issued in November 2023, has identified good practice as including a clear statement describing the review undertaken, process and reporting of the outcome of the review of the effectiveness of risk management and internal control systems and clarity on what should be reported from the outcome of the review. This would include whether any weaknesses or inefficiencies were identified and explanations of what actions the Board has taken, or will take, to remedy these.

### Responsibilities of the Audit Committee

As explained further in the Responsibilities of the Audit Committee slide on page 4, the Audit Committee is responsible for:

- Reviewing internal financial controls and internal control and risk management systems (unless expressly addressed by a separate Board risk committee or by the Board itself).
- Monitoring and reviewing the effectiveness of the internal audit function; where there isn't one, explaining the absence, how internal assurance is achieved, and how this affects the work of external audit.
- Reporting in the annual report on the annual review of the effectiveness of risk management and internal control systems.
- Explaining what actions have been or are being taken to remedy any significant failings or weaknesses.

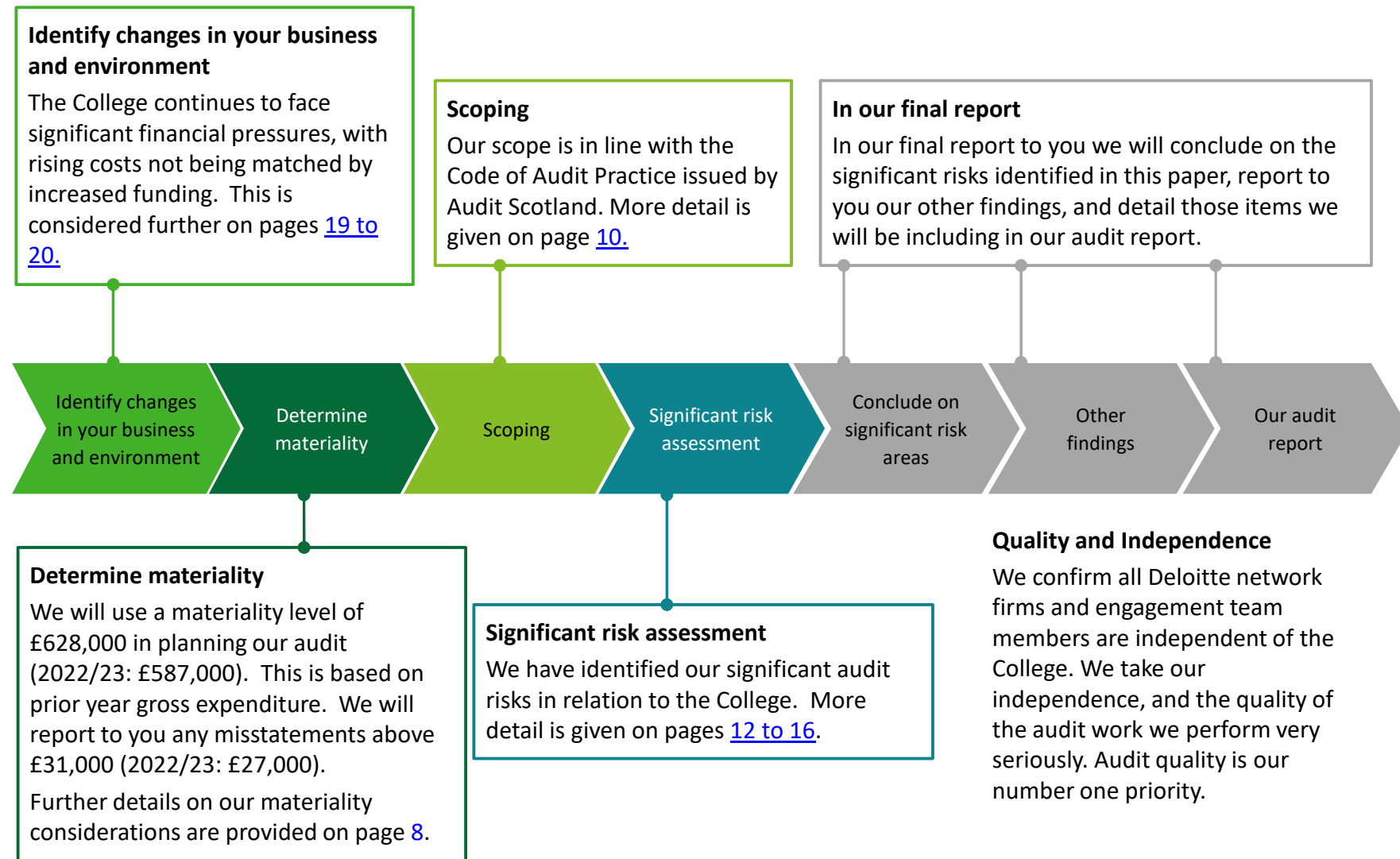
### Our response

As stakeholders tell us they wish to understand how external audit challenges and responds to the quality of an entity's control environment, we are seeking to enhance how we plan and report on the results of the audit in response. We will be placing increased focus on how the control environment impacts the audit, from our initial risk assessment, to our testing approach and how we report on misstatements and control deficiencies.



# An audit tailored to you

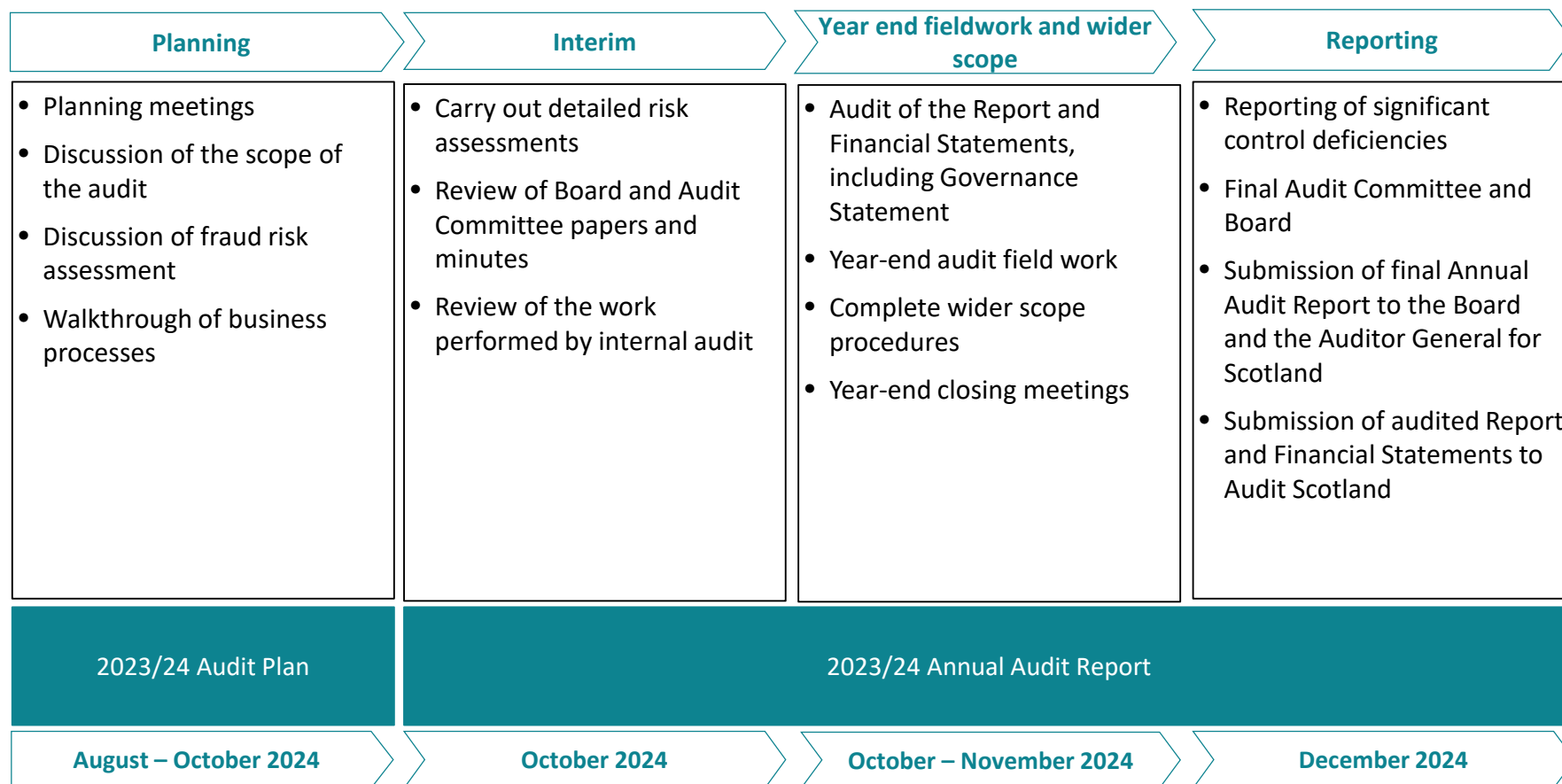
## Overview of our audit plan



# Continuous communication and reporting

## Planned timing of the audit

As the audit plan is executed throughout the year, the results will be analysed continuously, and conclusions (preliminary and otherwise) will be drawn. The following sets out the expected timing of our reporting to, and communication with, you.



Ongoing communication and feedback

# Materiality

## Our approach to materiality

### Basis of our materiality benchmark

- The audit partner has determined group materiality as £628,000 and performance materiality of £376,000, based on professional judgement, the requirement of auditing standards and the financial measures most relevant to users of the Annual Report and Accounts.
- We have used 2% of prior year gross expenditure as the benchmark for determining materiality and applied 60% as performance materiality. We have judged expenditure to be the most relevant measure for the users of the accounts.
- For the audit of UHI Perth (College only), a materiality of £596,000 and performance materiality of £357,000 has been determined.

### Reporting to those charged with governance

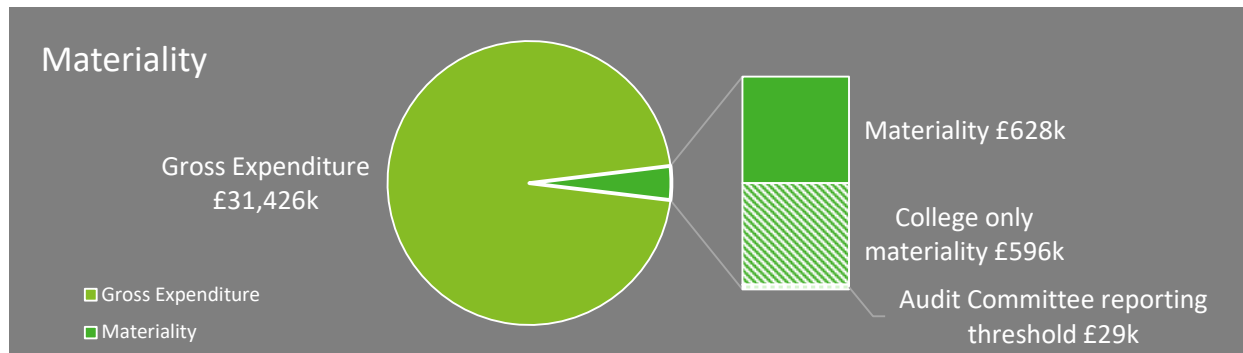
- We will report to you all misstatements found in excess of £31,000 for the group and £29,000 for the College only.
- We will report to you misstatements below this threshold if we consider them to be material by nature.

Our approach to determining the materiality benchmark is consistent with Audit Scotland guidance, which states that the threshold for clearly trivial above which we should accumulate misstatements for reporting and correction to the Audit Committee must not exceed £250,000.

### Our Annual Audit Report

We will:

- Report group and College only materialities, and the range we use for component materialities.
- Provide comparative data and explain any changes compared to prior year.
- Explain any normalised or adjusted benchmarks we use.
- Explain the concept of performance materiality and state what percentage of materiality we used for the group and parent company audits, with our rationale.



Although materiality is the judgement of the audit partner, the Audit Committee must satisfy themselves that the level of materiality chosen is appropriate for the scope of the audit.

# Scope of work and approach

## Our key areas of responsibility under the Code of Audit Practice

Auditor's activity	Planned output	Proposed reporting timeline to the Committee	Audit Scotland/ statutory deadline
Audit of Annual Report and Accounts	Annual Audit Plan Independent Auditor's Report Annual Audit Report	09 October 2024 11 December 2024 11 December 2024	09 October 2024 31 December 2024 31 December 2024
Wider scope areas	Annual Audit Plan Annual Audit Report	09 October 2024 11 December 2024	09 October 2024 31 December 2024

# Scope of work and approach (continued)

## Our approach

### Liaison with internal audit and local counter fraud

ISA (UK) 610 “Using the work of internal auditors” prohibits use of internal audit to provide “direct assistance” to the audit. Our approach to the use of the work of internal audit has been designed to be compatible with these requirements.

We will review their reports and meet with them to discuss their work where necessary. We will discuss the work plan for internal audit, and where they have identified specific material deficiencies in the control environment, we consider adjusting our testing so that the audit risk is covered by our work.

Using these discussions to inform our risk assessment, we can work together with internal audit to develop an approach that avoids inefficiencies and overlaps, therefore avoiding any unnecessary duplication of audit requirements on the College’s staff.

### Approach to controls testing

Our risk assessment procedures will include obtaining an understanding of controls considered to be ‘relevant to the audit’. This involves evaluating the design of the controls and determining whether they have been implemented (“D&I”).

The results of our work in obtaining an understanding of controls and any subsequent testing of the operational effectiveness of controls will be collated and the impact on the extent of substantive audit testing required will be considered.

### Promoting high quality reporting to stakeholders

We view the audit role as going beyond reactively checking compliance with requirements: we seek to provide advice on evolving good practice to promote high quality reporting.

We use and continually update Financial Reporting Standard 102 (“FRS102”) disclosure checklists in conjunction with the requirements of the Further and Higher Education Statement of Recommended Practice (“SORP”) and Financial Reporting Manual (“FReM”) to support the College in preparing high quality drafts of the Report and Financial Statements, which we would recommend the College complete during drafting.










### Other reporting prescribed by the Auditor General

In addition to the opinion on the financial statements, we are also required to provide an opinion on the following:




- The regularity of expenditure and income.
- Whether the audited part of the Remuneration and Staff Report has been properly prepared.
- Whether the Performance Report and Governance Statement are consistent with the financial statements and have been properly prepared.

# Significant risks

## Significant risk dashboard

Risk	Fraud risk	Planned approach to controls	Level of management judgement	Management paper expected	Page no.
Risk 1 – Management override of controls		DI			<a href="#">12</a>
Risk 2 – Operating within funding provided		DI			<a href="#">13</a>
Risk 3 – Completeness of income		DI			<a href="#">14</a>

### Level of management judgement

-  Limited management judgement
-  A degree of management judgement
-  Significant management judgement

### Controls approach adopted

- DI Assess design & implementation

# Significant risks (continued)

## Risk 1 – Management override of controls

---

**Risk identified**

In accordance with ISA (UK) 240, management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the Report and Financial Statements as well as the potential to override the College's controls for specific transactions.

The key judgments in the Report and Financial Statements are those which we have selected to be the significant audit risks – income recognition and operating within the funding provided. These are inherently the areas in which management has the potential to use their judgment to influence the Annual Report and Accounts.

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**Our response**

In considering the risk of management override, we plan to perform the following audit procedures that directly address this risk:

- We will consider the overall control environment and 'tone at the top';
  - We will test the design and implementation of controls relating to journals and accounting estimates;
  - We will make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
  - We will test the appropriateness of journals and adjustments made in the preparation of the Report and Financial Statements. We will use Spotlight data analytics tools to select journals for testing, based upon identification of items of potential audit interest;
  - We will review accounting estimates for biases that could result in material misstatements due to fraud and perform testing on key accounting estimates as discussed above; and
  - We will obtain an understanding of the business rationale of significant transactions that we become aware of that are outside of the normal course of business for the entity, or that otherwise appear to be unusual, given our understanding of the entity and its environment.
-

# Significant risks (continued)

## Risk 2 – Operating within the funding provided

---

### Risk identified

In accordance with Practice Note 10 (Audit of Financial Statements of Public Sector Bodies in the UK), in addition to the presumed risk of fraud in revenue recognition set out in ISA (UK) 240, auditors of public sector bodies should also consider the risk of fraud and error on expenditure. This is on the basis that most public bodies are net spending bodies, therefore the risk of material misstatement due to fraud related expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition.

We consider this fraud risk to be focused on how management operate within the funding available. The risk is that the College could materially misstate expenditure in relation to year end transactions, in an attempt to align with its tolerance target or achieve a breakeven position.

The significant risk is therefore pinpointed to the completeness of accruals made by management at the year end and invoices processed around the year end as this is the area where there is scope to manipulate the final results. Given the financial pressures across the whole of the public sector, there is an inherent fraud risk associated with the recording of accruals around year end.

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### Our response

We will evaluate the results of our audit testing in the context of the achievement of the limits set by the Scottish Funding Council (“SFC”). Our work in this area will include the following:

- Evaluating the design and implementation of controls around monthly monitoring of financial performance and the estimated accruals made at the year end;
  - Obtain independent confirmation of the funding allocated to the College by the SFC and University of the Highlands and Islands (“UHI”);
  - Perform focused testing of a sample of accruals made at the year end to address the risk that accruals are understated; and
  - Performing focused cut-off testing of a sample of invoices received and paid post year end as a search for unrecorded liabilities in 2023/24.
-



# Significant risks (continued)

## Risk 3 – Completeness of income

---

### Risk identified

ISA (UK) 240 states that when identifying and assessing the risks of material misstatements due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks.

We have assessed the income streams for the College and concluded that the risk of a material misstatement due to fraud can be pinpointed to the non-recurrent funding as there is no judgement in respect of the recurrent grants from the SFC and UHI. We have pinpointed the non-recurrent funding risk to be in relation to:

- Incorrect income cut-off recognition, as there is a risk that the College can manipulate its financial position around the year-end;
- Incorrect recognition applied to grant income with conditions attached; and
- Incorrect recognition where performance conditions are in place.

---

### Our response

We will perform the following procedures:

- Test the design and implementation of key controls in place around the recognition of non-recurrent funding;
  - Perform focused cut-off testing of a sample of invoices raised and income received around the year-end;
  - Test a sample of grants for any evidence of clawback of income where conditions of entitlement have not been met; and
  - Test a sample of grants with performance conditions to ensure income is recognised correctly in line with the outlined requirements.
-

## Other areas of audit focus

We have identified the below areas of audit interest, although do not consider these to be significant risks

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### **Risk identified** Pension liability

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#### **Summary**

Retirement benefits to employees of the College are provided by the Tayside Pension Fund, which administers the Local Government Pension Scheme (LGPS) and managed by Dundee City Council, and the Scottish Teachers Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPA).

The net pension asset decreased from £3,552k in 2021/22 to become an £876k liability in 2022/23. The decrease is a combination of a fair value assets movement, changing demographics for the liabilities assumptions, and the calculation of the asset ceiling. The liability also continues to be affected by the McCloud and Goodwin legal cases.

Barnett Waddingham are the College's appointed actuary, who produce a detailed report outlining the estimated liability at the year-end along with the associated disclosure requirements. The pension liability valuation is an area of audit focus due to the material value and significant assumptions used in the calculation of the liability. The valuations are prepared by a reputable actuary using standard methodologies and no significant changes in the membership of the scheme or accrued benefits are expected in the current year. As a result, we have not identified this as a significant risk.

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#### **Deloitte response**

We will perform the following procedures to address the risk:

- Engage with the Pension Fund auditor to ensure timetables are aligned to provide the required assurances;
  - Assess the independence and expertise of the actuary supporting the basis of reliance upon their work;
  - Review and challenge the assumptions made by the actuary;
  - Obtain assurance from the auditor of the Pension Fund over the controls for providing accurate data to the actuary;
  - Assess the reasonableness of the College's share of the total assets of the scheme within the Pension Fund annual accounts and the Fund's estimated asset position at 31 July 2024;
  - Review and challenge the calculation of the impact of the McCloud and Goodwin cases on pension liabilities;
  - Review the disclosures within the accounts against the SORP; and
  - Engage Deloitte's internal pensions experts to assist with the above procedures.
-

## Other areas of audit focus (continued)

We have identified the below areas of audit interest, although do not consider these to be significant risks

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**Risk identified** Property valuation

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**Summary** The College held £43.1m of property assets (land and buildings) at 31 July 2022 which increased to £48.1m as at 31 July 2023. The balance is highly material to the financial statements.

The College is required to hold property assets within Property, Plant and Equipment at existing use value provided that an active market for the asset exists. Where there is no active market, because of the specialist nature of the asset, a depreciated replacement cost approach may be needed which provides the current cost of replacing an asset with its modern equivalent asset. The valuations are by nature significant estimates which are based on specialist and management assumptions, and which can be subject to material changes in value.

The College's land and buildings are revalued every five years for the purposes of the financial statements with an interim valuation after three years. Land and buildings were last valued at 31 July 2023 by the College's appointed external valuer.

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**Deloitte response**

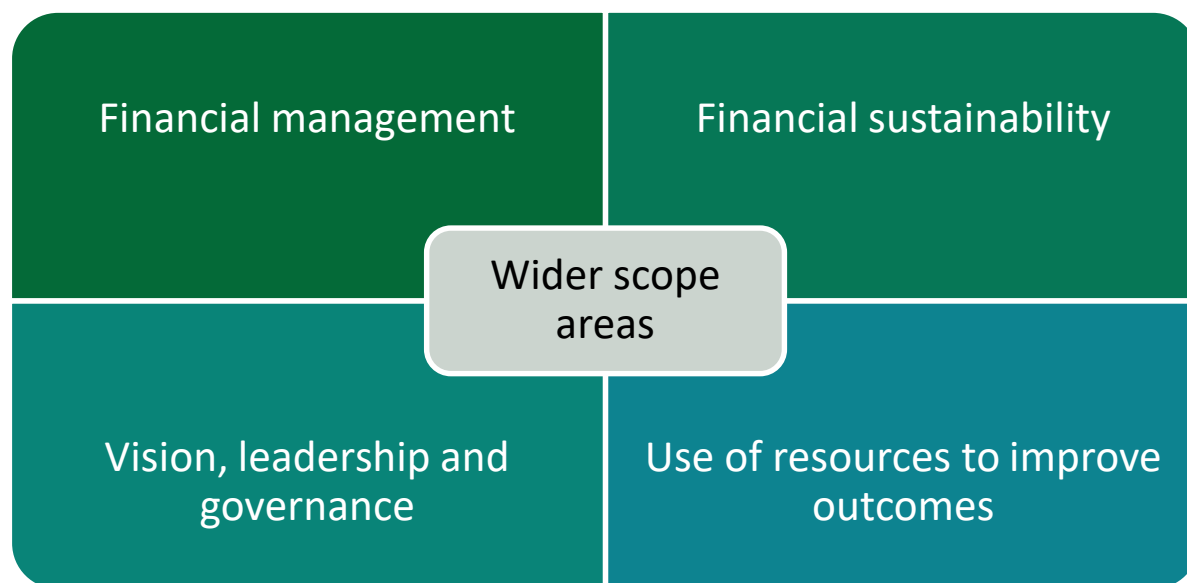
We will perform the following procedures to address the risk:

- Test the design and implementation of key controls in place around the property valuations and impairment assessment performed by management.
  - Use our valuation specialists, Deloitte Real Asset Advisory, to review the build cost and obsolescence movements year on year.
  - We will agree the accounting entries made to the financial statements for any movements in valuation.
-

# Wider scope requirements

## Overview

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks in the following areas.



As part of our risk assessment, we have considered the arrangements in place for the wider scope areas and have summarised the significant risks and our planned response on the following pages.

# Wider scope requirements (continued)

## Significant risks

Area	Significant risks identified	Planned audit response
Financial sustainability	The financial environment in which the College operates is challenging, with the impact of declining student numbers, together with inflationary pressures and national pay awards continuing to exacerbate an already challenging financial position. The College is in the process of implementing a financial recovery plan during 2024 to address the significant financial sustainability challenges it is facing.	<p>We will monitor the progress of the financial recovery plan in place at UHI Perth, including any savings the plan has achieved.</p> <p>We will also assess the development of the 2024/25 and 2025/26 budget and the impact on the medium and longer term financial outlook.</p>

# Wider scope requirements (continued)

## Other risks

Area	Risks identified	Planned audit response
Vision, leadership and governance	We note the departure of three Vice Principals from UHI Perth between March and July 2024. The Depute Principal of Operations and the Director of Finance only joined the College during 2024. There is a risk that changes to the composition of the senior team (particularly finance) at the College will create knowledge gaps and have an adverse impact on the culture and working environment of key individuals at the College.	We will review the work of the Board and its committees to assess whether the arrangements are operating effectively, including assessing whether there is effective scrutiny, challenge and informed decision making.
Use of resources to improve outcomes	As discussed under financial sustainability, there is a significant risk that the College does not have plans in place to manage its finances sustainably. The College is in the process of implementing a financial recovery plan during 2024 to address the significant financial sustainability challenges it is facing. Linked to this, there is a risk that performance management systems are not sufficient to demonstrate how resources are being directed to improve outcomes.	<p>We will review the performance reports presented to the Board against the College's strategic objectives to assess how the College is demonstrating the best use of resources to improve outcomes.</p> <p>We will monitor the progress of the financial recovery plan in place at UHI Perth, including any savings the plan has achieved.</p>

# Wider scope requirements (continued)

## Other requirements

Area	Requirements
National Fraud Initiative	<p>The National Fraud Initiative (“NFI”) in Scotland is a biennial counter-fraud exercise led by Audit Scotland and overseen by the Cabinet Office for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, that might suggest the existence of fraud or error.</p> <p>All Colleges, including UHI Perth, are participating in the 2023/24 NFI exercise. Participating bodies should have received matches for investigation from January 2024 and these required to be investigated by 30 September 2024. We will monitor the College’s participation and progress during 2023/24 and, where appropriate, include reference to NFI in our Annual Audit Report.</p>
Anti-money laundering	<p>We are required to ensure that arrangements are in place to be informed of any suspected instances of money laundering at audited bodies. Any such instances will be advised to Audit Scotland.</p>
Fraud returns	<p>We are required to prepare and submit fraud returns to Audit Scotland for all frauds at audited bodies:</p> <ul style="list-style-type: none"><li>• Involving the misappropriation or theft of assets or cash which are facilitated by weaknesses in internal control.</li><li>• Over £5,000.</li></ul>

# Audit quality

## Our commitment to audit quality



Our objective is to deliver a distinctive, quality audit to you. Every member of the engagement team will contribute, to achieve the highest standard of professional excellence.

In particular for your audit, we consider that the following steps will contribute to the overall quality:

We will apply professional scepticism on material issues and significant judgements by using our expertise in the sector and elsewhere to provide robust challenge to management.

We have obtained an understanding of your business, its environment and of your processes for income and expenditure recognition, payroll expenditure and fixed assets valuation enabling us to develop a risk-focused approach tailored to the College.

Our engagement team is selected to ensure that we have the right subject matter expertise and industry knowledge. We will involve property specialists to support the audit team in our work on the valuation of property assets, IT specialists to support the audit team in our understanding of IT controls, and pension specialists to support the audit team in our work on the pension liability.

In order to deliver a quality audit to you, each member of the core audit team has received tailored learning to develop their expertise in audit skills.



### **Engagement Quality Control Review**

We have developed a tailored Engagement Quality Control approach. Our dedicated Professional Standards Review (“PSR”) function will provide a ‘hot’ review before any audit or other opinion is signed. PSR is operationally independent of the audit team and supports our high standards of professional scepticism and audit quality by providing a rigorous independent challenge.



# Audit quality (continued)

## FRC Audit Quality Inspection and Supervision Report

We are proud of our people's commitment to delivering high quality audits and we continue to have an uncompromising focus on audit quality. Audit quality is and will remain our number one priority and is the foundation of our recruitment, learning and development, promotion and reward structures.

In July 2024, the FRC issued individual reports on each of the six largest firms, including Deloitte, on Audit Quality Inspections providing a summary of the findings of its Audit Quality Review ("AQR") team for the 2023/24 cycles of reviews.

We greatly value the FRC reviews of our audit engagements and firm wide quality control systems, a key aspect of evaluating our audit quality.

In that context, we are pleased that the percentage of audits inspected by the FRC requiring no more than limited improvements was 94%, which shows a continued improvement on the prior year. The equivalent results for FTSE 350 audits inspected was 100%. One of the audits we inspected was found to require significant improvements. The findings that contributed most to this year's inspection results related to the audit of impairment assessments. We have previously identified key findings and examples of good practice in this audit area.

The overall results profile for inspections by the ICAEW was 100% classified as good or generally acceptable. These sets of results reflect the continuous investment we are making and our commitment to acting in the public interest to deliver confidence and trust in business through our high-quality audits.

We are also pleased that previous recurring findings relating to revenue and margin recognition and provisions were not identified as a key finding in the current FRC inspection cycle, reflecting the positive impact of actions taken in previous years. We nevertheless remain committed to sustained focus and investment in these areas and more broadly to achieve consistently high-quality audits.

All the AQR public reports are available on its website:

<https://www.frc.org.uk/auditors/audit-quality-review/audit-firm-specific-reports>

### **The AQR's 2023/24 Audit Quality Inspection and Supervision Report on Deloitte LLP**

"In the 2023/24 public report, we concluded that the firm had made progress on actions to address our previous findings and made improvements in relation to its audit execution and firm-wide procedures. The firm has continued to show improvement, with an increase in the number of audits we assessed as requiring no more than limited improvements to 94% compared with 82% in the previous year and 83% on average over the past five years.

The area which contributed most to the audits requiring improvement related to impairment assessments." We are pleased to see examples of good practice highlighted by the FRC in respect of our work on impairment and valuations. We remain focused on ensuring greater consistency of our work in this area.

# Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

## What we report

Our report is designed to establish our respective responsibilities in relation to the Report and Financial Statements audit, to agree our audit plan and to take the opportunity to ask you questions at the planning stage of our audit. Our report includes:

- Our audit plan, including key audit judgements and the planned scope; and
- Key regulatory and corporate governance updates, relevant to you.

## Use of this report

This report has been prepared for the Audit Committee, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

We welcome the opportunity to discuss our report with you and receive your feedback.

## What we don't report

As you will be aware, our audit is not designed to identify all matters that may be relevant to the College.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

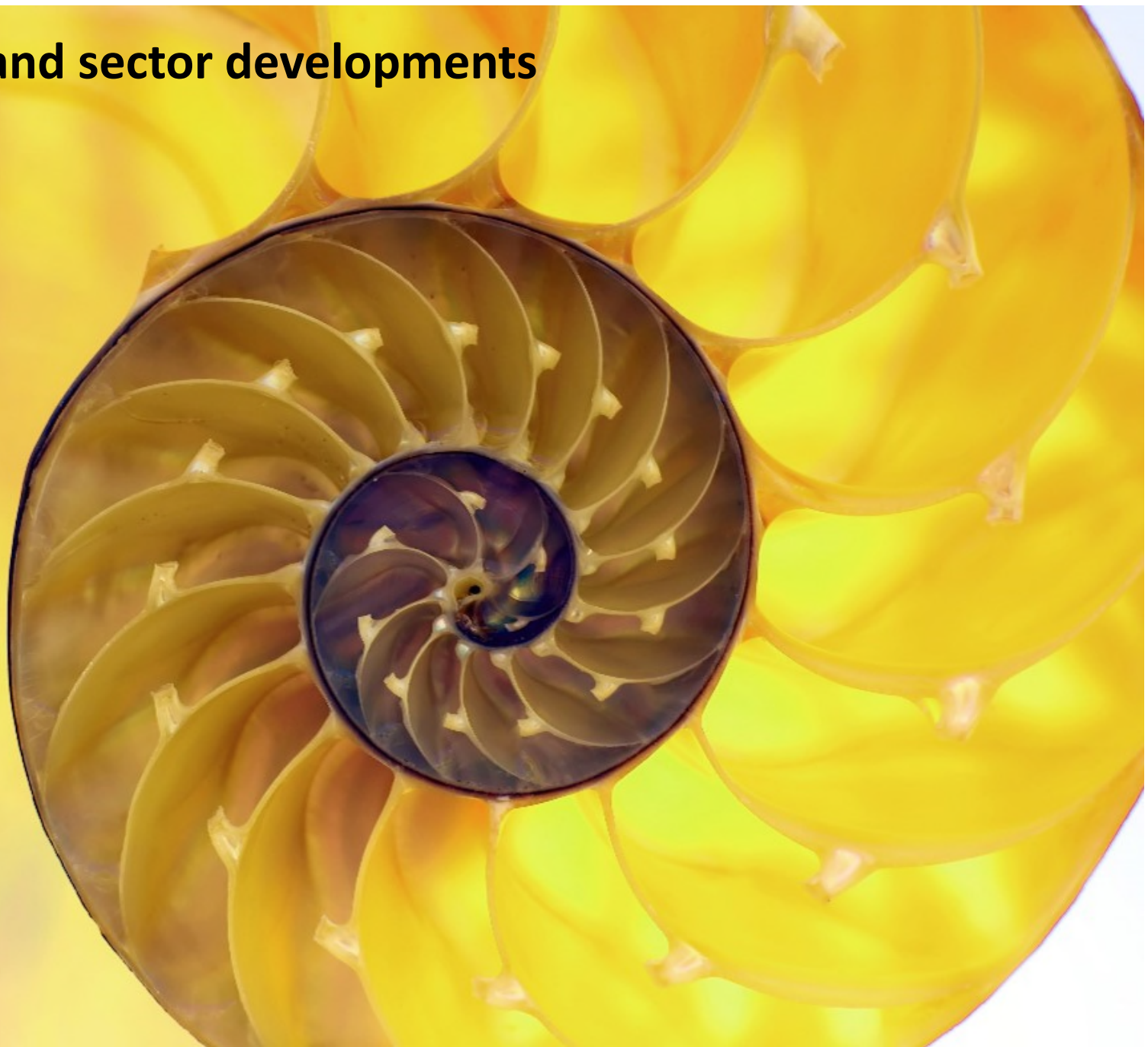
## Other relevant communications

We will update you if there are any significant changes to the audit plan.

**Deloitte LLP**

Newcastle upon Tyne | 04 October 2024

# Technical and sector developments



# Reporting hot topics

## Ongoing macro-economic uncertainty

### Reporting in times of uncertainty

Businesses face unprecedented uncertainty from a variety of sources, including stresses arising from energy supply and costs, inflation, foreign exchange volatility, commodity availability and pricing, global supply chain disruption, labour shortages and the impacts of climate change. Many of these issues are exacerbated by the ongoing conflicts between Russia and Ukraine, as well as Israel and Gaza.

High-quality, transparent reporting that clearly explains the impact of these uncertainties on the College's financial position, performance and cash flows, as well as the College's response to these risks, remains as important as ever.



### Impact of ongoing macro-economic uncertainty – Considerations

The current macro-economic uncertainty and the resulting challenges have a pervasive impact on the financial statements and need to be considered comprehensively across all account balances and disclosures, in particular those involving estimation or judgement.

Sources of uncertainty likely to impact the College's operations and corporate reporting include:

- **High energy costs and risk of energy shortages**
- **Supply chain disruptions**
- **Continued pressures on labour supply and wages**



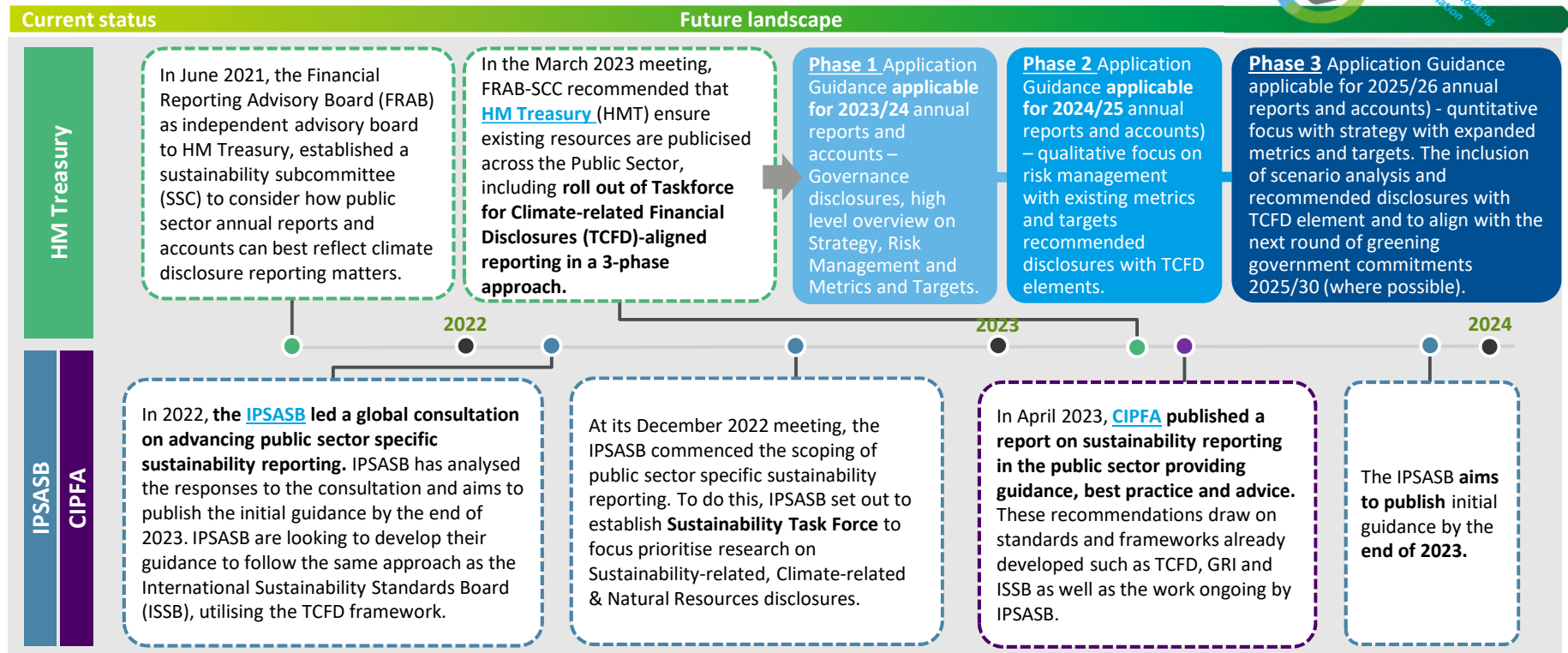
### Impact of ongoing macro-economic uncertainty – Action

We expect all Colleges to have undertaken a comprehensive, evidence-based assessment of the risks relating to macroeconomic conditions including for example, higher energy costs, supply chain disruption, commodity availability and labour shortages. Consideration should be given to how those risks affect both the operations of the College and the impact on the annual report and financial statements as a whole.

We expect Colleges to have considered the pressures throughout the value chain(s) in which they operate, including an assessment of the risks relating to suppliers and operations.

# Climate and Sustainability reporting landscape in the Public Sector

Currently, there are a number of reporting frameworks that are being adopted by the public sector. However the climate and sustainability reporting landscape is changing and with change comes challenge and complexity. A summary of the **current status** of the reporting landscape in the public sector, and the likely **future** of reporting against sustainability and climate-related matters, including the challenges and next steps to consider, is noted below.



## What next?

- It is likely that the TCFD framework will be the first sustainability reporting standard implemented for the public sector, notably for Central Government.
- Other relevant bodies (E.g. CIPFA and Department of Health & Social Care) to set their own reporting requirements for their respective sectors.
- Expect further clarity later this year when the IPSASB guidance is published.

## What about assurance?

In its March 2023 meeting, FRAB recognised the complexity of introducing formal assurance requirements, with plans to implement this only under early consideration by the National Audit Office (similar in the private sector). We recommend that public sector bodies develop a plan to meet the expected reporting requirements and consider what oversight and assurance will be required ahead of year-end.

## Next steps

Based on the experiences of existing TCFD reporters, implementation of sustainability reporting frameworks and standards is known to be challenging and early planning is essential to help meet expected reporting requirements. Some key considerations in anticipation of increased focus for the public sector include:

- **Granularity** – The need for more detail, specificity and granularity was a key theme from the regulator this year. Going beyond the headline of each recommended disclosure is now common practice.
- **Connectivity** – Within and between the narrative and financial statement disclosures. In the example of TCFD disclosures, significant focus has been placed on financial quantification of climate impacts and ensuring front and back half disclosures are consistent with each other.
- **Access to data** – All sustainability and climate reporting will require additional data, both in terms of quantity and crucially, quality of what is collected and reported. Currently some data may not be readily available or complete, and/or require challenge and oversight to obtain, measure and report.



# Sector developments

## Good practice in annual reporting – National Audit Office (“NAO”)

### Background and overview

Effective annual reporting in the public sector is more important than ever. The COVID-19 pandemic and, more recently, the energy price crisis have resulted in extraordinary public spending interventions by the government to support the public and the economy. Making government spending transparent and understandable to those who fund it – taxpayers – is therefore critical. Annual reports must clearly tell the ‘story’ of how these monies have been spent and what has been achieved. Crucially, annual reports and accounts must give assurance on how effective outcomes are being secured and how the risk of fraud and loss to the public purse is being appropriately managed and controlled.

Good reporting equips stakeholders with information they can use to hold organisations to account. This is why high-quality annual reports and accounts are fundamental to effective accountability.

The NAO has published a guide setting out good practice principles that it believes underpin good annual reporting. These principles are grouped under: **Supporting accountability**, **Transparency**, **Accessibility**, and the need for the report to be **Understandable**. Against these principles, the guide highlights examples which demonstrate attributes of good-practice reporting, including:

- Joined-up reporting.
- A frank and balanced assessment of risks and opportunities facing an organisation.
- Understandable non-financial information.
- Linkage between financial and non-financial information.
- Accessibility considerations.

### Next steps

The full guide is available for consideration by management as part of the preparation for the 2023/24 Annual Report and Financial Statements at [Good practice in annual reporting - National Audit Office \(NAO\) insight](#).

# Appendices



# Prior Year audit adjustments

## Uncorrected misstatements

The following uncorrected misstatements were identified during our 2022/23 audit:

2022/23 Uncorrected misstatements		Debit/(credit) OCI £'000	Debit/(credit) in net assets £'000	Debit/(credit) prior year reserves £'000	Debit/(credit) Surplus/deficit £'000	If applicable, control deficiency identified
Misstatements identified in current year						
Tuition fee income deferral	[1]		(77.5)		77.5	[Pages 16-17]
Accrued income - Mountain Studies	[2]		(51.5)		51.5	[Pages 16-17]
Brahan redecoration accrual	[3]		62		(62)	

[1] As part of our testing we identified that journal RVJNL99-7467 was posted incorrectly. The value posted to defer tuition fee income was £144k but should have been £221.5k. Income was resultantly overstated and deferred income understated.

[2] Error identified in one of the note 4 samples. The amount was a £50k income accrual, however due to incorrect underlying workings, this was incorrect and should have been a £1.5k income deferral.

[3] An invoice from Pankhurst Decorators Ltd was accrued at year end for decoration to the entrance of the Brahan building. This service was only carried out in October 2023 so should not have been accrued at year end. The total error on this transaction is £6k but extrapolates to £62k across the whole population.



# Prior Year audit adjustments

## Uncorrected misstatements (continued)

2022/23 Uncorrected misstatements (continued)	Debit/(credit) OCI £'000	Debit/(credit) in net assets £'000	Debit/(credit) prior year reserves £'000	Debit/(credit) Surplus/deficit £'000	If applicable, control deficiency identified
<b>Misstatements identified in current year</b>					
Pay rise accrual [4]		164		(164)	
<b>Total (continued from previous page)</b>		<b>97</b>		<b>(97)</b>	

[4] The 6% pay award rate calculated by the College varies to the 5.09% recalculation performed by Deloitte and causes an extrapolated variance of £164k overall. We have recalculated the pay award accrual using different methodology from the Colleges workings – we have applied the £2k pay award as offered by Colleges Scotland to each employee (pro-rated) and performed the recalculation on this basis. Resulted in a nontrivial overstatement against the client's estimation.

# Our other responsibilities explained

## Fraud responsibilities



### **Your Responsibilities:**

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.



### **Our Responsibilities:**

- We are required to obtain representations from your management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement.
- As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.
- As set out in the significant risks section of this document, we have identified risks of material misstatement due to fraud in completeness of income, operating within funding provided, property valuations, and management override of controls.
- We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.
- We will communicate to you any other matters related to fraud that are, in our judgment, relevant to your responsibilities. In doing so, we shall consider the matters, if any, regarding management's process for identifying and responding to the risks of fraud and our assessment of the risks of material misstatement due to fraud.



### **Fraud Characteristics:**

- Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.
- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

# Our other responsibilities explained (continued)

## Fraud responsibilities (continued)

We will make the following inquiries regarding fraud and non-compliance with laws and regulations:



### **Management and other personnel:**

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.
- Management's process for identifying and responding to risks of fraud.
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud.
- Management's communication, if any, to employees regarding its views on business practices and ethical behaviour.
- Whether management has knowledge of any actual, suspected or alleged fraud affecting the entity.
- We plan to involve management from outside the finance function in our inquiries, in particular the Principal.
- We will also make inquiries of personnel who are expected to deal with allegations of fraud raised by employees or other parties.

### **Internal audit:**



- Whether internal audit has knowledge of any actual, suspected or alleged fraud affecting the entity, and to obtain its views about the risks of fraud.

### **Those charged with governance:**



- How those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks.
- Whether those charged with governance have knowledge of any actual, suspected or alleged fraud affecting the entity.
- The views of those charged with governance on the most significant fraud risk factors affecting the entity, including those specific to the sector.

# Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

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## Independence confirmation

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the College and will reconfirm our independence and objectivity to the Audit Committee for the year ending 31 July 2024 in our final report to the Audit Committee.

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## Fees

The expected fee for 2023/24, as communicated by Audit Scotland in December 2023 is analysed below:

	£
Auditor remuneration	47,320
Audit Scotland fixed charges:	
• Pooled costs	(5,050)
• Sectoral cap adjustment	(6,670)
<b>Total expected fee</b>	<b>35,600</b>

There are no non-audit fees.

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## Non-audit services

We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

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## Relationships

We have no other relationships with the College, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.

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# UHI Perth

## Cyber Security

Internal Audit report No: 2024/06

Draft issued: 3 September 2024

Final issued: 18 September 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:

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

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	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

This review focused on the controls in place to mitigate the following risks on the UHI Perth ('the College') Enterprise Risk Management (ERM) Risk Register as at September 2024:

- Risk of data corruption / loss due to poor external (cyber) or internal (records management) controls (Post Risk Management Score: 16, High).

### Background

As part of the Internal Audit programme at the College for 2023/24 we carried out a review of the systems in place for Cyber Security. The Audit Needs Assessment, agreed with management and the Audit Committee, 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.

Responsibility for ensuring an efficient and effective Information and Communications Technology (ICT) service delivery, to all staff and students within the College, lies with the IT team. This includes first level support over some of the main application systems used in the provision and maintenance of user access to the network. The IT team is also responsible for purchasing and maintaining the personal computers (PCs) and mobile devices used by staff and students and the network infrastructure components which connects them.

UHI Perth, in common with the other UHI Academic Partners, has its own subnet of the UHI local area network (LAN). Within this the College controls access to the data files and systems, with the exception of SITS which is hosted and owned by UHI. This means that any data held on the College subnet is controlled by the College IT team. UHI, or other Academic Partners, cannot access the College data, with the exception of the student records database that sits within SITS.

The wider UHI LAN is maintained by the UHI IT and Digital Infrastructure (ITDI) team at UHI Executive Office. Connections between the College and UHI network to external networks are managed by ITDI, including ensuring that robust security controls are in place to protect the UHI network from external threats. ITDI is responsible for providing core systems and services such as email, Sharepoint and the SITS student records system to Academic Partners and for ensuring that the databases are protected.



### Scope, Objectives and Overall Findings

This audit reviewed the arrangements in place, which are designed to ensure that the College has clearly identified the ICT / cyber security controls which the College is responsible for, and has taken appropriate steps to ensure that those controls are operating effectively. Controls that are managed by UHI ITDI were identified, but were not tested as part of this audit.

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

Objective	Findings				
The objective of our audit was to ensure that:		1	2	3	Action already in progress
		No. of Agreed Actions			
1. Responsibility for the organisational and technical IT / cyber security controls protecting the College's systems and data has been clearly defined between the College and the UHI ITDI team.	Satisfactory	0	0	0	✓
2. IT / cyber security controls managed by the College are being monitored and are operating effectively.	Good	0	0	0	✓
3. There is appropriate IT / cyber security assurance reporting to the College Board.	Satisfactory	0	0	1	
Overall Level of Assurance	Satisfactory	0	0	1	
		System meets control objectives with some weaknesses present.			

### Audit Approach

Through discussion with the College's Director of Information Services, senior members of the ICT team, and review of documentation, we identified the systems and internal controls currently in place in relation to security of the IT network and access to College data and compared these with expected controls. A walkthrough of key systems was undertaken to confirm our understanding and followed-up with compliance testing, where considered necessary.

### Summary of Main Findings

#### ***Strengths***

We assessed the College's IT / cyber security controls against recognised good practice to confirm that the minimum expected controls are in place and to confirm that the College recognises and understands the split of responsibility for the organisational and technical IT / cyber security controls. From our review of responses provided by the College we confirmed that the College clearly understands the controls for which it is responsible for, and that processes are in place to monitor these, and those which are managed centrally by ITDI. We also confirmed that College ownership of controls is in line with the information provided by ITDI.

We noted that there was no Service Level Agreement (SLA) in place, which formally sets out the agreed services and their terms of provision between the ITDI and the College and other UHI Academic Partners. However, at the time of our audit fieldwork the UHI Director of ITDI was in the process of working with UHI Academic Partners to develop an SLA, although a timescale for completion of the SLA had not been identified at the time of our review.

#### ***Opportunities for Improvement***

Whilst the risk of data corruption due to poor external (cyber) controls is noted on the Risk Register, with a mitigation to ensure a system of controls is in place to prevent cyberattacks that is reviewed and reported on a regular basis, there is no regular reporting of cyber security arrangements to the Audit Committee and to the Board. Discussions relating to cyber security have been limited to the review of the ERM Report and any related changes to the College risk appetite (in relation to cyber risks) by the Audit Committee. We have recommended that the College's cyber risk management approach should be regularly communicated to management and to the Board, so that they have a sufficient understanding of how cyber security risks should be managed and to help them make decisions about how to best manage these risks. It is good practice for updates on the cyber threat landscape, events, actions and plans surrounding cyber security within the College and wider education sector to be reported regularly to the Senior Leadership Team, Perth Leadership Group and to the Board, for example at least every six months. Reporting should include a summary of the top-rated cyber risks for the College and details of mitigations already in place and those which are planned to address known or emerging threats.

### Acknowledgments

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

## Main Findings and Action Plan

**Objective 1: Responsibility for the organisational and technical IT / cyber security controls protecting the College's systems and data has been clearly defined between the College and the UHI ITDI team.**

We noted that there was no Service Level Agreement (SLA) which formally sets out the agreed services and their terms of provision between the UHI IT and Digital Infrastructure (ITDI) team and the College and other UHI Academic Partners. However, at the time of our audit the UHI Director of ITDI was in the process of working with UHI Academic Partners to develop an SLA, although a timescale for completion of the SLA had not been identified at the time of our review.

The responsibilities for information security, and management of the associated risks, are split between the university and academic partners but managed under a common information security policy framework. The majority of core IT security infrastructure sits with ITDI, but security of end user devices, local networking and local servers, local corporate information systems and data management, estates and human resources are the responsibility of the academic partner.

ITDI provides an overarching ICT service, including technical advice and support, to the partnership including the College. In previous years, ITDI was responsible for the enabling ICT infrastructure for the UHI partnership, with the College ICT team responsible for all local ICT. As the technology requirements, scale and infrastructure has changed in recent years, responsibilities for some local service are now shared with ITDI, for example centrally funded video conference (VC) studios, telephony including calls and lines, local area networks (LAN) and the Wi-Fi, and the shared data centres used by most Academic Partners.

The LAN is an example of a collaborative approach between ITDI and Academic Partner ICT staff, with the emphasis on shared ownership and application of a common configuration of ICT assets.

The strategic direction, development and operational delivery of the partnership's ICT services is influenced by the University and the Academic Partners' strategic plans, partnership practitioner groups and individual Academic Partner needs, which are coordinated through the Regional ICT Committee. ICT policy is informed by the UHI partnership's Information Security Risk Group and agreed by the Regional ICT committee.

Through review of information provided by ITDI we noted that the ITDI service provision is split across the following sections:

- Strategic management;
- ServiceDesk;
- Infrastructure and security (see below);
- Applications; and
- Integrated technologies and resources.



**Objective 1: Responsibility for the organisational and technical IT / cyber security controls protecting the College's systems and data has been clearly defined between the College and the UHI ITDI team (continued).**

We noted that ITDI is responsible for the following areas:

### Infrastructure

- JANET (Joint Academic Network) connecting UHI and the Academic Partners (including the College) to the internet;
- SWAN wide area network (WAN) connecting all the partnership sites (including the College) to the UHI data centres and through to the internet;
- Local area networking (LAN):
  - ♦ Investment in central infrastructure equipment;
  - ♦ VLANs and ACLs to segment network for security;
- Wi-Fi (corporate, Eduroam and guest);
- Infrastructure monitoring for networks, servers, and services;
- Directory Services and Identity and Access Management:
  - ♦ Active Directory and Azure Active Directory;
  - ♦ Student and staff account provisioning (note: some areas of management are delegated to the College ICT team, for example password reset, user group management);
- Backup and recovery of data: core University services and individual Academic Partner servers on request;
- Partnership shared data centre hosting services:
  - ♦ Academic Partners now use the shared virtual server hosting: ITDI maintains the infrastructure and manages the servers on behalf of the College
- Microsoft 365 suit of applications (email, SharePoint, Yammer, MS Dynamics, MS Teams); and
- Database hosting.

### Security

- Firewalls;
- Secure DNS service;
- Content filtering;
- Network Vulnerability Testing;
- External certification (Cyber Essentials, Scottish Government Cyber Resilience Framework); and
- Penetration testing.

**Objective 1: Responsibility for the organisational and technical IT / cyber security controls protecting the College's systems and data has been clearly defined between the College and the UHI ITDI team (continued).**

### **Applications**

Development and support of corporate information systems including student management, records and documents management, bespoke software developments, portal, and web development. Identity and access management and data integration. Reporting and business intelligence.

### **Services provided by the College**

We noted that the College is responsible for the following areas:

- Purchase of College desktops and laptops;
- Purchase of College mobile phones;
- Purchase of desk phone handsets and softphone licenses;
- End user desktop build and application provision;
- LAN core and edge switches local administration, physical cabling, and ports;
- College funded software for delivering academic programmes and administration;
- Multi-function devices and local print costs;
- Issuing of Guest Wi-Fi access passes;
- College business applications: for example, Finance, Payroll, HR;
- College ICT asset management; and
- College information management: File storage, classification, lifecycle.

### **Objective 2: IT / cyber security controls managed by the College are being monitored and are operating effectively.**

We assessed the College's IT / cyber security controls against recognised good practice to confirm that the minimum expected controls are in place and to confirm that the College recognises and understands the split of responsibility for the organisational and technical IT / cyber security controls as outlined under Objective 1. A questionnaire, based on the Centre for Internet Security (CIS) Critical Security Controls (formerly the SANS Critical Security Controls), was issued to the College's ICT team which was used as the basis for our assessment. The control objectives were split under the headings noted below:

- Inventory and control of College assets;
- Inventory and control of software assets;
- Data protection;
- Secure configuration of College assets;
- User account management;
- Access control management;
- Vulnerability management;
- Audit log management;
- Email and web browser protection;
- Malware defences;
- Data recovery;
- Network infrastructure management;
- Network monitoring and defence;
- Security awareness and training;
- Service provider management;
- Application software security;
- Incident response management; and
- Penetration testing.

From our review of responses provided by the College we confirmed that the College clearly understands the controls for which it is responsible for, and that processes are in place to monitor these, and those which are managed centrally by ITDI. We also confirmed that College ownership of controls is in line with the information provided by ITDI, and that adequate technical and organisational solutions have been deployed by the College. We noted during our audit that the ICT team had identified opportunities for improving processes within access control management, specifically interactions between HR and ICT for reviewing and confirming access permissions to provide additional assurance that access rights remained appropriate for user accounts and email accounts. A review of these areas was being planned by the ICT team and therefore we have not raised a recommendation at this time.

### Objective 3: There is appropriate IT / cyber security assurance reporting to the College Board.

Cyber security is the responsibility of the entire Board of Management. The Board needs to have a sufficient understanding of cyber security, so that it can understand how cyber security supports the overall organisational objectives.

A cyber security incident will affect the whole organisation - not just the ICT department. For example, it may affect student applications and enrolment, the student experience, contractual relationships or result in legal or regulatory action. There should be sufficient expertise within the Board in order to provide direction on cyber security strategy and hold decisions to account. However, every member of the Board needs a sufficient level of expertise to understand how it impacts specifically upon their area of focus, and to understand the broad implications for the organisation as a whole.

Observation	Risk	Recommendation	Management Response
Whilst the risk of data corruption due to poor external (cyber) controls is noted on the Risk Register, with a mitigation to ensure a system of controls is in place to prevent cyberattacks that is reviewed and reported on a regular basis, there is no regular reporting of cyber security to the Audit Committee and to the Board. Discussions relating to cyber security have been limited to the review of the Enterprise Risk Management (ERM) Report and any related changes to the College risk appetite of cyber risks by the Audit Committee.	Cyber security risks and vulnerabilities are not formally monitored, and information is not available to inform and improve decision making regards responding effectively to new threats as they emerge.	<b>R1</b> We recommend that the cyber risk management approach should be regularly communicated to management and to the Board, so that they have a sufficient understanding of how cyber security risks should be managed and to help them make decisions about these risks. It is good practice for updates on the cyber threat landscape, events, actions and plans surrounding cyber security within the College and wider education sector to be reported regularly to the Senior Leadership Team, Perth Leadership Group and to the Board, for example at least every six months. Reporting should include a summary of the top-rated cyber risks for the College and details of mitigations already in place and those further required.	<p>We agree with the recommendation and will produce a specific Cyber Security report to go to the Perth Leadership Group and then to the Board each quarter providing an update on the cyber threat landscape, events, actions and plans.</p> <p><b>To be actioned by:</b> Director of Information Services</p> <p><b>No later than:</b> 31 December 2024</p>
			<div>Grade</div> <div>3</div>

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# UHI Perth

## ICT and Digital Transformation Strategy Implementation

Internal Audit report No: 2024/07

Draft issued: 20 September 2024

Final issued: 24 September 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:

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

## Action Grades

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	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

This review focused on the controls in place to mitigate several risks on the UHI Perth ('the College') Enterprise Risk Management (ERM) Risk Register as at September 2024 including:

- Systems are no longer fit for purpose (Post Risk Management Score: 4, Low);
- No continuous improvement system in place and operating (Post Risk Management Score: 9, Medium);
- There are no processes in place to identify and respond to risks that could result from not having the required products and services (Post Risk Management Score: 4, Low);
- Our learning and teaching enhancement does not align with our income strategy (Post Risk Management Score: 4, Low);
- Staff competence to maximise use of existing systems (not scored); and
- We don't gather student satisfaction surveys or capture the correct data and fail to action feedback (Post Risk Management Score: 2, Very Low).

### 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 the development and implementation of the ICT and Digital Transformation Strategy. The Audit Needs Assessment, agreed with management and the Audit Committee, 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.

A digital strategy has a much wider reach than the traditional view of an ICT strategy and addresses the needs of stakeholders (students, staff, customers, other service users, etc.) in how digital services are delivered. For example, it will include use of websites, applications and devices to provide information to students, staff and customers in an effective and efficient manner.

Strategic planning for digital services is a critically important area for the College. It is a key element in ensuring that cost efficiencies can be generated in an increasingly resource constrained HE/FE environment. A core component of developing a successful digital strategy is to ensure that it is business driven and is supported by effective engagement with key stakeholders.

The College has an ICT and Digital Transformation Strategy (2022-2025) which has been developed around four strategic goals:

- **Culture:** To create an inclusive culture supporting digital confidence and competence which develops resilience, inspires courage and stimulates future thinking;
- **Service:** To create a knowledgeable, flexible and responsive ICT service, supporting staff and student needs on and off campus;
- **Sustainability:** To generate value and a positive environmental impact by exploiting existing digital solutions, together with investment in innovative ICT infrastructure and digital transformation to create a comprehensive, security conscious, accessible digital customer experience; and
- **Communication and Collaboration:** To exploit our digital solutions to enhance collaboration and communication within College brand values.

### Scope, Objectives and Overall Findings

This audit included a review of processes for the development of the Digital Transformation Strategy within the College. We reviewed the adequacy and effectiveness of the governance, processes and risk management over the definition, maintenance and delivery of the Strategy designed to help the College meet its objectives and maximise the benefits of digital initiatives for the organisation. A key focus of our review was to ensure that there is adequate internal and external stakeholder engagement and the extent to which the strategy addresses their requirements.

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

Objectives	Findings				
The objective of our audit was to obtain reasonable assurance that:		1	2	3	Actions already in progress
		No. of Agreed Actions			
1. A technology infrastructure has been implemented to enable and support the achievement of the Digital Transformation Strategy.	Requires Improvement	0	0	0	✓
2. Appropriate governance structures are in place which ensure that business and organisation wide project plans relating to data, systems and services, and technology are aligned to support the achievement of the Digital Transformation Strategy.	Good	0	0	0	
3. All internal and external stakeholders have been identified and formally engaged with to ensure that the Digital Transformation Strategy meets stakeholder expectations for technology utilisation and process objectives.	Satisfactory	0	0	0	✓
4. There is clear alignment of the Digital Transformation Strategy objectives with Strategic Plan and supporting strategies objectives.	Good	0	0	0	✓
5. Staff, students and other stakeholders are supported in developing digital skills to ensure access and inclusion are maintained.	Requires Improvement	0	0	0	✓
6. There is regular reporting to stakeholders on progress with achieving the Digital Transformation Strategy.	Good	0	0	0	
Overall Level of Assurance	Satisfactory	0	0	0	
		System meets control objectives with some weaknesses present.			

### Audit Approach

We assessed whether the above objectives have been met, through discussions with the Director of Information Services and review of relevant documentation.

### Summary of Main Findings

#### ***Strengths***

- The College ICT and Digital Transformation Strategy 2022-2025 sets out a framework for the use of digital technologies to support the College's strategic, business and learning objectives. The Strategy has been aligned with and developed to support the delivery of the UHI Perth Strategy 2022-2027.
- We noted that a key underlying theme of the ICT and Digital Transformation Strategy relates to technology architecture, where the focus is to design, develop and maintain a technology infrastructure to support the current and future digital needs of the College, and to improving the digital capabilities of both staff and students.
- Structures have been implemented to ensure that appropriate staff groups are engaged in reviewing processes to identify opportunities to work smarter, more efficiently and more collaboratively with both internal and external stakeholders. A Continuous Improvement team has been established to identify process improvement opportunities to support digital transformation, however the Business Systems Developer post holder resigned earlier in the year and recruitment for the role is underway. Further resource previously identified for the team has not transpired.
- Review of business cases for implementing new technology and systems includes consideration of compatibility with existing infrastructure, systems, and technology, as well as future planned projects. The project monitoring process ensures that projects remain strategically aligned and on track to deliver the intended benefits.

#### ***Weaknesses and Opportunities***

Reductions in Scottish Funding Council (SFC) funding, which has been experienced during the period covered by the ICT and Digital Transformation Strategy, and pressures on internal budgeting arrangements due to competing priorities and cost pressures, has meant that the College has faced significant challenges in identifying the level of resources required to support the ICT and Digital Transformation Strategy, and also maintain existing systems and equipment. This spans investment in systems, applications, and digital tools, which are now being increasingly adopted across the sector for staff and students, but have yet to be fully implemented by the College due to these financial pressures. It also includes investment in the IT infrastructure which underpin these services, and also the organisational structures and training for digital users.

At the time of our review, we noted that 60 Windows 10 devices were being used in the delivery of learning and teaching. These devices will reach the end of their useful life within the next 12 months. Currently, these devices are already incompatible with all platforms and applications used by the College. A significant number of devices deployed utilise older generation processors, which impacts on speed and performance, and square monitors with poor resolutions are in use in ICT suites which is creating a significant variation in the student experience of ICT services, and student digital skills development, as they prepare for the workplace.

We noted during a campus visit to Perth that the College has, as far as possible given the limited resources available to invest in new equipment, attempted to make available a minimum specification of equipment in each teaching space to enable effective digital learning. However, we also noted that the type, age and condition of equipment available across the Perth campus varies significantly.

### Summary of Main Findings (Continued)

#### *Weaknesses and Opportunities (Continued)*

College management has previously identified that teaching spaces are not being utilised efficiently. One of the factors that has been identified is the lack, or unsuitability, of digital learning equipment available in some spaces. We were advised that this situation has led to staff to avoid using these spaces, thus placing greater demand on other teaching spaces. A consequence of teaching activity delivered in teaching spaces, which are not equipped with appropriate ICT equipment, is that staff are not required to make best use of their digital skills in the classroom and this may also deter some staff from developing digital skills due to the lack of equipment to effectively utilise those skills. ICT, Estates and Learning & Teaching teams were discussing a potential project to undertake a further review of teaching spaces with a view to standardising the age, type and condition of ICT equipment fitted in all learning spaces.

The expectation amongst employers is that students leaving the College and entering the workplace must do so with at least a basic understanding of digital skills. However, the expectation levels of employers is increasing due to the pace of advancement in digital technology. By not making the best use of digital resources and tools in the design of the curriculum delivery, there is a real risk that students will not be as well equipped for employment, or advancement to higher education or training as students are from other institutions, including other UHI partners. This may represent a reputational risk for the College due to a negative student experience, and ultimately a reduction in enrolments, Credits and income. The Director of Teaching, Learning and Quality Enhancement is responsible for ensuring academic staff utilise their digital skills appropriately and effectively in curriculum design and delivery. Usage of the Virtual Learning Environment (VLE) and other College digital platforms is to be monitored during 2024/25 to gauge the impact on curriculum delivery and inform future decisions regarding investment in digital infrastructure and training.

It is clear that further investment in ICT equipment, beyond the levels already confirmed in the 2024/25 budget, is required. Whilst we would normally recommend that an ICT resource review was undertaken to support a business case for allocating additional College funds to improve ICT equipment, we have not raised a recommendation at this time due to the limitations of SFC funding and College funding availability.

### 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

### **Objective 1: A technology infrastructure has been implemented to enable and support the achievement of the Digital Transformation Strategy.**

The College ICT and Transformation Strategy 2022-2025 sets out a framework for the use of digital technologies to support the College's strategic, business and learning objectives. A set of strategic aims and measures are grouped under four strategic goals: culture; service; sustainability; and communication and collaboration.

Technology architecture is the process of defining the framework of an organisation's application solutions against business requirements. Technology architecture comprises several distinct components including the user facing technology and how users interact with that technology; the business services incorporating workflows and system functionality; and data and how data is leveraged to improve system functionality and user experience. The ICT and management teams monitor changes in the operating environment, learning and teaching delivery, and digital strategy outcomes and objectives, including:

- improving digital services: for internal teams and external stakeholders; learners; and other customers;
- improving accessibility to information and systems;
- continuing to improve the infrastructure to be able to adopt new technology and applications; and
- supporting mobile and remote working and user focused applications.

ICT and digital resource decisions are then taken to ensure strategic digital objectives can be achieved.

Although not explicitly stated, we noted that a key underlying theme of the ICT and Transformation Strategy relates to technology architecture, where the focus is to design, develop and maintain a technology infrastructure to support the current and future digital needs of the College. An IT service catalogue is in place which provides a list of technology resources and offerings available within the College. The service catalogue allows the IT team to manage and meet end-user expectations efficiently and effectively. Structures and processes are in place for identifying potential digital project opportunities and assessing the viability and strategic alignment of projects.

Before implementing an ICT / Digital Strategy, it is good practice to assess the performance of current internal business and ICT / digital capabilities; develop an understanding of the organisation's strategic drivers in terms of ICT / digital; identify issues currently being experienced; and develop recommendations in areas that could benefit from improvement. Management should define the target business and ICT / digital capabilities and required ICT / digital services. This should be based on an understanding of the College's environment and requirements; an assessment of the current business processes and ICT / digital environment and issues; and consideration of best practices and emerging technologies or innovations.



### **Objective 1: A technology infrastructure has been implemented to enable and support the achievement of the Digital Transformation Strategy (continued).**

College internal systems and processes have been documented by the College, with key ICT support requirements identified. These are regularly reviewed, and any identified weaknesses or technology requirements brought to the attention of the ICT team through an annual requirement gathering exercise, the Senior Leadership Team (SLT), Perth Leadership Group (PLG), or direct discussions with ICT staff. ICT and digital projects and systems development requirements are presented to the PLG in order that any ICT projects and development requirements can be factored into the ICT strategic planning process as well as ICT and departmental plans.

ICT continually reviews the age, performance and capability of the ICT infrastructure and monitors technological changes and trends which, in conjunction with the principles outlined in the ICT and Digital Transformation Strategy, inform infrastructure investment and security decisions to ensure that the ICT infrastructure can maintain and support the College's strategic objectives.

Reductions in Scottish Funding Council (SFC) funding experienced during the period covered by the ICT and Digital Transformation Strategy, and pressures on internal budgeting arrangements due to competing priorities and cost pressures, has meant that the College has faced significant challenges to invest the level of resources required to not only support the ICT and Digital Transformation Strategy, but to maintain existing systems and equipment. This spans investment in systems, applications, and digital tools, which are now being increasingly adopted across the sector for staff and students but have yet to be implemented by the College due to financial pressures. It also includes investment in the IT infrastructure which underpin these services, and the organisational structures and training for users.

At the time of our review, we noted that 60 Windows 10 devices used in the delivery of learning and teaching will be end of life within the next 12 months. Currently, these devices will be end of life in October 2025 for security updates and not compatible with some applications used by the College. A significant number of devices utilise older generation processors which impact speed and performance, and square monitors with poor resolutions are in use in ICT suites which is creating a significant variation in the student experience of ICT services and student digital skills development as they prepare for the workplace.

It is clear that further investment in ICT equipment, beyond the levels already confirmed in the 2024/25 budget, is required. Whilst we would normally recommend that an ICT resource review was undertaken to support a business case for allocating additional College funds to improve ICT equipment, we have not raised a recommendation at this time due to the limitations of SFC funding and College funding availability.



**Objective 2: Appropriate governance structures are in place which ensure that business and organisation wide project plans relating to data, systems and services, and technology are aligned to support the achievement of the Digital Transformation Strategy.**

We confirmed that structures have been established at all levels of the College, from the SLT, PLG, as well as project specific delivery teams coordinated by ICT staff, which provide opportunities for reviewing existing business processes for digitisation, developing the ICT and digital infrastructure, prioritising ICT projects, and ensuring that these remain aligned with the wider strategic objectives. An ICT Strategy Group was previously in place which comprised staff from both curriculum and support teams to oversee ICT and digital project decisions. We noted that as part of wider streamlining of College processes the ICT Strategy Group no longer meets and instead consideration of ICT and digital requirements has been embedded into other staff groups and committees as a standing item. A Continuous Improvement team is now in place to identify opportunities for improving processes which support the College's digital transformation objectives, however the Business Systems Developer post holder resigned earlier in the year and recruitment for the role is underway. Further resource previously identified for the team has not transpired.

All ICT and digital project purchasing decisions, such as equipment and software, are approved by the Director of Information Services.

The SLT and PLG act as the College's decision-making authorities for operational adjustments to ICT services and projects; set the criteria for assessing and prioritising ICT infrastructure and development projects; and monitoring of the effectiveness of implementation of projects as they come online. Feedback from staff on systems, applications, and process improvements, are considered as part of future development of business systems and departmental activity plans.

A key principle of the ICT and Digital Transformation Strategy is to remain future focused to ensure that the College supports the digital capability of its staff and students. The internal governance for reviewing and approving ICT and digital projects is as follows:

- The projects / initiatives are raised with the Director of Information Services at departmental groups and committees and discussed to evaluate their viability and consideration for proposal to the PLG;
- If assessed as viable, proposals are referred to the PLG and SLT, dependent on the size of the project, along with a business case. Procedures are in place to assess project proposals to ensure that they are aligned with the ICT and Digital Transformation Strategy objectives and the wider Strategic Plan objectives; and
- Larger projects may also be referred to the Board or sub-committees to consider any wider interdependencies, opportunities and risks and consider how the proposed project / initiative will impact other areas of the College.

**Objective 3: All internal and external stakeholders have been identified and formally engaged with to ensure that the Digital Transformation Strategy meets stakeholder expectations for technology utilisation and process objectives.**

Management should create awareness and understanding of the business and ICT objectives and direction, as captured in the ICT and Digital Transformation Strategy, through communication to appropriate stakeholders and staff throughout the organisation. A copy of the ICT and Digital Transformation Strategy is available to staff on the College's staff intranet. Details of approved ICT projects are also communicated to staff via the intranet.

There is an established annual requirement gathering process between ICT and the curriculum and support departments, which allows internal stakeholder groups to highlight ICT support, service delivery and resource requirements which feed into the College budget setting process when planning ICT provision, the ICT project programme and resources for the next academic year.

The Director of Information Services oversees the effective delivery of the ICT and Digital Transformation Strategy delivered via the annual programme of ICT projects as well as the day-to-day ICT service delivered to staff and students.

Hybrid teaching spaces have been established across the campus to enable efficient utilisation of College accommodation and facilities. We noted during a campus inspection that the College has, as far as possible given the limited resources available to invest in new equipment, attempted to make available a minimum specification of equipment in each teaching space to enable effective digital learning. However, we also noted that the type, age and condition of equipment available across the campus varies significantly. At the time of our review ICT, Estates and Learning & Teaching teams were discussing a potential project to undertake a further review of teaching spaces with a view to standardising the age, type and condition of ICT equipment fitted in all learning spaces.

The Estates Strategy is being developed to make the Brahan building the centre of campus-based learning and teaching. This will include the transformation of the library facility to become a student learning centre where learners can access and receive assistance with digital resources and making laptops available to learners for short-term loan.

The College has recently reached an agreement with Jisc to undertake a Virtual Learning Environment (VLE) review in November 2024 to evaluate how effectively the College is utilising the VLE in curriculum delivery. The results will be benchmarked against other colleges in Scotland and are expected to be reported at the end of the year.

### **Objective 4: There is clear alignment of the Digital Transformation Strategy objectives with Strategic Plan and supporting strategies objectives.**

When developing an ICT / Digital Strategy management should consider the current business environment and business processes, as well as the organisation's strategy and future objectives. Consideration should also be given to external factors which affect the environment in which the organisation operates. COBIT5 recommends that ICT strategic plans are aligned with the organisation's strategic objectives. The ICT strategic objectives and the associated accountabilities should be clearly communicated so they are understood by all, with the ICT strategic options identified in the Strategy integrated within departmental plans.

The ICT and Digital Transformation Strategy covers the period from 2022 to 2025. The Strategy was developed in consultation with curriculum and support teams taking into account the College's Strategic Plan, UHI Perth Strategy 2022-2027, and supporting strategies such as the Curriculum Strategy. The ICT and Digital Transformation Strategy supports the Strategic Plan in using ICT as an enabler in contributing to learner success through improving access and inclusion, and more generally improving collaboration and communication and delivering business efficiencies. The ICT and Digital Transformation Strategy aims to deliver fit-for-purpose ICT solutions for learning and teaching and to provide the College with the tools and services expected by staff and students.

From our review of minutes of the College Audit Committee, Board, the previous ICT Strategy Group, and published University Court minutes we noted that clear discussion is had with regards the College's, and wider UHI partnership, ICT direction and resource requirements. Prior to its development these discussions were used to inform the ICT and Digital Transformation Strategy to ensure that it is aligned with the College strategic aims and objectives and those of key stakeholders such as staff and students.

We noted that the strategic aims of the ICT and Digital Transformation Strategy are broadly aligned to the Scottish Government's Digital Strategy for Scotland, and Scotland Digital, the national digital strategy for Scotland's colleges produced in partnership by the SFC, Colleges Scotland and Jisc. The ICT and Digital Transformation Strategy is due to be updated by the Director of Information Services later in 2024, as part of the scheduled refresh, where the strategy will be directly linked to the aims and objectives included in the national digital strategy for Scotland's colleges.



### **Objective 5: Staff, students and other stakeholders are supported in developing digital skills to ensure access and inclusion are maintained.**

A key goal of the ICT and Digital Transformation Strategy is to create an inclusive culture supporting digital confidence and competence which develops resilience, inspires courage and stimulates future thinking. To achieve this, a key aim has been identified to embed a digital competence framework for staff and students. Digital capability levels of staff and students will be assessed using a tool developed by Jisc for further and higher education. UHI has developed an essential IT skills checklist for staff which identifies the minimum competencies for core systems and applications across file management, Microsoft applications such as Word, PowerPoint, SharePoint, Teams, and Outlook. The checklist includes links to further training and support where staff identify gaps in their IT skills.

College management has previously identified that teaching spaces are not being utilised efficiently. One of the factors that has been identified, as noted earlier in this report, is the lack, or unsuitability, of digital learning equipment available in some spaces, leading to staff avoiding using those spaces and putting greater demand on fewer teaching spaces. A consequence of teaching activity delivered in teaching spaces not equipped with appropriate ICT equipment is that staff are not required to make best use of their digital skills in the classroom and may also deter some staff from developing digital skills due to the lack of equipment to utilise those skills. We noted that ICT, Estates and Learning & Teaching teams continue to review space utilisation as part of plans to refocus teaching activity in the Brahan building.

During a campus visit we noted that the College has in place a number of multi-functional print devices and operates its own print room, indicating that the College still relies on print services. Through discussion with the Director of Information Services we noted that several digital initiatives undertaken in recent years have not resulted in any significant reduction in print usage, particularly amongst staff. During a walkaround of the campus we observed hard copy learning materials in use in a format which suggested that the content had been developed digitally initially and potentially could be accessed by learners on digital devices. Our observations indicate that there is a need to develop the digital skills of staff to ensure that digital learning material can be used in curriculum delivery, or at the very least there is a need to raise awareness of the how digital materials can be used in the curriculum. Whilst the IT skills checklist provides an opportunity for staff to confirm that they possess the minimum required IT skills, or to identify further training requirements, we noted that there is no formal mechanism for ensuring that staff are deploying those skills in curriculum delivery.

The expectation amongst employers is that students leaving college and entering the workplace must do so with at least a basic understanding of digital skills, where the bar of expectation is increasingly being raised due to the pace of advancement in digital technology. By not making the best use of digital resources and tools in the design of the curriculum delivery, there is a real risk that students will not be as well equipped for employment, or advancement to higher education or training as students are from other institutions, including other UHI partners. This may represent a reputational risk for the College due to a negative student experience, and ultimately a reduction in enrolments, Credits and income.

The Director of Teaching, Learning and Quality Enhancement is responsible for ensuring academic staff utilise their digital skills appropriately and effectively in curriculum design and delivery. Usage of the VLE and other College digital platforms is to be monitored during 2024/25 to gauge the impact on curriculum delivery and inform future decisions regarding investment in digital infrastructure and training.



### **Objective 6: There is regular reporting to stakeholders on progress with achieving the Digital Transformation Strategy.**

It is important that the progress of implementing the ICT and Digital Transformation Strategy is monitored appropriately at the different levels of the implementation structure. Through discussion with the Director of Information Services and review of College Board and sub-committee papers, we identified that monitoring of the College's ICT and Digital Transformation Strategy occurs on several levels, including:

- Board and management groups review longer-term achievement of the strategic objectives;
- management and ICT review ongoing progress of short to medium-term objectives; and
- departmental teams or project groups review shorter-term completion of outputs that are associated with ICT service support and the ICT project programme.

#### **Board and management groups**

Board and management meetings ensure that agenda items and terms of reference of meetings relate to the College strategic objectives. We noted that decisions taken at Board and sub-committee meetings support management and enable them to integrate and coordinate the ICT strategic objectives into operational plans and other organisational activities. The ICT and Digital Transformation Strategy is reviewed annually by the Director of Information Services and presented to the PLG and SLT, and progress then reported to the Board.

#### **Departmental teams and project groups**

Operational plans are developed annually with actions linked to the strategic aims and objectives of the College Strategy as well as projects linked to the key aims of the ICT and Digital Transformation Strategy, and other supporting strategies. Delivery of operational plans is monitored by the PLG and SLT throughout the year.

#### **Management and strategy owners**

Management teams ensure expectations regarding digital strategy deliverables and outcomes progress are agreed with the Director of Information Services and objective departmental / project team members responsible for implementation of elements of the digital strategy. Strategy achievement is monitored against those expectations at departmental level and reported to management teams.

#### **Stakeholders**

Staff and student surveys are utilised to gather stakeholder views on the progress made in implementing and improving the College's digital structures. Progress updates on digital projects are reported to staff through several channels, including all staff events, team meetings, staff newsletters and intranet posts.

Specific performance metrics are identified in the ICT and Digital Transformation Strategy, and progress made in implementing the Strategy is reported to the SLT and Board. Its success, is monitored as noted above, focussing on ICT project deliverables and the resulting impact on the College's strategic objectives.

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# UHI Perth

## Fraud Prevention, Detection and Response

Internal Audit report No: 2024/08

Draft issued: 20 September 2024

Final issued: 26 September 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:

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

## Action Grades

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





# Management Summary

## Overall Level of Assurance

<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
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## Risk Assessment

A review of the UHI Perth ('the College') Enterprise Risk Management (ERM) Risk Register as at September 2024, identified the following specific risk relating to Fraud Prevention, Detection and Response:

- Significant financial risks are not identified. Controls are not in place and being checked for effectiveness (Post Risk Management Score: 2, Very Low).

## 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 Fraud Prevention, Detection and Response. 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.

Responsibility for ensuring the College has sufficient measures in place to mitigate the risk of fraud rests ultimately with the College's Board of Management, with operational responsibility for this delegated to the Principal and Chief Executive Officer of the College, as the responsible officer. The Principal is supported in managing this by the Depute Principal Academic and the Depute Principal Operations, comprising the Senior Leadership Team (SLT), with the wider Perth Leadership Group (PLG) operating under them.

The PLG comprises the operational management of each of the areas within the College and, as such, the oversight of the processes in place within key risk areas such as Finance, Payroll, and IT rests with the Directors overseeing these particular areas. Controls are in place within these areas to manage the risks relative to the nature of the processes, with any issues raised by the process owners to the SLT.

The College has a Fraud Prevention Policy and Response Plan, an Anti-Bribery Policy and a Whistleblowing Policy in place at the time of this review being undertaken, which detail the College's responsibilities for managing fraud and the processes for reporting fraud, or suspected occurrences of fraud, with these publicly available on the UHI Perth website for all staff, students and stakeholders to access. It was noted from our review, that the documentation requires update to reflect changes in procedures and responsibilities within the College as a result of changes in management.



### Scope, Objectives and Overall Findings

This scope of this audit was to carry out a review of the corporate-wide anti-fraud framework in place within the College.

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

Objective	Findings				
The objectives of the audit were to ensure that:		1	2	3	Actions In Progress
		No. of Agreed Actions			
1. Anti-fraud policies and procedures exist within the College that are in line with best practice.	Satisfactory	-	-	1	
2. Clear leadership, roles and responsibilities have been set out for implementation of the anti-fraud framework.	Satisfactory	-	-	1	
3. There is a process in place to assess the nature and extent of the College's exposure to potential external and internal risks of fraud.	Requires Improvement	-	1	-	✓
4. Anti-fraud policies and procedures are embedded and understood throughout the College through appropriate training and communication.	Satisfactory	-	-	1	
5. The College has put in place a process to monitor and review procedures designed to prevent fraud and make improvements where necessary.	Satisfactory	-	-	-	✓
6. There are clear procedures for employees and Board of Management members to raise concerns or whistleblow if they believe there has been fraud or other wrongdoing within the College.	Satisfactory	-	-	1	
7. Appropriate procedures are in place for the investigation and reporting of a fraud.	Good	-	-	-	
Overall Level of Assurance	Satisfactory	-	1	4	
		System meets control objectives with some weaknesses present.			

### Audit Approach

Through discussions with members of the College SLT and other responsible managers and staff, and review of documentation, we established the anti-fraud strategies, procedures and monitoring arrangements in place within the College. These were then evaluated to establish if they are in accordance with legislation and best practice guidance. A consultancy approach was taken, with the aim of highlighting best practice to enhance existing arrangements.

### Summary of Main Findings

#### **Strengths**

- All College policies and procedures are available to all staff, students and stakeholders via the College's website.
- The College has a fraud investigation procedure in place, which defines the steps to be undertaken should a suspected fraud be identified, including the formation of an investigation team.
- Training is in place, at the point of staff induction, to aid staff understanding of anti-bribery and cyber security processes.
- Controls are in place for mitigating the risk of misappropriation of College assets, with these risks managed at an operational level.
- Controls are in place to mitigate the risk of IT related fraud, with regular updates on prevalent threats provided to staff and students.
- The College's IT systems are maintained, monitored and regularly updated to reduce the risk of external threats.
- The College's SLT is responsible for ensuring that there is an open culture in place at the College to help ensure transparency in all its activities.

#### **Action In Progress**

- The College is in the process of reviewing its credit card payment processes, to ensure that only those with a requirement for a credit card have access to one, and that any spend is only undertaken when there is no alternative payment method.
- Responsibility for the National Fraud Initiative (NFI) exercise has now moved to the Depute Principal Operations and the Finance Director who, going forward, have indicated that they will engage with the External Auditors to improve the quality of information provided.
- The College's Estates team is in the process of implementing the Trackplan system, on which it will document all its assets, their location and any service / maintenance dates, which will form part of the fraud prevention processes as assets will be centrally monitored.
- The College's HR system is at the end of its contract at the time of this review and, as such, was not updated to implement multi-factor authentication measures, however this contract is now being extended and MFA will now be put in place.

#### **Weaknesses**

- The College's Fraud Prevention Policy and Response Plan requires to be updated to reflect the current roles and responsibilities for managing the risk of fraud within the College, including an update to assign a fraud champion within the College to act as a reference point for staff.
- The College has not undertaken a fraud specific risk assessment to formally identify and document the key fraud risks and the controls in place to manage them.
- The College's Whistleblowing Policy does not define an independent party to contact for reporting suspected fraud, and the communication methods are not reflective of the current processes in place within the College.
- There is no programme of targeted fraud specific staff training, which is relevant to specific roles, for those working in high-risk roles.
- The College does not have an anti-money laundering policy in place.

### 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: Anti-fraud policies and procedures exist within the College that are in line with best practice.

#### Fraud Prevention Policy and Response Plan

The College's Policy defines fraud as: *"For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party."*

- The Board of Management has overall responsibility for the Policy and Response Plan;
- The College Audit Committee is responsible for approving any changes to the Policy and Response Plan; and
- The Chief Operating Officer is the owner of the Policy and Response Plan, and is responsible for reviewing it.

The College noted the following principles for defining its fraud prevention approach, noting that it will:

- Establish appropriate and effective systems of financial and management control;
- Establish an Audit Committee with a clear remit to ensure financial systems are in place;
- Appoint independent internal auditors to advise on, review and report on these systems and develop procedures to be followed by staff who have a suspicion of fraudulent activity;
- Establish a Fraud Response Plan setting out the procedures to be followed in the event of the reporting of possible fraud or the discovery of actual fraud; and
- Publish appropriate guidance in the College's Financial Regulations with which all staff must comply.

The Fraud Response Plan notes that the College's Internal Auditors will assist it in the investigation of a fraud and assist it in obtaining sufficient reliable evidence to support the disciplinary process and potential prosecution. Additionally, the College is required to notify the Scottish Funding Council (SFC) and provide it with updates on the impact to the College.



### Objective 1: Anti-fraud policies and procedures exist within the College that are in line with best practice (Continued).

#### Anti-Bribery Policy

The Senior Leadership Team (SLT) and Board of Management have overall responsibility for the Policy and for fostering a culture within the organisation in which bribery is never acceptable. The Depute Principal Operations has responsibility for implementing the Policy, monitoring compliance and ensuring the Policy is regularly reviewed and updated as appropriate. The College's Anti-Bribery Policy outlines the six principles of compliance recommended by the Ministry of Justice:

- Proportionate Procedures;
- Top Level Commitment;
- Risk Assessment;
- Due Diligence;
- Communication (including training); and
- Monitoring and Review.

The Policy also defines the key types of bribery which the College is susceptible to, and therefore, the acts which the staff and stakeholders should be aware of, and management should look to mitigate the risk of occurring.

- *'Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical, a breach of trust or the improper performance of a contract.'*
- *Corruption is the misuse of public office or power for private gain, or misuse of private power in relation to business outside the realm of government.*
- *Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve initiatives such as buying or selling, or it may involve the handling of administrative tasks such as licences, customs, visas or taxes. It does not matter whether the act of bribery is committed before or after the activity has been undertaken.*
- *Kickbacks are typically payments made in return for a commercial favour or advantage. These are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK but are common in some other jurisdictions in which UHI Perth operates.'*



## Fraud Prevention, Detection and Response

### Objective 1: Anti-fraud policies and procedures exist within the College that are in line with best practice (Continued).

Observation	Risk	Recommendation	Management Response	
From review of the policies in place, it was identified that the College does not currently have an anti-money laundering policy in place.	There is a risk that the College has not sufficiently defined money laundering risks within its key process areas.	<b>R1</b> - It is recommended that the College develops an anti-money laundering policy and makes this available to all staff and stakeholders.	<p>An anti-money laundering policy will be put in place in line with the recommendation.</p> <p><b>To be actioned by:</b> Director of Finance</p> <p><b>No later than:</b> 30 April 2025</p>	
			Grade	3



### Objective 2: Clear leadership, roles and responsibilities have been set out for implementation of the anti-fraud framework.

Ultimate responsibility for ensuring the College has effective controls in place for the prevention, detection and response to fraud rests with the College's Board, with operational responsibility for this delegated to the Principal and Chief Executive Officer, as the responsible officer. The Principal is supported in managing this by the Depute Principal Academic and the Depute Principal Operations, comprising the SLT, with the wider Perth Leadership Group (PLG) operating under them.

The PLG comprises the operational management of each of the areas within the College and, as such, the oversight of the processes in place within key risk areas such as Finance, Payroll and IT rests with the Directors overseeing these areas. As such, controls are in place within these areas to manage the risks relative to the nature of the processes, with any issues raised by the process owners to the SLT.

At the time of this review, the College's fraud response is defined within the Fraud Prevention Policy and Response Plan, which is as follows:

- **Initiating Action** – All actual or suspected incidents will be reported without delay to the Chief Operating Officer, the Principal and Chief Executive, Chair of the Audit Committee or Chair of the Board of Management. The Chief Operating Officer / Principal and Chief Executive will, within 24 hours, hold a meeting of the following project group to decide on the initial response: Head of Human Resources (HR) and Organisational Development (OD); Chief Operating Officer – A representative of the College Internal Audit Providers may also be invited to participate;
- **Prevention of Further Loss** – Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the Project Group will decide how to prevent further loss. This may require the suspension of the suspect(s). It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action;
- **Establishing and Securing Evidence** – A major objective in any fraud investigation will be the punishment of the perpetrator(s), to act as a deterrent to other personnel. The College will follow disciplinary procedures against any member of staff who has committed fraud. The College will normally pursue the prosecution of any such individual;
- **Notifying the SFC** – The Principal and Chief Executive is responsible for informing the SFC of any such incidents;
- **Recovery of Losses** – Recovering losses is a major objective of any fraud investigation. The Project Group will ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses will be sought in all cases;
- **Reporting to the Board of Management** – The incident matching the criteria in the SFC's Mandatory requirement will be reported without delay by the Principal to the Chairs of both the Board of Management and the Audit Committee;
- **Reporting Lines** – The Project Group will provide a confidential report to the Chair of the Board of Management, the Chair of the Audit Committee, the Principal and Chief Executive and the External Audit Partner; and
- **Responsibility for Investigation** – The extent, complexity and source of the fraud will determine how the investigation will take place and in some circumstances might be led by representatives of the College Internal Audit Provider. Some investigations may require the use of technical expertise and in these circumstances, the Project Group may approve the appointment of external specialists to lead or contribute to the investigation.





## Fraud Prevention, Detection and Response

**Objective 2: Clear leadership, roles and responsibilities have been set out for implementation of the anti-fraud framework.**

Observation	Risk	Recommendation	Management Response
<p>From inspection of the College's Fraud Prevention Policy and Response Plan it was noted that it refers to the Chief Operating Officer being the owner, which is no longer a post at the College. The Policy and Response plan requires to be updated throughout to reflect the current management structure.</p> <p>It would be good practice if the Fraud Prevention Policy is updated to define a fraud champion at the College, who can act as a reference point for guidance for staff regarding fraud risks and how to identify these in the course of day-to-day business. This would also involve establishing a consistent process for the communication of key risks of fraud to which the College may be vulnerable, with the champion providing their expertise on any trends and industry specific threats and sharing these with management and key staff in a timely manner.</p>	<p>The College's policies do not clearly set out leadership, roles and responsibilities for the anti-fraud framework or identify personnel who can provide advice to other staff or stakeholders.</p>	<p><b>R2</b> - It is recommended that the College updates its Fraud Prevention Policy and Response Plan to assign responsibility for the update of the document to a named member of SLT; appoint a fraud champion; and specify the means of communicating prevalent risks to staff for awareness purposes and engagement with SLT. It is also recommended that the College then communicates these changes to staff, prompting them to review the documents.</p>	<p>The Fraud Prevention Policy will be updated and communicated to staff in line with the recommendation.</p> <p><b>To be actioned by:</b> Director of Finance</p> <p><b>No later than:</b> 30 April 2025</p>
			<p><b>Grade</b></p> <p><b>3</b></p>



### Objective 3: There is a process in place to assess the nature and extent of the College's exposure to potential external and internal risks of fraud.

From discussions with the Depute Principal Operations, it was established that the College, along with its External Auditor, undertook a review of the anti-fraud measures in place against the Audit Scotland National Fraud Initiative (NFI) requirements in February 2024.

In order to establish the areas which were assessed as part of this exercise, the audit checklist completed for the College was obtained and inspected. From inspection of this, it was noted that the exercise highlighted the following areas as unsatisfactory (red):

- Has the self-appraisal checklist, referred to in the 2022 NFI Report, been considered by management and those charged by Governance as part of the planning for the 2022/23 NFI exercise?
- Are NFI progress and outcomes reported regularly to senior management and elected / board members (e.g. the audit committee or equivalent)?
- 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?
- Has the body completed its review of the 2022/23 matches and were matches adequately investigated?
- Has the body recorded the results of its investigations and closed off the NFI reports appropriately on the NFI system?
- 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?
- Please provide any examples of good practice or improvements to internal controls that the body has made as a result this NFI exercise.
- Overall, how do you rate your audited body's engagement with the NFI exercise (planning, progress, and response to outcomes)?

It was noted from inspection of the auditor's responses, that the College was not fully engaged in the NFI exercise, and did not proactively address data matches highlighted for further investigation. From discussions with the Depute Principal Operations, it was highlighted that the responsibility for the exercise has now shifted to the Depute Principal Operations and the Director of Finance who, going forward, have indicated that they will engage with the External Auditors to improve the quality of information provided, and have already engaged with Audit Scotland on areas for improvement based on the most recent report. An action in progress has therefore been noted.

The College has in place an Enterprise Risk Management (ERM) system. The ERM Risk Register notes that effective financial controls, through an ERM process, need to be in place. These controls should be designed to prevent or detect fraud, theft and loss of College assets. The risk is that *'significant financial risks are not identified, and controls are not in place and being checked for effectiveness'*. A mitigating action has been noted to implement a complete set of financial controls using The Committee of Sponsoring Organizations' (COSO) methodology. At September 2024 this action was noted as being 25% complete.



## Fraud Prevention, Detection and Response

**Objective 3: There is a process in place to assess the nature and extent of the College's exposure to potential external and internal risks of fraud (Continued).**

Observation	Risk	Recommendation	Management Response
Whilst it was identified from discussions with the Depute Principal Operations and the Director of Finance that the College has focussed its attention to traditional high-risk areas such as purchasing, IT, credit cards and payroll, it was noted that the College has not undertaken a fraud risk assessment over its operational areas to identify those with the highest risk, and direct attention to these areas.	There is a risk that the College has not identified and documented its key fraud risks and the controls in place to mitigate them.	<b>R3</b> - It is recommended that the College undertakes a fraud risk assessment across all its operations, documenting the key risks and assigning priorities to these, and documenting the controls in place.	<p>A fraud risk assessment will be undertaken in line with the recommendation.</p> <p><b>To be actioned by:</b> Director of Finance</p> <p><b>No later than:</b> 31 July 2025</p>
			<p><b>Grade</b></p> <p><b>2</b></p>



## Fraud Prevention, Detection and Response

### **Objective 4: Anti-fraud policies and procedures are embedded and understood throughout the College through appropriate training and communication.**

From discussions with the Director of HR and OD, it was noted that mandatory training includes anti-bribery training and cyber security training, which is undertaken at the induction stage, with the employees' completion of their probation period depending on the successful completion of the training.

Mandatory procedures training is also in place, which is included as part of the induction packs, with specific information on receipt of gifts and hospitality highlighted within this. In terms of communication and awareness, Team Leaders have meetings with their staff every week / month depending on department, and therefore any pertinent or topical issues are raised and discussed there. If anything is organisation wide, this will be communicated by SLT, and if this is IT focussed, then this is communicated by the IT team, with training undertaken where necessary.

Key risks relating to identifying scam emails / communications which may appear to be from College staff, but are from malicious external parties, are published by the IT team.

Additionally, general updates are provided on external threats such as:

- Phishing;
- Whaling;
- Vishing; and
- Social Media.

#### Fraud Specific Training

From discussions with key personnel at the College and a review of IT fraud risks in the industry, it was noted that the College issues internal updates and memos noting any prevalent IT fraud risks, and any other external threats, as and when these are identified. It was noted however that no fraud specific training relevant to their role, IT or otherwise, is provided to staff working in high-risk roles. There would be benefit in ensuring IT fraud specific training is provided regularly to staff in roles which are more vulnerable to cyber-attacks such as phishing scams. Key roles which should be considered for this would be:

- All Finance Staff;
- All Payroll Staff;
- SLT; and
- Staff with access to SLT mailboxes such as Personal Assistants.

Protecting the College from external threats is a key control in mitigating the risk of fraud and, as such, training should be prepared to formally document this, with refresher training in place to ensure staff remain consistently vigilant.



## Fraud Prevention, Detection and Response

**Objective 4: Anti-fraud policies and procedures are embedded and understood throughout the College through appropriate training and communication (Continued).**

Observation	Risk	Recommendation	Management Response
From discussions with the Director of HR and OD and review of the training in place, it was identified that no additional fraud specific training relevant to their role, including IT fraud, is provided to key personnel in high-risk areas.	There is a risk that staff in positions which are susceptible to a high fraud risk, may not receive sufficient, regular training on the prevalent cyber fraud risks, potentially impacting the likelihood of them detecting fraud within their area.	<b>R4</b> - It is recommended that a programme of fraud specific training is introducing, which includes training on IT risks, be allocated to all staff operating in high-risk areas, including those with access to, for example, SLT mailboxes, to help them to identify potential frauds within their area.	<p>We will investigate training that could be put in place, in line with the recommendation.</p> <p><b>To be actioned by:</b> Director of HR and OD</p> <p><b>No later than:</b> 30 April 2025</p>
			<div>Grade</div> <div>3</div>



### **Objective 5: The College has put in place a process to monitor and review procedures designed to prevent fraud and make improvements where necessary.**

Responsibility for ensuring the fraud risks are sufficiently mitigated within the traditionally high risk areas such as payroll and procurement / creditors rests with the heads of those areas and, as such, the controls in place to mitigate key risks such as unauthorised purchases, changes in bank details, and erroneous payments for time which has not been worked, are monitored within each of these functions. These are also in the process of being addressed through the ERM system noted at Objective 3 and, as such, there is ongoing review of the key processes in place and the effectiveness of the existing controls within them for the prevention of fraud. On top of this, areas outside of finance which are a high risk for fraud, such as IT and Estates have their own internal controls for ensuring that the risk of fraud is suitably mitigated, with examples of these noted below.

#### *IT*

The fraud risk related to IT can be categorised into the misappropriation of hardware, and the manipulation and infiltration of IT software / systems. As such, the controls in place to protect the College's physical and digital assets were discussed with the Director of Information Services to establish the processes in place. From discussions with the Director of Information Services, it was established that every piece of IT equipment within the College since 2022 is asset tagged and logged on the IT asset register. Each asset therefore has a unique number assigned to it, and in the case of staff equipment (laptops / desktops / tablets), a member of staff who is assigned the asset and is therefore responsible for its safekeeping. The previous process for tagging was that the IT team would receive all assets which came into the College and assign them a number and place a tag on the asset detailing its unique number, with this then being added to the register, prior to these being issued to the user. However, the new process is that for laptops and desktops the equipment providers, HP, are provided with the asset tag in advance and they tag the asset prior to it arriving on site.

Laptops are issued to all staff, with the asset tag recorded against their name and employee number in the IT system (SnipeIT) and, as such, any misappropriation or loss of this falls under the College's malpractice policy. For student devices, the College only issues temporary loans, with the exception of means tested devices for those students who cannot afford any device on which to complete their studies, or requested device loans from the respective PATs. For the temporary devices, these can be obtained from one of the electronic cabinets across the campus, using their student ID information, and the devices are provided without a power supply, meaning these can only be used until the battery runs out. The devices have also been programmed to only work on the College's Wi-Fi connection and can also be remotely locked where these are not returned at the end of the day, which is notified to the IT Team through Lapsafe Dashboard automated reports. As such, the misappropriation of laptops by students has been mitigated to make the theft of these redundant as they would not work offsite. The Director of Information Services is required to authorise all IT equipment purchases or else these will not be processed by the APUC Procurement team and, as such, all purchases are required to be justified and in line with the business needs of the College.

In terms of IT software, the Director of Information Services has worked with each department in the College to review the access controls in place for all the key systems in place, with multi-factor authentication implemented in areas such as finance, procurement, payroll and academic areas, to help the College ensure compliance with the Data Protection Act. It was noted however, that the HR system was at the end of its contract and, at the time of this review, still has a single access process in place. This is in the process of being addressed with the extension of the contract and, as such, an action in progress has been noted.



### **Objective 5: The College has put in place a process to monitor and review procedures designed to prevent fraud and make improvements where necessary (Continued).**

It was established that communications for phishing scams etc. are regularly issued by the IT team relative to prevalent trends, to help mitigate the risk of the College becoming victim of an attack from an external source.

#### *Estates*

The key fraud risk within Estates is misappropriation of assets and, as such, discussions were held with the Director of Estates to establish the processes in place for managing the College's assets. At the time of this review, the College's assets are logged on a digital asset register, with the exception of furniture, as these are monitored based on the capacities of each of the rooms, with the expectation being that tables and chairs should match this. The Estates team is in the process of implementing the new 'Trackplan' system, on which they will record all assets, including the location of these within the College premises, and their service renewal dates. At the point in time of this review being undertaken, the system was 90% populated, including listing the service date of all assets, as well as portable appliance testing dates. The Trackplan system should be live by October 2024, with all servicing information populated for each of the assets. Automated reporting is also being set up for the roll out to prompt the Estates team of any asset servicing dates, streamlined additions and disposals, and by the end of the year, useful lives of assets will also be included. The system will also aid the budgeting process as Estates will know the servicing to be undertaken in the year, and any replacements. Estates is the sole administrator of the system, with a digital footprint of all record updates, reducing the risk of misappropriation as no assets can be removed without the Director of Estate's approval, with the purchase of assets following the same process as the approval of IT equipment purchases by the Director of Information Services.

Additionally, inspections of assets will be regularly undertaken as part of the College's maintenance exercises, which should detect any missing assets (should this occur). This measure will capture the high value items such as boilers, refrigerators, freezers, washing machines and other items which require regular maintenance however it was identified that assets such as furniture are not tagged at the time of this review, but this will be undertaken following the rollout of the Trackplan system. As a result of the College's new system improving the controls around misappropriation of assets, an action in progress has been noted.



**Objective 6: There are clear procedures for employees and Board of Management members to raise concerns or whistleblow if they believe there has been fraud or other wrongdoing within the College.**

The College's Whistleblowing Policy defines whistleblowing as: *'the term used to describe a disclosure alleging corruption, malpractice, or wrongdoing on the part of another person within an organisation. A 'whistle-blower' is a person who exposes this.'*

As part of this, the College has defined the principles to which it is required to follow to help ensure any acts of corruption / fraud are flagged in a timely manner to help ensure these are adequately resolved:

- *'UHI Perth is committed to the highest standard of care, probity, openness and accountability as a service provider to young people and adults;*
- *UHI Perth values its reputation for ethical behaviour and for financial probity and reliability and has a zero-tolerance policy towards bribery;*
- *A commitment to the highest standards of service requires that UHI Perth encourages its employees and others to come forward with serious concerns about any aspect of our work. It is recognised that in some cases employees may wish to do this on a confidential basis and where possible they will be supported in doing so. There are, however, some situations which, because of their seriousness, will have to be dealt with in such a way that the retaining of confidentiality is impossible as it may prevent full investigation of the complaint.*
- *It is the College's policy that employees who come forward with serious concerns regarding any aspects of our work are not penalised, but supported and commended for raising such issues, even if they turn out to be mistaken.'*

The Policy also defines the procedure to be undertaken by staff / stakeholders to report an incident/ issue:

*'The initial disclosure should be made to the Depute Principal, Academic; this can be made verbally or in writing. An investigation team will then be formed by the College to establish the legitimacy of the claim. The investigation team will be made up of at least:*

- *One SLT or CMT member.*
- *One HR or Quality member, depending on the nature of the complaint.*
- *If the complaint relates to one or more members of the Senior Management Team (SMT), the complaint should be submitted to the Chair of the Board of Management, who will assign the investigation team which will be supported by a member of the Board of Management. The Chair of the Board of Management can also take the decision to appoint an external investigator.'*

The procedure also notes that if the complaint relates to a member of the College's Board, then the complaint should be submitted to the Chair of the Board of Management, who will appoint an external investigator. The Chair of the Board of Management can be contacted via the Clerk to the Board. The Clerk to the Board reports directly to the Chair of the Board of Management.

From review of the documentation, it was noted that the procedure is not clear and concise and does not specify a specific contact in the event of a whistleblowing incident, depending on the nature, nor does it define the specifics of how the SLT should be notified and kept up to date. Additionally, reference is made to outdated staff titles and staff group titles, with the contact information also not reflecting changes in the College's technologies



## Fraud Prevention, Detection and Response

**Objective 6: There are clear procedures for employees and Board of Management members to raise concerns or whistleblow if they believe there has been fraud or other wrongdoing within the College (Continued).**

Observation	Risk	Recommendation	Management Response
From review of the College's Whistleblowing Policy, it was identified that there is no direct contact for staff to raise concerns with, outside of their department. Additionally, it was noted that the documented method for contacting the Clerk of the Board (telephone using a dedicated extension) is not reflective of the College's communication facilities in 2024 as phones are no longer in place within the College's offices. Additionally, references to the management team were noted as being outdated and not reflective of the current titles.	There is a risk that the policy does not sufficiently guide a staff member or student to a suitable person to raise a concern or define an appropriate method for doing so.	<b>R5</b> - It is recommended that the College updates its Whistleblowing Policy to assign responsibility for the maintenance of the policy to a named member of the SLT, to define a nominated person with whom staff can raise concerns if they require someone independent of their business area, as well as updating to reflect the current terms for management teams, also defining the technology which should be used to report an issue.	<p>The Whistleblowing Policy will be updated in line with the recommendation.</p> <p><b>To be actioned by:</b> Director of HR and OD</p> <p><b>No later than:</b> 30 April 2025</p>
			<p><b>Grade</b></p> <p><b>3</b></p>



### **Objective 7: Appropriate procedures are in place for the investigation and reporting of a fraud.**

The College's fraud response is defined within the Fraud Prevention Policy and Response Plan, which has been detailed under Objective 2.

Discussion with College management indicated that, in recent years, suspected instances of fraud had been flagged by the internal controls in place for both timesheets and credit cards. Both instances were reported to the Finance team when they were identified and, following the credit card issue being identified, there was no financial impact, and the process was managed internally. Following the member of staff submitting a suspected inaccurate timesheet, the member of staff resigned and therefore no disciplinary process was initiated.

There has been no recent event at the College which has required the fraud process to be undertaken, however it remains the case that the College is required to ensure all staff have an understanding of the process to follow in the event of fraud being identified. As part of this, the processes affected by the suspected instances noted above were reviewed by the process owners to enhance the controls in place and help ensure that these are sufficient for mitigating the risk of any loss to the College, with the review of the credit card process ongoing at the time of this audit.



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

**Internal Audit Report No: 2025/01**

**Draft issued: 3 May 2024**

**2<sup>nd</sup> Draft issued: 14 May 2024**

**3<sup>rd</sup> Draft issued: 15 May 2024**

**4<sup>th</sup> Draft issued: 21 May 2024**

**5<sup>th</sup> Draft issued: 11 September 2024**

**Final issued: 2 October 2024**



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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. Following discussion at the Audit Committee, at its meeting in May 2024, the decision was made to replace the proposed review of Estates Strategy / Estates Projects with a review of International Activity.
- 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

			Planned	Planned
	Category	Priority	24/25	25/26
			Days	Days
<b>Reputation</b>				
<i>Publicity and Communications</i>	Gov	H	5	
<i>Health and Safety / Wellbeing</i>	Gov	H		
<b>Student Experience</b>				
<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	
<b>Staffing Issues</b>				
<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
<b>Estates and Facilities</b>				
<i>Building maintenance</i>	Fin/Perf	M/H		
<i>Estates strategy / Estates projects</i>	Fin/Perf	M		
<i>Space management / room utilisation BPR</i>	Perf	H		
<i>Asset / fleet management</i>	Perf	M		
<b>Financial Issues</b>				
<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 &amp; 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
<b>Commercial Issues</b>				
<i>Business Development</i>	Fin/Perf	M		5
<i>External Activities</i>	Gov/Fin/Perf	M		
<b>Organisational Issues</b>				
<i>Risk Management</i>	Perf	M/H		
<i>Business Continuity</i>	Perf	M		
<i>Corporate Governance</i>	Gov	M		5
<i>Corporate Planning</i>	Perf	M		
<i>Performance reporting / KPIs</i>	Perf	M/H		
<i>Partnership Working (incl. Regional Engagement)</i>	Gov/Perf	H		
<i>International Activity</i>	Gov/Perf	H	5	
<i>Equality, Diversity, and Inclusion</i>	Gov	L		
<i>Environmental Sustainability</i>	Gov/Perf	M		
<b>Information and IT</b>				
<i>Cyber security</i>	Perf	M/H		
<i>Data protection / records management</i>	Gov	H		
<i>FOI</i>	Gov	M		
<i>ICT and Digital Transformation</i>	Perf	M/H		
<i>Strategy implementation (with specific focus on digital capability)</i>				
<i>Licencing</i>	Perf	L		
<b>Other Audit Activities</b>				
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	
<b>Total</b>			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	3 March 2025
Audit Committee Meeting:	28 May 2025
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.

<b>Audit Assignment:</b>	Students' Association
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	3 February 2025
<b>Audit Committee Meeting:</b>	28 May 2025
<b>Days:</b>	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 Depute Principal, the Director 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.

<b>Audit Assignment:</b>	Financial Sustainability
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	11 March 2025
<b>Audit Committee Meeting:</b>	28 May 2025
<b>Days:</b>	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

<b>Audit Assignment:</b>	General review of Key Financial Controls
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	9 June 2025
<b>Audit Committee Meeting:</b>	October 2025
<b>Days:</b>	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.

<b>Audit Assignment:</b>	International Activity – Products, Partnerships and Student Recruitment
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	11 November 2024
<b>Audit Committee Meeting:</b>	19 March 2025
<b>Days:</b>	5

### **Scope**

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

### **Objectives**

The objectives of the audit will be to ensure that:

#### *International Students*

- key markets and courses are identified for international students;
- marketing and agency arrangements in place support the College with the recruitment of international students;
- procedures are in place to assist students who wish to attend the College, including providing advice on UK Visas and Immigration requirements; and
- the setting of targeted international student numbers is robust and there is an adequate system in place for monitoring achievement against targets.

#### *International Partnerships and Products*

- an effective strategic planning process and management structure have been established;
- key risks and opportunities in relation to international activities, including compliance with UK Visas and Immigration requirements, are identified and mitigated / exploited;
- robust agreements are signed with partners which include clear objectives, income and expenditure sharing arrangements, and monitoring and review processes;
- financial information on each specific international activity is provided, reviewed and reported upwards on a timely and regular basis; and
- staff undertake continuous development in order to widen the range of products available.

### **Our audit approach will be:**

We will discuss processes in place with the Principal and Depute Principal and other relevant staff and obtain key documents to evidence these. We will then select a sample of partnership and agency marketing agreements and ensure that these are robust and that information, including financial information, is reported on these on a regular basis. Strategic planning, risk management and staff development documents will also be reviewed in detail to ensure these are comprehensive.

<b>Audit Assignment:</b>	Credits Audit
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	23 September 2024
<b>Audit Committee Meeting:</b>	11 December 2024
<b>Days:</b>	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.

<b>Audit Assignment:</b>	Bursary, Childcare and Hardship Funds Audit
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	16 September 2024
<b>Audit Committee Meeting:</b>	11 December 2024
<b>Days:</b>	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.



<b>Audit Assignment:</b>	Education Maintenance Allowance (EMA)
<b>Priority:</b>	Required annual audit
<b>Fieldwork Timing</b>	16 September 2024
<b>Audit Committee Meeting:</b>	11 December 2024
<b>Days:</b>	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.

<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing</b>	6 October 2025
<b>Audit Committee Meeting:</b>	December 2025
<b>Days:</b>	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	Actual 23/24 Days
<b>Reputation</b>								
<i>Publicity and Communications</i>	Gov	M						
<i>Health and Safety / Wellbeing</i>	Gov	H		3				5
<b>Student Experience</b>								
<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						
<b>Staffing Issues</b>								
<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						
<b>Estates and Facilities</b>								
<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

	Category	Priority	Actual 18/19 Days	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Actual 23/24 Days
<b>Financial Issues</b>								
<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 &amp; 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						
<b>Commercial Issues</b>								
<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				
<b>Organisational Issues</b>								
<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

	Category	Priority	Actual 18/19 Days	Actual 19/20 Days	Actual 20/21 Days	Actual 21/22 Days	Actual 22/23 Days	Actual 23/24 Days
<b>Information and IT</b>								
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						
<b>Other Audit Activities</b>								
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		
<b>Total</b>			27	33	35	45	39	38
			=====	=====	=====	=====	=====	=====



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# UHI Perth

Paper 9a

## Internal Audit Progress Report

Audit Committee – 9 October 2024

Issued: 2 October 2024



# Internal Audit Progress Report October 2024

Progress with the annual plan for 2023/24 is shown below.

Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Internal Audit Annual Plan 2023/24	December 2023	Draft: 16/11/23 Final: 08/03/24	2024/01	<b>N/A</b>	07/12/23	
Health, Safety and Wellbeing	May 2024	Draft: 14/05/24 Final: 16/05/24	2024/05	<b>Satisfactory</b>	28/05/24	
Fraud Prevention, Detection and Response	October 2024	Draft: 20/09/24 Final: 26/09/24	2024/08	<b>Satisfactory</b>	09/10/24	
Risk Management	May 2024	Draft: 03/05/24 Final: 09/05/24 Reissued: 16/05/24	2024/04	<b>Good</b>	28/05/24	
Cyber security	October 2024	Draft: 03/09/24 Final: 18/09/24	2024/06	<b>Satisfactory</b>	09/10/24	
ICT and Digital Transformation Strategy implementation	October 2024	Draft: 20/09/24 Final: 24/09/24	2024/07	<b>Satisfactory</b>	09/10/24	
Credits Audit	December 2023	Draft: 26/10/23 Final: 02/11/23	2024/02	<b>Audit report unqualified</b>	07/12/23	
Student Support Funds Audits	December 2023	Draft: 10/11/23 Final: 17/11/23	2024/03	<b>Audit reports unqualified</b>	07/12/23	





Audit Area	Planned reporting date	Report status	Report Number	Overall Conclusion	Audit Committee	Comments
Follow-Up Reviews	December 2024					Agreed start date for fieldwork 07/10/24

Gradings are defined as follows:

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





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**Committee Cover Sheet**

Paper No. 10

<b>Name of Committee</b>	Audit Committee
<b>Subject</b>	FOI & Data Protection Quarterly Update
<b>Date of Committee meeting</b>	09/10/2024
<b>Author</b>	Ian McCartney, Clerk to the Board
<b>Date paper prepared</b>	01/10/2024
<b>Executive Summary</b> 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 and other data protection issues raised for the Quarter to 31 July 2024
<b>Committee Consultation</b> 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
<b>Action requested</b>	<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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a>  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><b>Resource implications</b></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><b>Risk implications</b></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><b>Equality &amp; Diversity</b></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p><b>Data Protection</b></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><b>Island communities</b></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><b>Status</b></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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

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

## **Academic Year 2023/24 | Quarter 4 | May - July 2024**

### **1. Summary**

2023/24 saw the highest number of FOI requests submitted in a single year, and the nature/source of these requests is in keeping with what might have been expected.

Subject Access Requests and Data Breaches continue downward trends.

UHI Data Protection Officer has recommended that UHI Perth follow best practice protocols around compliance in data protection by undertaking a matching exercise against the Information Commissioner's Office Accountability Framework. Progress will be reported via Audit Committee.

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

#### **a. Total Number of Requests 2023/24**

2023/24 Quarter 4	2023/24 Full Year	2022/23 Full Year	2021/22 Full Year	2019/20 Full Year	2018/19 Full Year
14	54	39	22	28	39

#### **b. Request Topics – 2023/24**

Type	Q4	Full Year
Academic-Related	0	1
Student-Related	2	6
Compliance	0	0
Finance/Procurement	1	11
Estates	3	9
HR/Legal	5	20
Operational Management	2	2
IT	1	5
TOTAL	14	54

#### **c. Response Times – 2023/24**

Response Time	Q4	Full Year
Replied within Statutory Time	14	54
Late	0	0
To be completed	0	0
TOTAL	21	40

**d. Request Sources – 2023/24**

Type	Q4	Full Year
Legal Representative	0	0
Campaigning Groups	2	3
Trade Union	2	8
Press/Media	1	5
Scottish Parliament	0	6
Staff	1	2
Student	2	2
University Research	0	1
Industry	0	5
Unknown/Anonymous	6	22
<b>TOTAL</b>	<b>14</b>	<b>54</b>

**3. Data Protection**

**a. Total Number of Requests/Incidents**

	2023/24 Q4	2023/24 Full Year	2022/23 Full year	2021/22 Full year	2020/21 Full Year	2019/20 Full Year	2018/19 Full Year
Subject Access Requests	1	2	5	5	6	6	10
Data Breaches	1	3	5	6	7	13	13

**b. Data Breach Information**

Incident	Action Taken	ICO informed?
Member of staff in HR sent an email to the wrong person containing notes from a 1-1 meeting. Email contained limited personal data plus summary of the conversation.	Email deleted successfully and correct emails reissued.  Training in alternative/safer routes to provide data has been implemented.	No – risk was assessed as being below reportable threshold due to limited personal data

Ian McCartney  
01 October 2024

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

## **Academic Year 2023/24 | Quarter 4 | May - July 2024**

### **1. Summary**

2023/24 saw the highest number of FOI requests submitted in a single year, and the nature/source of these requests is in keeping with what might have been expected.

Subject Access Requests and Data Breaches continue downward trends.

UHI Data Protection Officer has recommended that UHI Perth follow best practice protocols around compliance in data protection by undertaking a matching exercise against the Information Commissioner's Office Accountability Framework. Progress will be reported via Audit Committee.

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

#### **a. Total Number of Requests 2023/24**

2023/24 Quarter 4	2023/24 Full Year	2022/23 Full Year	2021/22 Full Year	2019/20 Full Year	2018/19 Full Year
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**d. Request Sources – 2023/24**

Type	Q4	Full Year
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Campaigning Groups	2	3
Trade Union	2	8
Press/Media	1	5
Scottish Parliament	0	6
Staff	1	2
Student	2	2
University Research	0	1
Industry	0	5
Unknown/Anonymous	6	22
<b>TOTAL</b>	<b>14</b>	<b>54</b>

**3. Data Protection**

**a. Total Number of Requests/Incidents**

	2023/24 Q4	2023/24 Full Year	2022/23 Full year	2021/22 Full year	2020/21 Full Year	2019/20 Full Year	2018/19 Full Year
Subject Access Requests	1	2	5	5	6	6	10
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Ian McCartney  
01 October 2024

## Committee Cover Sheet

Paper 11

<b>Committee</b>	Audit Committee
<b>Subject</b>	Terms of Reference (ToR) update re Health & Safety Committees
<b>Date of Committee meeting</b>	09/10/2024
<b>Author</b>	Katy Lees, Director of HR & Organisational Development
<b>Date paper prepared</b>	02/10/2024
<b>Executive summary of the paper</b>	<p>Amendments to Terms of References to reflect changes to senior roles for the following Committees:</p> <ul style="list-style-type: none"> <li>• Health &amp; Safety Committee</li> <li>• H&amp;S Stress Management Group sub-committee</li> <li>• Pandemic Response Group sub-committee</li> </ul>
<b>Consultation</b> How has consultation with partners been carried out?	N/A
<b>Action requested</b>	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	
<b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> </ul>	

## Committee Cover Sheet

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

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

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

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

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

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

and

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

## **Health and Safety Committee Terms of Reference**

### **Membership / Constitution**

- Chair (Director of Estates)
- Member of Board of Management
- Depute Principal, Operations
- Directors of Curriculum
- Unison Staff Side Representative
- EIS-FELA Staff Side Representative
- Director of Learning, Teaching and Quality Enhancement
- Director of Student Experience
- Director of HR and Organisational Development
- Director of Information Services
- Director of the Centre for Mountain Studies
- Director of Finance
- ASW General Manager
- Health, Safety and Wellbeing Advisor
- Student Body Representative (invited member)
- Member of AST (invited member)

Each committee member is to have a nominated deputy who is prepared to attend the Health and Safety Committee if the principal member is unable to do so. It is the responsibility of each member to ensure that their service or specific interests are represented at each meeting. They should also ensure that the Secretary of the Health and Safety Committee is aware of who the nominated deputy will be.

### **Quorum**

The Quorum shall be 40% of the required membership.

### **Frequency of Meetings**

The Committee shall meet no less than 3 times per year.

### **Objectives**

The objectives of the Committee is to implement the principles of consultation and involvement enshrined in both the Safety Representatives and Safety Committees Regulations 1977 and in best practice health and safety management. The Committee's remit extends to all aspects of occupational health and safety arising from College activities and the involvement process is inclusive of students as well as staff.

### **Terms of Reference**

1. To monitor the organisation's health and safety performance against legal and statutory requirements.

2. Delivery of health and safety policy, strategy and plans and in particular, the College Health and Safety Programme and make recommendations.
3. To review annually the College health and safety management system and the relevant parts of the risk register and make recommendations.
4. Provide a consultation forum for management, staff and unions on health and safety matters
5. To promote co-operation between the College and its employees and students in instigating, developing and carrying out measures to ensure health, safety and well-being.
6. Ensure accidents and near misses are recorded, fully investigated and commit to reducing work-related injury and ill health and to take all reasonable steps to promote health and well-being at work
7. To review accident, incident, work related absence and occupational ill-health trends and to make recommendations for corrective action.
8. To consider reports on health and safety inspections, audits and other monitoring activities and make recommendations.
9. To consider reports and information provided by inspectors of the enforcing authorities.
10. To consider reports submitted by Trade Union Safety Representatives or other Committee members.
11. To promote and oversee health and safety training in the College at all levels and monitor attendee data.
12. Making recommendations on improvement of health and safety performance and minimisation of occupational injury and ill health as appropriate

## **Stress Management Group**

### **Terms of Reference**

#### **Purpose**

The Stress Management Group is a sub-committee of the Health and Safety Committee with a sole focus on the management of Stress. This will include;

- Oversee and facilitate the implementation of the Stress Management Standards
- Formulate and deliver on a Stress Action Plan including the identification of resources required and timetable for actions
- Determine, collect and provide regular information on progress of the Stress Action Plan to the Health and Safety Committee
- Ensure that there is appropriate communication to all staff, in a timely fashion, of the aims and activities of the Group.
- Provide periodic reviews

#### **Duties**

The principle duties of the Stress Management Group are as follows:

- To develop, implement and maintain actions identified by the Group which will look to address and support the management of stress within the College.
- To review the College's approach to the Management of Stress and to make recommendations to the Health and Safety Committee
- To advise of additional communications and actions so that staff can see evidence of the work of this group.

#### **Membership**

- Director of HR and Organisational Development (Chair)
- Health, Safety and Wellbeing Advisor (Vice Chair)
- Depute Principal, Operations
- 1 member of each Trade Union (so 2 in total)
- 2 Directors of Curriculum
- 2 Professional Services Managers
- Member of AST (optional)

#### **Member's Role**

- Be prepared and willing to participate.
- Contribute in a constructive and proactive manner with a solution-focussed approach.
- Seek views of colleagues and provide feedback to the areas they represent.

- Attend meetings on a regular basis. In a case of unavoidable absence, the member can nominate a suitable substitute. It is the member's responsibility to ensure their substitute is properly briefed.
- The Vice Chair shall assume the responsibilities of the Chair during any absence.
- The Chair must lead the group meeting in a structured and timely manner. It is the responsibility of the Chair to ensure all sections of the agenda are discussed and to allow all members the chance to contribute.

### **Quorum**

Quorum shall be set at 40% of the group members.

### **Frequency of Meetings**

Meetings will be bimonthly unless there is no business to discuss and meetings will be scheduled for no more than one and a half hours.

### **Reporting Structure**

The minutes of the Stress Management Group shall be formally recorded and submitted to the Health and Safety Committee.

### **Review**

- The Chair will review frequency of attendance annually.
- The Group will reflect its effectiveness annually.
- The Group will review its Terms of Reference annually.

## **Pandemic Response Group**

### **Terms of Reference**

#### **Purpose**

The Pandemic Response Group is a sub-committee of the Health and Safety Committee with a specific focus on dealing with a pandemic. It is designed to act as a method for a two-way communication process between College Management and staff representatives to deal with any short-term matters related to a pandemic.

#### **Duties**

The principle duties of the Pandemic Response Group are as follows:

- To provide an opportunity to discuss any short-term matters related to the ongoing pandemic.
- To identify and act on areas where practices related to the pandemic are not as robust as expected and to communicate this to the group with a view to problem solving and finding better ways of working.
- To engage with colleagues by listening and reacting to issues which are pandemic related and which directly affect them in the work place / Place of Study.
- Membership of the Pandemic response group have a responsibility to communicate information from this group to their respective teams.
- The Pandemic response group can make recommendations to the Health and Safety Committee for areas of discussion.

#### **Membership**

- Director of Estates (Chair)
- College Principal, Depute Principal, Operations (Vice-Chair) and Depute Principal, Academic
- All PLG Directors (9)
- Health, Safety and Wellbeing Advisor
- Member of each Trade Union
- Your Student Association representative
- General Manager of AST or delegated member of AST

#### **Member's Role**

- Be prepared and willing to participate.
- Contribute in a constructive and proactive manner with a solution-focussed approach.
- Seek views of departmental colleagues and provide feedback to their department/teams/members.
- Attend meetings on a regular basis. In a case of unavoidable absence, the member can nominate a suitable substitute. It is the member's responsibility to ensure their substitute is properly briefed.



- The Vice Chair shall assume the responsibilities of the Chair during any absence.
- The Chair must lead the group meeting in a structured and timely manner. It is the responsibility of the Chair to ensure all sections of the agenda are discussed and to allow all members the chance to contribute.

### **Quorum**

Quorum shall be set at 40% of the group members.

### **Frequency of Meetings**

Meetings will be weekly unless there is no business to discuss and meetings will be scheduled for no more than one hour.

### **Reporting Structure**

The minutes of the Pandemic Response Group shall be formally recorded and submitted to the Health and Safety Committee.

### **Review**

- The Chair will review frequency of attendance annually.
- The Group will reflect its effectiveness annually.
- The Group will review its Terms of Reference annually.

# Health and Safety Committee

## Minutes

**Date and time:** Wednesday 19 June 2024, 2.00pm – 4.00pm

**Location:** MS Teams / Rm 019

**Members present:** Ian Bow (IB), Health, Safety and Wellbeing Advisor  
Jill Elder (JEL), SDD – BMCL  
Jill Martin (JM), Head of ICT  
Lorenz Cairns (LC), Depute Principal Academic  
Nicky Inglis (NI), SDD – STEM  
Sarah-Louise Heap (SH), AST  
Lesley Connaghan (LCO), SDD - ALS

**Apologies:** Nick Green (NG), Andrew Budge (AB), Christiana Margiotti (CM),  
SDD – CCI, Gavin Whigham (GW), Head of Estates, Deborah Lally  
(DL), Head of Student Experience

**In Attendance:** N/A

**Chair:** Katy Lees (KFL), Head of HR and Organisational Development

**Note Taker:** Trudy Guthrie

## Summary of Actions

Ref	Action	Responsibility	Time Line
4.	<b>Review of actions from previous meeting / Matters arising that are <u>not included</u> <u>elsewhere on the agenda</u>:</b>		
4.1	<u>Serious Assault:</u>  KFL advised the policy review is still to be completed.	KFL	Next Meeting
4.2	<u>Waste Management Review:</u>  KFL said as there is no update available from GW this will be carried forward to next meeting.	GW	Next Meeting

## Summary of Actions

Ref	Action	Responsibility	Time Line
	<p>4.3 <u>Fire Alarm / Evacuation:</u></p> <p>IB advised the actions were reviewed and this is now complete.</p>		
6.	<p><b>Minutes of the Student Health &amp; Wellbeing Group (SHWBG)</b></p> <p>Committee agreed to close this Group.</p>	KFL	ASAP
9.	<p><b>Health &amp; Safety Accident &amp; Incident Statistics – Quarter 3 - AY23-24 (Paper 12)</b></p> <p>NI queried how regularly we carry out vehicle checks, IB advised that GW has now put a weekly basic check in place. GW to provide details of what this includes and what mechanical maintenance is carried out, for the next meeting.</p>	GW	Next Meeting
11.	<p><b>Health, Safety and Wellbeing Advisor update</b></p> <p>H &amp; S DSE Assessments –Instructions on how to correctly complete these forms, highlighting differences with hybrid working etc to be sent out by IB</p>	IB	ASAP
14.	<p><b>Health &amp; Safety Risk Register</b></p> <p>KFL asked all to familiarise themselves with this paper for the next meeting.</p>	ALL	Next Meeting

## Minute

Item	Action
<p>1. <b>Welcome and Apologies</b></p> <p>GW welcomed all to the meeting.</p> <p>Apologies were noted.</p>	

Item	Action
<p><b>2. Additions to the Agenda for AOCB</b></p> <p>None.</p>	
<p><b>3. Minute of Previous Meeting (Paper 1)</b></p> <p>The minute of the meeting held on 1 February 2024, having been previously circulated, was approved, as a true and accurate record of discussions.</p>	
<p><b>4. Review of actions from previous meeting / Matters arising that are <u>not included elsewhere on the agenda</u>:</b></p> <p>4.1 <u>Serious Assault:</u></p> <p>KFL advised the policy review is still to be completed.</p> <p>4.2 <u>Waste Management Review:</u></p> <p>KFL said as there is no update available from GW this will be carried forward to next meeting.</p> <p>4.3 <u>Fire Alarm / Evacuation:</u></p> <p>IB advised the actions were reviewed and this is now complete.</p>	<p><b>KFL</b></p> <p><b>GW</b></p>
<p><b>5. Feedback on the Policies and Procedures (PPs) Sub-Group</b></p> <p>5.1 <u>ToR of Policies and Procedures &amp; Arrangements Group – check that TUs are members</u></p> <p>KFL advised this has been updated but all other Committees and meetings ToR will need to be reviewed over the summer.</p> <p>5.2 <u>Driving for Work Policy</u></p> <p>IB advised that PLG agreed that we retain Midas and the Policy has been approved.</p> <p>Policies and Procedures Sub Group – IB confirmed the process for Policies and Procedures will be reviewed by the Sub Group first then will be taken to PLG for awareness then returned to Sub Group for final approval.</p>	

Item	Action
<p><b>6. Minutes of the Student Health &amp; Wellbeing Group (SHWBG)</b></p> <p>None were available for this meeting. KFL questioned if there was a need to review this group as it had not met in the Academic Year. KFL suggested to put it in alignment with The Student Engagement Group. Committee agreed to close this Group.</p>	<p><b>KFL</b></p>
<p><b>7. Minutes from the Stress Management Group (SMG) (Papers 2, 3, 4a &amp; 4b)</b></p> <p>The minutes of the previous SMG meetings, a formal sub-committee of the HSC, were circulated to Committee members for their information and was noted.</p> <p>KFL discussed the plans for the next stress survey and will bring back to this Committee in the autumn.</p>	
<p><b>8. Internal Audits</b></p> <p>8.1 IB to send the new Audit question set to CSW who would then circulate it to HSC members.</p> <p>IB/NI/GW reviewed the questions which have since been implemented and the audits below were then conducted. IB confirmed that all but two of the Priority 1 categories of the outstanding audits have been completed. The audit which is BIFFA based has not been completed as they have not responded to our calls. The final one had been held up due to Industrial Action (Science &amp; Electric Workshops), IB advised these will be completed by September.</p> <p>8.2 <u>New Audits Completed</u></p> <p>8.2.1 ASW Commercial (Paper 5)</p> <p>8.2.2 Construction and Multi-Skills Workshops (Paper 6)</p> <p>8.2.3 Engineering Workshops (Paper 7)</p> <p>8.2.4 Food Studies and Hospitality (Paper 8)</p> <p>8.2.5 Joinery Workshop (Paper 9)</p> <p>8.2.6 Motor Vehicle (Paper 10)</p> <p>8.2.7 Plumbing and Gas Technology (Paper 11)</p>	<p><b>IB</b></p>
<p><b>9. Health &amp; Safety Accident &amp; Incident Statistics – Quarter 3 - AY23-24 (Paper 12)</b></p> <p>IB spoke to this paper detailing all accidents and incidents. NI queried a recent incident with our minibus and IB provided a brief summary stating that the minibus was pulled over and a spot</p>	

Item	Action
<p>check inspection was taken by VOSA resulting in the vehicle being impounded over brake fluid issues. NI queried how regularly we carry out vehicle checks, IB advised that GW has now put a weekly basic check in place. GW to provide details of what this includes and what mechanical maintenance is carried out, for the next meeting.</p>	<p><b>GW</b></p>
<p><b>10. Sickness Statistics</b> (Paper 13)</p> <p>KFL spoke to this paper and reiterated that due to the cancellation of the previous meeting the figures only reflected stats until the end of March. KFL pointed out that the figure was higher than the previous year and expected it to continue to be higher.</p>	
<p><b>11. Health, Safety and Wellbeing Advisor update</b> (Paper 14) <i>(any other items not included elsewhere on the Agenda)</i></p> <p>IB spoke to this paper which included:</p> <ul style="list-style-type: none"> <li>• Risk assessments and encouraged all to report incidents/accidents etc.</li> <li>• Workplace inspections</li> <li>• Revamping Health and Wellbeing Sharepoint area</li> <li>• H &amp; S DSE Assessments – Concerned that staff have not completed these for both home and work environments which may put us at risk. Asked all to ensure their staff complete a form for both. Instructions on how to correctly complete these forms, highlighting differences with hybrid working etc to be sent out by IB</li> </ul>	<p><b>IB</b></p>
<p><b>12. Head of Estates – Update</b> <i>(any other items not included elsewhere on the Agenda)</i></p> <p>GW not present so no update.</p>	
<p><b>13. Dangerous Substances Explosive Atmospheres Regulations (DSEAR)</b></p> <p>IB advised this item was raised on the back of the Motor Vehicle Audit which highlighted problems with various noxious substances being held in the same area. IB explained that the solution was to reduce the stockpile and put in flame proof cabinets. IB will carry out a final review once Garage 4 has been completed.</p>	

Item	Action
<p><b>14.</b> Health &amp; Safety Risk Register (Paper 15)</p> <p>This paper was for information only at this meeting. For discussion at the next meeting in August. KFL asked all to familiarise themselves with this paper.</p>	<b>ALL</b>
<p><b>15.</b> Health, Safety and Wellbeing Report (Paper 16)</p> <p>Outcome from Henderson Loggie Audit – KFL detailed the results and advised we have two areas which require improvement and one overall note. Some risk assessments were not recorded correctly however the new Health and Safety system will help record these but this won't be in place until 2025 at the earliest. The second action was a case of the same person creating and signing off a risk assessment. The final action related to Health &amp; Safety mandatory training as our completion rate was not high enough. KFL to take to PLG to discuss how this can be improved.</p>	<b>KFL</b>
<p><b>16.</b> AOCB</p> <p>LCO stated that a meeting needs to take place with SDDs/GW to discuss outstanding H &amp; S actions which need to be completed. All to meet outwith this meeting.</p>	
<p><b>17.</b> Date of Next Meeting:</p> <p>Meeting dates for the next Academy Year – 2024-25: TBC.</p>	
<b>Meeting finished at: 14.57</b>	

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). There are certain limited exceptions, but generally all information contained in minutes is liable to be released if requested.

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.

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

**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 Staff 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