

Meeting of Finance & Resources and Audit Committees

Agenda

Meeting reference: F&R and Audit 2021-22/02

Date: Monday 29 November 2021 at 5:00pm

Location: MS Teams

Purpose: Scheduled Meeting

* Denotes items for discussion/approval.

	Agenda Items	Author	Led by	Paper	Time (Minutes)
1	Audit Committee Welcome and Apologies		Chair of Audit Committee		17.00 (5)
2	Declaration of a Conflict of Interest in any Agenda Item				17.05 (5)
3	Minutes of the Meeting of Audit Committee held on 4 October 2021		Chair	Paper 1	17.10 (5)
Audit Committee Items					17.15 (45)
*4	Audit Action Plan – Progress Update	Project & Planning Officer	Vice Principal External Engagement	Paper 2	
*5	Internal Audit Annual Report 2020-21	Henderson Loggie	Henderson Loggie	Paper 3	
6	Internal Audit Reports:				
*6.1	Internal Audit Report No: 2021/06 – Student Recruitment & Retention	Henderson Loggie	Henderson Loggie	Paper 4	
*6.2	Internal Audit Report No: 2021/07 – Follow Up Reviews	Henderson Loggie	Henderson Loggie	Paper 5	
*6.3	Internal Audit Report No: 2021/08 – Staff Skills Report – November 2021	Henderson Loggie	Henderson Loggie	Paper 6	
*6.4	Internal Audit Report No: 2022/01 – Student Activity Data	Henderson Loggie	Henderson Loggie	Paper 7	
*6.5	Internal Audit Report No: 2022/02 – Student Support Funds	Henderson Loggie	Henderson Loggie	Paper 8	
Joint F&R & Audit Items					18.00 (60)
*7	Proposed Risk Management Framework Combining The Balanced Scorecard	Director of Finance	Director of Finance	Paper 9	

	Agenda Items	Author	Led by	Paper	Time (Minutes)
8	Double Salary Payment Update	Director of Finance	Director of Finance	Paper 10	
Finance & Resources Committee Items					19.00 (45)
9	Finance & Resources Committee Welcome and Apologies		Chair of F&R Committee		19.00 (5)
10	Declaration of a Conflict of Interest in any Agenda Item				19.05 (5)
11	Minutes of the Meeting of F&R Committee held on 28 September 2021		Chair	Paper 11	19.10 (5)
*12	Perth College Financial Update: Year to 31 October 2021	Director of Finance	Director of Finance	Paper 12 (paper to follow)	19.15 (45)
*13	ICT & Digital Transformation Strategy	Vice Principal External Engagement	Vice Principal External Engagement	Paper 13	
*14	Draft Perth College UHI Development Trust Strategy	Head of Business Development	Vice Principal External Engagement	Paper 14	
15	Aviation Academy for Scotland Update	Vice Principal External Engagement	Vice Principal External Engagement	Verbal	
16	Procurement Annual Report	Director of Finance	Director of Finance	Paper 15	
17	Estates Update	Head of Estates	Head of Estates	Paper 16	
18	HR Update	Head of HR & Organisational Development	Head of HR & Organisational Development	Paper 17	
19	Date and time of next meetings: <ul style="list-style-type: none"> F&GP: 28 February 2022, 5:00pm Audit: 9 March 2022, 5:00pm 	Clerk			
	Meeting Ends				20.00

Audit Committee

DRAFT Minutes

Meeting reference: Audit 2021-22/01

Date and time: Monday 04 October 2021 at 5.00pm

Location: Online

Members present: Jim Crooks (Chair, Audit)
Ann Irvine, Board Member
Fiona Martin, Board Member
Graham Watson, Board Member
Madeleine Brown, Student Board Member

In attendance: Margaret Cook, Principal
Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Iain Wishart, Director of Finance
Katy Lees, Head of HR & Organisational Development
Grace Scanlin, Ernst & Young
David Archibald, Henderson Loggie
Penny Davis, Minutes

Apologies: Rachel Wynne, Ernst & Young

Chair: **Jim Crooks**
Minute Taker: Penny Davis
Quorum: 3

Summary of Historic Action Items			
Ref	Action	Responsibility	Time Line
	<u>Carried Forward from Meeting of 11 March 2021</u>		
5	Matters Arising Issues surrounding safe use of personal devices to be raised at next H&S Committee meeting; Original action to be clarified and progressed as appropriate.	Head of HR & OD	Next Meeting
12	Review of Meeting Clerk to update Terms of Reference to clarify that membership of F&GP Committee precludes membership of Audit Committee, and vice versa; Principal to confirm completion of action.	Principal	Next Meeting
	<u>Carried forward from Meeting of 31 May 2021</u>		
8.1	Audit Action Plan Chair to inform joint Audit Chairs Committee re proposals for circulation and approval by Finance & Audit Committees.	Chair	Next Audit Chairs Meeting

Summary of Current Action Items			
Ref	Action	Responsibility	Time Line
6.1	Audit Action Plan Update Committee on progress with completion of Equalities actions.	Vice Principal	Next meeting
6.1	Audit Action Plan - Documenting Finance Processes Provide Committee with report on completion timescales and context including Sarbanes-Oxley principles.	Director of Finance	Next meeting
6.2	Code of Good Governance – Compliance Template Incorporate any comments received from Members and include comment on outstanding Equalities actions in final compliance report to Board.	Principal	Next Board Meeting
6.3	Review of Risk Register Risk 17 – Update register to reflect current position.	Principal	Next Board Meeting
6.3	Review of Risk Register Risk 26 – Provide update to Committee on progress with integrated systems.	Director of Finance	Next meeting
6.3	Review of Risk Register Risk 29 - Review information provided on asset	Director of	Next Board

	management risk.	Finance	meeting
6.3	Review of Risk Register SMT to undertake overall review and update of Risk Register to reflect current deadlines, mitigating actions and residual risks.	Principal	Next Board meeting
6.4	Annual Health & Safety Report Forward internal audit plan by e-mail to Members for information.	Head of HR & OD	Post-meeting

MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>Chair welcomed everyone to the meeting, introducing the new Student Member, and noted apologies.</p>	
2.	<p>Additions to the Agenda</p> <p>There were no additions to the Agenda.</p>	
3.	<p>Declaration of Interest in any Agenda Item</p> <p>There were no declarations of interest in any item on the agenda.</p>	
4.	<p>Minutes of Meeting of Audit Committee, 31 May 2021</p> <p>The minutes were approved as a true and accurate record of the meeting.</p>	
5.	<p>Matters arising from previous minutes</p>	
	<p><u>Matters arising from 11 March 2021</u></p> <p><u>Ref 5 – Matters Arising</u></p> <p>Action 1: Head of HR to compare KPIs in H&S Annual Report with other Academic Partners</p> <p>Action Update: Complete; Head of HR/OD confirmed other APs did not have a specific report; report had been reduced and modified.</p> <p>Action 2: Issues surrounding safe use of personal devices to be raised at next H&S Committee meeting</p> <p>Action Update: Deferred to next meeting; original action to be clarified and progressed as appropriate.</p> <p><u>Ref 12 – Review of Meeting</u></p> <p>Action: Clerk to update Terms of Reference to clarify that membership of F&GP Committee precludes membership of Audit Committee, and vice versa.</p> <p>Action Update: Deferred to next meeting; Principal to confirm and report back.</p> <p><u>Matters arising from 31 May 2021</u></p>	<p>Head of HR</p> <p>Principal</p>

	<p><u>Ref 8.1 – Audit Action Plan</u> Action 1: Director of Finance to compose a paper outlining proposals for circulation and approval by F&GP and Audit Committees.</p> <p>Action Update: Complete; report on financial procedures on agenda.</p> <p>Action 2: Chair would inform joint Audit Chairs Committee re proposal reference above.</p> <p>Action Update: Deferred to next meeting.</p> <p><u>Ref 8.2 – Review of Risk Register</u> Action 1: Clerk to liaise with HR Manager re mandatory training around Health & Safety (Risk 17) and update accordingly.</p> <p>Action Update: Risk register on agenda; action transferred to current actions.</p> <p>Action 2: Clerk to update Risk 26 based on discussion around integrated HR/Finance/Payroll systems</p> <p>Action Update: Risk register on agenda; Perth College in discussions with Inverness and Moray Colleges re integrated Financial and HR systems; no plan to use Tech One system used by EO; action transferred to current actions.</p> <p>Action 3: Clerk to revise risks around Asset Management (Risk 29) based on Audit Report.</p> <p>Action Update: Risk register on agenda; action transferred to current actions.</p>	Chair
6	Compliance	
6.1	<p>Audit Action Plan – Progress Update</p> <p>Vice Principal presented Paper 2 part 1, highlighting that 95% of actions were fully or partially complete. Only six actions from the original report were still outstanding.</p> <p>Board Member enquired about completion of two Equalities actions from Autumn 2019. Vice Principal explained that an ED&I Advisor had been appointed but had left the organisation after two years in post. Applications had been received for a replacement. Equality Champions were being sought. Mainstreaming of Equalities duties had been implemented for professional services staff but it was not possible to report yet on curriculum areas. Completion of both outstanding actions was expected by June 2022. It was agreed the Committee would continue to monitor progress in this area.</p>	Vice Principal

	<p>Members discussed the interpretation of the term “partially complete” and it was agreed that, while there were degrees of completion, the completion date itself should remain the Committee’s point of reference.</p> <p>The Committee noted the report and the Chair expressed hope that a substantial number of outstanding actions would be closed by the next meeting.</p> <p>Documenting Finance Processes</p> <p>Director of Finance presented Paper 2 part 2, which concerned the documenting of finance processes in the interests of ensuring an effective system of internal control. He advised that it would take up to one year to put all necessary arrangements in place and undertake staff training.</p> <p>Chair enquired whether current gaps had been identified. Director of Finance explained that necessary <i>policies</i> were in place but that work was required to ensure <i>procedures</i> were also documented to an appropriate standard. He referred to Sarbanes-Oxley compliance as a model.</p> <p>Internal Auditor supported the approach outlined by Director of Finance.</p> <p>Board Member enquired about quantifying interim risk exposure if completion date was December 2022. Director of Finance explained there would be several stages of completion prior to December 2022 and offered to bring a further report to the next meeting of the Committee clarifying the context including Sarbanes-Oxley principles.</p> <p>Committee agreed the approach set out in the report was sensible and confirmed it would welcome a further report as suggested from Director of Finance.</p>	Director of Finance
6.2	<p>Code of Good Governance – Compliance Template</p> <p>Chair introduced Paper 3, reminding Members that the Board had undergone an externally facilitated review earlier that year which had found governance arrangements to be compliant with the Code.</p> <p>It was confirmed that an external review was required every three years.</p> <p>Principal agreed, in the absence of the Clerk, to receive via email any comments Members may have on compliance concerns by Monday 11 October, to enable a recommendation to be made to the next meeting of the Board.</p>	

	<p>Board Member noted section A.12 of the Code referred to the Board's equality and diversity leadership. It was confirmed that there were no concerns with regard to statutory compliance, but that a comment should be included in the relevant column on the checklist report.</p> <p>Committee agreed report subject to points noted above.</p>	Principal/ Clerk
6.3	<p>Review of Risk Register: Audit Committee and Full Register</p> <p>Principal introduced Paper 4, noting that there had been actions to update the register with regard to Risks 17, 26 and 29.</p> <p>Board Members noted that completion dates for several actions had passed and that it would be helpful to see up-to-date information that reflected mitigating actions and, where relevant, an action plan for mitigation of residual red risks. It was acknowledged that some risks were outwith the control of the College.</p> <p>Regarding Risk 17, it was noted that effective risk mitigations were in place to meet statutory requirements and that the register would be updated to reflect the current position and any changes in Residual Risk.</p> <p>Regarding Risk 26, it was noted that appropriate measures were in place but that this was an ongoing risk due to implementation timescales for integrated systems. Director of Finance advised that the recent cyber attack had been a test of the systems in place and had demonstrated their resilience. A further update on systems integration would be brought to the Committee.</p> <p>Regarding Risk 29, it was agreed that Director of Finance should review the risk information provided on asset management. Internal Auditor advised that fixed asset register only captures assets above a de minimus level and that the register should capture all assets.</p> <p>It was agreed that the Senior Management Team should review the register prior to the next Board meeting, to ensure all information was up-to-date.</p>	Principal/ Clerk Director of Finance Director of Finance Principal/ Clerk
6.4	<p>Health & Safety Annual Report</p> <p>Head of HR & OD presented Paper 5, highlighting progress made over the past year and the significant amount of COVID-related activity. The College was now transitioning to normal business.</p> <p>She reported a 90% rate of completion of mandatory training, and explained that the shortfall was predominantly attributable to staff</p>	

	<p>turnover and the six months allowed for new employees to undertake the training.</p> <p>Principal advised Members that Charlie Shentall, current Health & Safety Champion on the Board, was leaving, and encouraged Members to consider taking on this role.</p> <p>The Chair noted the relatively low incidence of workplace-related stress. While home-working over the past year was recognised as a factor, Head of HR & OD confirmed that a stress action plan was in place including training for managers.</p> <p>Board Member noted that response rates to DSE assessments were positive, and that this area should be kept under review with changing work practices.</p> <p>Committee noted report and expressed thanks to the Health, Safety & Well-being Advisor who had prepared the report.</p> <p>Board Member enquired about internal audit plans. Head of HR & OD confirmed that plans were in place and would be taken forward after the October break. It was agreed that Head of HR & OD would forward plan by e-mail to Members for information.</p>	Head of HR & OD
7	Performance Management	
7.1	<p>Balanced Scorecard</p> <p>Committee reviewed Paper 6 and noted the positive RIDDOR data resulting largely from the reduced numbers of staff on-site.</p>	
8	<p>Committee Meetings</p> <p>Committee noted the minutes of the Health & Safety Committee held on 26 August 2021.</p>	
13	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Monday 29 November at 6:00pm 	
14	<p>Review of Meeting</p> <p>Committee confirmed that the meeting had been conducted in line with its Terms of Reference.</p>	

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

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

Status of Minutes – Open

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes** **No**

Perth College UHI

Paper No. 2

Committee	Audit Committee
Subject	Audit Action Plan/By Exception Progress Update
Date of Committee meeting	29/11/2021
Author	Kirsty Campbell, Project & Planning Officer
Date paper prepared	22/11/2021
Executive summary of the paper	<p>The attached paper provides Board with a By Exception Status Table for the Audit Action Plan and a Progress Update providing an overview of the main points to note.</p> <p>Carrying out the actions identified by the college's external and internal auditors ensures the college processes and systems are compliant and effective.</p> <p>The outstanding actions will continue to be monitored for progress and the current timeline for completion October 2022.</p>
Consultation Please note which related parties, stakeholders and/or Committees have been consulted	Action Leads were consulted to provide information and context where available.
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> Strongly recommended for approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)

Perth College UHI

<p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>The outstanding Equalities actions are partially dependant on the appointment of an Equality, Diversity & Inclusion Adviser as part of the HR&OD team.</p>
<p>Risk implications</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>The college is at risk of non-compliance or poor performance in the areas where actions have been identified. Implementing the actions mitigates against this risk.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>Compliance</p>
<p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please give details:</p>	<p>No</p>
<p><u>Data Protection</u></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>
<p>Island communities</p>	<p>No</p>

Perth College UHI

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)?	If yes, please give details: Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	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

Audit Action Plan

Progress and By Exception Update



University of the
Highlands and Islands
Perth College

22 November 2021

Audit Action Plan Overview

The purpose of this progress update is to provide the current view on where the college sits against the completion of all the activities set out within the audit action plan and a by exception overview of outstanding actions.

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

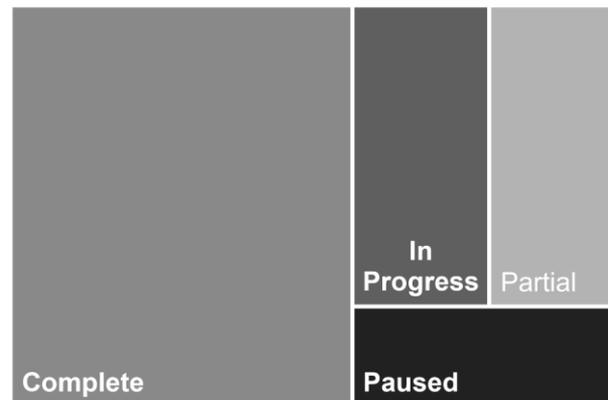
- **Perth College Annual Audit Report to the Board of Management and the Auditor General for Scotland – year ended 31 July 2019**

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

The Data-set is comprised of actions from the 3 main college audit reports

115 Activities

- 107 or 93% of actions fully complete
- 3 or 2.5% are partially complete
- 3 or 2.5% are in progress
- 2 or 2% are paused



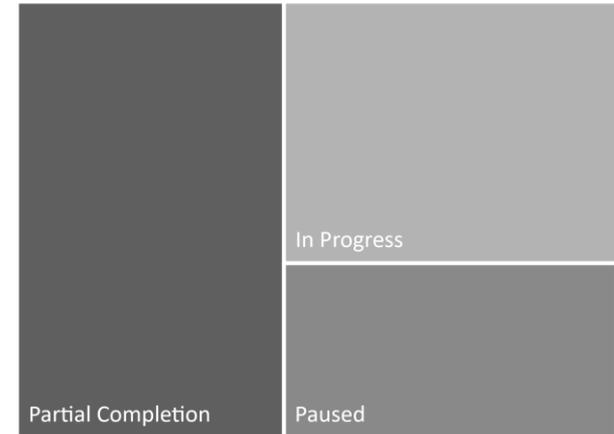
By Exception Overview

The Data-set is comprised of by-exception actions *

9 Actions

* The actions still to be completed in November 2021

- 5 or 44% of the 9 actions partially complete
- 3 or 33% in progress
- 2 or 22% paused



Action Status by Dept.

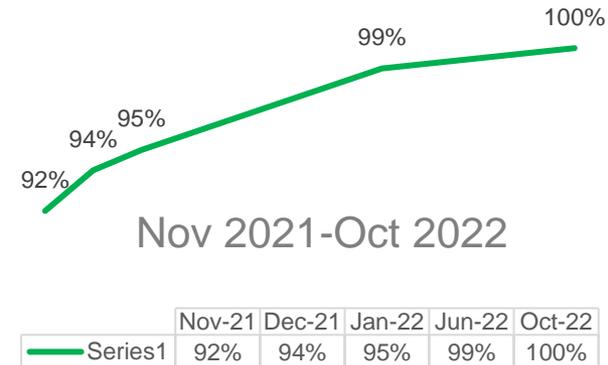
	In Progress	Partial	Paused
Finance	1	1	
Governance	0	1	
Equalities	0	0	2*
H&S	0	1	
Policy & Procedure	0	1	
Comms	2	0	

The paused actions

Equalities 2*

*Pending recruitment of an Equality, Diversity & Inclusion Advisor

Completion timeline ..



Appendix

Partial Completion

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

In progress

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

Paused

The activity paused due to circumstances eg related to COVID-19 restrictions; staffing

Audit Action Plan Project Status Table 2020-21							
Action Plan	Activity	Lead	Accountable	Anticipated Completion Date	Source	Current Status	November 2021 Update
Finance							
Finance	Implement a documented set of financial procedures for the Finance Team	FD	VPEE	Oct-22	UHI Action Plan: 2.70	In progress	Agreed with Perth BOM and the auditor at EO that this action will be achieved by creating an Internal Controls programme based on the COSO framework.
Procurement	Implement greater supplier management systems	FD/ Fin Asst	VPEE	Dec-21	VPEE	Partial completion	This is ongoing work to work through the processes. FD and Procurement meet every 2 weeks to discuss and progress.
Payroll Systems							
Payroll Systems	Provide formal training to the Payroll Finance Assistant	Payroll/ HROD	VPEE	Dec-21	Internal Audit 2019/06: R5	Complete	Agreed by Perth BOM and the Internal Auditors that the Payroll Asst. now has the necessary skill set to carry out their job description.
Payroll & Pension Systems	Undertake review of the calculation of employee and employer pension contributions over the period 2013/14 to 2019/20	FD	VPEE	Nov-21	Internal Audit 2020/04: R1	Complete	Discussed at October Board and satisfied complete with not enough evidence uncovered to indicate a significant issue in the first 4 years of review.

Payroll Systems	Rectify errors of pension overpayments on work over 35 hours	Payroll	VPEE	Nov-21	VPEE	Complete	As per action above - Board now satisfied this action is complete due to lack of materiality uncovered by first 4 years of review.
Governance and Board of Management							
Governance & BOM	Review Business Continuity Plan	SMT/ Clerk to BOM	P&CE	Jun-22	VPEE	Partial completion	No further progress, work is ongoing to update Action Cards and action will remain on action plan to flag up the further work required
Equalities Mainstreaming							
Equalities	Clarify and implement role of Equality Champions	HROD, E&D	DP	Jun-22	Internal Audit 2018/06: R7	Paused	On hold pending appointment of EDI Adviser
Equalities	Embed equality actions are built into self-evaluation and operational objectives processes Direct academic team focus to courses with >25% gender gap	SMT/PP O/E&D	DP	Jun-22	Internal Audit 2018/06: R3	Paused	Remains on hold pending recruitment of EDI Adviser - will be added to the Agenda of Corporate Development & Innovation Group (CDI) which looks at whole college business cycle including self-evaluation and operational objectives

Health and Safety							
Health & Safety	Conduct hazard surveys in all areas to identify missing Risk Assessments	HROD	DP	Jan-22	Internal Audit 2013/07: R1	Partial completion	Exercise now fully underway and on track to be completed by the end of January 2022
Policies and Procedures							
Policies & Procedures	Rationalise and combine the number of college policies and procedures	Quality Manager/CMT	APC	Jun-22	APC/VPEE	Partial completion	This will form part of the Phase 2 work of the Policy & Procedure SLWG commencing November 2021
Communications							
Communications	Develop a Communications Strategy for internal and external stakeholders	VPEE/Marketing	VPEE	Dec-21	VPEE	In progress	The KPIs built into the draft ICT Strategy include completion of the aligned Communications Strategy by December 2021.
Communications	Take forward staff Intranet Project	PPO	VPEE	Jun-22	VPEE	In progress	Now agreed a move from PerthNet to a Sharepoint Hub and work is now underway to achieve this before June 2022 deadline.

Perth College UHI

Paper No. 3

Committee	Joint F&R / Audit
Subject	Internal Audit Annual Report 2020-21
Date of Committee meeting	29/11/2021
Author	Henderson Loggie
Date paper prepared	23/11/2021
Executive summary of the paper	This paper constitutes the Internal Audit Annual Report for 2020-21.
Consultation Please note which related parties, stakeholders and/or Committees have been consulted	Click or tap here to enter text.
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> Strongly recommended for approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes/No

Perth College UHI

<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk? (If yes, please provide details)</p>	<p>Yes/ No</p> <p>Click or tap here to enter text.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>Click or tap here to enter text.</p>
<p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p>
<p><u>Data Protection</u></p> <p>Does this activity/proposal require a Data Protection Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details: Click or tap here to enter text.</p>

Perth College UHI

Status (e.g. confidential/non confidential)	Non Confidential
Freedom of information Can this paper be included in "open" business?*	Yes/ No

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

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

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Perth College UHI

Annual Report to the Board of Management and Principal on the Provision of Internal Audit Services for 2020/21

Internal Audit report No: 2021/09

Final issued: 23 November 2021



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Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in July 2016 as internal auditors of Perth College UHI ('the College') for the period 1 August 2016 to 31 July 2020 and this was subsequently extended by one year to 31 July 2021. This report summarises the internal audit work performed during 2020/21.
- 1.2 The annual operating plan would normally be based on a comprehensive Audit Needs Assessment (ANA) and three-year Strategic Plan, which would be prepared following discussion with Board members and managers throughout the College. Given that the College agreed a one-year contract extension, which took us beyond the ANA and Strategic Plan 2016 to 2020 (Report 2017/01, issued 6 September 2016) it was agreed that a full ANA would not be undertaken. The annual operating plan for 2020/21 was based on discussions with the Director of Finance and consideration by members of the College Senior Management Team, consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage. The plan included the following assignments that were deferred from the 2019/20 internal audit programme due mainly to the impact of the COVID-19 pandemic: Asset Management, Staff Skills Profile, Staff Productivity and Performance Management, Curriculum and Quality and Corporate Planning / Regional Outcome Agreement.
- 1.3 The work undertaken in the year followed that set out in the annual operating plan with the exception of the planned three-day review of Curriculum and Quality which was removed from the plan due to the cross over with the review of Student Recruitment and Retention.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
 - Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist to confirm PSIAS compliance.



Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (continued)

- 1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent review conducted by MHA Macintyre Hudson in March 2019 included our internal audit service. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.
- 1.9 In the intervening years between formal external assessment against PSIAS we conduct our own self-assessment annually. The result of our latest self-assessment, conducted in May 2021, confirms that our service is independent of the College and continues to comply with the PSIAS.

Significant Issues

- 1.10 With the exception of the audit work noted in paragraphs 1.11 and 1.12 below, all work in 2020/21 was assessed systems as either 'Good' or provided an unqualified opinion on College returns.
- 1.11 Internal audit report 2021/04 – Asset Management, issued in May 2021, was graded as 'Requires Improvement'. The report contained three Priority 2 and one Priority 3 recommendations. We found that: there was no complete register in place within the College to identify and monitor all of its assets; no comprehensive guidance was in place to support the asset management process; and the College did not have a regular asset verification check of all of its assets, and in the absence of this exercise there was only limited assurance that listed assets were still in operational use within the College.
- 1.12 Internal audit report 2021/08 – Staff Skills Profile, Staff Productivity and Performance Management, issued in November 2021, was graded as 'Requires Improvement'. It was our view that CIPHR HR, in its current form, was no longer fit for purpose for the needs of the College. System updates completed on CIPHR HR in January 2021 had resulted in loss of functionality around monitoring of the annual professional review process. The system was not used to capture the status of other significant HR processes, such as induction and outcomes from probation review meetings. Occupational sick pay schemes were also not captured within the CIPHR HR system, although we noted that basic sickness data was captured. This led to a situation whereby many HR processes were manual processes, resulting in increased administrative tasks by Line Managers and the need for increased levels of oversight of progress by the HR Department.
- 1.13 Last year's annual report highlighted that the following areas were assessed as 'Requires Improvement': Payroll – Pension Contributions, Health & Safety, Procurement & Creditors / Purchasing and AST Financial Controls. Our follow-up work reported in November 2021 indicated that the College had made good progress in implementing recommendations included in these reports although three priority 2 recommendations from the Procurement & Creditors / Purchasing report; one from the AST report; and one from the 2019/20 Health & Safety report had still to be fully implemented and action was ongoing to address these.
- 1.14 There were no other significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas selected, but several areas for further strengthening were identified and action plans have been agreed to address these issues.



Opinions

- 1.15 In our opinion, with the exception of the issues highlighted in paragraphs 1.11 and 1.12 above, the College has adequate and effective arrangements for risk management, control, and governance. With the exception of the efficiency issues around HR processes highlighted in paragraph 1.12, proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2020/21 and in previous years since our initial appointment.



Reports submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2021/01	Annual Plan 2020/21	N/A	-	-	-	-
2021/02	2019/20 Student Activity Data (Credits)	Audit opinion unqualified	3	-	-	3
2021/03	Student Support Funds 2019/20	FE – unqualified EMA – observation made	4	-	1	3
2021/04	Asset Management	Requires Improvement	4	-	3	1
2021/05	Corporate Planning / Regional Outcome Agreement	Good	1	-	-	1
2021/06	Student Recruitment and Retention	Good	3	-	-	3
2021/07	Follow Up	N/A	9 recommendations required further action	-	6	3
2021/08	Staff Skills Profile, Staff Productivity and Performance Management	Requires Improvement	12	-	5	7

Overall gradings are defined as follows:

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



Annual Internal Audit Report 2020/21

Recommendation grades are defined as follows:

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



Summary of Results and Conclusions

2021/01 – Annual Plan 2020/21

Final Issued – February 2021

The purpose of this document was to present, for consideration by the Audit Committee the annual operating plan for the year ending 31 July 2021. The annual operating plan for 2020/21 was based on discussions with the Director of Finance and consideration by members of the College Senior Management Team, consideration of areas of higher risk and need from a review of the College's Strategic Risk Register and a review of previous internal audit coverage (refer paragraph 1.2 above).

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



Annual Internal Audit Report 2020/21

2021/02 –2019/20 Student Activity Data

Final Issued – November 2020

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

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

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

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

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

Three recommendations were identified from our audit testing for 2019/20 including: Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible. The Student Records team should ensure that such students are removed from the Credits claim; Ensure that Credits claimed for infill courses are based upon the Credits value of the units listed on the discrete course record; and for courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.



Annual Internal Audit Report 2020/21

2021/03 – Student Support Funds 2019/20

Final Issued – November 2020

We carried out an audit on the following fund statements for the 2019/20 academic year: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2020, is in agreement with underlying records.

We were able to certify the FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return for the year and submit this to the SFC without reservation.

The following observation was raised in the covering letter which accompanied our Auditors' Report to the SFC on the College's EMA Return:

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

Four recommendations were identified from our audit testing for 2019/20. These were that the College should:

- Ensure that attendance registers are available for monitoring attendance of EMA students from the start of the academic year or as early as possible thereafter;
- Ensure that an application form is completed for all students supported by the Bursary Fund;
- Ensure that the Bursary award letters contain details of all support provided to students, including where possible an estimate of Additional Support Needs costs (taxis and other); and
- Review the regular checks carried out on Bursary awards and consider what improvements could be made to identify care experienced students incorrectly awarded both a bus pass or taxi transportation plus a travel allowance prior to payment.



Annual Internal Audit Report 2020/21

Report No 2021/04 – Asset Management

Our audit reviewed controls over the College’s asset registers, covering:

- capitalised items of equipment;
- non-capitalised computer hardware and related equipment; and
- the portable non-capitalised equipment where management is of the opinion that the nature and value of the items requires records to establish physical and financial control.

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

Strengths

- The College had in place the following approach to manage its assets with a:
 - Fixed asset register for capitalised assets;
 - An IT asset register;
 - Software register ; and
 - Register for the loan of IT equipment to staff and students.
- There was an annual review in place to ensure both the accuracy and confirmation that the assets contained within the capitalised register were still in place;
- There was an annual physical check to confirm the accuracy of the details recorded on the IT asset registers;
- There were security labels on the IT equipment to identify individual equipment with these details recorded on the IT asset register;
- There were security measures in place for management of stored IT equipment; and
- Effective measures were in place for the loaning of IT equipment for both staff and students.

Weaknesses

- There was no complete register in place within the College to identify and monitor all of its assets;
- No comprehensive guidance was in place to support the asset management process;
- There were no processes in place for Finance to be updated when new assets were procured over the capitalised value of £5,000; and
- The College did not have a regular asset verification check of all of its assets, and in the absence of this exercise there was only limited assurance that listed assets were still in operational use within the College.

Final Issued – May 2021

Overall grade: Requires Improvement

The objectives of the audit were to gain reasonable assurance that:	
1. Assets are recorded with sufficient and appropriate information (e.g. unique identification numbers, quantity, description, age etc.) and are tagged	Requires improvement
2. There is a process to control additions to the asset registers	Satisfactory
3. Processes are in place to control and authorise the transfer of assets and the removal of assets from the registers	Satisfactory
4. Management processes are in place to ensure compliance and monitor the asset registers, including physical checks that recorded assets exist	Requires improvement



Report No 2021/05 – Corporate Planning / Regional Outcome Agreement

Final Issued – May 2021

Overall grade: Good

The scope of this audit was to consider whether the College’s planning process was working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement (RoA), and the detailed operational plans.

The table opposite notes the specific objectives for this review and records the results.

Strengths

- There were clearly defined operational priorities in place which linked to the Strategic Plan and the RoA for the College;
- These plans took account of the current situation the College was operating in within due to the impact of the Covid-19 Pandemic;
- A defined approach was in place for College teams to develop operational plans, with guidance and support available for their completion;
- These plans were subject to review and approval by the SMT to ensure they supported the delivery of the overall college objectives and strategy for the academic year;
- The approved individual team operational plans were collated into the overall College annual operating plan;
- Effective monitoring of the agreed plans was in place to assess their delivery, with the use of a Balanced Score Card to report progress against the Key Performance Indicators (KPIs) on a quarterly basis to SMT, key governance committee’s including the Academic Affairs and Audit committee, as well as to the Board;
- The team operational plans were subject to a mid-year review to assess performance against the agreed plans and where required put in place remedial actions to address underperforming areas;
- The annual budget process supported the delivery of the operational plans; and
- On a quarterly basis the Finance team provided departments, SMT, the Finance and General Purposes Committee and the Board with quarterly financial reports.

Opportunities for Improvement

The audit did not identify any control weaknesses, but we identified the following area where process improvements may be obtained:

- Guidance should be provided on how to develop specific and measurable deliverables within the planning process.

The objective of this audit was to obtain reasonable assurance that:	
1. The corporate planning process was adequately planned and challenged for robustness	Good
2. Linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated	Good
3. Operational plans are robust and include detailed prioritised action plans	Good
4. The Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators	Good
5. There is effective linkage between planning and budgeting at all levels	Good



Report No 2021/06 – Student Recruitment and Retention

Final Issued – November 2021 Overall grade: Good

Taking account of the regional context in relation to the University Highland and Islands (UHI) we conducted a review of the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment and retention, covering the role of Student Services, Marketing, Student Records, and Curriculum Areas. This also included a review of early warning indicators to flag where recruitment targets are not being met or where students are at risk of dropping out of the College.

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

At the time of our review the College was recovering from the cyber incident which took place in February 2021 and this had an impact on the ability of staff to access information held on shared drives which had been quarantined. At the time of audit, management had regained access to shared drives and were reviewing the information / updating their key monitoring documents used to monitor student recruitment and retention arrangements. Acknowledging the constraints brought by the cyber incident we were able to determine the following:

Strengths

- The College had a robust governance framework for setting recruitment targets for courses via the Target Setting Group and ratifying targets with Curriculum and Senior Management via the Curriculum and Student Engagement (CASE) Group and ultimately to the Board, via the Academic Affairs Committee,
- Roles and responsibilities were established through policies and processes reviewed by Senior Management Teams and Corporate Management Teams through the governance structure, across key profession services, such as Student Services and the Curriculum Administration Team (CAT), and Curriculum Teams, such as sector managers and directors and Personal Academic Tutors (PATs). This had fostered accountability around student recruitment and retention.
- There was an annual recruitment plan from setting FE and HE targets in December each year, and monitoring FE applications and interviews were scheduled between February and October each year.
- Recruitment targets were monitored through KPI and Trend spreadsheets that also highlighted recruitment outcomes from previous years. Courses at risk were identified throughout the process and progress was monitored through CASE.
- Marketing work with Student Services and Curriculum to direct local marketing campaigns where outcomes to applications were reviewed.

The specific objectives of this audit were to obtain reasonable assurance that:	
1. There is appropriate senior management and Board committee oversight, including monitoring and reporting of information on student applications and retention rates against targets to identify areas of poor recruitment and retention, and identify possible actions	Good
2. Clear roles and responsibilities have been established that foster accountability for recruitment and retention	Good
3. There is an agreed student recruitment and retention strategy taking into account: <ul style="list-style-type: none"> ◆ College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; ◆ agreed recruitment and retention targets; ◆ equal opportunities; ◆ widening participation; ◆ admissions policy; 	Good
4. An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: <ul style="list-style-type: none"> ◆ planned; ◆ activities are designed to be economic, efficient, and effective; ◆ underpinned by recruitment data and market intelligence; ◆ coordinated; ◆ reviewed, monitored, and evaluated; 	Good



Report No 2021/06 – Student Recruitment and Retention (continued)

Strengths (continued)

- Keeping warm activities were established by Student Services, Marketing, and the Student Association (HISA) to help the conversion of student applications to enrolment and induction.
- Early warning indicators around retention were identified through student attendance and performance monitoring through the process termed the BRAG Process. This was where student’s attendance and performance monitoring were colour coded based on blue, red, amber, and green. Early intervention strategies were implemented by PATs who could sign post students to relevant services and support.
- Management had the skills and knowledge around recruitment and where issues arose, such as through the complaints process, lessons learned had been brought into training, such as interview training.
- The College’s Complaints Handling process was in line with SPSO requirements.

Weaknesses

- The HE and FE Admissions Policies did not adopt good version control to demonstrate that management had reviewed them and they were up to date;
- Attendance and Performance Monitoring Procedures required to be updated in line with good version control and contingency processes considering recent business continuity events with the Cyber Incident. We were unable to identify a process for centrally monitoring student performance and attendance in absence of the BRAG during the Cyber Incident. Discussions noted that curriculum staff were using data from the VLE and manual monitoring. Without a consistent approach there was risk that trends in student performance could not be considered during the Cyber Incident to allow for decision around timely early interventions.
- A process for tracking actions from the review of lessons learned from complaints had not been developed and shared with investigating management.
- A process for gathering and recording of complainant satisfaction required developing.

5. An annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College	Satisfactory
6. Knowledge, skills, and training is provided to staff who are engaged in recruitment activity and in helping to retain students who are at risk of leaving the College	Good
7. There are mechanisms to handle recruitment complaints	Satisfactory



Annual Internal Audit Report 2020/21

Report No 2021/07 – Follow Up Review

Final Issued – November 2021

Overall grade: N/A

As part of the Internal Audit programme at the College for 2020/21 we carried out a follow-up review of the recommendations made in the following Internal Audit reports finalised during 2019/20, which included recommendations from earlier reports where previous follow-up identified that the recommendations were outstanding:

- 2020/06 – Procurement & Creditors / Purchasing
- 2020/07 – Budgetary Control
- 2020/08 – AST Financial Controls
- 2020/09 – Follow-Up Reviews

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

The College had made good progress in implementing the recommendations followed-up as part of this review with 13 (59%) of the 22 recommendations being classified as 'fully implemented'. Nine (41%) of the recommendations were assessed as 'partially implemented' and action was ongoing to address these.

The recommendations that were 'partially implemented' will be subject to follow-up at a later date.

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



Annual Internal Audit Report 2020/21

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
Procurement & Creditors / Purchasing	1	-	-	-	-	-	-
	2	3	-	3	-	-	-
	3	2	2	-	-	-	-
Total		5	2	3	-	-	-
Budgetary Control	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	5	5	-	-	-	-
Total		5	5	-	-	-	-
AST Financial Controls	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	1	-	1	-	-	-
Total		2	-	2	-	-	-
Follow-Up Reviews 2019/20	1/A	-	-	-	-	-	-
	2/B	6	4	2	-	-	-
	3/C	4	2	2	-	-	-
Total		10	6	4	-	-	-
Grand Totals		22	13	9	-	-	-

Report No 2021/08 – Staff skills profile, staff productivity and performance management

This audit considered whether the College is making best use of its staff and included a review of workforce planning; staff utilisation; training; and the personal development plan system.

The table opposite notes the specific objectives for this review and records the results.

Strengths

- The resource needs required to deliver the College’s curriculum ambitions were analysed through the annual operational planning process using a modelling tool developed by the College called Staff Allocation Model Summary. Resource was informed by data on further education (FE) and higher education (HE) student targets, current departmental establishment, remittance time such as union representation or Continued Professional Development (CPD). It was also informed by maximum weekly teaching hours limited (23 hours) and current staff lists held by HR.
- There was a robust governance structure established to review the curriculum resource requirements through the Curriculum and Student Experience Strategic (CASE) Group, Senior Management Team, and the Board via its Committees, such as the Engagement Committee and Finance & General Purposes Committee.
- Workforce planning fed into operational planning and the annual budget setting process, with the Finance team also using a version of the modelling tool to track staff costs and income.
- There was frequent review of staff establishment and curriculum needs through the academic year by the Associate Principal, Finance, Sector Development Directors and Managers. Any teaching gaps were met initially through their permanent staffing.
- Processes were also established to approve resource requests through use of fixed term contracted staff. All variable staff were approved by SMT. This allowed the College to vary staffing needs against changes in student demand of further and higher education.
- The College had also documented their “Academic Permanency Rules” and arrangements for staff on fixed term contracts were reviewed by the HR Department to ensure that temporary staff were treated in line with permanent staff and awarded a permanent role after 2 years of consecutive employment in line with National Bargaining requirements.

Final Issued – November 2021 **Overall grade: Requires Improvement**

The objective of this audit was to obtain reasonable assurance that:	
1. The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these	Requires Improvement
2. Teaching staff are effectively utilised	Satisfactory
3. The College’s approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps	Requires Improvement
4. The College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact	Satisfactory
5. There is a systematic approach for translating business objectives into actions / tasks for members of staff	Requires Improvement
6. A systematic approach is used for communicating objectives and performance expectations to staff	Satisfactory
7. A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance	Good
8. There is a systematic approach for ensuring that the College makes full use of the skills and knowledge of its staff.	Satisfactory



Report No 2021/08 – Staff skills profile, staff productivity and performance management (continued)

Strengths (continued)

- An induction process for new joiners was in place. Any training needs identified were also identified and recorded by the line manager on the First Meeting Action Plan, as noted in the Probationary Policy and Procedure (March 2021).
- All CPD was reviewed by line managers and approved through CIPHR HR, the College's HR System.
- Area objectives were built into staff objectives that were agreed and documented during the annual professional review process.
- There was sufficient flexibility in resource to ensure that training was provided to staff where there was a skills shortage.

Weaknesses

It was our view that CIPHR HR, in its current form, was no longer fit for purpose for the needs of the College. System updates completed on CIPHR HR in January 2021 had resulted in loss of functionality around monitoring of the annual professional review process. The system was not used to capture the status of other significant HR processes, such as induction and outcomes from probation review meetings. Occupational sick pay schemes were also not captured within the CIPHR HR system, although we noted that basic sickness data was captured. This led to a situation whereby many HR processes were manual processes, resulting in increased administrative tasks by Line Managers and the need for increased levels of oversight of progress by the HR Department.

Management were aware of this issue and there was a planned review of HR System user requirements and system options to the College during academic year 2021/22, recognising that the contract for CIPHR HR did not conclude until December 2022. A specific timeline for the user requirements review had not been established at the time of our audit fieldwork. Any review of user requirements should therefore include management consideration of recommendations from this report. Without an embedded HR System, that was fit for purpose, there was reliance on the good working arrangements within the HR function and the wider management and staff cohort, to complete key tasks to the required standards, such as induction, CPD, and annual appraisals.



Report No 2021/08 – Staff skills profile, staff productivity and performance management (continued)

Weaknesses (continued)

The following specific weaknesses were identified:

- The role of HR when setting and reviewing staffing establishment was not defined and the Head of HR and OD was not involved in the larger review of staffing establishment throughout the year. This could have impacted HR's efficiency and timely decision making when assessing new staff requests or job changes as data was having to be seen on a standalone basis.
- There was absence of a Workforce Strategy detailing the long-term focus for the College and linking into wider strategies and detailing the College's vision for its workforce including demographics, equality and diversity, its wellbeing agenda, recruitment, turnover, succession planning, and teaching agendas. The College previously documented a 'CPD Strategy, Policy & Procedure', however, it was last reviewed in 2015. This was due to plans around a UHI Partnership wide policy which is why it had not been reviewed more recently.
- There was no formal succession planning process established, with succession occurring informally through staff highlighting interest in interim roles. Without succession planning, there was risk around proactive planning around critical roles or key person dependencies.
- There was no formal process to change the cost centre of staff who were contracted in one department and outsourced to another to meet teaching needs. The process of "outsourcing" staff to other departments was also not documented in procedure to provide transparency over arrangements, such as requesting and approving temporary changes.
- The College's 'CPD Strategy, Policy & Procedures (2015) noted that workforce planning and continuing professional development for academic staff should be reported to the Academic Affairs Committee. However, this was no longer in line with current arrangements. Instead, updates were provided by the Head of HR and OD to the Engagement Committee and Finance and General Purposes Committee.
- The Terms of Reference for the Academic Affairs Committee (May 2020) identified Duty 6 "to prioritise and make recommendations in respect of workforce planning and continuing professional development". However, our review of published papers to the Committee over 2020/21 noted no HR/OD updates had been provided and the Committee's Terms of Reference required to be updated.



Report No 2021/08 – Staff skills profile, staff productivity and performance management (continued)

Weaknesses (continued)

- The Induction Process for new starters was manual and labour intensive. It required that line managers and new starters completed a Checklist and Review Meeting Forms as detailed in the Induction Procedure. This resulted in inefficient use of resource and time when monitoring and chasing completed forms by the HR Department. There was increased administrative duties when managing employee records.
- Reporting progress of the induction process and status of Review Meetings by line managers to HR was inefficient impacting on the HR Department chasing line managers for progress updates. Root causes for not completing reviews on time were not recorded impacting on several new starters remaining on the Probation List despite being employed over six months. There was also risk that some new starters on support staff terms and conditions who had completed their probation had not received their increment pay increase at its completion.
- There was no one learning and development system that tracked all training requests and the status of training completed by staff at the College, with information retained on three systems: Marshall, UHI's VLE Brightspace, and CIPHR HR. This impacted the efficiency for monitoring progress by line managers and reporting progress by the HR Department. There was also reliance on staff then accurately capturing CPD completed in annual professional reviews.
- The Annual Professional Review process was manual and required Line Managers and staff to complete Review Meeting Forms and submit them to the HR Department to store on the employee file. This was labour intensive and led to inconsistencies in the completion of reviews across the College. We also noted that the HR Department did not monitor the completion of annual reviews to identify any gaps. This was due to the volume of forms received and capacity within the team.
- The quality of documenting objectives in Academic and Professional Service Review Meeting Forms submitted for 2021 was inconsistent. Some areas were left blank without details if the question was not relevant, and objectives often did not adopt SMART (specific, measurable, attainable, realistic and timebound) good practice.
- Feedback was not obtained from staff on training completed and no formal objectives/goals were identified in annual professional reviews on how any new learnings from CPD would be applied in their role.



Time Spent - Actual v budget

	Report number	Planned days	Actual days feed	Days to fee at Nov 2021	Days to spend / WIP	Variance
Funded Student Numbers						
<i>Recruitment and Retention</i>	2021/06	5	-	5	-	-
Resources – Physical and Infrastructure						
<i>Asset Management</i>	2021/04	5	-	5	-	-
Resources – People						
<i>Appropriate staff skills profile, staff productivity and performance management</i>	2021/08	4	-	4	-	-
Products and Markets						
<i>Curriculum and Quality</i>	N/A	3	-	-	-	3
Corporate Infrastructure						
<i>Corporate Planning</i>	2021/05	3	-	3	-	-
Other Audit Activities						
Credits Audit	2021/02	5	5	-	-	-
Bursary, Childcare and Hardship Funds	2021/03	4	4	-	-	-
EMA Audit	2021/03	1	1	-	-	-
Management and Planning)	2021/01	3	-	3	-	-
External audit / SFC)						
Attendance at Audit Committee)						
Follow-up reviews	2021/07	2	-	2	-	-
Total		35	10	22	-	3
		=====	=====	=====	=====	=====



Operational Plan for 2021/22

- 5.1 Following our re-appointment as the internal auditors for the College we will conduct an audit needs assessment to develop a proposed three-year Strategic Plan for the period 2021 to 2024. The preparation of the Strategic Plan will involve dialogue with College management and the Audit Committee.
- 5.2 A draft ANA and Strategic Plan 2021 to 2024 and Annual Internal Audit Plan for 2021/22 will be presented at the next meeting of the Audit Committee.



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Perth College UHI

Paper No. 4

Committee	Joint F&R / Audit
Subject	Internal Audit Reports
Date of Committee meeting	29/11/2021
Author	Henderson Loggie
Date paper prepared	23/11/2021
Executive summary of the paper	<p>This paper includes a number of internal Audit Reports undertaken during 2020-21. These reports relate to the following themes:</p> <p>*6.1 Internal Audit Report No: 2021/06 – Student Recruitment & Retention</p> <p>*6.2 Internal Audit Report No: 2021/07 – Follow Up Reviews</p> <p>*6.3 Internal Audit Report No: 2021/08 – Staff Skills Report – November 2021</p> <p>*6.4 Internal Audit Report No: 2022/01 – Student Activity Data</p> <p>*6.5 Internal Audit Report No: 2022/02 – Student Support Funds</p> <p>The Committee are asked to discuss the findings and approve each audit report.</p>
<p>Consultation</p> <p>Please note which related parties, stakeholders and/or Committees have been consulted</p>	<p>Click or tap here to enter text.</p> <p>College staff and management involved in these areas where audits have been undertaken have been consulted to identify the findings of the reports and to provide the management response against these findings.</p>
Action requested	<input type="checkbox"/> For information <input type="checkbox"/> For discussion

Perth College UHI

	<input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> Strongly recommended for approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
<p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>Yes/No</p>
<p>Risk implications</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/ Ne</p> <p>Risks are identified individually within each report.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>Risk Management</p> <p>Compliance</p>
<p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please give details:</p>	<p>Yes/ No</p>

Perth College UHI

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

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

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

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

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and

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

Perth College UHI

Student Recruitment and Retention

Internal Audit Report No: 2021/06

Draft issued: 21 May 2021

Final issued: 22 November 2021

LEVEL OF ASSURANCE	Good
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Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the risks on UHI Perth College (the “College”) Strategic Risk Register (SRR):

- Risk 3 - Developing a successful and sustainable organisation (Risk: Red 20)

Background

As part of the Internal Audit programme at the client for this period, we carried out a review of the key internal controls in place for Student Recruitment and Retention. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to management and the Audit Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

UHI Perth College offers learning opportunities to a wide range of learners. Modes of study include, full-time, part-time, online learning, distance learning, block release, day release, short courses, and leisure classes. Study levels are tertiary and cover Access level all the way to Post Graduate study, with progression routes mapped throughout levels and a curriculum that is reviewed to ensure it meets local and regional need. The College also offers further education curriculums, accredited provision at a range of levels, and progression from non-accredited Community and Learning Development provision.

The College also works in partnership with all secondary schools from the Perthshire area to deliver appropriate learning experiences, transitions, qualifications, and progression routes particularly in S3 – S6. They have programmes established to engage with parents and younger pupils particularly with schools with current attainment gap plans.

With a wide range of courses and learners (Scottish, RUK and International), it is essential that there are robust arrangements established to maximise student recruitment and retainment of learners through monitoring early warning indicators for withdrawal and providing timely and early interventions.

Scope, Objectives and Overall Findings

Taking account of the regional context in relation to the University Highland and Islands (UHI) we conducted a review of the adequacy and effectiveness of the processes and procedures for managing and controlling student recruitment and retention, covering the role of Student Services, Marketing, Student Records, and Curriculum Areas. This also included a review of early warning indicators to flag where recruitment targets are not being met or where students are at risk of dropping out of the College.

For the purposes of this review student recruitment is those activities targeted at individuals who are actively weighing up the prospect of entering or continuing in further or higher education.

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

Objective	Findings		
	1	2	3
The specific objectives of this audit were to obtain reasonable assurance the College has:			
1. There is appropriate senior management and Board committee oversight, including monitoring and reporting of information on student applications and retention rates against targets to identify areas of poor recruitment and retention, and identify possible actions	Good	-	-
2. Clear roles and responsibilities have been established that foster accountability for recruitment and retention	Good	-	1
3. There is an agreed student recruitment and retention strategy taking into account: <ul style="list-style-type: none"> ◆ College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes; ◆ agreed recruitment and retention targets; ◆ equal opportunities; ◆ widening participation; ◆ admissions policy; 	Good	-	-
4. An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle. Recruitment / promotional activities are: <ul style="list-style-type: none"> ◆ planned; ◆ activities are designed to be economic, efficient, and effective; ◆ underpinned by recruitment data and market intelligence; ◆ coordinated; ◆ reviewed, monitored, and evaluated; 	Good	-	-
5. An annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College	Satisfactory	-	1

Scope, Objectives and Overall Findings Continued

Objective	Findings			
The specific objectives of this audit were to obtain reasonable assurance the College has:		1	2	3
6. Knowledge, skills, and training is provided to staff who are engaged in recruitment activity and in helping to retain students who are at risk of leaving the College	Good	-	-	-
7. there are mechanisms to handle recruitment complaints	Satisfactory	-	-	1
Overall Level of Assurance	Good	-	-	3
		System meets control objectives.		

Audit Approach

We assessed whether the above objectives had been met through discussions with key staff, including the Depute Principal Academic, Vice Principal External and Head of Student Experience, and review of relevant documentation. We also interviewed management from Widening Participation, the Head of Learning and Teaching Enhancement, and the Quality team.

To confirm the effectiveness of controls identified we inspected reporting and monitoring tools around student recruitment and retention and determined whether there had been any changes to arrangements brought about by the global COVID-19 pandemic and the recent cyber-incident within UHI in Quarter 1 of 2021.

Summary of Main Findings

At the time of our review the College was recovering from the cyber incident which took place in February 2021 and this had an impact on the ability of staff to access information held on shared drives which had been quarantined. At the time of audit, management had regained access to shared drives and were reviewing the information / updating their key monitoring documents used to monitor student recruitment and retention arrangements.

Acknowledging the constraints brought by the cyber incident we were able to determine the following:

Strengths

- The College has a robust governance framework for setting recruitment targets for courses via the Target Setting Group and ratifying targets with Curriculum and Senior Management via the Curriculum and Student Engagement (CASE) Group and ultimately to the Board, via the Academic Affairs Committee,
- Roles and responsibilities are established through policies and processes reviewed by Senior Management Teams and Corporate Management Teams through the governance structure, across key profession services, such as Student Services and the Curriculum Administration Team (CAT), and Curriculum Teams, such as sector managers and directors and Personal Academic Tutors (PATs). This has fostered accountability around student recruitment and retention.
- There is an annual recruitment plan from setting FE and HE targets in December each year, and monitoring FE applications and interviews are scheduled between February and October each year.
- Recruitment targets are monitored through KPI and Trend spreadsheets that also highlight recruitment outcomes from previous years. Courses at risk are identified throughout the process and progress is monitored through CASE.
- Marketing work with Student Services and Curriculum to direct local marketing campaigns where outcomes to applications are reviewed.
- Keeping warm activities are established by Student Services, Marketing, and the Student Association (HISA) to help the conversion of student applications to enrolment and induction.
- Early warning indicators around retention are identified through student attendance and performance monitoring through the process termed the BRAG Process. This is where student's attendance and performance monitoring are colour coded based on blue, red, amber, and green. Early intervention strategies are implemented by PATs who can sign post students to relevant services and support.
- Management have the skills and knowledge around recruitment and where issues arise, such as through the complaints process, lessons learned have been brought into training, such as interview training.
- The College's Complaints Handling process is in line with SPSO requirements.

Weaknesses

The following areas were also identified as control weaknesses:

- The HE and FE Admissions Policies do not adopt good version control to demonstrate that management have reviewed them and are up to date;
- Attendance and Performance Monitoring Procedures require to be updated in line with good version control and contingency processes considering recent business continuity events with the Cyber Incident. We were unable to identify a process for centrally monitoring student performance and attendance in absence of the BRAG during the Cyber Incident. Discussions noted that curriculum staff were using data from the VLE and manual monitoring. Without a consistent approach there is risk that trends in student performance could not be considered during the Cyber Incident to allow for decision around timely early interventions.
- A process for tracking actions from the review of lessons learned from complaints has been developed, and shared with investigating management
- a process for gathering and recording of complainant satisfaction requires developing.

Acknowledgment

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



Main Findings and Action Plan

Objective 1 - There is appropriate senior management and Board committee oversight, including monitoring and reporting of information on student applications and retention rates against targets to identify areas of poor recruitment and retention, and identify possible actions

The Student Experience and Curriculum management teams are responsible for recruitment activity, monitoring applications received, offers being made to applicants and offers being accepted compared to the target number of places available on each programme. Where the number of applications is lower than expected then the Head of Student Experience and curriculum staff work with the Marketing team to undertake appropriate targeted marketing to increase applications.

The student recruitment cycle begins in December each year when the Target Setting Group, an operational working group, convenes to set the recruitment targets for the next academic year. This is a set for four meetings that the Head of Student Experience has with the Senior Management Team, Sector Directors, and Sector Managers. Key performance indicators and trends relating to student recruitment and retention on courses are reviewed and any changes to planned curriculum activity are highlighted.

A target setting spreadsheet is completed and afterwards provided to Curriculum areas to ensure the accuracy of the targets. As the Target Setting Group is an operational working group no minutes are generated with figures documented directly into two Excel spreadsheets for Higher Education (HE) and Further Education (FE) that is used for ongoing monitoring purposes.

The arrangements for monitoring recruitment are explored in more detail under Objective 4, below.

Student Recruitment and Retention

Objective 1 - There is appropriate senior management and Board committee oversight, including monitoring and reporting of information on student applications and retention rates against targets to identify areas of poor recruitment and retention, and identify possible actions continued

There is an established management and governance framework around setting student targets, monitoring recruitment activity, and early warning indicators around student retention. Key management groups identified with a key role were as follows:

- **Curriculum and Student Engagement (CASE) Group** – This is a monthly group with a strategic role to set objectives, such as for student recruitment and retention, in line with the College’s corporate objectives. It has members from the Senior Management Team, Corporate Management Team, Sector Managers and Directors, and the Project and Planning Officer. It is chaired by the Associate Principal and reviews student retention and arrangements around recruitment, application, and student conversion rates as part of a wider monthly standing agenda.
- **Curriculum Quality CASE Sub-Group** – This is a monthly group that commenced in January 2021 after Education Scotland recommended to split CASE as their agenda was too wide. The Curriculum Quality CASE Sub-Group was formed to review curriculum quality. As part of that review, they will use target setting, information around student experience, and retention information for their reviews on curriculum quality. Courses added or removed as part of the Target Setting Group and CASE review are also discussed.
- **Student Engagement Group** – chaired by Head of Student Experience. The group meets every 6 weeks to discuss student issues, for example, digital poverty, feedback from class committees, student support arrangement, student association, and the Corporate Parenting Plan. It is an essential group reviewing issues impacting student retention.

The Board will have oversight of arrangements around student admissions, recruitment, survey, and performance namely through scrutiny by the Academic Affairs Committee and Engagement Committee. These meetings are also attended by representatives from the College’s Student Association, HISA, who have a role is supporting and sign posting students requiring additional support and advice.

Our review of Board, Committee and management group agendas and minutes from across 2020/21 noted there is clear reporting and discussion relating to student recruitment and retention. It is noted that the formal arrangement identified are supported by everyday business arrangements between key teams: the Student Experience and their admissions team, Senior Management, Marketing and Curriculum areas and Personal Academic Tutors (PATs) who have a pivotal role in identifying students in need for additional support. The framework identified was operational and robust.

Student Recruitment and Retention

Objective 2 - Clear roles and responsibilities have been established that foster accountability for recruitment and retention continued.

While there is no dedicated recruitment policy and procedures documented to detail specific roles and responsibilities around student recruitment (and retention), activity is documented in a range of policies such as the HE Admissions Policy (April 2018) and FE Admissions Policy (September 2019) and discussion with management involved from Professional Services to Curriculum areas noted clear understanding of the roles and responsibilities. This was supported through our review of processes around setting and monitoring recruitment towards course targets (as noted in Objective 1 and 4) and student performance, attendance, and support arrangements by Personal Academic Tutors (PATs) (as noted in Objective 5).

Student Services work closely with application team to ensure conversion of applications to student induction through the following activity:

- Keeping warm activities (supported by Marketing)
- Bursary information and application support
- Learning Support officers
- Counselling needs

Other support around recruitment is provided by Marketing who are responsible for providing general marketing of the College and programmes and providing further targeted marketing assistance at the request of curriculum staff. See Objective 4, below, for further details.

In addition, the College's Student Association, HISA, provides a role around recruitment with attendance at Open Day Events or videoing virtual tours for marketing purposes, and general sign posting support to students. They also have an oversight role on the Board and its Committees and report on student engagement activities and outcomes from surveys completed. This provides rounded intelligence around the student experience or feedback on course quality from Class Reps - possible trigger warnings around retention issues.

While there is no documented recruitment and retention procedures, we obtained sufficient evidence that this objective has been met. However, through our review of policies we have raised one point below around the review of version control of the UHI/ Perth College's Admission Policies.

Student Recruitment and Retention

Objective 2 - Clear roles and responsibilities have been established that foster accountability for recruitment and retention.
continued

Observation	Risk	Recommendation	Management Response		
<p>The HE and FE Admission policies have not been reviewed in line with their version controls and good practice. They therefore do not evidence that management have reviewed documented arrangements recently and that they remain in line with current processes.</p> <p>For example:</p> <ul style="list-style-type: none"> • HE Admissions Policy was last reviewed in April 2018 and was due for review in 2020, and • FE Admissions Policy was last reviewed in 2019 and does not state when it is next review period will be such as every 2 years. <p>Our review noted no specific issues with documented arrangements.</p>	<p>Assurance that documented arrangements remain up to date with current arrangements.</p>	<p>R1 College management should ensure that Admissions Policies and procedures remain up to date and accurately reflect current arrangements, such as online applications and monitoring arrangements.</p>	<p>The FE admissions policy will be reviewed this academic year 21/22</p> <p>To be actioned by: D Lally</p> <p>No later than: 30 June 2022</p> <p>The HE admissions policy will be review this academic year 21/22 NB. This is a single UHI policy and as such, we can only request for this review to take place.</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

Student Recruitment and Retention

Objective 3 - there is an agreed student recruitment and retention strategy taking into account:

- ◆ College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes;
- ◆ agreed recruitment and retention targets;
- ◆ equal opportunities;
- ◆ widening participation.

Strategic Objectives and SFC Outcomes

The College's Strategic Plan was under review by management at the time of audit. The current strategy vision 2017 to 2021, Perth College identified student activity measures for assess how well they are achieving their goals. Key measures include:

- Recruit to target (FE and HE)
- Tracking progress towards ensuring widening access and equality by analysis of data relating to age, gender, postcode, protected characteristics, and care experienced, subject area, numbers from schools with highest rates of negative destinations, and
- Retention and attainment – for all full time and part time funded programmes.

The Board's progress towards goals set are monitored through the College's Balance Scorecard. The Strategic Plan 2016-21: Targets and KPIs Progress Report to the Audit committee in February 2021 noted that FE trends were consistent, whereas HE trends were going down. This was reported to be due to the shortfall in HE recruitment that is driven by UHI and arrangements across the partnership.

The strategy states it is to drive the Highlands and Islands HE/FE Regional Outcomes Agreement. There was no published ROA for 2020/21 due to the Global COVID-19 pandemic as instructed by the SFC in May 2020. The SFC funding allocations for Annual Year 2020 to 2021 were published in April 2020.

Recruitment Targets

For the College, the focus on recruitment is to ensure that all courses are as fully subscribed as possible to meet SFC credits targets for funding. College staff involved in the recruitment process aim to ensure that students enrol on courses that they are best suited to and are then provided with adequate support to improve retention and attainment. This is best assessed through the Interview process that is completed by Curriculum and supported by Student Services.

At a programme level, enrolment targets are based on several factors including: the minimum number of enrolments required to ensure that the course is financially viable; the College's identification of demand for the course; the resources available including staff, accommodation, and equipment; and historical trends in early and later withdrawals. From this, a maximum number of places available for each programme is determined which is used as the recruitment target. There is a robust process to set recruitment targets, with target retention rates being determined by curriculum staff based which are compared against historic data recorded by the Head of Student Experience (see Objective 4) and assessed to whether targets are reasonable by Curriculum, the Target Setting Group and CASE.

Student Recruitment and Retention

Objective 3 - there is an agreed student recruitment and retention strategy taking into account:

- ◆ College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes;
- ◆ agreed recruitment and retention targets;
- ◆ equal opportunities;
- ◆ widening participation continued.

Equal Opportunities

The College has an Access and Inclusion Strategy 2017 -2022, that aims to ensure that College provides accessible and inclusive services, how the College monitors effectiveness and impact of services, and sets out priorities and outcomes linked to other relevant strategies and plans. The College has set its Equalities Outcomes for 2017-2021. These are under review for 2022- 2025 and in line with the current refresh of the College's strategy. Equalities Outcome 2 looks to ensure that gender imbalances are tackled across the college so that all individuals can achieve their potential. As required by the Scottish Funding Council (SFC), the College also has a Gender Action Plan 2017-2021 (July 2017) which sets out our plans to address any complex gender imbalances for students, staff, and the Board.

The Gender Action Plan is aimed at reducing gender disparities for learners within certain subject areas, including STEM, care, and education. The College is also working with wider groups in the sector to address inequalities in social groups accessing certain programmes and therefore progression routes. Outcomes are monitored and reports are published on the Perth College public website.

For example, the "Mainstreaming Equality, Equality Outcomes, and Workforce and Students Profile" report detailed the status of arrangements at Quarter 1 2022. It also detailed equality arrangements during the 2020-21 COVID-19 pandemic, such as arrangements for supporting student equality, digital poverty, emergency funding, arrangements with the Student Support and Development Trust Teams providing hands on support, homelessness support, HISA support, and Personal Academic Tutor support. Future planning for equality outcomes and gender action plan for 2021-25 is also detailed.

Our review noted that the College recruitment process is undertaken on an open and non-gender specific basis, with overall student recruitment reflecting the gender balance within the regional population. The College recognises that there is a clear gender split within individual curriculum areas. Addressing the gender split is a challenge facing all colleges in the sector. The College has made efforts to increase awareness through the publication of a series of case studies of student success within non-traditional subject areas on its website.

Student Recruitment and Retention

Objective 3 - there is an agreed student recruitment and retention strategy taking into account:

- ◆ College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes;
- ◆ agreed recruitment and retention targets;
- ◆ equal opportunities;
- ◆ widening participation continued.

Widening Participation

The college strategy 2017 to 2021 has no specific objective documented around widening access. There are therefore no set targets for students through widening participation. However, outcomes are legislative and reviewed as one of the measurables for success for the overall strategy. It is also the focus of the Access and Inclusion Strategy and Enhancement Plan 2019-21. The FE Admissions Policy also states that Perth College UHI operates a fair and open admissions process that is free of discrimination and reflects a commitment to widening access and equality of opportunity.

From discussion with College staff, there is a programme of activity around widening participation with dedicated resource to support strategies. We established that data on learners from the most deprived postcode areas is captured through the management information system from the point of application and the curriculum offering is designed to provide learners with access to courses at all levels of ability.

The College applies a range of strategies to encourage and increase recruitment from deprived areas, including:

- School liaison – the College works on an individual basis with schools and guidance staff as appropriate;
- Support services - provided by curriculum staff, such as PATs and Student Services
- Scottish Higher Education Programmes funded by SFC - aimed at supporting progression to Higher Education for school pupils; and
- Community and adult learning programmes - aimed at improving adult literacy rates and providing a pathway into education.

The College engages with a significant number of learners, who are not enrolled on mainstream courses, through school-link, community, employability, ESOL and adult learning programmes. Pathways into further education and progression to higher education are provided to Care Experienced learners with the College offering guaranteed interviews to applicants for mainstream courses. Similarly, to encourage retention, students already enrolled at the College looking to progress onto a programme at the next level are guaranteed a conditional offer during the application process.

Student Recruitment and Retention

Objective 3 - there is an agreed student recruitment and retention strategy taking into account:

- ◆ **College strategic objectives, the Highlands and Islands FE and HE Regional Outcome Agreement and Scottish Funding Council (SFC) outcomes;**
- ◆ **agreed recruitment and retention targets;**
- ◆ **equal opportunities;**
- ◆ **widening participation continued.**

Admissions Policy

As noted in Objective 2, there are separate FE and HE College Admissions Policies. We reviewed the controls in place to ensure that applicants were treated fairly as follows:

- Recruitment is done for specific courses for individuals with low entry level skills, which offer further progression pathways through their College journey and beyond;
- Through the online prospectus, course application, interview, and course enrolment process applicants are requested to declare any specific difficulties or needs. If these needs have been declared, then these applications are referred to the Student Services for assistance. The Student Engagement Team also provide support for estranged students, students who are carers, and veterans. Additional support is also provided through the Transition Support Services and Wellbeing and Support Services Learner Inclusion Team (where applicable) if that applicant becomes a student;
- Where applicants are rejected for a course curriculum staff aim to work with the applicant to identify another suitable programme for the applicant; and
- There is a waiting list system in place for courses that are initially full whereby if accepted applicants decide to decline their offer, do not meet their offer conditions, or do not turn up then those on the waiting list can be offered a place immediately. The College will also discuss with any applicants on a waiting list any alternative courses that are available.

While there is no specific, documented student recruitment and retention strategy, our review noted this objective has been met. There are arrangements to sustain the income generation of the College (and therefore UHI partnership) and support students and local communities. The public website also contains impact reports on the local economy to demonstrate how the College makes a difference to the local economy.

Student Recruitment and Retention

Objective 4 - An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle.

Recruitment / promotional activities are:

- ◆ **planned;**
- ◆ **activities are designed to be economic, efficient, and effective;**
- ◆ **underpinned by recruitment data and market intelligence;**
- ◆ **coordinated;**
- ◆ **reviewed, monitored, and evaluated.**

A recruitment timeline is followed each year that is designed to streamline the processes for the recruitment of students for the next academic session. HE students apply through UCAS who have their own scheduling established. There are deadline dates for submission via the UHI website. Student Services team support current student populations who are planning to transition from FE to HE courses to complete UCAS applications and apply for SAAS funding.

For FE students, they apply directly to UHI Perth College via the website, that also has a dedicated page for detailing arrangements around the application process and when to apply for funding that have set dates: HE (March) and FE (June). There is a FAQs site, and You Tube videos, on the College's public website for supporting potential students with key information around the admissions process. For example, students are informed around their status of their FE application within 3-5 working days. Interviews are scheduled between February and October each year. In 2020/2, the academic sessions started in September 2020 for full time students and January 2021 for part time students.

Administration staff are assigned to each curriculum area and work with curriculum staff to support the recruitment and admissions process, providing monitoring reports from the management system, making curriculum staff aware of the College recruitment timeline, arranging interview dates, processing the student applications on the online application and enrolment system, and gathering and recording interview and group assessment results. We reviewed arrangements for the 2021/22 academic session. The application process began as scheduled in January/ February 2021. However, the Cyber Incident in February 2021 impacted the admissions team's insight around the stage of application for potential new FE students and therefore the timeliness of interviews. However, at audit in May 2021, staff were beginning to access information and tracking of recruitment activity was underway with interviews taking place.

The status of recruitment against targets were monitored by the Head of Student Experience using the KPI and Target Setting spreadsheets agreed with Curriculum in December (see Objective 1). For FE students, it tracks the recruitment analysis of number of applicants as per the review date (example provided was on 12 April 2021) and the difference to recruitment target. Courses at risk of not achieving targets are highlighted in red and extracted into another spreadsheet for further review on the percentage and comments on actions taken. At 12 April 2021, there was 29 FE courses identified by management as at risk, however, it was noted to be a timing issue relating to the status of the recruitment cycle.

Student Recruitment and Retention

Objective 4 - An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle.

Recruitment / promotional activities are:

- ◆ **planned;**
- ◆ **activities are designed to be economic, efficient, and effective;**
- ◆ **underpinned by recruitment data and market intelligence;**
- ◆ **coordinated;**
- ◆ **reviewed, monitored, and evaluated continued.**

With set timelines around reviewing and notifying students with their application, as well as supporting their journey to join the College and seek funding on time, it is essential there is coordinate recruitment activity and to support courses identified as at risk. Marketing was noted to be established by an inhouse team (as well as marketing teams through UHI). There are programmes and campaigns established and monitored to assist with general College brand awareness and marketing of specific courses that are under-recruiting.

Marketing supports the recruitment process in various ways, including:

- involvement in arranging open days;
- producing the online edition of the prospectus;
- promoting courses through the most appropriate marketing channels, including:
 - the College website;
 - social media such as Facebook, Twitter, and YouTube;
 - local press coverage; and
- arranging attendance at careers fairs by College staff and students (held remotely during 2020/21 due to national restrictions brought by COVID-19).

A range of formats for advertising are used, with Facebook and the College website being key means for marketing activity as these are considered economic, efficient, and effective because they are often used by target marketing audiences. While there is no documented college prospectus (although there is a school prospectus for 2020/21) all information on courses are available online.

Our review of promotional activities noted the Perth marketing team are involved in events, digital, and internet communications. For the 2020 summer campaign, we reviewed outcome reports developed by marketing that demonstrate the effectiveness of campaigns. Review noted that the “Keeping Warm” activity was well received with 60% reviews from over 2,200 applicants and number of clicks on website was monitored. Facebook was the main social media platform used noted good reach.

Student Recruitment and Retention

Objective 4 - An annual student recruitment plan is in place to define and coordinate recruitment activity including a recruitment lifecycle.

Recruitment / promotional activities are:

- ◆ **planned;**
- ◆ **activities are designed to be economic, efficient, and effective;**
- ◆ **underpinned by recruitment data and market intelligence;**
- ◆ **coordinated;**
- ◆ **reviewed, monitored, and evaluated continued.**

For 2021, the Marketing Campaign has consisted of:

- awareness campaigns for FE students
- Always Open Day website
- College Virtual Show case
- Targeted social media content for courses where recruitment is lower than expected
- Radio Tayside content for March 2021
- Advertising in Perth City Centre in May 2021
- Updating Keeping Warm emails.

Activity also includes cross-college and UHI partnership working to identify areas requiring immediate need for marketing or new programmes needing a spotlight, future planning to ensure marketing and public relations plans are coordinated across the partnership. We also noted that specific campaigns for courses are measured for actual conversion of interest to applications, such as the September 2020 FE Apply Now campaign that generated a reach of 1,547 people leading to 113 applications between the 13th and 26th September 2020.

Our review noted there is the framework established for (i) supporting admissions, (ii) reviewing course recruitment against targets agreed, and (iii) marketing activity to support recruitment and brand awareness. Our review of this objective was met, and arrangements are controlled and measured.

Student Recruitment and Retention

Objective 5 - An annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College.

Rather than a formal student retention 'plan' we noted a range of initiatives used by the College to improve student retention rates which cover the lifecycle of the student's journey at the College, including:

- Liaison with secondary schools to identify students coming to the College who may have support needs, and following discussion with the student and parents / guardians put in place support plans for the student during their time at the College;
- Student welfare initiatives to support and guidance for students, including a limited amount of ring-fenced financial support for students relating to welfare issues, such as Care Experience students or students who are carers;
- Growing capacity through training within the staff and student body to be able to identify student welfare issues and to be able to provide support or direct students to appropriate support services, as noted through the Corporate Parenting Plan;
- A recruitment and selection process through interview which aims to ensure that the student applies for and enrolls on a course which best matched to the student's abilities, interest, experience as well as qualifications;

Monitoring arrangements and procedures are established and available online such as:

- The International Student Attendance and Performance Monitoring Procedure (September 2015) – applies to taught international students studying on Perth College UHI campus and addresses all aspects of attendance tracking and monitoring.
- Monitoring of assignment completion on Brightside, the College's VLE system,
- Student Completion and Progression updates are provided to the quarterly Engagement Committee, a Board sub-committee.
- An annual review of the curriculum portfolio and course performance linked to student outcomes to ensure that courses meet the needs of students and employers and are aligned with regional and national priorities; and
- Review of SFC performance indicator tools that provide national KPI benchmarking data at course and unit level, including for retention and achievement against national performance.

The main process for monitoring student performance and attendance, and ultimately identify early warning signs around retention, is through the BRAG process documented within the Attendance and Performance Monitoring Procedure (November 2017). This makes use of an Excel workbook stored on the College's shared drive and only accessed by PATs and Student Service management.

The workbooks are used to log and track all student, their student ID number, any protected characteristic that may support reasons for poorer performance, and weekly attendance and performance using the BRAG system (Blue, Red, Amber, Green). For example, a student that is Green for attendance but is performing below an acceptable standard can be categorised as Amber or Red for performance.

Student Recruitment and Retention

Objective 5 - An annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College continued.

The Curriculum Administration Team (CAT) also support the curriculum have access to BRAG spreadsheets and will populate the spreadsheet with any correspondence a student receives in connection with their performance and/or attendance. CAT will correspond via text messaging initially then follow up with letters that are generated and logged against the student's formal record in the College's Student Information Systems (SITS).

BRAG reporting allows curriculum staff to identify early warning indicators to provide timely interventions. BRAG information is considered at regular Course Team meetings and feeds into Curriculum and Business Planning and reviewed monthly by CASE. It is the role of the PAT to support students when early warning signs have been identified and will sign post students to Student Services for further support where required.

At audit, the UHI had experienced a cyber incident that impacted Perth College UHI and their ability to access BRAG records from shared drives. The 2017 template for the BRAG was provided, however, we were unable to evidence completed BRAG reports from 2020/21 to demonstrate the effectiveness of the control.

Business continuity arrangements by curriculum areas included accessing VLE reports that detailed engagement of online resources by students and academics were to maintain attendance manually. The process for updating the BRAG was still to be completed. Review of minutes from CASE noted requirements to ensure that all curriculum areas accurately update reports.

In absence of formal and centralised reporting during this period, academic tutors and PATs were leading on ensuring student welfare and attendance.

Student Recruitment and Retention

Objective 5 - An annual student retention plan is in place to define and coordinate activities designed to identify students at risk of dropping out at an early stage and provide them with the necessary support to retain them at the College continued.

Observation	Risk	Recommendation	Management Response		
<p>Online policies and procedures for managing and monitoring student attendance and performance require updating in line with version control good practice:</p> <ul style="list-style-type: none"> International student attendance and performance monitoring procedure was last updated in September 2015 and does not reflect any remote study and absence reporting arrangements brought by the COVID-19 pandemic. Online BRAG Attendance and Performance Monitoring Procedure (2017) was due for review in 2018. <p>Procedures also require to be updated for contingency processes considering recent business continuity events. We were unable to identify a process for centrally monitoring student performance and attendance in absence of the BRAG during the Cyber Incident. Discussions noted that curriculum staff were using data from the VLE and manual monitoring.</p>	<p>Trends in student performance could not be considered during the Cyber Incident to allow for decision around timely early interventions.</p>	<p>R2 A lessons learned review of the Cyber Incident should be completed and contingency measures for monitoring student attendance and performance during scenario events, such as where the BRAG is not accessible.</p> <p>Contingency processes should also be documented to ensure that a consistent approach is used across the College.</p> <p>The online Attendance and Performance Monitoring Procedures should be updated with business continuity arrangements and in line with good version-controlled practices.</p>	<p>The BRAG procedure will be reviewed next academic year 21/22.</p> <p>Contingency planning will be reviewed and documented onto Sharepoint.</p> <p>To be actioned by: D Lally</p> <p>No later than: 30 June 2022</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

Student Recruitment and Retention

Objective 6 - Knowledge, skills and training is provided to staff who are engaged in recruitment activity and in helping to retain students who are at risk of leaving the College

From discussion with College management, we were advised that the knowledge, skills, and training provided to staff who are engaged in recruitment activity was sufficient, with staff being experienced in recruitment target setting, recruitment monitoring, and marketing promotional processes.

A range of curriculum and support staff are involved in the recruitment process, providing applicants with access to information on programme, progression routes, finance, and learner support services.

Any specific training needs of staff would be covered by the College's continuing professional development and annual staff review process, such as interview training. From discussions with Widening Participation and Complaints Handling Teams, it was noted that there has been a recent review on the training for academic staff around performing and assessing student interviews following lessons learned from complainants who require additional support.

Student Recruitment and Retention

Objective 7 - There are mechanisms to handle recruitment complaints.

Complaints received regarding the recruitment and admissions processes are dealt with as part of the College's normal complaints procedures, which have been developed in accordance with the Scottish Public Services Ombudsman (SPSO) guidelines.

College and UHI Complaints Handling Procedure (CHP) (March 2021) is available on the College's dedicated Complaints Handling website and split into five parts:

1. Part 1: Overview and Structure
2. When to use this procedure
3. The CHP
4. Governance, and
5. A guide for complainants

There are dedicated complaints handling staff within the Quality Team and decision flow charts have been documented to support decision making around whether the complaint is valid within the Stage 1 review and the arrangements for managing the complaint should it go to the Stage 2 – investigation. Reporting information is also detailed including learning from complaints, use of statistical data, and reporting requirements to the Senior Management Team such as:

- All Stage 2 Complaints
- Common themes from learnings, and
- Annual statical data.

Complaints are reported quarterly on the College's website. Through our review of the website, we noted that the link to Quarterly Complaints Report was last updated in 2018. Management noted reports have been produced and they were working with marketing teams to update the website. We were supplied with current reports. The team utilise an Excel spreadsheet to log each complaint received, process and stage of review, and outcomes. An extract of the Log from prior to the Cyber Incident was reviewed. We noted that the timelines for complaint handling is monitored and managed in line with SPSO requirements. While some complaints in stages 1 and 2 had exceeded the workings days targets set by the SPSO, management noted all complainants had been communicated of the extensions of times.

Further work was underway by management to improvement the CHP process from learnings stemming from complicated complaints, for example, from students who had attended courses across the UHI partnership. The UHI Complaints Handling Group attended by CHP managers across UHI has resumed during 2021 to support early decision making. The Group also review the format of the CHP Log to ensure centralised monitoring and timely resolution.

Student Recruitment and Retention

Objective 7 - There are mechanisms to handle recruitment complaints

Observation	Risk	Recommendation	Management Response	
<p>There is a process established for curriculum staff from within Perth College to feedback outcomes and actions taken from lessons learned.</p> <p>Our review of the CHP Log therefore noted complaint outcomes such as improvements to be made were not consistently completed, and numerous cells were left blank.</p> <p>A survey to establish complainant satisfaction of the implementation of the CHP is to be developed by management.</p>	<p>Complainant satisfaction may impact overall quality and performance outcomes for the college</p>	<p>R3 The process for action planning and monitoring of actions stemming from lessons learned should be actioned by college managers</p> <p>A process for gathering complainant satisfaction of the implemented procedure should be developed and implemented.</p>	<p>A process for monitoring and planning actions stemming from lessons learned will be developed within the next academic year 21/22</p> <p>A process for recording complainant satisfaction will be developed within the next academic year</p> <p>To be actioned by: J Borley</p> <p>No later than: 30 June 2022</p>	
			Grade	3



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Perth College UHI

Follow Up Reviews

2020/21

Internal Audit report No: 2021/07

Issued: 23 November 2021



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Management Summary

Introduction and Background

As part of the Internal Audit programme at Perth College UHI ('the College') for 2020/21 we carried out a follow-up review of the recommendations made in the following Internal Audit reports finalised during 2019/20, which included recommendations from earlier reports where previous follow-up identified that the recommendations were outstanding:

- 2020/06 – Procurement & Creditors / Purchasing
- 2020/07 – Budgetary Control
- 2020/08 – AST Financial Controls
- 2020/09 – Follow-Up Reviews

Audit Scope and Objectives

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

Audit Approach

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

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

Overall Conclusion

The College has made good progress in implementing the recommendations followed-up as part of this review with 13 (59%) of the 22 recommendations being classified as 'fully implemented'. Nine (41%) of the recommendations were assessed as 'partially implemented' and action is ongoing to address these.

The recommendations that were 'partially implemented' will be subject to follow-up at a later date.



Overall Conclusion (continued)

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

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
Procurement & Creditors / Purchasing	1	-	-	-	-	-	-
	2	3	-	3	-	-	-
	3	2	2	-	-	-	-
Total		5	2	3	-	-	-
Budgetary Control	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	5	5	-	-	-	-
Total		5	5	-	-	-	-
AST Financial Controls	1	-	-	-	-	-	-
	2	1	-	1	-	-	-
	3	1	-	1	-	-	-
Total		2	-	2	-	-	-
Follow-Up Reviews 2019/20	1/A	-	-	-	-	-	-
	2/B	6	4	2	-	-	-
	3/C	4	2	2	-	-	-
Total		10	6	4	-	-	-
Grand Totals		22	13	9	-	-	-

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

Gradings for recommendations from internal audit reports:

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

Acknowledgements

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



Appendix I - Updated Action Plan

Internal Audit Report 2020/06 – Procurement & Creditors / Purchasing

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R1 The College should take steps to ensure that the contract register contains all contract awards and contains all of the information required by the Act and the associated Regulations.</p>	<p>3</p>	<p>Create and maintain a 4 year spend analysis that identifies areas of non-compliance.</p>	<p>Procurement Manager</p>	<p>31 October 2020</p>	<p>A 4 year Spend Analysis has been created. This is categorised into Procurement levels 1 and 2. This is reviewed every six months. Non pay spend figures were updated to 28th Feb 2021.</p>
		<p>For contracts exceeding £25K all Added Value services will be recorded on Hunter and reported within the Annual Procurement Report.</p>	<p>Procurement Manager</p>	<p>30 November 2020</p>	<p>All categories classified by the Scottish Government as BT14 sustainability and value-added benefits are recorded via the Hunter Database and reported within the Annual Procurement Report.</p>
		<p>Quarterly reviews of non-pay spend to be conducted to identify non-compliance risks.</p>	<p>Procurement Manager</p>	<p>31 December 2020</p>	<p>Monthly reviews now conducted.</p>
		<p>6 month Non Compliance reporting to SMT of Contract Values exceeding 25k to be embedded</p>	<p>Procurement Manager</p>	<p>31 December 2020</p>	<p>There was a delay in the initial report due to finalising spend analysis, however the first report was issued in June 21 and will be done going forward.</p>
		<p>Embed a Non-Competitive Action Process</p>	<p>Procurement Manager (in conjunction with Director of Finance)</p>	<p>31 January 2021</p>	<p>A Non-Competitive Action Form and procedure has been created and embedded.</p> <p>Fully Implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
R2 The College should implement a plan to ensure the mandatory use of PECOS in all procurement activity by an agreed date, and should ensure that a “No purchase order - no payment” approach is implemented and enforced around all procurement activity.	2	Review and cleanse of College PECOS Users.	Director of Finance	31 October 2020	The review and cleanse of College PECOS Users has been completed.
		Instruction issued for mandatory use of PECOS.	Director of Finance	31 December 2020	PECOS is used as the only ordering system.
		Embed 'no purchase order no pay' process	Procurement Manager / Director of Finance	31 March 2021	All award letters issued advise that a PO is required. The College has implemented a no PO no Pay process internally but needs to follow that up with a mail to suppliers. The supplier mail will go out by the end of Nov 21. <i>Partially Implemented</i> Revised Implementation Date: 30 November 2021



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R3 The Procurement Team should ensure that all staff involved in the procurement process complete the PECOS training as a matter of urgency. In addition, no new users should be able to procure goods and/or services, or be granted access rights to the PECOS system, until PECOS training has been completed.</p>	<p>2</p>	<p>Training to be provided to CMT/SMT to advise risk areas of direct awarding contracts out with the procurement process.</p>	<p>Procurement Manager</p>	<p>31 December 2020</p>	<p>Training was delivered on 25th June 2020 via MS Teams.</p>
		<p>Training to be delivered to 90% of PECOS Users</p>	<p>Procurement Manager</p>	<p>31 January 2021</p>	<p>Training has been delayed due to COVID-19. It has not yet been delivered to 90% of PECOS Users and the process for this is currently being revised.</p>
		<p>Procurement Compliance Training to be delivered to end users.</p>	<p>Procurement Manager</p>	<p>28 February 2021</p>	<p>Training was delivered on 25th June 2020 via MS Teams.</p> <p>The College is recruiting an additional APUC staff member. When the new staff member is recruited, Procurement will place all POs in the College (on PECOS). Recruitment is already underway, so it is expected that all current staff PO permissions in PECOS to be switched off in January 2022. This action will ensure the accuracy of POs.</p> <p><i>Partially Implemented</i></p> <p>Revised Implementation Date: 31 January 2022</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R4 Staff placing an order should be required to raise a purchase order for all procurement activities, as this will ensure that the liability is accurately and timeously recorded as required within accrual accounting requirements.</p>	<p>2</p>	<p>Agreed, purchase orders provide a critical role in a number of areas including; cash management, ensuring financial information is correct and preventing fraud. Raising a purchase order is not optional and Finance will work with Procurement through the end of 2020 to design a process of staff communication and weekly P.O. tracking. These actions combined with the other actions in this report e.g. “No P.O. no pay” will result in a significant improvement in this area.</p>	<p>Director of Finance</p>	<p>30 November 2020</p>	<p>CMT were requested to have a PO for all purchases. Video training was created and made available on the importance of POs and how to raise them. Reports of any purchases without a PO are being created as part of the “No PO, No Pay” process being implemented.</p> <p>The College is recruiting an additional APUC staff member. When the new staff member is recruited, Procurement will place all POs in the College (on PECOS). Recruitment is already underway, so it is expected that all current staff PO permissions in PECOS to be switched off in January 2022. This action will ensure the accuracy of POs. Staff will complete purchase requisitions, which cannot become a PO until the required level of detail is included on the purchase requisition.</p> <p><i>Partially Implemented</i></p> <p>Revised Implementation Date: 31 January 2022</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
R5 Regular (either annually or six monthly) reviews of dormant supplier data should be implemented to ensure the timely removal of inactive supplier accounts	3	A data cleansing exercise is underway which will examine accounts with no activity in the 4 years. These will be made inactive.	Procurement Manager	30 November 2020	A data cleansing exercise has been completed and 260 supplier accounts with no activity in the last 4 years have been de-activated.
		Introduce an annual data cleansing exercise to be conducted between September and November each year.	Procurement Manager	30 November 2021	A data cleansing exercise will be conducted on an annual basis going forward. Fully Implemented



Appendix II - Updated Action Plan

Internal Audit Report 2020/07 – Budgetary Control

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R1 A formal budget setting procedure should be developed, which documents all the key stages of the budget setting process and the point in the annual budget setting cycle that each of these milestones should be completed by. As part of this budget setting procedure, detailed budget holder guidance should be developed which describes how budgets should be monitored and reported on. This should include specific guidance on the level of variance which should be reported to the Director of Finance, the type of corrective action(s) required and the responsible individuals for delivery.</p>	<p>3</p>	<p>Agree, a budget timetable will be developed for the 20/21 budget which will ensure that the budget is completed in advance of the Board meeting to approve the numbers. New budget models will be developed along with budget holder training which will include phasing of budget spend. As part of the budget timetable, meeting will be set up with budget holders to discuss their budget in relation to current year actual spend and income levels for the budget year.</p>	<p>Finance Director</p>	<p>31 January 2021</p>	<p>Finance created a new budget process and procedures as part of the 2020/21 budget cycle. The 2020/21 budget was approved on time using new budget models. See R4 for variance reporting.</p> <p><i>Fully Implemented</i></p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R2 Consider profiling budgets to more accurately reflect anticipated phasing of expenditure and implement a formal process for reforecasting budgets in year when plans change, or funding targets are not achieved.</p>	3	<p>Agree, part of the new budget modelling and training will introduce phasing, and this will be followed up with the introduction of rolling forecasts which will incorporate the impact of changing funding.</p>	Finance Director	30 June 2021	<p>New budget models have been completed which required budget holders to detail their planned spend by month. Similar requirements were placed on non-recurring income. A process of forecasting will begin as part of R4 below.</p> <p>Fully Implemented</p>
<p>R3 The reports sent out to budget holders should be further developed to ensure that the format is easy to understand and interpret at a glance by including a variance column and a projected outturn column for Income and Non-Pay expenditure. Consideration should also be given to the inclusion of monthly budget versus actual figures. Steps should be taken to ensure that in future these reports are always sent out to budget holders on a monthly basis.</p>	3	<p>Agreed, New department costs models are being developed at the moment. A new management book will also be developed on the back of these reports. Training will be provided on how to access and use the new department information.</p>	Finance Director	31 January 2021	<p>Budget holders can now access all information online through blueQube. Training has been provided on this.</p> <p>Fully Implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
R4 Develop a timetable for regular monthly or quarterly face to face meetings between Finance staff and budget holders to ensure that budget holders are aware of significant variances and to allow any corrective actions to be identified and monitored to completion.	3	Agree, face to face meeting will be introduced with the new department reports noted at R3. Finance are also working on reorganising to provide more capacity and support in this area.	Finance Director	30 October 2020	<p>Face to face meetings have started and will continue with budget holders on a regular basis. These meetings will look at variances and discuss risk to future budget periods.</p> <p>The discussions around future budget periods will develop into forecasting by budget holder from the start of 2022.</p> <p>Fully Implemented</p>
R5 Consider developing a training programme for budget holders to ensure a consistent understanding of the agreed approach.	3	Agree, see R2 above	Finance Director	31 January 2021	<p>bluQube and budget training has now been delivered to budget holders.</p> <p>Fully Implemented</p>



Appendix III - Updated Action Plan

Internal Audit Report 2020/08 – AST Financial Controls

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R1 The current update of the Perth College UHI's Financial Regulations should take account of AST business requirements to ensure they are adequately addressed. Alternatively, consideration could be given to excluding AST from the Perth College UHI Financial Regulations and creating specific Financial Regulations which meet the business needs of AST; the AST Board and the governance requirements of the Perth College UHI Board of Management.</p> <p>Any separate Financial Regulations developed for AST will require the approval of the AST Board, as well as Perth College UHI's Board of Management, to ensure that they satisfy the public sector financial and governance requirements.</p>	2	<p>Agreed.</p> <p>AST General Manager has previously discussed this with the Board Secretary and they concluded that once the work was done regarding sign-off / referral levels for Perth College, then a similar scale of levels had to be established for AST.</p> <p>There also needs to be consideration whether the referral points for AST should be the AST board or nominated directors (eg Perth College Principal) or whether the escalation could be to Perth College personnel (eg VP External or Finance Director) who were not part of the formal AST governance process, specifically the AST Board.</p> <p>The next AST Board meeting is 25th February 2021 and it is proposed that revised procedures and financial levels should be presented at the board meeting for approval, prior to referral to the F&GP then Perth College Main boards</p>	Mark Taylor (AST General Manager)	28 February 2021	<p>There has been delayed action on this matter due to the additional work in managing the business through COVID-19.</p> <p>Considerable management effort has also been used on cash generation, coupled with a requirement to demonstrate that the business can satisfy a Going Concern question from the external auditors.</p> <p>This action was always subject to a conclusion of those same discussions within the College, who only approved their new levels at the October 2021 Board of Management Meeting. Those were issued to AST on 19th November and will now be reviewed prior to AST proposing a matching document for approval by the AST Board. Whilst there is an AST Board Meeting on 23rd November, realistically the agreement of a formally approved governance document will have to occur at the next session, which is on 24th February 2022.</p> <p>Partially Implemented</p> <p>Revised implementation date: 28 February 2022</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress at November 2021
<p>R2 Discussions should be initiated between AST and Perth College UHI regarding the feasibility of developing a Service Level Agreement detailing the specification for the service levels which will be provided for the annual £100k service charge. This should include:</p> <ul style="list-style-type: none"> • What services will be provided; • Who will provide them; • Quality metrics or KPIs to assess the effectiveness of their delivery; and • Timelines for reviewing the agreed fees and service delivery levels. 	3	<p>It will be comparatively easy to write agreements of turnaround times on requests, compliance with due dates on say monthly finance reports and similar.</p> <p>However the issues that define the quality of relationship between AST and PC are more subjective and include, for example, does AST get a fair crack at room bookings, or does it only get the rooms PC does not require. This impacts AST ability to deliver business and thereby limits AST profit and its ability to Gift Aid to PC.</p> <p>Need also to consider if AST should be incentivised to reduce expenditure / activity. AST is the predominate user of the Reprographics facility but would see no financial benefit, if it were to invest in scanning and digitalisation and move training materials on-line.</p> <p>The AST General Manager will initiate discussions with the Finance Director in Perth College UHI to discuss these issues and to discuss the practicalities of progressing the development of a formal SLA between AST and the College.</p>	Mark Taylor (AST General Manager)	28 February 2021	<p>The College services SLA has been drafted by AST but has still to be issued to the College for consideration.</p> <p>The BSc SLA has been drafted by AST and iterated between AST and the College, although the latter stages of that were hindered by the College representative leaving the College. The new College representative is now in place and the document needs to be shared with him. The involvement of the VP-External plus the Finance Director meant there was sufficient agreement of the commercial arrangements that the invoicing for FY 2021/22 could occur on the new basis.</p> <p><i>Partially Implemented</i></p> <p>Revised implementation date: 31 December 2021</p>



Appendix IV - Updated Action Plan

Internal Audit Report 2020/09 – Follow-Up Reviews 2019/20

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<i>Internal Audit Report 2013/07 – Health and Safety</i>						
R1 Risk assessments should be reviewed annually by College managers. The H&S Adviser should also perform an annual review of risk assessments in place to ensure that these have been updated.	B	During 12/13, a centralised risk assessment system was established which, by each College area, identified the Duty Holder, Responsible Person, and Risk Assessor for each area, training requirements, number of risk assessments required / in place and annual review date.	Director of HR & Communications	31 May 2013	<p>At May 2019 Improvements have been made with risk assessments being completed, reviewed and stored electronically. More areas are utilising the central registry and additional assessments have been conducted for Estates Caretakers and Cleaners and Nursery. Some areas still maintain hard copy assessments for Student Training and reference. Internal Inspections by the Health, Safety and Wellbeing Adviser shall indicate if current hard copies are suitable and sufficient. Further review of risk assessments scheduled in 2019.</p> <p>At November 2020 The closure of the College site has had an impact on the College's ability to meet these targets.</p>	<p>Limited access to the College site and the ongoing additional work requirements due to COVID-19 have affected the College's ability to meet these targets.</p> <p>All COVID-19 risk assessments are in place and regularly reviewed (College wide ones are published on the website).</p> <p>7 CMT members have completed their IOSH Managing Safely training. Other CMT members have enrolled on the programme.</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
R1 (continued)					<p>1) Hazard surveys to be carried out within possible areas which have staff working on campus by December 2020</p> <p>2) A workplan for 2020-2023 to be revisited in January 2021</p> <p>3) 15 Risk Assessment trainings took place to support COVID19 assessments</p> <p>4) 9 members of CMT are enrolled on IOSH Managing Safely training (online)</p> <p>1 member of SMT and a Board member (who sits on H&S committee) have completed their IOSH Safety for Executive and Directors Programme.</p> <p>This process is now planned to be completed by the end of the 2020/21 academic year.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 July 2021</p>	<p>Hazard surveys are being conducted in all areas across the College and this is ongoing.</p> <p>The workplan for 2020-2023 was updated but could not take place as planned due to COVID-19 restrictions. Internal audits will recommence in January 2022.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 December 2021</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<p>R3 The College should ensure that all staff with outstanding mandatory H&S training receive this as soon as practical.</p>	<p>B</p>	<p>As noted in the report there was a planned change in on-line training provider which resulted in a number of staff not completing the health & safety module. This is being addressed and outstanding staff have or are in the process of completing the module.</p>	<p>Director of HR & Communications</p>	<p>31 May 2013</p>	<p>At May 2019 A review of current staff employed, and completion of online Health and Safety related training has indicated a fall from previous years. Figures indicate 44% of current staff have completed modules, with 38% not having started any. Reminders have been forwarded to Managers and raised at the Health and Safety Committee to ensure specific training is completed by all staff.</p> <p>At November 2020 Progress has been made with 19/08/2020 training completion is: Stress Management 84% Health & Safety (1) 79% Health & Safety (2) 81%</p> <p>Full training is planned to be completed by 31 December 2020.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 December 2020</p>	<p>Current completion rates are 82% & 84%. Those who have not completed the training are made up of staff requiring to redo the training, as it is redone every three years as well as a number of new starters.</p> <p>Fully implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
Internal Audit Report 2016/05 – Commercial Developments						
R5 Amend the costing and pricing forms to add a section to record which competitors' prices have been reviewed, what these were, the date of review, source of information and justification of prices if these are significantly different from competitors' rates.	3	This may not always be appropriate as overall market forces may be more relevant than competitive pricing. However if a contribution of less than 30 per cent is asked for then justification for this should be given.	Curriculum and Business Engagement Director Now: Veronica Lynch	August 2016	<p>At May 2019 The Head of Finance has convened a Short Life Working Group to review costing models and approaches to costing for course development and commercial activities.</p> <p>At November 2020 The costing forms were reviewed by a SLWG of the Curriculum Business Planning Group in February 2020 to ensure that all costs are captured for all delivery of activity, including commercial work and research.</p> <p>Further work on this is planned by the Director of Finance to ensure consistency of application of the revised model. At this point a section to record where competitors' prices have been reviewed, where applicable will be added.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 May 2021</p>	<p>A revised budgeting process has been created by the Finance Director along with a Commercial Pricing Template. These have been agreed by SMT and at the Curriculum and Business Planning Group in Jan 2021.</p> <p>Fully Implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<i>Internal Audit Report 2018/04 – IT Network Arrangements</i>						
R4 Ensure that: <ul style="list-style-type: none"> • Separate Administrator accounts are created for each of the members of the networking team; • Administrator accounts are not used for day-to-day activities such as web browsing and checking email; and • Administrator accounts are renamed and do not include 'Admin' in the title so that the purpose of the account is less obvious to hackers. 	2	<p>Agreed to separate admin accounts for each of the networking team.</p> <p>Administrators do not currently use their admin accounts for day to day activity</p> <p>Admin account titles to be changed.</p>	Steve Douglas, Network & Systems Team Leader	1 April 2018	At May 2019 In relation to each element of the recommendation: <ul style="list-style-type: none"> • Separate accounts have been created for each member of the admin team; • Work has still to be done to ensure admin accounts are not being used for day-to-day activities. The way this is managed going forward is still to be agreed. UHI may be able to block external aces for Admin level accounts on request; and • Only one account still has Admin in the title. Tasks have been reduced / limited for this account until this has been completed. 	<p>Following a cyber-incident in March 2021, the majority of College data and systems are now cloud based.</p> <p>This is a fundamental change to the way that College IT services are delivered.</p> <p>Due to the incident, use of admin level accounts is now restricted to a few key personnel.</p> <p>Use of administrative privileges will be under review moving forward but as the migration process is still under way no final decisions have yet been taken.</p> <p>Fully Implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
R4 (continued)					<p>At November 2020 UHI are currently unable to block Internet access for admin level accounts. Internet access is required in order to resolve some issues.</p> <p>Admin titled account still exists but use and range has been reduced as much as possible. Each team member has their own separate admin level account. User's own accounts still have limited administrative access but this is currently being addressed.</p> <p>Although remote working is causing some issues it is expected to be completed by Monday 30th November 2020.</p> <p><i>Partially implemented</i></p> <p>Revised implementation date: 30 November 2020</p>	



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
Internal Audit Report 2018/06 – Equalities Mainstreaming						
R7 Clearly set out the role of the Equality and Diversity Champions, how often they will meet, what they will discuss, and who they will report up to. Ensure the role of the Equality and Diversity Champions is communicated to all staff and students.	3		Stuart Hall Now: Jen McGilvary	31 August 2018	<p>At May 2019 The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>At November 2020 E&D champion role outline has been created. It has been discussed at EDIT and also staff conference. Discussions have also taken place with HISA</p> <p>Progress against completion of the outstanding actions has been delayed due to the Pandemic.</p> <p>Partially Implemented</p> <p>Revised Implementation date: 31 December 2020</p>	<p>This action is on hold until the new EDI advisor is in place, who will take this matter forward. Recruitment is currently ongoing for this position.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 January 2022</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<p>R8 Review the EIA process to ensure:</p> <ul style="list-style-type: none"> • all policies and practices are identified; • where an EIA has not been undertaken for a policy or procedure, ensure that there is a formal justification for this; • all EIAs are on the College website; • as part of the process for reviewing policies and practices undertaken by the Quality department ensure that this includes the requirement for an EIA or justification for not requiring an EIA to be done; and • all EIAs are kept centrally. 	3		<p>Stuart Hall</p> <p>Now: Jen McGilvary</p>	31 August 2018	<p>At May 2019 The recommendation will be taken forward once the new Equality and Diversity Adviser is in post.</p> <p>At November 2020 Progress has been made, with the updating of policies and procedures. Some work remains outstanding in relation to updating the EIA forms.</p> <p><i>Partially Implemented</i></p> <p>Revised Implementation date: 31 December 2020</p>	<p>All policies and revisions now have EIAs done. EIAs where appropriate are published on the College website and a new policy was put in place to support this.</p> <p><i>Fully implemented</i></p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
Internal Audit Report 2020/04 – Payroll / Pension Contributions						
R1 The College should undertake a full review of the calculation of employee and employer pension contributions made over the period 2013/14 to 2019/20, focussing on gross pensionable pay to ensure that only items eligible under the relevant pension scheme regulations have been included. Where differences in gross pensionable pay are identified the impact on employee and employer pension contributions, as well as any PAYE and National Insurance Contributions, should be quantified.	2	<p>Management agrees with the recommendation.</p> <p>The approach that will be taken is to deal with issues in 2019/20 before the end of the tax year. Prior years will be dealt with thereafter.</p>	Interim Head of Finance	<p>Year 2019/2020 - 29 February 2020.</p> <p>Years 2013/14-2018/19 - 30 November 2020.</p>	At November 2020 Not past completion date	<p>A full review of pension contributions from 2016/17 to 2019/20 was carried out and a total of seven errors to the value of around £1k were detected. As the value of errors found was low, it was felt that it was not worth reviewing any years prior to 2016/17.</p> <p>Fully implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<p>R2 Once a full analysis of pension fund contributions has been performed and the financial impact quantified (R1), for both current and former employees (including any further tax implications), ensure that a clear strategy and timeframe are developed for addressing and communicating any financial impact that may affect current and former pension scheme members, the pension funds or the College.</p>	<p>2</p>	<p>Management agrees with the recommendation.</p> <p>Calculations will be done to identify any overpayments and payroll will work with HR in communicating with affected staff.</p>	<p>Interim Head of Finance and Head of HR and Organisational Development</p>	<p>Year 2019/2020 by 29 February 2020. Years 2013/14-2018/19 by 30 November 2020</p>	<p>At November 2020 Not past completion date</p>	<p>As noted under R1 above, the College has gone back 4 years and only found approx. £1K of error spread across 7 heads i.e. just over £140 per head. College management presented its findings to the Audit Committee who agreed that the work done so far, which is very time consuming, is not showing any indication that there would be a significant issue in years which have not been completed.</p> <p>Fully implemented</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<i>Internal Audit Report 2020/05 – Health and Safety</i>						
R1 The College should ensure that all health and safety policies are reviewed and updated in line with the agreed review schedule.	3	Agreed.	Health, Safety and Wellbeing Adviser	10 December 2020	<p>At November 2020 This process has been started, but will be completed during the 20/21 academic year.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 July 2021</p>	<p>Nine policies and the H&S arrangements have been reviewed, updated, and published on the website. All others are in the process of being reviewed.</p> <p>Partially implemented</p> <p>Revised implementation date: 31 January 2022</p>



Follow-Up Reviews 2020/21

Original Recommendation	Priority	Original Management Response	Responsible Officer	Agreed Completion Date	Progress Previously Reported (in last 2 years)	Progress at November 2021
<p>R4 The College should ensure that risk assessments are completed in accordance with the agreed standard approach, and should also be reviewed and updated on time. The Health and Safety Committee should be provided with regular reports detailing the level of compliance with the cycle of updating of risk assessments and should be informed where there are areas of significant non-compliance with the regular review and updating process.</p>	2	Agreed.	SDD / Head of Department for each area overseen by SMT, supported by Health, Safety and Wellbeing Adviser	31 March 2021	<p>At November 2020 <i>Not past completion date</i></p>	<p>Risk assessments associated with COVID-19 and staff / students on campus were prioritised and completed.</p> <p>All areas are currently having hazard surveys done to inform if any risk assessments are missing. Risk assessment compliance is being discussed at the next Health and Safety Committee</p> <p><i>Partially implemented</i></p> <p>Revised implementation date: 31 January 2022</p>



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Perth College UHI

Staff skills profile, staff productivity and performance management

Internal Audit report No: 2021/08

Draft issued: 28 September 2021

Final issued: 10 November 2021



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Level of Assurance

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

Gradings are defined as follows:

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

Action Grades

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



Management Summary

Overall Level of Assurance

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

This review focused on the controls in place to mitigate the following risks on the Perth College UHI (the “College”) Risk Register as at 31 May 2021:

- 7 – Developing staff to successfully deliver our Vision. UHI common risk. Current risk score - 9

Background

As part of the Internal Audit programme at Perth College UHI for 2020/2021, we carried out a review of the systems in place for Staff Skills Profile, Staff Productivity and Performance Management. The Annual Plan, 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 to the Principal and the Audit Committee that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Perth College UHI Strategic Plan 2016-2021 set five strategic aims for which one was to have talented, confident, and inspirational staff who contribute to and make a vital difference to the success of students, the life of the College, the University, and local communities. It set six objectives to:

1. Continue to develop skilful, motivated, and adaptable diverse staff,
2. Enhance staff engagement by ensuring effective communication across and between all levels of staff within the College, University, and other partners and stakeholders,
3. Continue to foster a culture of personal leadership and empowerment, enterprise, innovation and ownership among all staff and students,
4. Ensure that all staff are valued and informed,
5. Support all staff to develop appropriate skills and qualifications through opportunities for training, scholarship, and research, and
6. Build on staff industry links and ensure appropriate industry engagement and updating for staff.

Core to measuring the success of these outcomes is student satisfaction and key staff measures, such as:

- Number of days spend on Continuing Professional Development (CPD) per year
- Proportion of staff with teaching qualifications and numbers of staff presenting papers at conferences and number of publications, and
- Staff rates of turnover and sickness absence.

To support arrangements, it is vital that the College have effective staff skill profiling and staff performance management processes and procedures.



Scope, Objectives and Overall Findings

This audit considered whether the College is making best use of its staff and included a review of workforce planning; staff utilisation; training; and the personal development plan system.

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

Objective		Findings		
		1	2	3
The objective of our audit was to:		No. of Agreed Actions		
1. The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these	Requires Improvement	-	2	1
2. Teaching staff are effectively utilised	Satisfactory	-	-	1
3. The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps	Requires Improvement	-	2	2
4. The College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact	Satisfactory	-	-	1
5. There is a systematic approach for translating business objectives into actions / tasks for members of staff	Requires Improvement	-	1	-
6. A systematic approach is used for communicating objectives and performance expectations to staff	Satisfactory	-	-	1
7. A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance	Good	-	-	-
8. There is a systematic approach for ensuring that the College makes full use of the skills and knowledge of its staff.	Satisfactory	-	-	1
Overall Level of Assurance	Requires Improvement	-	5	7
		System has weaknesses that could prevent it achieving control objectives.		

Audit Approach

The Head of Human Resources and Organisational Development, Human Resources staff, and a sample of senior managers were interviewed, and the College's policies, procedures and structure were reviewed, to assess compliance with the above objectives.



Summary of Main Findings

Strengths

- The resource needs required to deliver the College's curriculum ambitions are analysed through the annual operational planning process using a modelling tool developed by the College called Staff Allocation Model Summary. Resource is informed by data on further education (FE) and higher education (HE) student targets, current departmental establishment, remittance time such as union representation or Continued Professional Development (CPD). It is also informed by maximum weekly teaching hours limited (23 hours) and current staff lists held by HR.
- There is a robust governance structure established to review the curriculum resource requirements through the Curriculum and Student Experience Strategic (CASE) Group, Senior Management Team, and the Board via its Committees, such as the Engagement Committee and Finance & General Purposes Committee.
- Workforce planning feeds into operational planning and the annual budget setting process, with the Finance team also using a version of the modelling tool to track staff costs and income.
- There is frequent review of staff establishment and curriculum needs through the academic year by the Associate Principal, Finance, Sector Development Directors and Managers. Any teaching gaps are met initially through their permanent staffing.
- Processes are also established to approve resource requests through use of fixed term contracted staff. All variable staff are approved by SMT. This allows the College to vary staffing needs against changes in student demand of further and higher education.
- The College have also documented their "Academic Permanency Rules" and arrangements for staff on fixed term contracts are reviewed by the HR Department to ensure that temporary staff are treated in line with permanent staff and awarded a permanent role after 2 years of consecutive employment in line with National Bargaining requirements.
- An induction process for new joiners is in place. Any training needs identified are also identified and recorded by the line manager on the First Meeting Action Plan, as noted in the Probationary Policy and Procedure (March 2021).
- All CPD is reviewed by line managers and approved through CIPHR HR, the College's HR System.
- Area objectives are built into staff objectives that are agreed and documented during the annual professional review process.
- There is sufficient flexibility in resource to ensure that training is provided to staff where there is a skills shortage.

Weaknesses

It is our view that CIPHR HR, in its current form, is no longer fit for purpose for the needs of the College. System updates completed on CIPHR HR in January 2021 have resulted in loss of functionality around monitoring of the annual professional review process. The system is not used to capture the status of other significant HR processes, such as induction and outcomes from probation review meetings. Occupational sick pay schemes are also not currently captured within the CIPHR HR system, although we noted that basic sickness data is captured. This leads to a situation whereby many HR processes are manual processes, resulting in increased administrative tasks by Line Managers and the need for increased levels of oversight of progress by the HR Department.

Management are aware of this issue and there is a planned review of HR System user requirements and system options to the College during academic year 2021/22, recognising that the contract for CIPHR HR does not conclude until December 2022. A specific timeline for the user requirements review was not yet established at the time of our audit fieldwork. Any review of user requirements should therefore include management consideration of recommendations from this report – primarily the recommendations actions from **R7** to **R10**. Without an embedded HR System, that is fit for purpose, there is reliance on the good working arrangements within the HR function and the wider management and staff cohort, to complete key tasks to the required standards, such as induction, CPD, and annual appraisals. The following specific weaknesses were identified:



Weaknesses Continued

- The role of HR when setting and reviewing staffing establishment is not defined and the Head of HR and OD is not involved in the larger review of staffing establishment throughout the year. This can impact HR's efficiency and timely decision making when assessing new staff requests or job changes as data is having to be seen on a standalone basis.
- There is absence of a Workforce Strategy that would detail the long-term focus for the College and link into wider strategies and details the College's vision for its workforce including demographics, equality and diversity, its wellbeing agenda, recruitment, turnover, succession planning, and teaching agendas. The College previously documented a 'CPD Strategy, Policy & Procedure', however, it was last reviewed in 2015. This is due to plans around a UHI Partnership wide policy which is why it has not been reviewed more recently.
- There is no formal succession planning process established, with succession occurring informally through staff highlighting interest in interim roles. Without succession planning, there is risk around proactive planning around critical roles or key person dependencies.
- There is no formal process to change the cost centre of staff who are contracted in one department and outsourced to another to meet teaching needs. The process of "outsourcing" staff to other departments is also not documented in procedure to provide transparency over arrangements, such as requesting and approving temporary changes.
- The College's 'CPD Strategy, Policy & Procedures (2015) notes that workforce planning and continuing professional development for academic staff should be reported to the Academic Affairs Committee. However, this is no longer in line with current arrangements. Instead, updates are provided by the Head of HR and OD to the Engagement Committee and Finance and General Purposes Committee.
- The Terms of Reference for the Academic Affairs Committee (May 2020) identified Duty 6 "to prioritise and make recommendations in respect of workforce planning and continuing professional development". However, our review of published papers to the Committee over 2020/21 noted no HR/OD updates have been provided and the Committee's Terms of Reference requires to be updated.
- The Induction Process for new starters is manual and labour intensive. It requires that line managers and new starters complete a Checklist and Review Meeting Forms as detailed in the Induction Procedure. This results in inefficient use of resource and time when monitoring and chasing completed forms by the HR Department. There is increased administrative duties when managing employee records.
- Reporting progress of the induction process and status of Review Meetings by line managers to HR is inefficient impacting on the HR Department chasing line managers for progress updates. Root causes for not completing reviews on time are not recorded impacting on several new starters remaining on the Probation List despite being employed over six months. There is also risk that some new starters on support staff terms and conditions who have completed their probation have not received their increment pay increase at its completion.
- There is no one learning and development system that tracks all training requests and the status of training completed by staff at the College, with information retained on three systems: Marshall, UHI's VLE Brightspace, and CIPHR HR. This impacts the efficiency for monitoring progress by line managers and reporting progress by the HR Department. There is also reliance on staff then accurately capturing CPD completed in annual professional reviews.
- The Annual Professional Review process is manual and requires Line Managers and staff to complete Review Meeting Forms and submit them to the HR Department to store on the employee file. This is labour intensive and lead to inconsistencies in the completion of reviews across the College. We also noted that the HR Department do not monitor the completion of annual reviews to identify any gaps. This is due to the volume of forms received and capacity within the team.
- The quality of documenting objectives in Academic and Professional Service Review Meeting Forms submitted for 2021 was inconsistent. Some areas were left blank without details if the question was not relevant, and objectives often did not adopt SMART (specific, measurable, attainable, realistic and timebound) good practice.
- Feedback is not obtained from staff on training completed and no formal objectives/ goals are identified in annual professional reviews on how any new learnings from CPD will be applied in their role.



Acknowledgment

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



Main Findings and Action Plan

Objective 1 - The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these.

Resource Modelling

Perth College UHI has a workforce consisting of 515 personnel (approximately 670 employment contracts) across its Academic and Professional Services workforce. Our work concluded that there is an annual cycle of academic workforce planning at the Perth College UHI, which stems from the student target setting activity which commences in November and December each year. Further education (FE) student targets (and related Scottish Funding Council (SFC) credits) and higher education (HE) student numbers are agreed with curriculum areas in November / December each year. This is followed by an exercise to review the College's current resource capacity and capability to meet demand.

The assessment of teaching resource is complex; however, the college has created a modelling tool, titled the "Staff Allocation Model Summary 2021-22", that is completed by the Head of Student Experience. The model presents each programme area by FE and HE programme against the potential class size, planned teaching hours, and current establishment including any teaching time adjustments and lecturer remittance. Total Lecturer FTE required are compared against current staffing lists provided by Human Resources (HR). The Head of Student Experience will discuss changes in curriculum and resource requirements with the Associate Principal, Sector Development Directors and Sector Managers. A summary report is also in place to present the sector by the total income (main recurrent grant) against total income (price groups), staff FTE required, establishment, additional hours required, additional hours converted to FTE and review of any further remittent time.

A checklist is established to monitor the progression of the modelling activity by the Head of Student Experience.

A copy of the model is used by Finance to align to forecasted income and establish annual budget. Senior Management Team (SMT) review the budget requirements and will agreed or decline any budget changes and provisional resource lists. The SMT also review any recruitment to the Professional Services staffing. While there is no workforce modelling tool for Professional Services, the establishment for Professional Services is managed within departments.

The establishment for teaching staff is managed by Finance and monitored by the Curriculum and Student Experience Strategic (CASE) Group. The Associate Principal, Head of Student Experience, Finance, Sector Development Directors meet monthly to review staffing establishment throughout the year. Any new staff or fixed term contracts are requested by departmental management using the Recruitment Request Form and assessed by HR, Finance, and the SMT.



Staff skills profile, Staff Productivity & Performance Management

Objective 1 - The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these (Continued).

Observation	Risk	Recommendation	Management Response	
<p>The role of HR when setting and reviewing staffing establishment is not currently defined. The Head of HR and OD is also not involved in the review of staffing establishment throughout the year. This impacts upon the efficiency for timely decision making around:</p> <ul style="list-style-type: none"> • staffing costs associated with recruitment requests, variable staff requests, or job change requests for teaching and professional services staffing against departmental budgets, and • impact of repetitive fixed term contracts moving to permanent contracts on the departmental establishment. <p>In practice, the Head of HR & OD does meet with SMT once a fortnight to maintain awareness of current arrangements and any gaps.</p>	<p>Timely review and decision making around vacant posts or contractual changes within approved budgets.</p>	<p>R1 HR require greater clarity around the College's establishment to effectively assess current and future workforce needs.</p> <p>It is our view the current arrangements would be enhanced by the inclusion of the Head of HR and Occupational Development in the monthly meetings on the review of staffing establishment with Finance, Sector Development Directors and the Associate Principal which commenced in April 2021.</p>	<p>To be reviewed, and proposals for changes to be submitted for review in January 2022, with implementation by end of April 2022.</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 31 January 2022</p>	
			<p>Grade</p>	<p>3</p>



Staff skills profile, Staff Productivity & Performance Management

Objective 1 - The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these (Continued).

Observation	Risk	Recommendation	Management Response	
<p>There is currently no Workforce Strategy detailing the long-term focus for the College and linking into wider strategies, such as the Learning, Teaching and Assessment Strategy (2016, which is also due for review). We were unable to identify planning around the College's vision for its workforce and including:</p> <ul style="list-style-type: none"> • Future staff profile for the academic and profession service workforce • Teaching training • Digital skills • Industry standard skills • Wellbeing and resilience, • Equality and diversity agenda, • How the workforce will meet other agendas, such as STEM or industry/ business partnerships, • Recruitment, turnover, and retention • Succession planning, and • Leadership development. <p>The College previously documented a CPD Strategy, Policy and Procedure but it was last reviewed in 2015. This is delay in reviewing the strategy, policy and procedure is due to work around a UHI Partnership-wide policy which has yet to be concluded.</p>	<p>Workforce planning is not proactive to allow effective oversight of potential efficiencies and ensuring planning aligns to the College's strategic vision of its workforce.</p>	<p>R2 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 around the following:</p> <ul style="list-style-type: none"> • Staff profile for the academic and professional services workforce • Teaching training • Digital skills • Industry standard skills • Wellbeing and resilience, • Equality and diversity agenda, • How the workforce will meet other agendas, such as STEM or industry/ business partnerships, • Recruitment, turnover, and retention • Performance management, • Succession planning, and • Leadership development. 	<p>Workforce Strategy to be created once new Strategic Plan is in place for the College</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 April 2022</p> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 20px;"> Grade 2 </div>	



Staff skills profile, Staff Productivity & Performance Management

Objective 1 - The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these (Continued).

Observation	Risk	Recommendation	Management Response	
<p>Due to the financial challenges faced by the College, and the parallel challenges of working through the global COVID-19 pandemic, many staff have had to step up to more senior roles or have had their roles expanded.</p> <p>However, there is currently no formal succession planning process in place, with succession occurring informally through staff highlighting interest in interim roles.</p> <p>Without succession planning, however, there is risk around continuity of delivery for critical roles or key person dependencies.</p>	<p>Failure to maintain continuity of delivery due to inadequate development of staff to take on more senior or expanded roles...</p>	<p>R3 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.</p>	<p>Timeline and Action plan to be created and implemented</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 June 2022</p>	
			<p>Grade</p>	<p>2</p>



Staff skills profile, Staff Productivity & Performance Management

Objective 2 - Teaching staff are efficiently utilised

As noted under Objective 1, teaching staff needs are reviewed annually. As part of business-as-usual activities, any gaps in teaching hours-to-needs are identified by Sector Development Directors and Sector Managers met either with permanent or variable/ fixed term staffing.

Discussions with management noted that teaching staff can often be “outsourced” from one department to another to meet teaching gaps.

The College also employs teaching staff on fixed-term contracts to allow the College to vary staffing needs against changes in student demand of FE and HE. The College have documented their “Academic Permanency Rules” and our discussions with management noted consistent consideration of permanency rules and any risks to permanency of contracts when assessing the need for employing fixed term staff, such as the risk of the College having more permanent contracted staff in one area than teaching required.

Observation	Risk	Recommendation	Management Response
<p>The process of “outsourcing” staff to other departments is not documented in procedure to provide transparency around the approval of using staff from other departments.</p> <p>Discussions with service managers noted there should be use of a Service Request Form. However, this is not used consistently and the arrangements for feeding back requests to finance to account costs to the new cost centre was not transparent.</p> <p>It is therefore not clear how costs associated with temporary staff moving between departments are accounted for in the new departmental budgets and the impact of moving staff on the calculation of teaching establishment of the original department is also not clear.</p>	<p>The assessment of staffing establishment may not be accurate impacting on budget planning and some departments being assessed as having more staff than teaching required.</p>	<p>R4 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.</p> <p>Outsourced staff should be accurately accounted for within the new department’s budget.</p>	<p>Process to be considered and, if approved, implemented.</p> <p>To be actioned by: Head of HR & OD with SDD, Director of Finance</p> <p>No later than: 31 May 2022</p>
			<p>Grade</p> <p>3</p>



Objective 3 - The College’s approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps

Observation	Risk	Recommendation	Management Response		
<p>The College’s Continued Professional Development (CPD) strategy, policy and procedures are contained in single document which was last updated in 2015.</p> <p>Our review of the document noted that the arrangements described do not reflect the current arrangements. The policy notes that workforce planning and continuing professional development for academic staff should be reported to the Academic Affairs Committee. In reality, updates are provided by the Head of HR and OD to the Engagement Committee and to the Finance and General Purposes Committee.</p>	<p>Line managers and staff do not understand the current standards around training and monitoring CPD, impacting on the accuracy of training completed by staff.</p>	<p>R5 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.</p> <p>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.</p>	<p>College to review proposed UHI wide CPD policy and whether a local procedure/guidelines are needed.</p> <p>Governance to be brought in line with Board structure.</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 31 May 2022</p>		
			<table style="width: 100%; border: none;"> <tr> <td style="width: 80%; border: none;">Grade</td> <td style="width: 20%; background-color: #4caf50; color: white; text-align: center; border: none;">3</td> </tr> </table>	Grade	3
Grade	3				



Staff skills profile, Staff Productivity & Performance Management

Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

Observation	Risk	Recommendation	Management Response	
<p>The Terms of Reference for the Academic Affairs Committee (May 2020) identify Duty 6, which is “to prioritise and make recommendations in respect of workforce planning and continuing professional development”.</p> <p>However, our review of published papers submitted to the Academic Affairs Committee over academic year 2020/21 highlighted that no HR/OD updates were provided to the committee during that period.</p>	<p>Governance arrangements for oversight of workforce planning and CPD may not be functioning as intended.</p>	<p>R6 A review of the Academic Affairs Committee terms of reference, and its future role in the oversight of workforce planning and CPD monitoring, should be conducted.</p>	<p>Review of where HR/OD updates are provided to be in line with governance structures</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 31 January 2022</p>	
			<p>Grade</p>	<p>3</p>



Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

The HR Department leads the staff induction process across the academic and professional services workforce and the College has in place an Induction Procedure (February 2020). The procedure details all mandatory training which staff are required to complete. It is the responsibility of line managers to implement the procedures.

Induction and probation review

The induction process has been under review during academic year 2020/21 and entails line managers and the new starter working through an Induction Checklist. A separate induction checklist is in place for Lecturers. Part of this process is to familiarise the new starter with relevant policies and procedures in relation to their specific role. Any training needs identified are also identified and recorded by the line manager on the First Meeting Action Plan, as noted in the Probationary Policy and Procedure (March 2021). CPD requirements are recorded and actioned through the 'Development Needs' section of CIPHR HR, the College's HR System. The line manager also contacts the HR Department to ascertain the available dates for the training required, and the new start/post holder will book onto the training through CIPHR HR. Discussions with management noted no issues with the management of training completed on CIPHR HR.

Probation is 6 months from the date of starting with the College. Around Month Four, the second review meeting under the Probationary Procedure should be held by the line manager. This is the meeting at which the line manager and the new start/post holder ensure that all the induction actions are completed and signed off. For lecturers, in advance of the review meeting, the line manager should arrange a peer teaching review (as per the Teaching Observation Form in the Probationary Procedure).

Mid-way through Month 5, the final assessment meeting under the Probationary Procedure should take place. All checklists and records under the Induction Procedure are completed or timetabled for completion and discussed at the final assessment meeting. For lecturers, the line manager completes a teaching review in advance of the final assessment meeting.

Line Managers must ensure that all staff complete the General Induction Checklist and the Record of Relevant Policies and Procedures Checklist within the 6-month probationary period. All paperwork is to be sent to the HR Department via their HR Mailbox. The new starter is to complete the Induction Evaluation Form that is also sent to the HR Department.

At the end of the probation period, support staff are awarded a pay increment. The HR Department monitor the progress of the three review meetings and track their completion on the Probation Start List, an Excel tab that is part of their wider Permanisation Report that monitors the status of fixed term contracts. The monitoring of probation allows the HR Department to update payroll to any incremental pay awarded at completion.



Staff skills profile, Staff Productivity & Performance Management

Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

Observation	Risk	Recommendation	Management Response	
<p>The Induction Process is a manual and labour-intensive process. It requires line managers and new starts to complete checklists and forms, as detailed in the Induction Procedure. This results in inefficient use of resource and time when monitoring and chasing completed forms by the HR Department and increases the administrative duties for the team when managing and chasing updates on employee records.</p> <p>We also noted that there is no process in place for the HR Department to check induction checklists to ensure their completeness.</p> <p>Our sample testing of induction controls for seven new starters, who commenced employment during the 2020/21 academic year, noted that six did not have sufficient documentation retained on file to demonstrate that induction had been completed in line with the agreed approach.</p>	<p>Without oversight of arrangements by the HR department, induction may not have been completed to appropriate standards impacting on staff wellbeing and student experience.</p>	<p>R7 All line managers should ensure timely submission of completed induction documentation to the HR Department.</p> <p>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.</p>	<p>New guidance on induction/probation to be created and implemented for Managers.</p> <p>Completion of probation to be logged onto CIPHR for ease of reporting. Induction/probation to be considered in specification of HR system tender</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 June 2022</p>	
			<p>Grade</p>	<p>2</p>



Staff skills profile, Staff Productivity & Performance Management

Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

Observation	Risk	Recommendation	Management Response
<p>Reporting on progress of the induction process and status of Review Meetings by line managers to HR is currently inefficient. This impacts directly on the workload of the HR Department, who are required to chase line managers for progress updates. Root causes for not completing reviews on time are not recorded. As a result, several new starters remained on the 'Probation List' despite being employed for over six months. There is also a risk that some new starters who have completed their probation may have not received the relevant incremental pay increase on completion.</p> <p>Our review of the Probation Start List noted that 52 of the 63 new starters employed from July 2020 had not reported progress. This included 15 employees who were shown to have not completed all three review meetings - despite completion of the probationary period.</p> <p>Discussions with management noted that while some of these anomalies are due to line managers not reporting progress to HR, other new starters may have been furloughed from their start date and therefore had not completed reviews.</p>	<p>Staff have not completed their probationary period and skills and capability assessed as appropriate to the role or training needs identified.</p> <p>Some staff may not have had their incremental pay increase at the end of their probationary period and in line with contractual obligations.</p>	<p>R8 During the review of the new HR system (R7), management should consider automating the probationary reviews process so that managers are updating the new system as probation progresses.</p> <p>In the interim period, line management should also be reminded of their responsibilities to complete induction, in line with agreed requirements, through targeted manager training.</p> <p>Staff who have not completed formal reviews during the COVID-19 pandemic should be reviewed to identify any additional pay due to them and to confirm that they have had their training needs assessed. The financial consequences of any CPD requirements identified should be considered as part of the next departmental budget review exercise.</p>	<p>New guidance on induction/probation to be created and implemented for Managers.</p> <p>Completion of probation to be logged onto CIPHR for ease of reporting.</p> <p>Induction/probation to be considered in specification of HR system tender</p> <p>Review of staff where probation not completed therefore probationary increment withheld to be undertaken</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 June 2022</p>
			<p>Grade</p> <p>2</p>



Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

Identifying Training Needs

Continued Professional Development (CPD) requirements fit into the operational planning process. Needs are identified either through the probationary review process or annual professional reviews/ appraisals. CPD is defined as follows:

- Mandatory is defined as 'A requirement by law to be compliant to continue to deliver Curriculum/Operational Service Delivery'
- Essential is defined as 'Development that is Business Critical and fundamental to Curriculum/Operational Service Delivery'
- Desirable is defined as 'Professional development of individual skillset leading to an enhanced Student Experience but not necessarily business/time critical'.

Corporate mandatory training is completed by all new staff who are guided to the courses on the UHI's Virtual Learning System (VLE), Brightspace and the College's external learning system, Marshal. These are for the following:

- Bribery Act
- Bullying and Harassment
- Data Protection
- Diversity in the Workplace
- Health and Safety Part 1
- Health and Safety Part 2
- Safeguarding in Further Education Colleges, and
- Stress Management for All Staff.

Completion rates are monitored by HR and reported to the Engagement Committee and Finance & General Purposes Committee. The College has been reviewing its induction programme to consider hybrid working and developing its own Professional Update and Professional Review and Development Framework & Policy. Lecturing staff are also supported during induction by the Director of Learning & Teaching who acts as a mentor during the probationary period and final peer reviews. Induction includes 12 hours of CPD including basics to teaching and "How to Teach at Perth College UHI".



Objective 3 - The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (Continued)

Identifying Training Needs (Continued)

Other CPD training requirements are identified during the induction / probationary review process or annual professional review process by line managers. CPD requests are made through CIPHR HR that allows line managers to approve training should there be sufficient funding in place. The CPD policy and procedures (2015) detail the requirements for lecturing staff to submit remitted time bids as part of the Operational Planning Process for consideration of SMT. Line Managers interviewed noted no issues with requesting CPD and tracking completion by staff through business-as-usual activity and team meetings.



Objective 4 - The College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact

Observation	Risk	Recommendation	Management Response			
<p>There is no one learning and development system that tracks all training requests and the status of training completed by staff at the College, with information retained on three systems: Marshal, UHI's VLE Brightspace, and CIPHR HR. This impacts the efficiency for monitoring progress by line managers and reporting progress by the HR Department. There is also reliance on staff then accurately capturing CPD completed in annual professional reviews.</p> <p>For example, during Spring 2021 all College staff completed ICT training with the Director of Learning & Teaching on using Microsoft 365 and SharePoint after the Cyber Incident. This training has not been formally recorded in training records.</p>	<p>Reliance on staff to report CPD and training accurately in professional reviews and during the professional registration process.</p>	<p>R9 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 Perth College UHI.</p> <p>A process should be established to ensure all training is accredited within training records.</p>	<p>To be considered as part of system review.</p> <p>Staff and Managers delivering sessions reminded of need for sessions to be created in CIPHR so that staff can easily log attendance</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 June 2022</p> <table border="1" data-bbox="1583 874 2089 1029"> <tr> <td data-bbox="1583 874 1872 1029">Grade</td> <td data-bbox="1872 874 2089 1029">3</td> </tr> </table>		Grade	3
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Objective 5 - There is a systematic approach for translating business objectives into actions / tasks for members of staff

There is a systematic approach in place to build business objectives into actions and tasks of staff. Business objectives are set with the College's strategic plan, Regional Outcomes Agreement, and Evaluative Report and Enhancement plan (EREP). Operational objectives for areas / curriculum areas developed by teams and scrutinised by Sector Development Directors and Sector Managers. Actions are presented to the CASE Group for review. The SMT also gather progress from teams on previous objectives in February each year. Guidance to set objectives is documented in the Evaluation, Monitoring and Planning Process (March 2020).

Area objectives are then built into staff objectives that are agreed and documented during the annual professional review process. Arrangements for the annual review process are documented in the CPD Strategy, Policy & Procedure (October 2015).

There are two professional annual review processes for Academics and Professional Services. Each have guidance established that is communicated at the beginning of the 3-month review period. Guidance is provided to staff and line managers at the start of the process. 'Review Meeting Forms' are used to capture reflections by the employee and agreed objectives, including CPD for the year ahead. The agreed objectives are monitored through the day-to-day workings and formally during a 6 monthly review.

The last annual professional review ran for 4 months between 7 December 2020 and 31 March 2021. This was due to the College having experienced a Cyber incident that impacted the efficiency of completing reviews and the ongoing COVID-19 emergency. It was also noted on sample testing the completed reviews that not all CPD requirements (annual requirement of 6 days) were completed by some staff due to national restrictions brought by the COVID-19 pandemic over 2020/21.

Previously the annual review process was managed through the HR System, CIPHR HR. However, after a system upgrade in January 2021, the system no longer supports the annual professional review process. This is leading to inefficiencies in the process which is now being completed manually. This is resulting in management not being able to monitor progress and identify any gaps in staff completing reviews.

Given the size of the workforce and capacity of the HR team, the annual professional review process requires to be automated within an HR System that is fit for purpose for the College (linking into previous findings). The new system should have reporting capability established to allow HR with a dashboard to highlight any gaps of staff not having completed annual reviews.

We have been advised that planning is underway for a review of CIPHR HR and for a re-tendering exercise to be conducted in advance of the contract end date in December 2022. A timeline for the review of the HR System should be documented, and a user needs assessment completed, prior to management developing the full business case. In the interim period to December 2022, we have highlighted the following opportunities for improvement:



Staff skills profile, Staff Productivity & Performance Management

Objective 5 - There is a systematic approach for translating business objectives into actions / tasks for members of staff (Continued)

Observation	Risk	Recommendation	Management Response	
<p>The Annual Professional Review process is manual and requires Line Managers and staff to complete Review Meeting Forms and submit them to the HR Department to store on the employee file. This is labour intensive and lead to inconsistencies across the College.</p> <p>For example, guidance provided to Line Managers is not explicit on where to store completed forms and discussions with a sample of managers noted they were not sure on what to do with the forms. Only 66 forms, out of approximately 500 employees, were submitted in 2021.</p> <p>We also noted that the HR Department do not monitor if annual reviews are completed due to the volume of forms received and capacity within the team. Without monitoring of completion of annual reviews, however, it was not clear if there were other teams or staff who have not completed annual reviews. Our walkthrough of 2021 Review Meeting Forms completed noted a team, who had recently moved areas and line management, had not had an annual review since 2016 and 2017.</p>	<p>Without oversight of the completion of annual reviews, there is risk of staff not having annual objectives agreed impacting on operational objectives being met effectively.</p> <p>Without focus for the year ahead, staff become disenfranchised from the aims of the College and UHI.</p>	<p>R10 Guidance made available to managers and staff should be enhanced, with explicit instructions provided on where to store the completed Review Meeting Forms. Consideration should be given to allowing Line Managers to access employee records on SharePoint to support HR in delivering the ongoing administrative tasks required.</p> <p>Management should seek confirmation that 2021 annual reviews have been completed by their line managers and provide an update on the status of completion rates to the SMT and appropriate Board committee</p>	<p>Update on guidance to be created</p> <p>Logging of Professional Review completion to be undertaken by HR, but employee and line managers will retain copy of forms.</p> <p>Completion rates to be reported to SMT and at end of period to appropriate Board committee.</p> <p>To be actioned by: Head of HR and Organisational Development</p> <p>No later than: 31 March 2022</p>	
			<p>Grade</p>	<p>2</p>



Staff skills profile, Staff Productivity & Performance Management

Objective 6 - A systematic approach is used for communicating objectives and performance expectations to staff.

Observation	Risk	Recommendation	Management Response
<p>Our review of a sample of Academic and Professional Service Review Meeting Forms submitted for 2021 noted inconsistencies in the quality of information recorded on the forms examined. For example:</p> <ul style="list-style-type: none"> • Areas of the form were left blank, • Forms were not signed by the employee or line manager, and • Objectives did not adopt SMART (specific, measurable, attainable, realistic and timebound) good practice. For example, objectives are not specific such as “develop Brightspace material” and “PAT duties”, • Objectives were not timebound, and • Measurables are not identified to indicate how outcomes will be measured and feedback into future review that objectives have been met. <p>Professional services reviews were more consistent and were in line with good practice. This was due to a recent review conducted and enhanced guidance provided to staff.</p> <p>There was also no reference, on the Forms or guidance provided to us for review, regarding where to record progress in delivering the objectives during interim reviews.</p>	<p>Staff performance objectives are not aligned to Perth College UHI’s corporate objectives impacting on the College not achieving its goals within desired timeframes.</p>	<p>R11 Line managers should complete training on how to conduct successful annual review meetings and to effectively capture objectives on the Review Meeting Forms.</p> <p>Staff objectives should be SMART (specific, measurable, attainable, realistic and timebound) objectives. To meet General Teaching Council for Scotland (GTCS) requirements, professional staff objective setting should focus on professional development rather than specific objectives that are SMART. However, consideration should be given by line managers regarding how to record feedback in order to effectively to demonstrate development and progression.</p> <p>Guidance on where to capture progress in relation to interim reviews should also be documented.</p>	<p>Training to be put in place for line managers for upcoming Professional Review process</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 31 December 2021</p>
			<p>Grade</p> <p>3</p>



Objective 7 - A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.

While there is no formal process for capturing feedback on performance and agreeing development actions, our discussions with management noted that there is a culture of feedback evident and that this occurs through business-as-usual activity, team meetings, and one to one meeting with management.

Formal feedback is gathered on academic staff through student survey and performance measures and reports reviewed through the CASE group, SMT, Board sub committees, and ultimately the Board.

Our assessment noted that feedback arrangements are broadly in line with the sector. However, during the review of the HR system, management should consider whether a more formal process for capturing feedback, through quarterly or interim review, should be more formally recorded on the system, in line with good practice.



Objective 8 - There is a systematic approach for ensuring that the College makes full use of the skills and knowledge of its staff.

There are established processes which allow the skills and knowledge of staff to be captured during the probationary period and through annual review process. However, without a strategic workforce plan in place that sets out the vision for the College workforce, some managers highlighted that it is often difficult to assess how workforce planning arrangements connect in order to ensure the College is making best use of its staff and their skills.

As noted earlier, there are improvements required in the existing processes that will help address the control design weaknesses and inefficiencies identified. Key to this will be that the College reviews its HR System and automates HR processes to ensure that monitoring is effective and gaps in appraisals are identified so that support can be provided on a timely basis. Similarly, training for line managers on what entails a good annual professional review and objective setting will help improve understanding on how personal objectives align with the wider business objectives.

Management noted that skill gaps, or future teaching ambitions, are addressed through CPD processes. There is also sufficient flexibility in resource availability to ensure that training is provided to staff where there is a skills shortage. For example, a programme for ICT and SharePoint skills was delivered over Spring 2021 by the Director of Learning and Teaching for all College staff. This was conducted in the wake of new ways of working introduced through SharePoint after the cyber incident in early 2021.



Staff skills profile, Staff Productivity & Performance Management

Objective 8 - There is a systematic approach for ensuring that the College makes full use of the skills and knowledge of its staff.					
Observation	Risk	Recommendation	Management Response		
Feedback is not currently obtained from staff on training completed. We also noted that there are no formal objectives/goals identified in annual professional reviews on how any new learning arising from CPD activity should be applied in their individual role.	Without feedback on training received, it is difficult for the College to determine whether the investment in CPD represents value for money.	R12 Annual professional review guidance and forms should instruct users to consider personal objectives or goals and to record how any CPD completed will be applied in their individual role.	<p>Updating of professional review paperwork to meet recommendations</p> <p>To be actioned by: Head of HR & OD</p> <p>No later than: 30 November 2021</p>		
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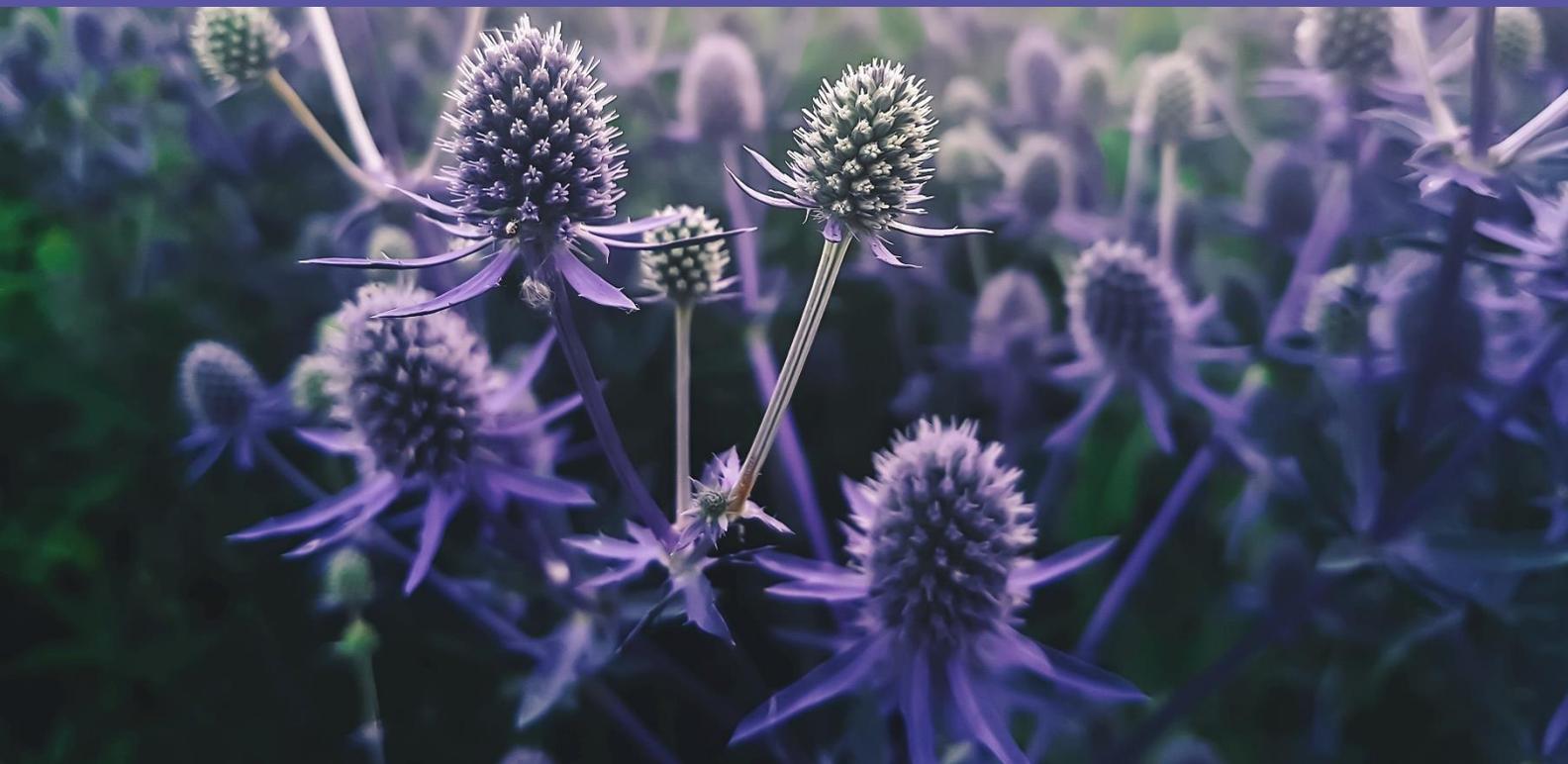
Perth College UHI

2020/21 Student Activity Data

Internal Audit report No: 2022/01

Draft issued: 17 November 2021

Final issued: 23 November 2021



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Management Summary

Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 2 August 2021, '*FES Return and Audit Guidance 2020-21*', requested submission by Perth College UHI ('the College') of the FES return for session 2020/21, which includes the Credits data relating to College activity for the academic year 2020/21.

Guidance on completion of the 2020/21 return was issued by the SFC on 6 August 2020.

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

Scope of the Audit

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

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

Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance, COVID-19 related guidance at Annex D and the key areas of risk identified in Annex E.

Audit Staffing

An Audit Director with 28 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Manager and Auditor with 16 and one-years' experience in the sector respectively.

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

The total number of audit days was 6½, split ½ day for the Audit Director, 5 days for the Manager and 1 day for the Auditor.

Audit Findings

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

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

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



Audit Findings (continued)

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

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

Conclusion

Our report was submitted to the SFC on 10 November 2021. We reported that, in our opinion:

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

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

Acknowledgments

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



Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.2.1 – 2.2.3	<p>Systems and Procedures for Compilation of Returns</p> <p>Required Date</p> <p>R1 For courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.</p>	3	Reporting has been developed to allow us to calculate the correct required date and compare this to the existing required date in SITS. Any discrepancies between these dates will be identified and corrected on an ongoing basis throughout the academic session.	Yes	Student Records Manager	Ongoing and by end AY 2021-22
2.3.1	<p>Allocation of Credits to Courses</p> <p>R2 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.</p>	3	As above, local reporting has been developed to monitor Credits claimed and allow us to identify and correct any instances where a Credits claim does not accurately reflect activity delivered.	Yes	Student Records Manager	Ongoing and by end AY 2021-22



2020/21 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date
2.4.1	<p>Part-time Fee Waiver</p> <p>R3 Ensure that part-time fee waiver forms are completed at enrolment in order to evidence entitlement to part-time fee waiver.</p>	3	A SITS development request was submitted by the Student Records Manager to the UHI LIS on 21 st July 2021 to develop the SITS online enrolment process to ensure that when a student ticks the box to say they have a fee waiver, they are then required to upload their documentation to evidence this before going any further. This request is now being investigated as part of the UHI LIS action plan for 2021-22.	Yes	Student Records Manager	AY2022-23



Main Report

1. Introduction

1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 2 August 2021 sets out, at Annex E, the key areas of risk in relation to the preparation of the FES return. These are:

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

1.1.2 For academic year 2020/21 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, and obtaining explanations for significant variations by Price Group.

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

2. Systems and Procedures for Compilation of Returns

2.1 Introduction

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

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

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

2.1.3 For a total of 59 students selected from the above courses the following tests were carried out, where applicable:

- a) Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
- b) Checked back to signed enrolment forms, or electronic equivalent, for the 2020/21 academic year;
- c) For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
- d) Checked to student attendance records and, for withdrawals (including a further sample of 15 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
- e) For students following courses of open / distance learning vouched to study plan etc. and ensured that required criteria was met; and
- f) For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.

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

- a) Confirmed that there were no claims for more than one full-time enrolment per student for 2020/21 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
- b) Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
- c) Confirmed that Credits had not been claimed for distance learning student's resident outwith Scotland

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



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

2.1 Introduction (continued)

- 2.1.6 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.7 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex E of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.8 The remainder of this section discusses issues identified during our review of the 2020/21 student activity data.

2.2 Required Dates

- 2.2.1 For the following courses in our sample the required date was found not to be calculated based on 25% of calendar days but input as the full-time required date of 01/11/2020:
- SVS Stepping In: Part-time programme – required date should be 13/11/2020;
 - Return to Learn – required date should be 18/11/2020;
 - Psychology Higher – required date should be 03/11/2020;
 - English Higher: Evening & weekends – required date should be 13/11/2020; and
 - NQ Health & Social Care Infill: Part-time course – required date should be 20/11/2020.
- 2.2.2 In each case above, the College accepted that there were errors in the required date calculation. From our testing we noted that in most cases there were no withdrawals during the period between the two dates. The one exception was the English Higher course where we identified one student who withdrew on 06/11/2020, which results in an unadjusted error of minus 4 Credits (included in summary at Appendix II).
- 2.2.3 We carried out an analysis of the FES2 data, focussing on part-time students with an August / September 2020 start date and withdrawal in November. From this analysis we identified a further four students who withdrew before the re-calculated 25% date for their course, resulting in a further unadjusted error of minus 16 Credits. Upon submission of the FES data and subsequent review by the SFC, one further student enrolled on a part-time course was identified where the stated 25% date did not correlate with the student's start and end date. The correct 25% date was calculated as being after the student withdrawal date resulting in a further adjustment of minus 1 Credit. Errors totalling 21 Credits were therefore identified in relation to the miscalculation of the required date (included in summary at Appendix II).
- 2.2.4 Similar issues were also identified in 2019/20 (see **R3** per Appendix V). We have repeated our previous recommendation from 2019/20 and this will be followed up as part of the 2021/22 Credits audit to confirm that the updated College process is operating effectively.

Recommendation

R1 For courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.



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

2.3 Allocation of Credits to Courses

- 2.3.1 Audit testing identified one part-time further education course (Return to Learn) where the Credits recorded in SITS did not correlate to the Credits outlined in the course framework or undertaken by students in the year. A total of 17 Credits per student were recorded in SITS for the eight students on the course, although the short course report included a total of 16 Credits and the College confirmed that only 16 Credits were delivered. This has resulted in an unadjusted difference of minus 8 Credits (included in summary at Appendix II).

Recommendation

R2 Ensure that Credits claimed for students are based upon the value of the units listed on the student course record, which reflect the activity delivered in the year, and not based upon a default tariff.

2.4 Fee Waiver

- 2.4.1 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students we confirmed that College staff had verified the entitlement to benefit for nine of them. One student in our sample had been incorrectly coded as a Universal Credit fee waiver in the College's systems and instead should have been coded as cost borne by the College. This was an administrative error which had no impact on the Credits claimed and the source of finance code was updated at the time of the audit. In four cases there was no fee waiver form in place, as required by College procedures. Two of these students were continuing from the previous academic year and the College had confirmed that they were still eligible for a fee waiver as there were no changes in the students' circumstances. The remaining two students withdrew from the course before a fee waiver form could be completed, although details of benefits entitlement was provided at enrolment.

Recommendation

R3 Ensure that part-time fee waiver forms are completed at enrolment in order to evidence entitlement to part-time fee waiver.

3. Analytical Review

- 3.1 The analytical review by Price Group, included at Appendix III of this report, showed significant variances in Price Groups 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors.
- 3.2 In Price Group 2 there was an overall decrease of approximately 1,300 Credits (14.2%), and in Price Group 3 there was an overall decrease of approximately 500 Credits (5.7%). Enrolments on courses in both Price Groups were significantly down on the previous year with data indicating that more school pupils chose to stay on at school during 2020/21 who may have otherwise enrolled at the College.



Appendix I – Copy of Audit Certificate

Perth College UHI
Crieff Road
Perth
PH1 2NX

10 November 2021

Dear Sirs

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

We have audited the FES return which has been prepared by Perth College UHI under SFC's Credit Guidance for colleges issued 6 August 2020 and which has been confirmed as being free from material misstatement by the College's Principal in her Certificate dated 28 October 2021. We conducted our audit in accordance with guidance contained in the 2020-21 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

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

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

10 November 2021

Date FES returned: 12 October 2021



Appendix II – Summary of Adjusted and Unadjusted Errors

Report Para	Error identified	Adjusted/unadjusted	Approx. Value
2.2.1 – 2.2.3	Credits claimed for a part-time student where the required date for their course had been incorrectly calculated	Unadjusted	-21 Credits
2.3.1	Credits claimed did not agree to course framework and activity undertaken by student during the year.	Unadjusted	-8 Credits

The errors noted above were not adjusted in the final FES submitted to the SFC on 12 October 2021 however were deducted from the 'Total Credit funding claimed' figure of 22,400 noted on the signed College certificate submitted on 28 October 2021.



Appendix IV – Price Group Analytical Review 2015/16 to 2020/21 – Graph



Appendix V – Updated Action Plan – Student Activity Data 2019/20

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date	Progress at November 2021
<p>Open / Distance / Flexible Learning</p> <p>R1 Curriculum staff responsible for monitoring students on an open / distance / flexible learning programme should ensure that students who are identified as having withdrawn, or who have shown no engagement, are notified to the Student Records team as early as possible. The Student Records team should ensure that such students are removed from the Credits claim.</p>	3	As noted on page 14 of this report, this measure has been partially implemented and work will continue to fully implement a system of mini-audits throughout the academic session to monitor any potential withdrawals and update systems accordingly.	Yes	Student Records Manager & Student Records Team Leader	June 2021	No issues noted from testing in 2020/21. Fully Implemented
<p>Infill</p> <p>R2 Ensure that Credits claimed for infill courses are based upon the Credits value of the units listed on the discrete course record.</p>	3	Implement a system of checks to cross reference infill Credits against the discrete course record Credit. This may be via a bespoke Crystal report or via existing validation reports.	Yes	Student Records Manager & Student Records Team Leader	June 2021	No issues noted from testing in 2020/21. Fully Implemented



2020/21 Student Activity Data

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer for Action	Agreed Completion Date	Progress at November 2021
<p>Required Date</p> <p>R3 For courses that are other than full-time, ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.</p>	3	We will ensure that calculations are undertaken when a new course code is created to accurately calculate the required date using the 25% methodology.	Yes	Student Records Manager & Student Records Team Leader	June 2021	<p>Similar issues were noted from testing in 2020/21. Refer paragraphs 2.2.1 – 2.2.3 in the Main Report.</p> <p><i>Little or No Progress Made</i></p>



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Perth College UHI

Student Support Funds 2020/21

Internal Audit report No: 2022/02

Draft issued: 19 November 2021

Final issued: 24 November 2021



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Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund is normally £4,000 however, as in 2019/20, this limit was relaxed for 2020/21 to allow additional support to be given to students financially impacted by COVID-19.

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

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

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

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

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

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

Audit Scope

For the 2020/21 academic year two specific fund statements were required for audit:

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



Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2021, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government, including additional guidance issued in response to the COVID-19 pandemic, and identifying internal procedures;
- Agreeing income to letters of award or other supporting documents;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Findings and Conclusions

We were able to certify the FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return for the year and submit this to the SFC without reservation.

Although we did not raise any reservations, the following observations were made in the covering letter which accompanied our Auditors' Report to the SFC on the College's EMA Return:

- EMA is a weekly allowance requiring 100% of agreed attendance at all timetabled sessions (subject to the impact of COVID-19 during 2020/21) and the EMA Guidance and Processes issued by the Scottish Government in August 2020 confirms that attendance data, absence and other information must be retained by administrators as part of the audit trail. We make one observation in relation to student attendance checking during the period following a cyber-attack on the University of the Highlands & Islands in early March 2021, which impacted key systems and services across the UHI partnership including at Perth. Following the cyber-attack the College's normal attendance and engagement reports were not fully operational for some time. For EMA payments made during the period from March through to May 2021 the College's Student Funding Team did however check students' enrolment status in the SITS student records system and payments were stopped if students were shown as withdrawn. Management stressed to academic staff the need to notify Student Records staff of any students that were not attending / engaging in lessons.
- There was one further minor point noted from our audit work. Total EMA payments of £98,640 were made by the College in the year-ended 31 July 2021 compared with £98,700 included in the monthly returns and year-end statement. The difference of £60 relates to an overclaim made during the year, which the College has advised will be adjusted in the monthly EMA return for November 2021.



Findings and Conclusions (continued)

In addition, the following point was noted during the course of our audit:

Bursary

In previous years we reported a weakness in College processes whereby allocation of bus passes and assessment of travel allowances was performed separately by the Student Funding team (e.g. lack of integration of assessment). This had led to a number of care experienced students incorrectly receiving a bus pass plus a travel allowance paid to the student. The College's Student Funding Adviser indicated that processes had been revised to ensure that this did not reoccur.

Our sample testing for 2020/21 highlighted one care experienced student who had incorrectly received a bus pass plus a travel allowance of £717 (Refer 2019/20 recommendation **R4** at Appendix III).

Our testing, and a wider review by College management, did not identify any further instances of a student receiving both a bus pass and a travel allowance in error.

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

Acknowledgments

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



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



Appendix II – Education Maintenance Allowance Return and Audit Certificate



Appendix III – Updated Action Plan – Student Support Funds 2019/20

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
<p>EMA</p> <p>R1 Ensure that attendance registers are available for monitoring attendance of EMA students from the start of the academic year or as early as possible thereafter.</p>	<p>2</p>	<p>Will be a problem this year since registers only available from 6 November 2020.</p> <p>System safeguards will ensure that only students flagged as currently enrolled will be paid.</p> <p>Not addressable until Academic Year 2021/22 now.</p> <p>Updated management comments at November 2021: Registers were up and running earlier for 2021/22, allowing attendance checks for the EMA payment on 12 November 2021 (covering attendance 25 October - 5 November). We would normally have carried out an attendance check for the 29 October 2021 EMA payment, but the period covered included the October break for which no EMA was payable and an additional reading week from 18-22 October, where no registers were taken. For the EMA payment on 15 October 2021, we made a list of students in receipt of EMA funding and sent details to the relevant Personal Academic Tutors (PATs) for their input on attendance between 27 September and 8 October, basing our payment decision on feedback from the PATs.</p>	<p>Yes</p>	<p>Student Funding Adviser</p>	<p>October 2021</p>	<p>Taking into consideration the impact of COVID-19 and the engagement monitoring reports normally available at the College, our observation this year focussed on the impact of the cyber-attack in early March 2021, whereby the College's normal attendance and engagement reports were not fully operational between March and May 2021 (refer page 2 of this report for further detail).</p> <p>Fully Implemented for 2021/22</p>



2020/21 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
<p>Bursary</p> <p>R2 Ensure that an application form is completed for all students supported by the Bursary Fund.</p>	<p>3</p>	<p>This is specific to ASN students, who were receiving non means tested support with travel via taxi. Eligibility for this assessed by the academic department.</p> <p>Will be sending a form to Desktop Publishing to be adapted for this purpose. Will be done for 2020/21 students who require it.</p> <p>Will look to work with department going forward to ensure that an application is completed for all ASN students.</p> <p>Updated management comments at November 2021: ASN taxi students with no funding application have been identified to be followed up with the academic department, preferably with an online application but with a paper application if absolutely necessary (we have moved to an almost exclusively paperless system now for funding applications and evidence uploads).</p>	<p>Yes</p>	<p>Student Funding Adviser</p>	<p>February 2021</p>	<p>No issues were noted from our testing for 2020/21.</p> <p><i>Fully Implemented</i></p>



2020/21 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
<p>R3 Ensure that the Bursary award letters contain details of all support provided to students, including where possible an estimate of Additional Support Needs costs (taxis and other).</p>	<p>3</p>	<p>Will need to work with Perth and Kinross Council to establish if they can give a meaningful estimate of cost to put on letter, as we are recharged per term and don't usually receive term 1 recharge until January.</p> <p>If not, a generic text letter will have to suffice.</p> <p>Will look to do this retrospectively for 2020/21 students if possible.</p> <p>Updated management comments at November 2021: This was problematic due to the pandemic, where there were lockdowns post-Christmas resulting in uncertainty about travel costs, so we will need to go back to Perth and Kinross Council to discuss feasibility of this recommendation.</p> <p>In terms of Study Expenses, we have started to put expenses payable to the academic department on the award letter for 2021/22. It is only for a few courses so far, but the plan would be to increase this in future years now that it has been shown to work.</p>	<p>Yes</p>	<p>Student Funding Adviser</p>	<p>February 2021</p>	<p>Whilst ASN costs for taxis etc. and study expenses paid to the College could be agreed to supporting backup and were noted as part of the students' award and payment schedule, which they could access through their Hub account, these amounts were input retrospectively for 2020/21 and not at the start of the academic year.</p> <p><i>Partially Implemented</i></p>



2020/21 Student Support Funds

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at November 2021
R4 Review the regular checks carried out on Bursary awards and consider what improvements could be made to identify the type of error highlighted in this report prior to payment.	3	<p>Look again at Care Experienced students and ASN students to ensure no double funding of travel.</p> <p>Work with Student Funding Officer to ensure that Care Experienced students under the age of 18 are not issued with a travel allowance.</p> <p>Updated management comments at November 2021: Ongoing checks to ensure that no double funding of travel takes place. Student Funding Adviser put notes on the records of students known to have taxis from previous years and has stressed to Student Funding Officers that Care Experienced students under the age of 18 should not be given a travel allowance as they should get a bus pass.</p>	Yes	<p>Student Funding Adviser</p> <p>Student Funding Officer</p>	December 2020 / January 2021	<p>As noted on page 3 of this report, our testing for 2020/21 highlighted one care experienced student who had incorrectly received a bus pass plus a travel allowance.</p> <p><i>Partially Implemented</i></p>

Gradings are as follows:

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



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Our ref: PERT294/DA/STI

Your ref:

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

11 November 2021

Dear Sirs

**Perth College UHI
Discretionary Fund, Childcare Fund and Bursary Return 2020/21**

On behalf of our above named client, we attach the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2020/21.

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

Yours faithfully



Stuart Inglis
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For and on behalf of Henderson Loggie LLP
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T: 01382 200 055 **F:** 01382 221 240
T: 0131 226 0200 **F:** 0131 220 3269
T: 0141 471 9870



college=5360455 - Perth College report=Student Support Funding

College Name: Perth College		College Contact: Scott Young														
College Number: 5360455		Phone Number: 01738 877375														
1st August 2020 - 31st July 2021																
	(AAC 1)	(AAC 2)	(AAC 3)	(AAC 4)	(AAC5)	(AAC6)	(AAC 7)									
Bursary Funds	Student	Parentally	Parentally	Self-	Care-	Universal	Non-	Totals								
Expenditure	under 18	Supported	Supported	supporting	experienced	Credit	maintenance									
		(At home)	(Away from home)													
	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)
Maintenance Costs	6	11621	138	362837	21	72799	221	841567	74	528933	86	81397	0	0	546	1899154
Dependents Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Approved Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Study Expenses	86	13132	65	8643	7	525	66	8733	27	3513	35	7572	1	25	287	42143
Travel Expenses	120	54556	74	28898	4	2032	88	46573	22	9618	32	11605	2	348	342	153630
Special Educational Needs	2	3947	17	37619	0	0	0	0	1	814	0	0	0	0	20	42380
Total Bursary	157	83257	149	437980	21	75356	222	896873	74	542874	86	100573	2	373	711	2137286
	(AAC 1)	(AAC 2)	(AAC 3)	(AAC 4)	(AAC5)	(AAC6)	(AAC 7)									
Discretionary Funds	Student	Parentally	Parentally	Self-	Care-	Universal	Non-	Totals								
Expenditure	under 18	Supported	Supported	supporting	experienced	Credit	maintenance									
		(At home)	(Away from home)													
	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)	Headcount	(£)
FE Discretionary	15	1318	12	13350	5	7230	27	47379	14	4705	16	4590	0	0	89	78572
Childcare Fund Expenditure																
		Headcount	Expenditure (£)													
Total FE Childcare Fund		47	154183													
Total HE Childcare Fund *		38	125737													
* UHI partner colleges to manually enter data on the CSV version of this report.																

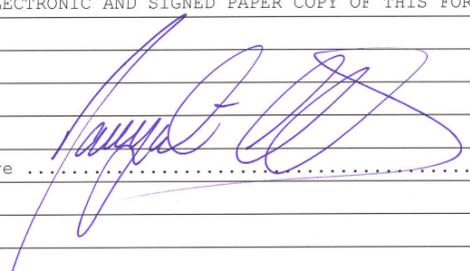
	Part-time		Full-time		Totals	
	Headcount	Expenditure (£)	Headcount	Expenditure (£)	Headcount	Expenditure (£)
FE childcare, lone parent	0	0	20	60303	20	60303
FE childcare, other	0	0	27	93880	27	93880
HE childcare, lone parent	0	0	15	52013	15	52013
HE childcare, other	0	0	23	73724	23	73724

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

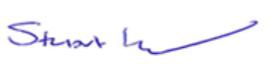
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.

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

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

Principals Signature 

Auditors Name (in printed capitals) HENDERSON LOGGIE LLP

Auditors Signature..... 

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

Date of Signature..... 11 NOVEMBER 2021

Our ref: PERT294/DA/STI

Your ref:

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

12 November 2021

Dear Sirs

2020/21 Education Maintenance Allowance Perth College UHI

In accordance with the Scottish Funding Council's EMA audit guidance we attach an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2020/21 (copy attached).

EMA is a weekly allowance requiring 100% of agreed attendance at all timetabled sessions (subject to the impact of COVID-19 during 2020/21) and the EMA Guidance and Processes issued by the Scottish Government in August 2020 confirms that attendance data, absence and other information must be retained by administrators as part of the audit trail. We make one observation in relation to student attendance checking during the period following a cyber-attack on the University of the Highlands & Islands in early March 2021, which impacted key systems and services across the UHI partnership including at Perth. Following the cyber-attack the College's normal attendance and engagement reports were not fully operational for some time. For EMA payments made during the period from March through to May 2021 the College's Student Funding Team did however check students' enrolment status in the SITS student records system and payments were stopped if students were shown as withdrawn. Management stressed to academic staff the need to notify Student Records staff of any students that were not attending / engaging in lessons.

There was one further minor point noted from our audit work. Total EMA payments of £98,640 were made by the College in the year-ended 31 July 2021 compared with £98,700 included in the monthly returns and year-end statement. The difference of £60 relates to an overclaim made during the year, which the College has advised will be adjusted in the monthly EMA return for November 2021.

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

Yours faithfully



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

Our ref: PERT294/DA/STI
Your ref:

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

12 November 2021

Dear Sirs

**Perth College UHI: Education Maintenance Allowance Return
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2020
to 31 July 2021**

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

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

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

Subject to the observation in our letter of 12 November 2021 we are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully



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

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College: Perth
AY 2020-21

College	Full Time students		Part Time Students		Total Maintenance	Admin Claim (Jan, Feb, July)	Headcount (Oct)	Notes	Maintenance		Administration				Payments made to College												
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT					College Maintenance Adjustment	SubTotal Maintenance (=F+K)	College Administration Adjustment	Annual Admin payment to be made 2020	Total EMA Admin (=G+S+T)	Total EMA Spend (=L+U)	Month	Administration	Maintenance	Total	Balance								
August 2020	0	£0	0	£0	£0	£0	0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
September 2020	48	£1,440	0	£0	£1,440	£0	24	✓	£0	£1,440	£0	£0	£0	£0	£1,440	£0	£1,440	£1,440	£0	£0	£0	£1,440	£1,440	£0	£0	£0	
October 2020	117	£3,510	0	£0	£3,510	£0	59	✓	£0	£3,510	£0	£0	£0	£0	£3,510	£0	£3,510	£3,510	£0	£0	£0	£3,510	£3,510	£0	£0	£0	
November 2020	423	£12,690	18	£540	£13,230	£0	68	✓	£0	£13,230	£0	£0	£0	£13,230	£0	£13,230	£13,230	£0	£0	£0	£13,230	£13,230	£0	£0	£0	£0	
December 2020	475	£14,250	20	£600	£14,850	£0	93	✓	£0	£14,850	£0	£0	£0	£14,850	£0	£14,850	£14,850	£0	£0	£0	£14,850	£14,850	£0	£0	£0	£0	
January 2021	361	£10,830	12	£360	£11,190	£0	101	✓	£0	£11,190	£0	£0	£0	£11,190	£0	£11,190	£11,190	£0	£0	£0	£11,190	£11,190	£0	£0	£0	£0	
February 2021	386	£11,580	15	£450	£12,030	£1,395	106	✓	£0	£12,030	£0	£0	£1,395	£26,425	£0	£1,395	£25,030	£26,425	£0	£0	£0	£26,425	£26,425	£0	£0	£0	
March 2021	364	£10,920	12	£360	£11,280	£0	106	✓	£0	£11,280	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
April 2021	192	£5,760	10	£300	£6,060	£0	108	✓	£0	£6,060	£0	£8,000	£8,000	£12,340	£0	£8,000	£4,340	£12,340	£0	£0	£0	£12,340	£12,340	£0	£0	£0	
May 2021	429	£12,870	16	£480	£13,350	£0	113	✓	£0	£13,350	£0	£0	£0	£13,350	£0	£13,350	£13,350	£0	£0	£0	£13,350	£13,350	£0	£0	£0	£0	
June 2021	341	£10,230	13	£390	£10,620	£0	114	✓	£0	£10,620	£0	£0	£0	£10,620	£0	£10,620	£10,620	£0	£0	£0	£10,620	£10,620	£0	£0	£0	£0	
July 2021	38	£1,140	0	£0	£1,140	£315	114	✓	£0	£1,140	£0	£0	£315	£1,455	£0	£315	£1,140	£1,455	£0	£0	£0	£1,455	£1,455	£0	£0	£0	
Totals	3,174	£95,220	116	£3,480	£98,700	£1,710	1006		£0	£98,700	£0	£8,000	£9,710	£108,410	£0	£9,710	£98,700	£108,410	£0	£0	£0	£108,410	£108,410	£0	£0	£0	

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

Principal's name (please print)
DR MARGARET COO

Principal's signature
[Signature]

Date
04 Oct 2021.

Committee	Joint F&R and Audit Committee
Subject	Proposed Risk Management Framework Combining the Balanced Scorecard
Date of Committee meeting	29/11/2021
Author	Iain Wishart, Finance Director
Date paper prepared	22/11/2021
Executive summary of the paper	<p>Proposal to set-up;</p> <ol style="list-style-type: none"> 1. An Enterprise Risk Management framework which links with Strategic KPI's and Targets through to a Balanced Scorecard. 2. A System of Internal Control <p>The new frameworks would be based on the COSO and ISO31000 frameworks.</p>
Consultation How has consultation with partners been carried out?	This is the proposal consultation
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input checked="" type="checkbox"/> For approval
Resource implications (If yes, please provide details)	<p>Yes/ No</p> <p>This will have an impact on all staff.</p>
Risk implications (If yes, please provide details)	<p>Yes/ No</p> <p>This proposal is to change our Risk Management frameworks</p>

Perth College UHI

<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	<p>Applier Enterprise Risk Management to our strategy.</p>
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>Yes/ No</p> <p>Set out any data protection aspects and whether a data protection impact assessment is needed</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

Perth College UHI

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

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

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

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

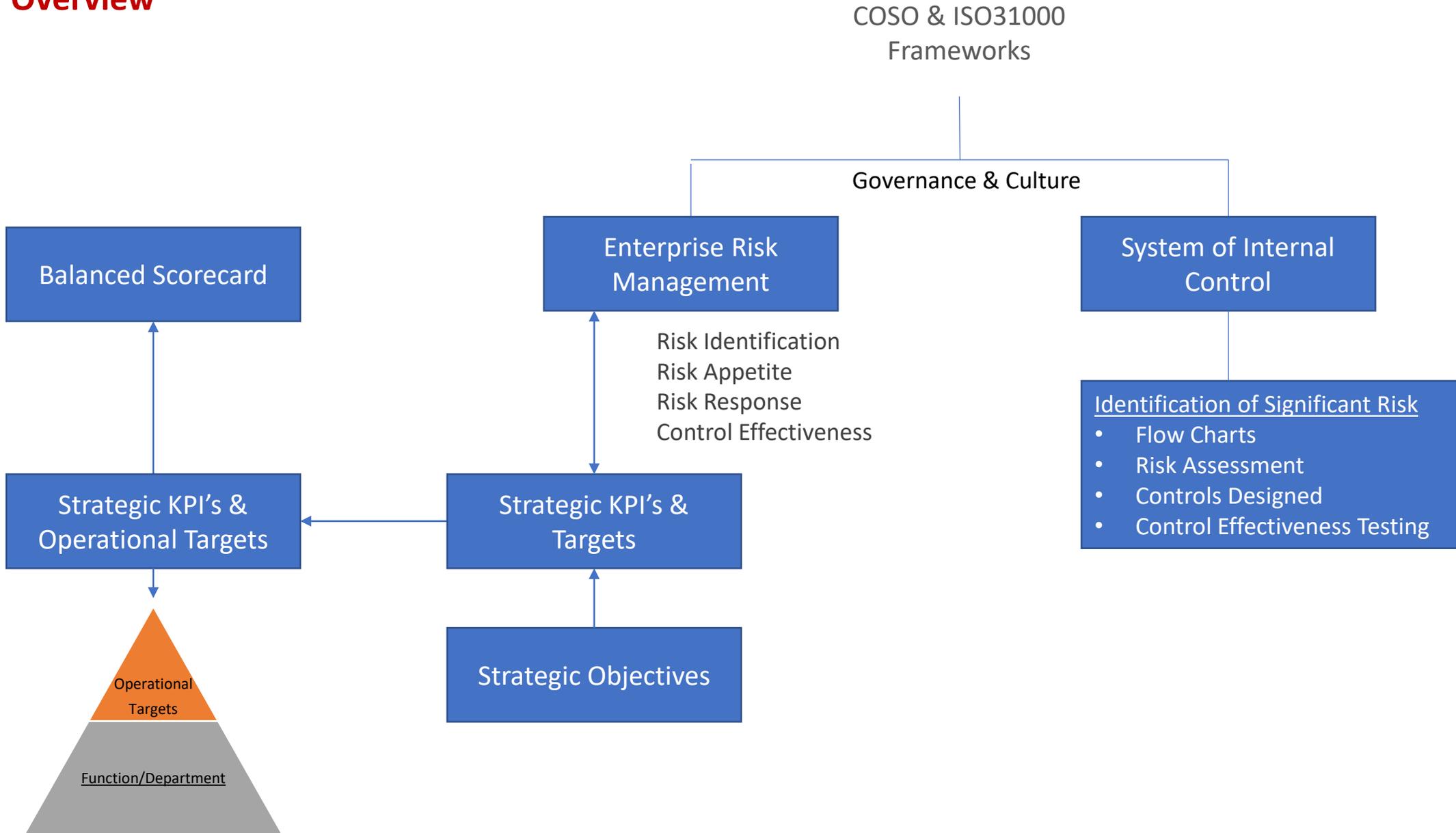
http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Risk Management Proposal

Nov 2021



Overview



Balanced Scorecard – 21/22

Nov 2021



Balanced Scorecard

What is a Balanced Scorecard (Balanced Scorecard Institute definition)?

The balanced scorecard (BSC) is a strategic planning and management system.

Organisations use BSCs to:

- Communicate what they are trying to accomplish
- Align the day-to-day work that everyone is doing with strategy
- Prioritize projects, products, and services
- Measure and monitor progress towards strategic targets

The name “balanced scorecard” comes from the idea of looking at strategic measures in addition to traditional financial measures to get a more “balanced” view of performance. The concept of balanced scorecard has evolved beyond the simple use of perspectives and it is now a holistic system for managing strategy.

A key benefit of using a disciplined framework is that it gives organisations a way to “connect the dots” between the various components of strategic planning and management, meaning that there will be a visible connection between the projects and programs that people are working on, the measurements being used to track success (KPIs), the strategic objectives the organization is trying to accomplish, and the mission, vision, and strategy of the organisation.

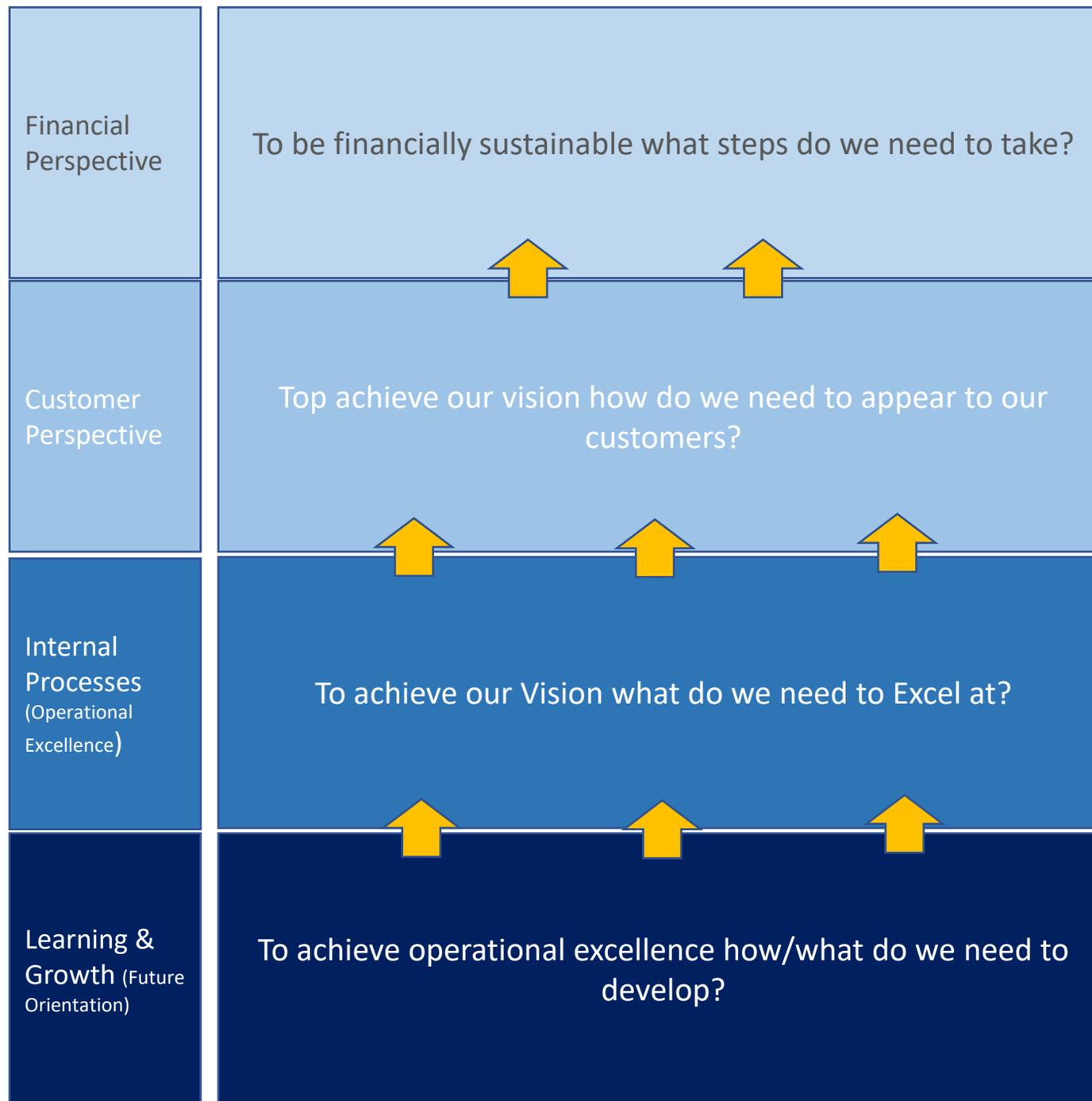
Strategy Map > Balanced Scorecard

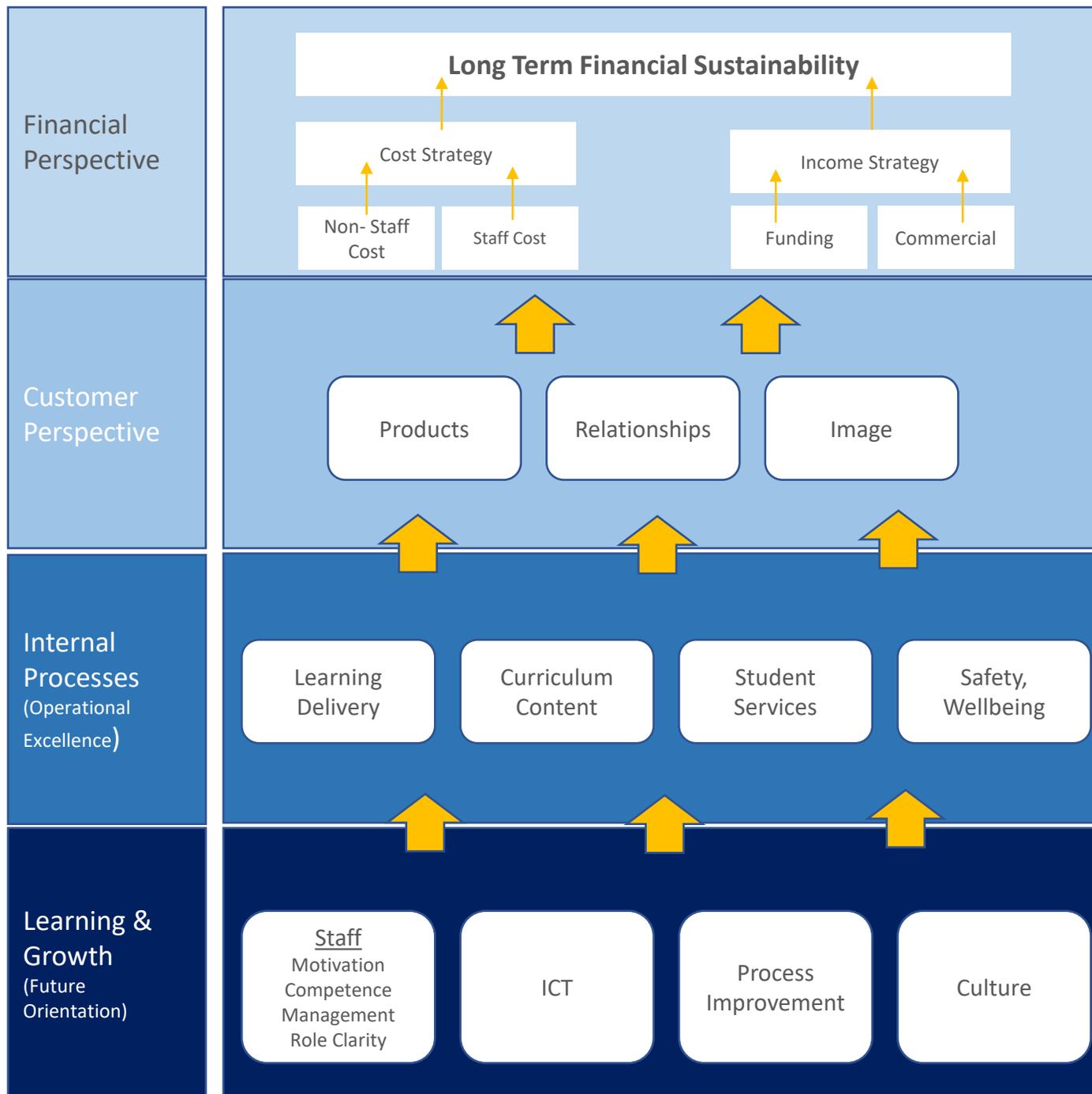
A Strategy Map can be used to help develop the Balanced Scorecard KPI's and Targets.

A Strategy Map help us to:

- Increase Focus On Strategy And Results
- Improve Organisational Performance By Measuring What Matters
- Align The Work People Do On A Day-To-Day Basis With Strategy
- Focus On The Drivers Of Future Performance
- Improve Communication Of The Organisation's Vision And Strategy
- Prioritise Action Items In The Implementation Roadmap In changing environments

This graphic shows the structure and purpose of a Strategy Map. The Map aligns with the Balanced Scorecard structure.





This graphic is not a proposal but simply an example of what Perth College's Strategy Map could look like.

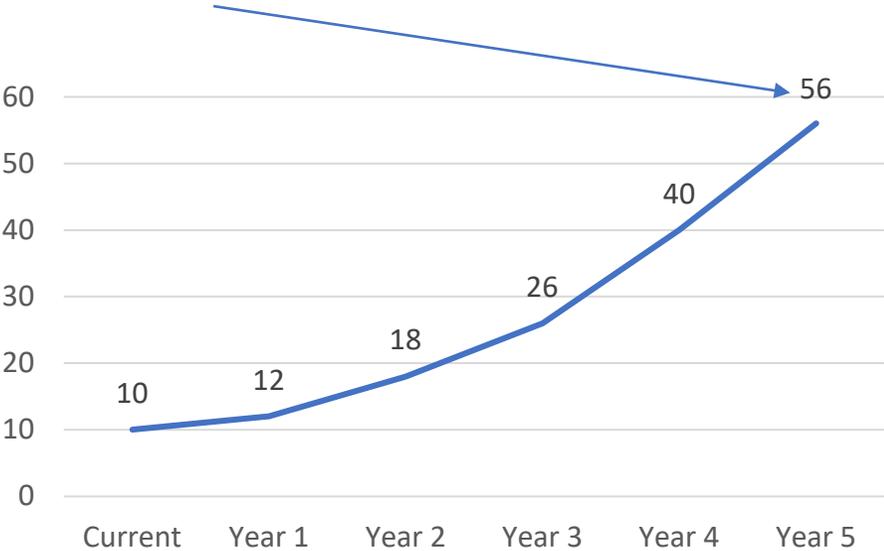
Strategic Balanced Scorecard

Mission & Vision

Strategic Objectives	Strategic KPI's	Strategic Targets
<p>Financial Perspective</p> <p>Staff Cost Non-Staff Cost</p>	<p>KPI's</p>	<p>Targets</p>
<p>Customer Perspective</p> <p>Courses Relationships Image</p>	<p>KPI's</p>	<p>Targets</p>
<p>Internal</p> <p>Delivery Curriculum Content Student Services Safety, Wellbeing</p>	<p>KPI's</p>	<p>Targets</p>
<p>Learning & Growth</p> <p>Staff ICT Processes Culture</p>	<p>KPI's</p>	<p>Targets</p>

Strategic -> Operational

Strategic targets are broken down into annual "Operational" targets.



Actions, resources and budgets agreed.

Operational Balanced Scorecard

The Year's Operational Targets and Actions are owned by the CMT

Strategic Objectives	Strategic KPI's	Operational Targets	Actions
<p>Financial Perspective</p> <p>Staff Cost Non-Staff Cost</p>	<p>KPI's</p>	<p>Targets</p>	<p>Actions</p>
<p>Customer Perspective</p> <p>Courses Relationships Image</p>	<p>KPI's</p>	<p>Targets</p>	<p>Actions</p>
<p>Internal</p> <p>Delivery Curriculum Content Student Services Safety, Wellbeing</p>	<p>KPI's</p>	<p>Targets</p>	<p>Actions</p>
<p>Learning & Growth</p> <p>Staff ICT Processes Culture</p>	<p>KPI's</p>	<p>Targets</p>	<p>Actions</p>

Organisational Engagement



ERM and System of Control

Nov 2021



Introduction

This document introduces two risk management frameworks and proposes how Perth College could manage risk in the future.

As these documents are “frameworks”, they provide options from which Perth College can select solutions that provide the most effective risk management solution for the future.

The two frameworks presented are the Committee of Sponsoring Organisations (COSO) framework and ISO31000.



Introduction

Perth College can use the frameworks for two purposes:

1. Design an Enterprise Risk Management model (ERM) which will support the strategy process and operational planning to maximise performance.
2. Develop a System of Internal Control to ensure the accuracy of our accounts and safeguard College assets



ERM: COSO

COSO Enterprise Risk Management Framework



Components



Governance & Culture

Governance sets the organization's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviours, and understanding of risk in the entity.



Strategy & Objective-Setting

Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.



Performance

Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.



Review & Revision

By reviewing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.



Information Communication & Reporting

Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization

ERM: COSO

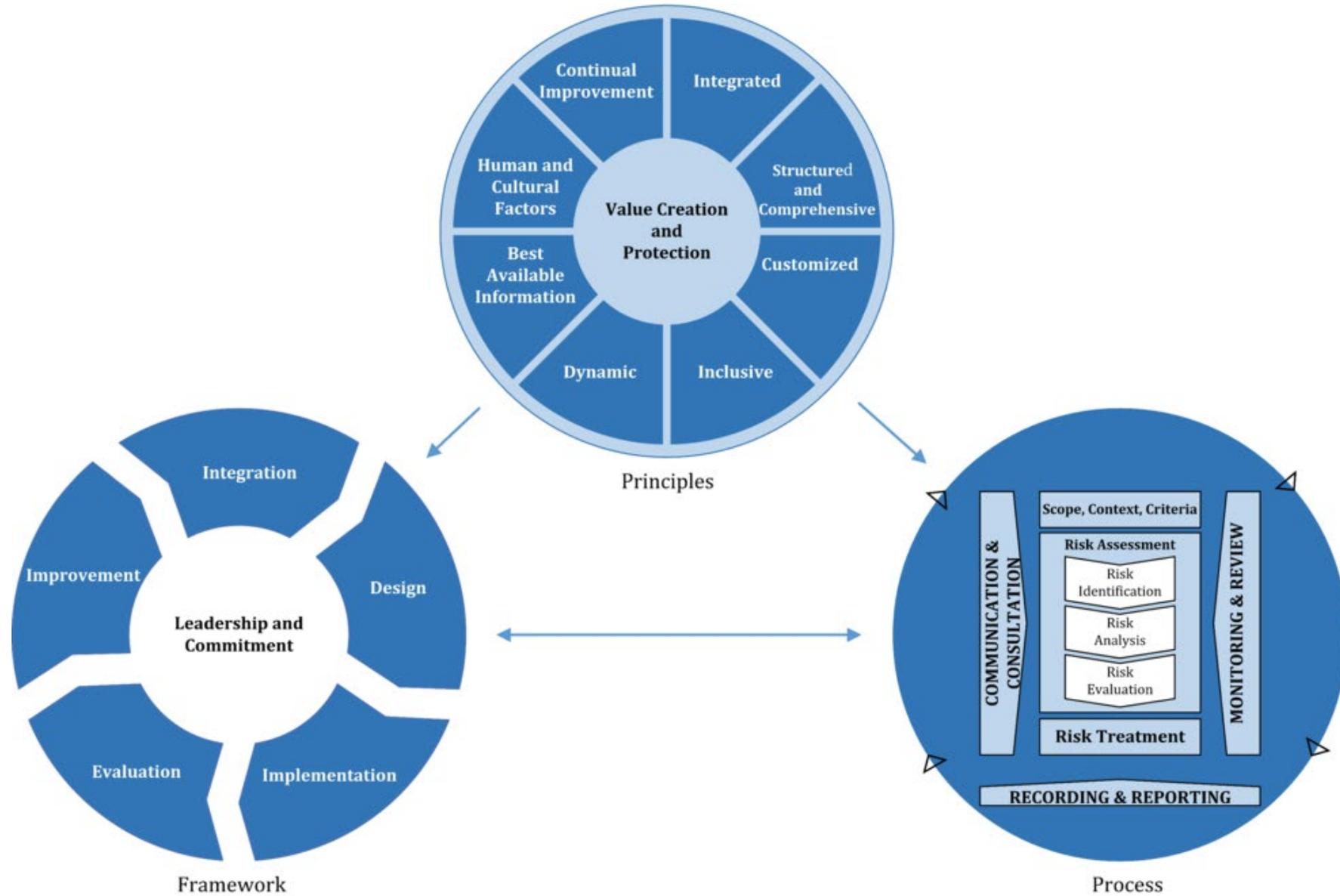
Mission, vision & core values	Strategy Development	Business Objective Formulation	Implementation & Performance	Enhanced Value
Governance & Culture	Strategy & Objective-Setting	Performance	Review & Revision	Information, Communication, & Reporting
<ol style="list-style-type: none"> 1. Exercises Board Risk Oversight 2. Establishes Operating Structures 3. Defines Desired Culture 4. Demonstrates Commitment to Core Values 5. Attracts, Develops, and Retains Capable Individuals 	<ol style="list-style-type: none"> 6. Analyzes Business Context 7. Defines Risk Appetite 8. Evaluates Alternative Strategies 9. Formulates Business Objectives 	<ol style="list-style-type: none"> 10. Identifies Risk 11. Assesses Severity of Risk 12. Prioritizes Risks 13. Implements Risk Responses 14. Develops Portfolio View 	<ol style="list-style-type: none"> 15. Assesses Substantial Change 16. Reviews Risk and Performance 17. Pursues improvement in Enterprise Risk Management 	<ol style="list-style-type: none"> 18. Leverages Information and Technology 19. Communicates Risk Information 20. Reports on Risk, Culture, and Performance

Components

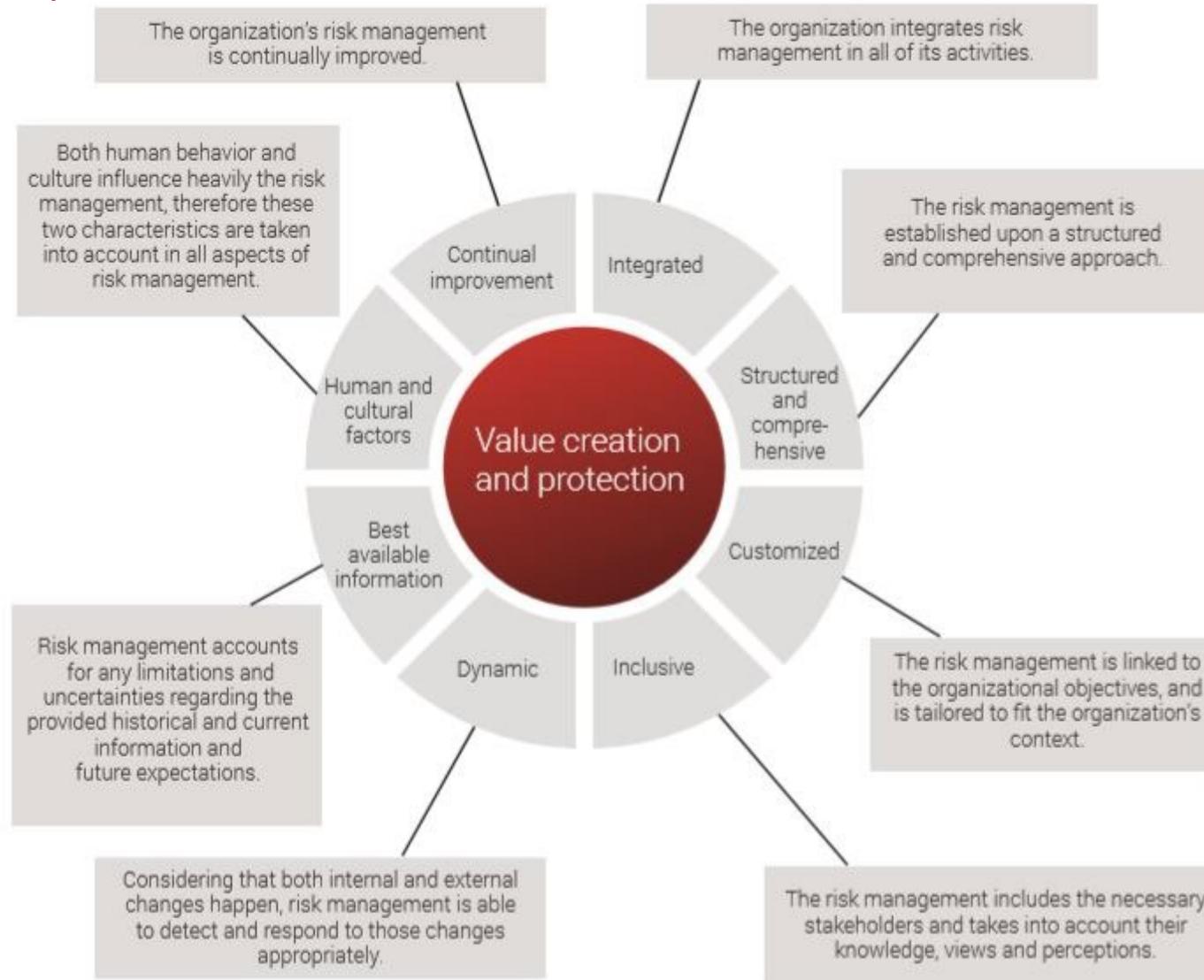
Principles



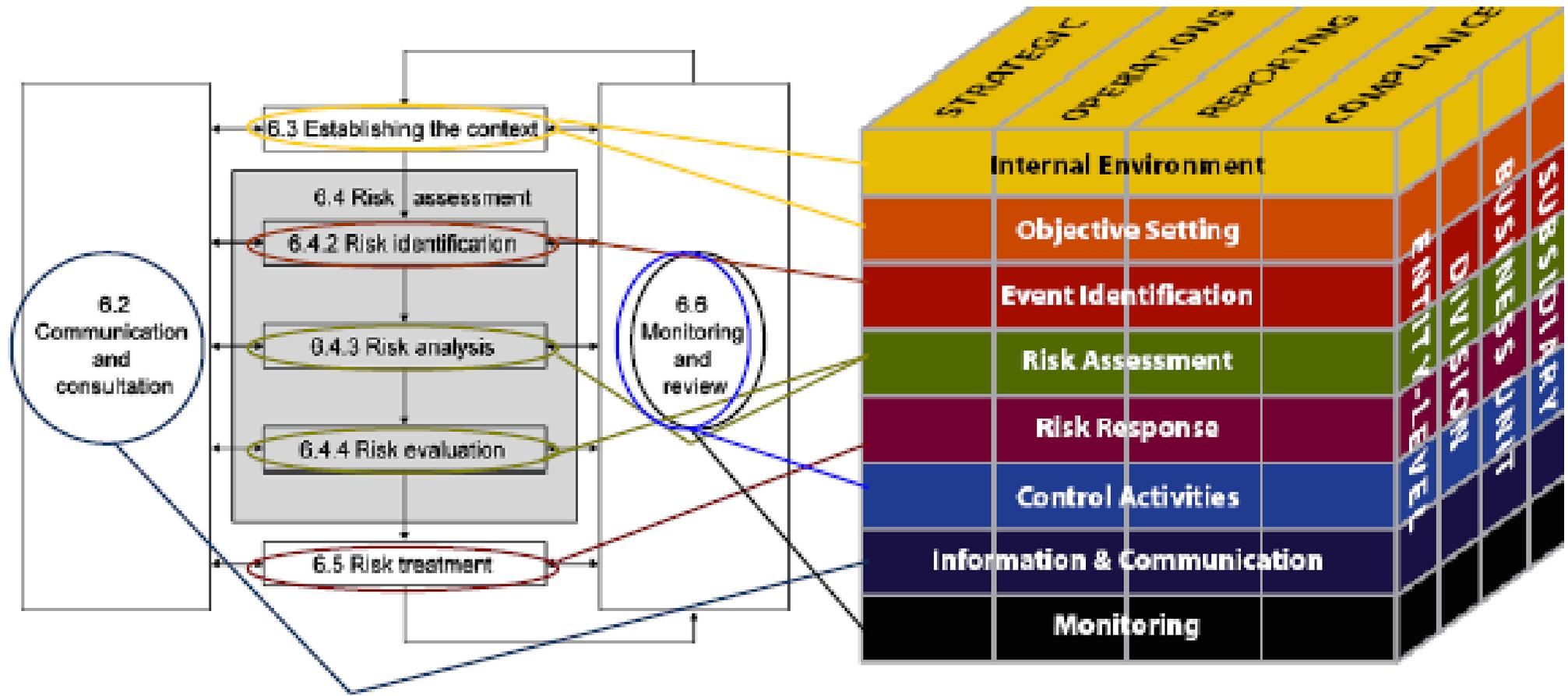
ERM: ISO31000



ERM: ISO31000 Principles



ERM: COSO V ISO31000 Process



ISO 31000 Process

COSO Process

Perth College UHI

Paper No. 10

Committee	Joint F&R and Audit Committee
Subject	Double Salary Payment Update
Date of Committee meeting	29/11/2021
Author	Iain Wishart, Finance Director
Date paper prepared	22/11/2021
Executive summary of the paper	Overview of the double salary payment situation and current status.
Consultation How has consultation with partners been carried out?	Discussion with RBS, SMT, Unions, EO
Action requested	<input checked="" type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	Yes/ No Staff will spend time resolving the issue.
Risk implications (If yes, please provide details)	Yes/ No Although no risk has been identified at this stage there could be a future situation where some of the remaining cash cannot be recovered.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	A control weakness has been identified which needs resolved as part of our risk management process.

Perth College UHI

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>Yes/ No</p> <p>Set out any data protection aspects and whether a data protection impact assessment is needed</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

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Perth College UHI

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

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

and

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