

**Board of Management**

Meeting	Audit Committee
Date and time	Tuesday 01 June 2021 at 8.30 a.m.
Location	Via Microsoft Teams, Calendar Link

Board Secretary  
25 May 2021

**AGENDA**

**Welcome and Apologies**  
**Declaration of Interests**

**ITEMS FOR DECISION****1. MINUTES**

- Minutes of the Meeting of the Audit Committee held on 09 March 2021

**2. OUTSTANDING ACTIONS & RECOMMENDATIONS LIST****3. POLICIES FOR APPROVAL**

- Freedom of Information Policy
- Food Safety & Allergen Management Policy
- Marketing Policy
- Health and Safety Wellbeing Policy

**4. INTERNAL AUDIT**

- a) Internal Audit Annual Plan for Year Ended July 22
- b) Draft Terms of Reference – Covid-19 Quality and Assessment 21-22
- c) Draft Terms of Reference – Education Maintenance Allowance 21-22
- d) Draft Terms of Reference – FES Return 21-22
- e) Draft Terms of Reference – Follow Up Review 20-21
- f) Draft Terms of Reference – Procurement 21-22
- g) Draft Terms of Reference – Staff Recruitment 21-22
- h) Draft Terms of Reference – Student, Application, Enrolment and Inclusion 21-22
- i) Draft Terms of Reference – Student Representation 21-22
- j) Draft Terms of Reference – Student Support Fund 21-22

**5. EXTERNAL AUDIT ANNUAL PLAN****ITEMS FOR DISCUSSION**

- 6. HEALTH AND SAFETY UPDATE**  
Report by Health and Safety Manager
  - 7. CONTRACT STRATEGY – INTERNAL AUDIT SERVICES**  
Report by Contracts and Procurement Co-Ordinator and Head of Procurement – Shared UHI Service
  - 8. INTERNAL AUDIT REPORT**  
Draft Cyber Security Audit – Draft Audit by BDO including comments from ICT Services Manager
  - 9. RISK MANAGEMENT**
  - 10. BUSINESS CONTINUITY PLAN – UPDATE ON ANNUAL REVIEW CYCLE**  
Report by Principal
  - 11. CYBER INCIDENT OVERVIEW**  
Report by ICT Services Manager
  - 12. FREEDOM OF INFORMATION REPORT**  
Report by Board Secretary
  - 13. COMMITTEE EVALUATION**
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#### **ITEMS FOR NOTING**

- 14. COMPLAINTS - QUARTERLY REPORT**  
Report by Quality Manager
- 15. HEALTH AND WELLBEING MINUTES**  
Minutes of the Health, Safety and Wellbeing Committee held on 10 March 2021
- 16. AOCB**
- 17. DATE OF NEXT MEETING – 14 September 2021**

**A private meeting with the External Auditors will follow this meeting.**

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary as soon as possible. Additional items of business will be considered for inclusion in the agenda in advance of and at the start of the meeting.

**MINUTES of the MEETING of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 09 March 2021**

**PRESENT:** Chris O'Neil, Innis Montgomery, Sally Blyth, Gillian Galloway, Amy Goodbrand, Samantha Cribb, Mark Sheridan

**CHAIR:** Gillian Galloway

**APOLOGIES:** Olga Potapova EY, External Auditors, Stephen Reid, EY, External Auditors & Claire Robertson, BDO LLP, Internal Auditors

**ATTENDING:** Director of Finance  
Chloe Ridley, BDO LLP, Internal Auditors  
Board Secretary  
Data Controller

The Chair welcomed the new members to the Committee and advised that she had been appointed as the new Chair.

It was noted that the Principal is due to attend the meeting but because he is currently on campus, he would have limited connectivity due to the recent cyber-incident. The Committee was advised that he may not be present for the entire meeting as a result of this.

The Chair advised that today's proposed private meeting with the External Auditors had been postponed until the June 2021 meeting.

There were no declarations of interest noted.

**1. MINUTES****Minutes of the Meeting of the Audit Committee held on 10 November 2020**

The Minutes of the Meeting of the Audit Committee held on 10 November 2020 were **AGREED** as a correct record and were **APPROVED**.

**Minutes of the Joint Audit & Finance and General Purposes Committees held on 27 January 2021**

The Minutes of the Meeting of the Joint Audit & General Purposes Committees held on 27 January 2021 were **AGREED** as a correct record and were **APPROVED**.

**2. OUTSTANDING ACTIONS**

- **Risk Register** – This item will be discussed within the agenda.
- **Audit Recommendations - NFI** – The Director of Finance advised that supplier information had been submitted to the NFI.  
**Decision:** The Committee **AGREED** that this item could be removed from the list.

- **Internal Audits – Quality & Assurance – Covid-19 Terms of Reference –** The Committee was advised that these had been updated as the scope of the audit had changed.  
**Decision:** The Committee **AGREED** that this item could be removed from the list.
- **Internal Audit Data Protection Review –** The Board Secretary had liaised with the Data Controller over this and had provided an update to BDO on this matter.  
**Decision:** The Committee **AGREED** that this item could be removed from the list.
- **Internal Audit Student Fees –** BDO confirmed that this matter was still outstanding.
- **Internal Audit Partnership Agreement –** BDO advised that this work was progressing.
- **Internal Audit Business Continuity –** The Committee noted that this issue will be revisited following the SMT restructure.
- **Internal Audit Budget Planning –** BDO advised that they had received some information in January from the Finance Dept. The Director of Finance advised that he was liaising with the Chair of the F&GP Committee over this issue.

*The Principal joined the meeting at this point.*

- **Internal Audit Health and Safety –** The Committee noted that this issue would be carried forward.
- **Internal Audit Estates Spend –** The Director of Finance advised that the spending of capital monies had been agreed.  
**Decision:** The Committee **AGREED** that this item could be removed from the list.

### 3. **POLICY FOR APPROVAL**

#### **a.) Marketing Policy**

The Committee noted one minor amendment to the policy; highlighting that it made reference to FOI twice within section 2 - legislative framework/related policies.

With regards the policy itself the Committee highlighted that the policy did not co-ordinate with or make reference to UHI or any of the other partners and that the policy aims did not fully capture what the core principle aims are; as such the Committee felt that these should be revised.

**Decision:** The Committee did not approve this policy. Feedback on the policy will be provided to the Quality Team.

#### **b.) Health and Safety and Wellbeing Policy**

The Committee highlighted that this policy made no reference to Covid-19. It was felt

that the work of the Health, Safety and Wellbeing Sub-Group should be embedded and acknowledged within the policy and that although wellbeing had been added to the policy there was no reference to what was being done to promote wellbeing within the College.

With regards section 5 of the policy (compliance) the Committee noted that the policy states that regular audits will be carried out however it was felt that this is open ended and that a timeframe should be included. The Committee also felt that this should be expanded upon to include how this is being audited and measured.

**Decision:** The Committee did not approve this policy. Feedback on the policy will be provided to the Quality Team.

### **c.) Waste Management Policy**

The Committee expressed their disappointment in this policy and the general feeling was that the policy did not take advantage of the opportunity to link our strategies with regards sustainability, green agenda and climate change.

The Committee discussed the possibility of addressing this issue through inclusion within our own 5 year strategy.

**Decision:** The Board Secretary will raise this issue with the Chair of the Board of Management. The Committee did not approve this policy.

## **4. INTERNAL AUDITORS**

### **a.) Appointment of Internal Auditors**

*Chloe Ridley, BDO left the meeting at this point.*

The Board Secretary advised that the Procurement Team had indicated that our current extension to the BDO contract is due to expire on 31 July 2021. The Procurement Team have advised that there is two options available to us:

Option 1 – We extend BDO's existing contract for a final year.

Option 2 – That the Procurement Team run a mini competition within the framework with a view to this being completed by early June 2021.

The Committee discussed both options and expressed concern over running a mini procurement exercise rather than a full procurement exercise. A discussion on the procurement of this service took place and it was felt that this would need to remain as a regular agenda item in order to ensure that the procurement exercise is carried out within an appropriate timeframe.

**Action:** A paper on the procurement exercise for Internal Audit is to be made available for the June 2021 meeting.

**Decision:** The Committee agreed to a final one year extension of the BDO contract from 01 August 2021 – 31 July 2022.

*Chloe Ridley, BDO returned to the meeting at this point.*

## **b.) BDO – Terms of Reference – Coronavirus Job Retention Scheme Grant**

BDO explained that the Coronavirus Job Retention Scheme Grant would replace the Covid-19 Quality and Assurance Audit. The Committee discussed the timings within this document and the Committee noted that it was felt that this timeframe should give staff sufficient time to provide the necessary information to BDO. However, it was noted that the recent cyber incident may impact access to information. BDO will be notified of this should it affect the timing of the audit.

The Committee discussed the sample numbers stated within the Terms of Reference with BDO advising that these are currently an estimate of numbers and that the document will be updated to reflect the correct sample numbers of staff once they have been agreed.

The Committee highlighted that the Terms of Reference referred to Edinburgh College within one page and BDO confirmed that they would amend this error.

**Decision:** The Committee approved the Coronavirus Job Retention Scheme Grant Terms of Reference.

## **5. EXTERNAL AUDIT**

The Board Secretary advised that she had provided a list of the recommendations from the recent External Audit with a view to these being reported on to ensure that all recommendations are implemented.

1. The Director of Finance confirmed that the review of the NPD model and accounting treatment is progressing.
2. The Director of Finance advised that preparation for the 21/22 budgets is progressing, however the Committee noted that this progress will be affected by the Cyber-Incident. The Director of Finance advised that we now have a robust budget process in place.
3. The Director of Finance confirmed that our cash flow appears steady with no changes being identified.
4. The Committee noted that the Board of Management will review the joint working arrangement with NHC. The Principal confirmed that structures are being put in place to support the split role. A paper on this will be presented at the next F&GP Committee.
5. The Director of Finance reiterated that the supplier data had been submitted to the NFI.
6. The Board Secretary advised that she would draft a report to the Board of Management with regards the outcome of the Review of the Code of Good Governance. A further review of the code will be carried out in June 21.
7. The Board Secretary advised that a sub group is meeting to discuss and draft a development plan following the outcome of the External Effectiveness Review.

**Action:** The Board Secretary will update and amalgamate these lists into one document. These will be monitored at future meetings to ensure that we meet all deadlines.

## **6. INTERNAL AUDIT REPORTS**

### **a.) Workforce Planning**

BDO advised that this audit gave a moderate level of assurance and found that there were 3 medium level risks and 3 low level risks. A discussion on all follow up actions will be arranged for June 2021.

The Committee enquired as to the level of PDR's being carried out and noted that this process had faltered due to Covid-19. The mechanisms and the processes in place for recording completed PDR's will be reviewed and discussed at the next HR Committee meeting.

The Committee highlighted the importance of succession planning and underlined their concerns about the workloads of staff following the SMT restructure. It was noted that this too will be monitored and discussed at the next HR Committee meeting.

### **b.) Covid-19 Health and Safety**

BDO advised that this audit gave a substantial level of assurance and had found that there were 2 low level risks.

The Committee welcomed this positive outcome.

### **c.) Finance System Report**

BDO advised that this audit gave a moderate level of assurance and that there were 4 medium level risks found.

The Director of Finance advised that we had experienced issues relating to ownership of the programme but that the system was delivered on time and was now delivering the reports that we require.

It was noted that lack of project management was raised as a weakness. However, this is currently being addressed through additional training.

### **d.) Internal Audit Follow Up Review Report – January 2021**

BDO advised that at January 2021 we had fully implemented 9 recommendations and partially implemented 7 recommendations. The Committee noted that 13 recommendations were still to be implemented. BDO acknowledged the impact of Covid-19 and advised that the delays in implementing their recommendations were understandable.

*Amy Goodbrand left the meeting at this point.*

*Chris O'Neil left the meeting at this point.*

#### **e.) Progress Report – Internal Audit 2020-21 – March 2021**

The Committee noted that the cyber security audit is progressing but that completion of this may be hampered by the Cyber-Incident and Covid-19.

### **7. RISK MANAGEMENT**

The Director of Finance advised that he, the Principal and the Principal's PA had met to review the risk register in January 2021. The Director of Finance advised that some risks had been reduced now that the FRP has been delivered.

The Committee had a lengthy discussion on how quality could continue to be maintained and assessed now that we had chosen not to continue with the IIP accreditation and the changes to the Erasmus scheme.

**Action:** The risks associated with procurement are to be included on the register.

### **8. BUSINESS CONTINUITY**

The Committee noted the impending EIS strike action and discussed how this would be managed.

The Committee gave their thanks to the Depute Principal – Academic Development and the Director of Research for how they have managed Covid-19.

### **9. HEALTH AND SAFETY UPDATE**

The Committee discussed the Health and Safety issues posed by staff working from home, the responsibilities we have as an employer and the responsibilities that staff themselves have, the contractual status of home working as well as how we can audit the DSE of equipment which staff are using at home.

**Action:** An update report with regards to health and safety and working from home to be taken to the next meeting.

The Committee noted that the Health and Safety Manager had provided them with a detailed paper with regards HASMAT. Whilst the Committee felt that this looked like a comprehensive system they felt that they would require a greater level of understanding before they could fully consider the system.

**Action:** The Committee **AGREED** that the Health and Safety Manager would be invited to discuss the HASMAT system at the June Committee meeting.

### **10. REVIEW OF EXTERNAL AUDITORS**

The Board Secretary advised the Committee that we are due to carry out the annual evaluation of the External Auditors. The Board Secretary took the Committee through the evaluation form and noted the responses.

**Action:** The Director of Finance will complete his feedback form. The Board



Secretary will then prepare a letter of feedback to E&Y which will be sent to all Committee members via email for online approval. Once approved this will be sent to E&Y.

## 11. **GDPR REPORT**

*The Data Controller joined the meeting at this point.*

The Data Controller took the Committee through her report and advised that the purpose of this report is to provide regular updates to the Committee with regards our compliance with GDPR.

The Data Controller highlighted the following to the Committee:

- The current position with regards to GDPR following our exit from the EU.
- Subject Access Requests, where these come from and how they are dealt with.
- Information Security Incidents
- Records Management and our onsite archive.
- Electronic management of data.
- Staff training including the modules available on Brightspace.
- The Data Register and Article 37.
- Priorities following the Cyber-Incident.
- How data breaches are dealt with.
- Possible training sessions for Board members.

*Samantha Cribb left the meeting at this point.*

*Mark Sheridan left the meeting at this point.*

The Data Controller requested confirmation from the Committee on the frequency of the updates that they require with regards to GDPR.

**Decision:** The Committee **AGREED** that they would like to see a report twice yearly however they advised reports can be brought on an ad hoc basis as and when any risks or breaches are identified.

The Committee thanked the Data Controller for her excellent report.

*The Data Controller left the meeting at this point.*

## 12. **COMPLAINTS – QUARTERLY REPORT**

The Committee noted the contents of the quarterly complaints report.

## 13. **HEALTH AND WELLBEING MINUTES**

The Committee noted the contents of the Health and Wellbeing Committee meeting held on 20 January 2021.

## 14. **AOCB**

The Committee discussed the Cyber-Incident and whether we had assurance that we were receiving the appropriate external technical support. The Committee noted that

Police specialists had been brought in to provide advice and guidance.

**Actions:** The Committee noted that a number of lessons from the incident have been learnt throughout the partnership as a whole. A report on these lessons learned will be made available for the next meeting. This issue will also be given higher prominence on the risk register.

**15. DATE OF NEXT MEETING – 01 June 2021.**

A closed meeting with the External Auditors will be held following this meeting.

**Signed by the Chair:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Board of Management

<b>Subject/Title:</b>	Outstanding Actions and Recommendations List
<b>Author:</b> [Name and Job title]	Lisa Ross, Board Secretary
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	28 April 2021
<b>Brief Summary of the paper:</b>	An updated list of External Audit Recommendations, Internal Audit Recommendations and outstanding actions is attached.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	For discussion. An update on relevant actions and recommendations to be given.  Approval of the removal of completed internal audit recommendations nos 2, 6, 7, 8, 9, 10, 18 to be sought.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Compliance
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Organisational: Potential governance failure if meetings not held.
<b>Equality and Diversity implications:</b>	Yes/No If yes, please specify:
<b>Consultation:</b>	

## ITEM 02

[staff, students, UHI & Partners, External] and provide detail			
<b>Status</b> – [Confidential/Non confidential]	Non confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

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

## Audit Committee - Outstanding Actions and Recommendations List

### Recommendations from the External Audit

No	EY Finding for the period ended 31 July 2020	Recommendation	IC Response	Responsible Officer	Timeframe	Update on Actions
1	From 2016/17 we have recommended to management that it review the model and accounting treatment to ensure it continues to meet the requirements of FRS 102. This was specifically in respect of whether the model should contain contingent rent. This process has yet to be fully implemented.	Management should ensure that its review of the NPD model and accounting treatment is completed as quickly as practically possible at this stage. Grade 2	Discussed with E & Y and agreed that some progress is needed on reviewing the agreement and E & Y's recommendations	Assistant Principal – Finance & Audit	31 August 2021	
2	Management has recognised the need for proactive financial planning going forward to ensure the College maintains a financially sustainable position through these risks and uncertainties, and as the College undertakes a full strategic review of its teaching arrangements in 2021.	Financial monitoring and forward planning will continue to be vital to the College, in particular in monitoring the ongoing delivery of savings identified through the financial recovery plan. Grade 2	Draft Finance Strategy up to 31 July 24 document has been prepared; Finance monitoring at a top level has been revised in terms of presentation to Committee. Planned to spend near five months on budgeting for 21-22 and align curriculum planning more with budget process	Assistant Principal – Finance & Audit	31 July 2021	

3	As part of its financial forecasting arrangements the College has forecast its cash flow at a summary level for the three years of the FFR and at a detailed level through to February 2022. The College forecasts holding cash of at least £3.4 million during this period, however recognises this is subject to significant volatility risk depending on the future impact of Covid-19 on the College's operations	Management should ensure that its cash flow position and forecast for at least the next 12 months is subject to rigorous review on a routine basis.  Grade 2	Monitoring to 21 January 21 shows an improving position. Also there is work across the partnership on efficiency/income agenda of £20 million	Assistant Principal – Finance & Audit	Over the year to 28 February 2022	
4	During the year management made us aware of the new joint working arrangement in place with Inverness College, in particular the shared responsibility for the Director of Finance role across both Colleges.	It is important that, particularly in the context of the additional pressures placed on management during this Covid- 19 period, this arrangement is subject to ongoing review to ensure it does not impact the College's financial management arrangements.  Grade 2	For Board review	Chairs and Principal	Over the coming year	
5	Progress has been made, however there is still work outstanding for the College finance team to progress actions in respect of involvement in the NFI exercise.	Management should ensure the College finance team is able to comply with relevant timetables and good practice in respect of NFI	Staff cost data and purchase (supplier) data was sent. Matching needs progress including other departments	Finance Manager and HR staff assisting with managers	Ongoing	

		requirements going forward. Grade 2				
6	Management has noted that due to the impact of Covid-19 it has not been able to implement the recommendation from last year around development of a more formal assessment of compliance.	In line with previous years we continue to recommend the College formalises its assessment of compliance with the Code and good practice consideration around governance statement disclosures. Grade 2	The Board of Management have carried out a review against the Code of Governance in January 2021. From this an action plan has been drafted and will be discussed at the Board of Management meeting on 18 February.	Board of Management	February 2021	
7	The College has noted that due to Covid-19 it has not been able to undertake an externally facilitated review this year, and plans to address this going forward in early 2021. This has been accordingly disclosed as an area of non-compliance with the Code of Good Governance in the Governance Statement.	The externally facilitated review of Board effectiveness should be completed at the first reasonable opportunity. All recommendations should be agreed to a detailed action plan, including timeframes for implementation. Grade 2	The External Effectiveness Review has been undertaken and feedback is due to be given by the facilitator on 28 January during the Board Away Day Workshop. Following this a working group will be set up (this will involve Secretary to the Board of Management as Board Secretary and three members of the BOM) to review the recommendations and the group will ensure that an action plan and timeframe for implementation of these actions	Board of Management	April 2021	

			are available for approval at the Board of Management meeting on 1st April 2021.			
No	EY Prior Year Recommendation for the period ended 31 July 2019	Current Status	Responsible Officer	Timeframe	Update on Actions	
1	The College should conduct a formal impact assessment on the implementation of the revised SORP.  Grade 3	Management did not provide a formal impact assessment as part of the preparation of the 2019/20 financial statements. It is important going forward that management has a robust process for considering and implementing required changes to the financial statements.	Assistant Principal – Finance & Audit			

**Outstanding Recommendations from the Internal Audit**

No	BDO Audit up to January 2021	Recommendation	IC Response	Responsible Officer	Timeframe	Update on Actions
1	Student Fees and Contracts – 2016/17	<p>Amounts transferred between SITS and SUN should be reconciled regularly and explanations for any variances documented and corrections made if necessary. Such reconciliations should be reviewed and agreed by a second member of staff; with both the preparer and reviewer signing the reconciliations as evidence this is being done.</p> <p>2018/19 follow up identified plans are now in place to implement a process that will allow daily reconciliations to be conducted. No further update or evidence has</p>	This task has been reallocated and reconciliations will be brought fully up-to-date. Thereafter this reconciliation is to be embedded into month end procedures.	Assistant Principal – Finance and Audit	31 July 2021	<p>Work has commenced on reconciling the past year. We will be going back two years regarding reconciliation and then write off.</p> <p>Commenced and in progress.</p>



		been provided.				
2	Partnership Working 2017/18	We recommend that the College should seek a partnership agreement with the Highland Council which clearly defines roles and responsibilities.	<p>AGREED: The College, along with the two other Academic Partners in Highland Region, has formed a Strategic Group with Highland Council education department.</p> <p>In terms of action that the College can control, this action has been completed. The College can do nothing further other than continue to prompt for a response from the Highland Council.</p>	Assistant Principal – Operations and External Relations		<p>A meeting between the three academic partner colleges and the Highland Council Head of Education was sought in December 2020. A meeting was to be scheduled for January 2021 but to date it has not.</p> <p>The Principal of West Highland College is following this up on behalf of the Colleges.</p>
3	Business Continuity Management 2018/19	We recommend that, as planned, the College implements business continuity training for all staff. Regular refresher training should be provided going forward and the College should ensure it records all training for each staff member, and obtains sufficient evidence of attendance/completion.	<p>This will be looked at once the new Health and Safety Manager commences post in November 2019.</p> <p>Briefing sessions were held in August 2019, however not all staff were in attendance. Further training sessions for Duty managers have been held, however attendance records are still outstanding. Duty Manager and Fire Marshall refresher training are still ongoing.</p>	Health and Safety Manager	BC Refresher training to be delivered in/post April 2021.	<p>Attending records for Feb 2020 duty manager training have been forwarded.</p> <p>We are currently reviewing on-call support. As part of implementation BC refresher training will be undertaken.</p>
4	Business Continuity Management 2018/19	We recommend that the College develops a testing plan/schedule for BCP which should be reviewed on an annual basis to ensure a strategic approach to testing is achieved. This plan should ensure that varying categories of events are scheduled to be tested on an	Recommendation agreed. Business Continuity testing schedule has been developed and is in place for 2019/20.	Estates and Campus Services Manager	2021 test plan to be issued in April 2021.	2021 test plan to be issued.

		<p>annual basis based upon likelihood and overall risk. A formal testing schedule should as be developed for IT/Disaster recovery.</p> <p>In addition, we recommend that the outcomes, lessons learned and required actions are formally documented within the plan for each test.</p> <p>A BCP plan was prepared for 2019, however no evidence has been provided to support whether the plan was completed and whether lessons learned and required actions were documented. Additionally no plan has been provided for 2020, a fire drill was completed in October 2020 and an evaluation exercise was completed following the test.</p>				
5	Business Continuity Management 2018/19	<p>We recommend that the College reviews the BCP Contact List to ensure that full contact details are provided for external parties. Any external contacts which are not necessary should be removed from the BCP.</p>	<p>Recommendation agreed. This task will be delegated to an appropriate team member to ensure all contact details are updated and relevant.</p>	<p>Estates &amp; Campus Services Manager</p>	<p>March 2021</p>	<p>BCP Contact review planned – post SMT restructure.</p>
6	Financial Planning 2018/19	<p>Meetings should be scheduled with budget holders on a quarterly basis.</p> <p>Budget holders are assigned a first point of contact within Finance.</p> <p>No evidence has been provided to</p>	<p>Recommendation Agreed – budget holders have already been assigned named contact points within the Finance Team. In addition, quarterly financial review meetings will be in place for 2019/20 and these meetings will also include the Principal and the Director of Finance.</p>	<p>Assistant Principal – Finance &amp; Audit.</p>	<p>Ongoing</p>	<p>All costs centres will be sent out to budget holders on a monthly basis. This will commence from 01 February 2021. Teaching cost centres have been sent out,</p>

		support quarterly meetings are taking place with budget holders and budget holders have been provided a first point of contact. This is expected to be in place from 01 February 2021.				but not support. Meetings will only take place by exception relating to cost centres giving rise to concern. 2020-21 is a transition year.
7	Financial Planning 2018/19	<p>We recommend Financial Regulations are updated to reflect that SMT are required to consider the budget prior to the F&amp;GP Committee.</p> <p>This is expected to be updated by December 2021.</p>	This will be considered when the Financial Regulations are next reviewed.	Assistant Principal – Finance & Audit	December 2021	Financial Regulations will be updated in due course. SMT was included in key budget review in preparing 2020-21 budget and will be included again for 2021-22.
8	Financial Planning 2018/19	<p>We recommend the budget timetable assigns responsibility for completion of each tasks. The budget timetable should include the following steps:</p> <ol style="list-style-type: none"> <li>1. Communication of the budget timetable to the SMT and budget holder.</li> <li>2. Update the budget when funding is confirmed from the UHI.</li> <li>3. Submission deadline of Enhancement Plans and Budget and Resource Planning Templates and;</li> <li>4. Review of the Enhancement Plans and communication of the results.</li> </ol> <p>We recommend the budget timetable is communicated to budget holders. Budget holders</p>	Agreed that the budget timetable should have assigned responsibility for tasks and be clearly communicated. Updating the budget for final UHI allocations will be incorporated if the timing of the final confirmation enables this. The Enhancement Plan process is not specifically about budgeting. Additional resource requirements can be identified through this process. Agreed that the outcome of this process needs to be clearly communicated to budget holders on completion.	Assistant Principal – Finance & Audit	31 July 2021	<p>Recommendation not accepted as it stands. We will not be wholly following this. Staff budgeting has commenced for 2021-22. When this and the income and other costs modelling is sent out to budget holders for review, comment and input, the timeframe for return of such information will be given.</p> <p>The finalisation of information from UHI is always uncertain. We will aim to have a revenue budget for Finance Committee approved by the end</p>

		<p>expected involvement is communicated in advance of the budget setting process.</p> <p>No evidence has been provided to evidence communication of timetable to budget holders in advance of the budget setting process.</p>				<p>of June 2021. We are aiming for a budget for SMT review by the end of May 2021. Control sheets covering sending out budgets, receipt, uploads etc will be used. The budget process will be robust and sound as advised to F&amp;GP Committee.</p>
9.	Financial Planning 2018/19	<p>We recommend the outcome of the Budget &amp; Resource Planning submissions is communicated to budget holders.</p> <p>A scoring mechanism is put in place to grade projects, and projects are prioritised and selected based on this.</p>	<p>Agreed. SMT will be asked to review and prioritise requests and budget holders will be notified. A transparent scoring mechanism will be agreed and applied to ensure consistency.</p>	Assistant Principal – Finance & Audit	31 July 2021	<p>Not accepted as it stands. How much information the SMT wants has still to be agreed. Also there is a request by UHI for zero based budgeting. The scoring matrix is unlikely to be followed and a degree of pragmatism will have to be used with conflicting demands.</p> <p>There are a few conflicting interests to manage.</p>
10.	Financial Planning 2018/19	<p>We recommend budgeting profiling is performed on an annual basis, taking in consideration expected expenditure each month.</p>	<p>Agreed. This is an area of focus for the Management Accounting team. Progress has not been made due to the inability to recruit to the vacant Management Accountant Assistant.</p>	Assistant Principal – Finance & Audit		<p>Not accepted as it stands. Budgeting profiling is helpful for payroll review but little else. For overheads and income we do profiles but they are usually standard.</p>

						<p>We question the benefit of looking at every cost centre's history in order to meet this recommendation.</p> <p>Profiling is done monthly for payroll and quarterly for overheads. Changing profiles – not accepted.</p>
11	Curriculum Planning – 2018/19	We recommend that the college produce more regular utilisation reports for it's estate and staff, and that these reports are monitored and scrutinised by an appropriate group within the college.	<p>Agreed. The college recognises the need to re-establish regular room utilisation audits and the enhanced functionality of Celcat should improve the information available through these audits. The audits were reported previously via the Academic Management Group which is no longer in existence.</p> <p>The College will ensure that room utilisation audits are re-instated and reported regularly through an appropriate group.</p> <p>This process is currently not in place due to Covid-19 restricting the numbers of students that can be in a classroom at one time.</p>	Assistant Principal – Operations and External Relations		The process will be reintroduced for 2021-22, covid restrictions permitting.
12	Business Planning and Performance Management 2019-20	We recommend that the Board is provided with an annual performance report on the Strategic Plan and associated KPI's covering the preceding academic	The college will ensure that annual reporting on KPI's is included in the October Board meeting and will discuss the possibility of introducing interim reporting throughout the	EMT		Strategic KPI's will be reported to the Board annually (or as advised by the Board) once agreed via the

		<p>year.</p> <p>We recommend that progress on department enhancement plans is summarised and reported quarterly at SMT meetings, with exceptions highlighted.</p>	<p>year.</p> <p>Quarterly reporting by summary and exception on department Enhancement Plans will be implemented for the June 2020 SMT meeting.</p> <p>The new strategic plan has been delayed due to the financial recovery plan and the effects of Covid-19.</p>			<p>Strategic Planning process. These have now been agreed.</p> <p>Department Enhancement Plans were not created as resource was diverted to deal with COVID and the emergency response measures. The plans will be reinstated in 2021-22 all going well. However the KPI's of student activity, retention, completion and satisfaction continue to be monitored and reported on at school and college levels and actions taken in response. The Inspector of Education assigned to the College engages regularly including attending college committee and team meetings, to provide ongoing external review and support.</p>
13	Business Planning and Performance Management 2019-20	We recommend that to align with best practice that the department enhancement plans review and	The College will ensure that all department enhancement plans are signed off by the relevant senior	EMT		Plans will be signed off, once reinstated.

		approval section is completed, preferably by either a senior college group or a senior member of staff, such as the Depute Principal.	<p>manager.</p> <p>Departmental enhancement plans were not created in 19/20 due to Covid-19. These are planned to be reinstated after the Covid-19 pandemic has concluded.</p>			
14	Cash Handling 2019/20	It is our recommendation that Finance staff are reminded of the need to ensure takings sheets are fully completed and signed to evidence that totals have been verified. This should form part of the checks done by the second finance officer who countersigns the banking sheet. A further check could be made by the Finance Team Leader when posting the journal to the finance system.	<p>Agreed.</p> <p>There is a new joint Finance Director and Finance Manager who are in the process of developing new processes and procedures.</p>	Assistant Principal – Finance & Audit		Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we returned to normal operating. Covid-19 has hindered progress with this.
15	Cash Handling 2019/20	It is our recommendation that the College develops a procedure for monitoring and investigating variances in cash takings. The procedure should detail the variance tolerance level, the arrangements for monitoring variances to highlight any trends, and the remedial action which may be taken to address any identified issues such as re-training or disciplinary action. The existing banking procedures should be updated to include a section which refers to the procedure for monitoring and investigating variances.	<p>Agreed.</p> <p>There has been no cash handling during the pandemic. There is a new joint Finance Director and Finance Manager who are in the process of developing new processes and procedures.</p>	Assistant Principal – Finance & Audit		Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we return to normal operating. Covid-19 has hindered progress with this.

16	Cash Handling 2019/20	It is our recommendation that there is a daily reconciliation completed for each department, showing zero sums if there are no takings and that this is confirmed by the department. We also recommend that the procedures are updated to reflect this arrangement and that the Hair and Beauty Department have a safe which will be used to hold cash from evening appointments overnight.	<p>Agreed.</p> <p>There has been no cash handling during the pandemic. There is a new joint Finance Director and Finance Manager who are in the process of developing new processes and procedures.</p>	Assistant Principal – Finance & Audit		Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we return to normal operating. Covid-19 has hindered progress with this.
17	Cash Handling 2019/20	<p>We recommend that the Banking Process and Procedures document is updated to include the following areas:</p> <ul style="list-style-type: none"> <li>– Which members of staff may operate the till in each department and what the training arrangements are for till operators; and</li> <li>– The procedure for maintaining a float including the arrangements for picking up, counting, storing and dropping off the float.</li> </ul>	<p>Agreed.</p> <p>There is a new joint Finance Director and Finance Manager who are in the process of developing new processes and procedures.</p>	Assistant Principal – Finance & Audit		Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we return to normal operating. Covid-19 has hindered progress with this.
18	Estates Management 2019/20	It is our recommendation that the Estates Team have greater ownership of their budget. We recommend that the team create a draft budget based on the activities outlined in their operational plan. The draft budget should then be reviewed by Finance and undergo the usual approval process.	Contracts for services make up the non-staff estates budget, the unitary charge being the biggest item making up a significant proportion, the focus on GTFM performance is therefore a significant focus as reflected in the rest of the audit report. Other contracts for service including the Soft FM are also managed and monitored closely by the estates	Estates and Campus Services Manager & Assistant Principal – Finance and Audit.		<p>Budget setting plan to be issued by the Finance Team.</p> <p>Detailed budget matrix prepared for all cost centres for 2021-22. Detailed discussions have been held with Estates</p>



			<p>team alongside their procurement contract in the finance team. Monthly meetings of the relevant staff ensure that these contracts are closely managed and monitored and reflect best value.</p> <p>The budget setting process has been reviewed and refreshed, all budget managers are now directly involved in the budget setting process. This process has started for 2020/2021 and for the estates function will be led by the Estates and Campus Services Manager alongside the Finance Team to ensure budgets accurately reflect the anticipated spend.</p>			Manager on capital budget.
19	Estates Management 2019/20	We recommend that the planning timetable is amended so that there is a budget and operational plan in place for the coming year before it begins.	Building capital grants are released by the funding council in year. Since ONS and reclassification of colleges these grants have been time barred and do not take account of delays or projects that might straddle financial years. This is a particular issue with Covid-19 which we are still to receive SFC clarification. Given the capital funding mechanism aligned to condition surveys undertaken not long after the completion of the new campus facilities this funding is significantly reduced. The capital expenditure plan, subject to funding, therefore reflects this reduced allocation and is designed to be flexible in response to potential other funding streams.	Estates and Campus Services Manager & Assistant Principal – Finance & Audit.		New capital strategy in line with college sustainability strategy is currently under development to improve forward project planning and capital spending plans. Detailed discussions on capital budget and spend. Estates Strategy to be developed and presented to EMT in May 2021.

20	Marketing and Communications 2019/20	<p>We recommend 'Use of Photography for Promotional Purposes' Forms are reviewed to identify whether the forms can be simplified or made more user friendly.</p> <p>We recommend Consent Forms are checked by a member of staff when they are with the students to ensure they are completed appropriately.</p> <p>A meeting is to take place with the DPO to discuss in more detail. Minimal photography has taken place on campus since the beginning of lockdown.</p>	We will review our student consent form and practice to improve accuracy and mitigate risk.	Marketing and Communications Manager		<p>The consent form in it's current format is compliant with data protection legislation. The Marketing and Communication Manager will liaise with the Data Protection Manager to simplify the form when restrictions ease and we are in a position to recommence photography (Covid-19 has hindered progress)</p>
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#### Outstanding Actions from Audit Committee Meetings

Item	Action	Responsibility	Time Line	ACTIONED
<b>27 November 2018</b>				
<b>Risk Register/ Risk</b>	<p>Consider how to embed the process of enhancing mitigating actions at partnership level. Ongoing discussions are being held with EO</p> <p>Following the September Audit Committee it was agreed that the Director of Finance would update the risk register narrative.</p>	<p>Principal</p> <p>AP – Finance and Audit</p>	Ongoing	<p>Ongoing discussions with PC.</p> <p>Ongoing. FRP to be updated following discussions with F&amp;GP Chair.</p>
<b>09 March 2021</b>				

**Item 02**

<b>Internal Audit Procurement</b>	A paper on the procurement exercise for IA to be available for the June 2021 meeting. Full timeline required.	Procurement Team.	Process complete by 31st July 2022	
<b>Risk Register</b>	The risks associated with procurement and Covid-19 mitigation are to be added onto the register.	AP – Finance & Audit		
<b>Health and Safety Update</b>	An update report with regards to the health and safety of working from home to be available for the June 2021 meeting.  The Health and Safety Manager to be invited to the June Committee to discuss the HASMAT system.	H&S Manager		June 2021
<b>Review of External Auditors</b>	Director of Finance to complete his feedback form.  The Board Secretary will prepare a letter of feedback and circulate to Committee members for approval.  Once approval received feedback can be sent to E&Y.			
<b>AOCB – Cyber-Attack</b>	A report on the lessons learned from the Cyber-Incident to be brought to the next meeting.  This issue will be given higher prominence on the risk register.	Principal.		June 2021

## Board of Management

<b>Subject/Title:</b>	Freedom of Information Policy
<b>Author:</b> [Name and Job title]	Lisa Ross, College Secretary
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	1 <sup>st</sup> June 2021
<b>Date Paper prepared:</b>	25 <sup>th</sup> May 2021
<b>Brief Summary of the paper:</b>	<p>The Audit Committee are asked to approve the revisions to the Freedom of Information Policy.</p> <p>Policy &amp; Procedure Review Panel approved this Policy on 10<sup>th</sup> May and EMT Committee approved on 20<sup>th</sup> May 2021.</p>
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Approval.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes / No <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes / No <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

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



## FREEDOM OF INFORMATION POLICY

REFERENCE: PL/GO/2018/

Lead Officer	College Secretary
Review Officer	<a href="#">College Secretary/Information Development Manager</a>
Date first approved by SMT	9 June 2008
First Review Date	24 November 2009
Date review approved by SMT	24 November 2015
Next Review Date	June 2018
Equality impact assessment	3 March 2010 11 June 2012
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
College Secretary	24.11.09	Audit Committee
College Secretary	04.09.12	Audit Committee
College Secretary	24.11.15	Audit Committee

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<b>6 Review</b>	<b>5</b>

**1. Policy Statement:**

Inverness College UHI will comply with the requirements of the *Freedom of Information (Scotland) Act 2002* (the "Act") and the *Environmental Information (Scotland) Regulations 2004* (the "EIRs") which place obligations upon Inverness College [UHI](#), as a designated Scottish Public Authority, to provide information to the public.

The Act aims to increase openness and accountability in government and across the public sector by ensuring that people (anywhere in the world) have the right to access information held by Scottish public authorities.

This policy applies to all information held by the College, including information stored on the College's behalf by another organisation or authority. Information can be held in a variety of media, including paper, analogue or digital formats.

Subject to certain conditions and exemptions, any person who makes a request for information in writing (or some other permanent form) to Inverness College [UHI](#) will be entitled to receive it.

**2. Legislative framework/related policies**

- 2.1 Freedom of Information (Scotland) Act 2002 (the "Act")
- 2.2 Environmental Information (Scotland) Regulations 2004 (the "EIRs")
- 2.3 [Data Protection Act 1998](#).
- 2.4 [EU General Data Protection Regulation \(UK GDPR\) 2016/679](#)
- 2.5 [UK Data Protection Bill Act 2018](#)
- 2.6 This policy should also be read in conjunction with the College's:
  - 2.6.1 Data Protection Policy
  - 2.6.2 [Section 61 Code of Practice on Records Management \(revised 16 December 2011\)](#)
  - 2.6.3 FOI/EIR: Section 60 code of practice
  - 2.6.4 Complaints Policy
  - 2.6.5 Publication Scheme
  - 2.6.6 [Email Retention and Usage Policy](#)

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**3. Scope  
General**



- 3.1 This policy applies to all information held by the College, including that contained within the Publication Scheme and information stored on the College's behalf by another organisation or authority. Information can be held in a variety of media, including paper, analogue or digital formats.
- 3.2 It is the responsibility of Managers to ensure that staff are made aware of the existence and content of this policy.

### Information Requests

- 3.3 All FOI requests, received by the College must be in a permanent form (eg letter, e-mail, fax, audio/video recording, or through our social media). Environmental Information Regulation (EIR) requests do not need to be received in a permanent form.
- 3.4 Applicants do not need to explain why they require the information they seek. Applicants need not quote their rights under the Act or regulations to make a request for information.

### Exemptions

- 3.5 Inverness College UHI may refuse to provide information that it deems to be exempt under the Act or regulations. In cases where the College considers a request could be subject to an exemption then due consideration will be given to this request in order to determine whether any of the requested information can be disclosed. This decision will be based upon the public interest test along with the rights of all data subjects, legal and contractual obligations and issues which may affect information access and security. In such circumstances, Where information is found to be exempt, the College will issue a refusal notice to the applicant, explaining why the information requested is considered to be exempt from disclosure in terms of the Act.

## 4 Compliance

- 4.1 The College will appoint two Freedom of Information Officers (FoIOs) to ensure that this policy is complied with and that it is audited regularly with reports going to the appropriate committee. All FOI activity undertaken by our FoIO's will be overseen by the Information Development Manager.
- 4.2 The College will ensure that the FoIOs receive appropriate and ongoing training as part of their Continual Professional Development.

## 5 Monitoring

- 5.1 This college policy will be monitored and its implementation evaluated.

## **6 Review**

- 6.1 The Freedom of Information policy and procedures shall be reviewed every three years.

## Board of Management

<b>Subject/Title:</b>	Food Safety & Allergen Management Policy
<b>Author:</b> [Name and Job title]	Martin Whyte, Commercial Manager
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	1 <sup>st</sup> June 2021
<b>Date Paper prepared:</b>	25 <sup>th</sup> May 2021
<b>Brief Summary of the paper:</b>	<p>The Audit Committee are asked to approve the revisions to the Food Safety &amp; Allergen Management Policy.</p> <p>Policy &amp; Procedure Review Panel approved this Policy on 6<sup>th</sup> May and EMT Committee approved on 20<sup>th</sup> May 2021.</p>
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Approval.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes / No <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes / No <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
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## FOOD SAFETY & ALLERGEN MANAGEMENT POLICY

REFERENCE: PL/CS/2020/01

Policy Owner	<del>Director of External Relations</del> Assistant Principal - <del>Operations and External Relations</del>
Lead Officer	Commercial <del>Services &amp; Events</del> Manager
Review Officer	Commercial <del>Services &amp; Events</del> Manager
Date first approved by BoM	30 June 2020
First Review Date	June 2021
Date review approved by BoM	
Next Review Date	
Equality impact assessment	
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Commercial Services & Events Manager	30.06.2020	New Policy approved by BoM

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## 1. Policy Statement

Inverness College UHI acknowledges its statutory and moral obligations to adopt the highest standards food safety for staff, students and visitors.

Inverness College UHI is committed to achieve and maintain recognised quality standards within food safety.

As an education provider and employer, Inverness College UHI is committed to developing a culture of competence and continuous improvement in food safety and allergy management practice.

In support of this, Inverness College UHI is committed to:

- Conforming with all food safety laws and regulations and relevant standards as the minimum accepted behaviour
- Compliance with relevant industry codes of practice, which go above and beyond legal requirements to establish best practice
- Preventing injury and ill health to all students and staff of Inverness College UHI and visitors to our campuses
- Maintaining safe food standards, identifying risks associated with food safety and the management of allergens
- Promoting food safety across the organisation
- Continuous improvement of food safety and allergen management systems, regular reviewing and revising of this policy
- Providing and maintaining a safe food and beverage environment
- Providing relevant information, Instruction, training and supervision

## 2. Legislative framework / related policies

- 2.1. Food Safety Act 1990
- 2.2. Food (Scotland) Act 2015
- 2.3. The Health and Safety at Work etc. Act 1974
- 2.4. Management of Health and Safety at Work (Amendment) Regs. 2006
- 2.5. The Personal Protective Equipment Regulations 2002
- 2.6. Health and Safety (First Aid) Regulations 1981
- 2.7. Reporting of Injuries, Diseases and Dangerous Occurrences Regs 2013
- 2.8. The Workplace (Health, Safety and Welfare) Regulations 1992
- 2.9. The Control of Substances Hazardous to Health (Amendment) Regs 2004
- 2.10. The Health and Safety Information for Employees (Amendment) Regs 2009
- 2.11. Corporate Manslaughter and Corporate Homicide Act 2007
- 2.12. Combined Health & Safety Policy
- 2.13. The University Caterers Organisation Code of Practice for Food Allergen Management

### 3. Scope

- 3.1. This policy applies to the Board of Management, all staff, students and visitors to Inverness College UHI.

### 4. Organisation and Responsibilities

- 4.1. The College Board of Management is responsible for the approval of the food safety and allergen management policy.
- 4.2. The College ~~Senior Executive~~ Management Team is responsible for providing leadership and commitment to the embedding principles.
- 4.3. The ~~Director of External Relations~~ Assistant Principal - Operations and External Relations has strategic responsibility for the food safety and allergen management policy.
- 4.4. The Commercial ~~Services & Events~~ Manager is responsible for a review of the food hygiene legislation including allergens, updating procedures and guidance for staff, together with arranging all staff training in relation to food safety and allergens.
- 4.5. The Head Chef is responsible for: Displaying all allergens in a clear and responsible manner, ensuring the chefs are all trained in delivering the highest standards to all customers and ensuring the daily and weekly food hygiene standards are adhered to.
- 4.6. The Health & Safety Manager is responsible for ensuring that all risk assessments are recorded and reviewed.

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### 5. Compliance

- 5.1. This policy is a cross college policy and all staff and students must work to meet the requirements outlined within the policy. Compliance with the Policy will be monitored through regular audits, with outcome reports being reported to the appropriate Health & Safety committee.

### 6. Monitoring

- 6.1. This policy and related procedures will be monitored and its implementation evaluated.
- 6.2. Monitoring of food safety standards including the monitoring of allergens will be undertaken via the reviewing of associated procedures at agreed intervals.
- 6.3. A monthly food diary will be maintained to aid the monitoring and review of food safety and allergen compliance
- 6.4. ~~An annual~~ Environmental Health Officer reports will be reviewed and any recommendations acted upon to ensure standards are maintained and continuously improved.

Commented [MW1]:

Commented [MW2]: EHO inspections are not necessarily annual.

### 7. Review

- 7.1. The policy will be reviewed on an annual basis, due to expected changes to food safety and allergen management legislation and codes of practice.



## Board of Management

<b>Subject/Title:</b>	Marketing Policy
<b>Author:</b> [Name and Job title]	Carol Sutherland, Marketing & Communications Manager
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	1 <sup>st</sup> June 2021
<b>Date Paper prepared:</b>	24 <sup>th</sup> May 2021
<b>Brief Summary of the paper:</b>	<p>The Audit Committee are asked to approve the revisions to this policy. The policy has been reviewed based upon Audit Committee feedback in March 2021. UHI have confirmed that they do not have a Marketing Policy.</p> <p>Scrutiny Panel approved this Policy on 8<sup>th</sup> December 2020 and SMT Committee approved on 17<sup>th</sup> December 2020.</p>
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Approval.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes / No <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes / No <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
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## Marketing and Communications Policy

**REFERENCE: (will be inserted by Quality Unit)**

Policy Owner	Director of External Relations
Lead Officer	Director of External Relations
Review Officer	Marketing and Communications Manager
Date first approved by BoM	
First Review Date	December 2020
Date review approved by BoM	
Next Review Date	
Equality impact assessment	
Further information (where relevant)	

Reviewer	Date	Review Action/Impact

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## 1. Policy

- 1.1. **The Inverness College UHI brand will be developed and enhanced in line with the overall branding of the University of the Highlands and Islands.**
- 1.2. Inverness College UHI is committed to providing information about learning opportunities which are fair and accurate, timely, current, transparent and focused on the needs of the intended audiences.
- 1.3. Inverness College UHI is committed to providing clear, accurate, comprehensive and accessible information on its courses, entry requirements and associated marketing and communications procedures at relevant stages of the process.
- 1.4. Marketing and publicity information will be available and retrievable where intended audiences and information users can reasonably expect to find it; the format and delivery of information will take account of the access requirements of a diverse audience.

## 2. Legislative framework / related policies

- Data Protection Act 2018
- Disability Discrimination Act (2005)
- Equality Act 2010
- Freedom of Information (Scotland) Act 2002
- Consumer protection laws and regulations, including the Consumer Rights Act (2015)
- Admissions Policy
- Quality Policy
- Freedom of Information Policy
- Data Protection Policy
- ICT Code of Conduct
- Gender Action Plan
- EU General Data Protection Regulation (GDPR)
- UHI Partnership Information Security Acceptable Use Policy
- UHI Accessibility Statement ([www.uhi.ac.uk/en/accessibility](http://www.uhi.ac.uk/en/accessibility))
- Access and Inclusion Strategy
- Information Security Policy
- Public Interest Disclosure Policy

## 3. Policy Aims

- 3.1. To plan and deliver integrated student recruitment plans with the university and partners, through aligning visuals and messaging, sharing activities and resourcing new initiatives to deliver regional impact.
- 3.2. To attract learners to study at Inverness College UHI and to communicate positive messages to both internal and external stakeholders in a coherent, innovative and effective way in line with the university brand.
- 3.3. To promote all aspects of Inverness College UHI activities, including apprenticeships, events, short courses etc.
- 3.4. To provide advice on internal, external and corporate communications and media relations.
- 3.5. To maximise Inverness College UHI's relationships with external stakeholders in order to further enhance its reputation.
- 3.6. To support the Inverness College UHI Strategic Plan and complementary Marketing and Communication Strategy, through high quality marketing activities.

#### 4. Scope

- 4.1. This policy applies to Inverness College UHI staff and relates to all marketing and communications.

#### 5. Implementation

- 5.1. Marketing and Communications procedures that will form part of this policy include:-
  - 5.1.1. Public Relations and Internal Marketing procedure
  - 5.1.2. Website and Digital Marketing procedure
  - 5.1.3. Promotions and Publications procedure
  - 5.1.4. Social Media procedure

#### 6. Responsibilities

- 6.1 The **Director of External Relations** is responsible for ensuring that:  
The Marketing and Communications policy is reviewed and any changes are approved by the Senior Management Team and Board of Management.
- 6.2 The **Marketing and Communications team** is responsible for ensuring that:
  - 6.2.1 Information provided by managers is included in the prospectus, and Inverness College UHI website and other promotional materials for all provision, including January start and evening/leisure courses.
  - 6.2.2 Public relations activity promotes and enhances the profile and reputation of the college regionally, nationally and internationally.

- 6.2.3 Communication channels are utilised to engage stakeholders including staff, students and the wider community to promote the work of the college and maintain effective partnerships and relationships.
- 6.2.4 Information is kept up-to-date in a centralised repository around branding guidelines including use of the logo and consent for filming/photography.
- 6.2.5 Training and guidance is provided to staff who have been assigned responsibility to add and amend content on corporate communication channels by the Marketing and Communications Manager.

**6.3 Managers** are responsible for:

- 6.3.1 Ensuring that requests for support are in line with timescales in the marketing procedures.
- 6.3.2 Advising Marketing and Communications team of upcoming events, key dates, changes to content in their area and deadlines.
- 6.3.3 Identifying opportunities for articles, case studies and photographs/videos that will help to promote the full range of college activities and courses.
- 6.3.4 Ensuring that staff and students in their area are signposted to the Marketing and Communications policy and procedures.

**6.4 All staff** are responsible for supporting the College marketing and communications effort.

Staff should ensure that they familiarise themselves with the Marketing and Communications policy and procedures. Procedures specify responsibilities, tactics, timescales and channels.

## **7. Compliance**

- 7.1 This responsibility for compliance with the Marketing and Communications policy lies with all staff. The policy will be regularly reviewed and reports submitted to the Senior Management Team..

## **8. Monitoring**

- 8.1 The policy will be monitored and its implementation evaluated, and a monthly marketing progress report will be presented to Senior Management Team.
- 8.2 The marketing budget is monitored on a monthly basis (or whenever budget reports are received from Finance) by the Marketing and Communications Manager and the Director of External Relations.

## **9. Review**

9.1 The Marketing and Communications Policy will be reviewed on a 3 yearly basis, or sooner if legislative change requires.

DRAFT



## Board of Management

<b>Subject/Title:</b>	Health, Safety and Wellbeing Policy
<b>Author:</b> [Name and Job title]	Allan Kerr, Health & Safety Manager
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	1 <sup>st</sup> June 2021
<b>Date Paper prepared:</b>	24 <sup>th</sup> May 2021
<b>Brief Summary of the paper:</b>	<p>The Policy has been reviewed based upon Audit Committee feedback in March 2021. The Health &amp; Safety Manager has produced reports to accompany this Policy which are on the agenda.</p> <p>Scrutiny Panel approved this Policy on 8<sup>th</sup> February and SMT Committee approved on 17<sup>th</sup> February 2021.</p>
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Approval.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes / No <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes / No <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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## HEALTH SAFETY AND WELLBEING POLICY

**REFERENCE: PL/HR/2020/001**

Lead Officer	Principal and Chief Executive Officer
Review Officer	Health and Safety Manager
Date first approved by BoM	9 March 2009
First Review Date	7 March 2010
Date review approved by BoM	30 April 2020
Next Review Date	March 2021
Equality impact assessment	25 February 2016
Further information (where relevant)	Previous EIA 24.02.12

Reviewer	Date	Review Action/Impact
Health & Safety Manager	07.03.10	
Health & Safety Manager	30.05.12	
Health & Safety Manager	20.06.12	
Health & Safety Manager	19.03.15	
Health & Safety Manager	28.03.17	
Health & Safety Manager	29.05.18	Review approved by BoM audit Committee
Health & Safety Manager	21.03.19	Review approved by BoM
Health & Safety Manager	30.04.20	Review approved by BoM

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## 1. Policy Statement

Inverness College UHI acknowledges its statutory and moral obligations to adopt the highest standards of health, safety and wellbeing for staff, students and visitors.

Inverness College UHI is committed to achieve and maintain recognised quality standards in health and safety.

As an education provider and employer, Inverness College UHI is committed to developing a culture of competence and continuous improvement in health and safety management and practice. This will be achieved at all levels through promotion of attitudes and behaviours which instil in students and staff an expectation that sound health and safety practice is the norm.

In support of this, Inverness College UHI is committed to:

- Conform with all health and safety laws and regulations and relevant standards as the minimum accepted behaviour
- Preventing injury and ill health to all persons under the control of Inverness College UHI
- Maintain a secure, safe and healthy working environment
- Identifying all hazards and risks associated with its activities
- Providing suitable controls to mitigate risks arising from its activities to as low as reasonably practicable
- Promoting an incident free work place
- Commit to continual improvement of management systems and Health and Safety performance, regular review and revising of this policy
- Providing and maintaining safe working equipment
- Safe handling storing and transportation of any substances associated with its activities
- Sufficient and competent information, instruction, training and supervision

The Board of Management sets the overarching policy for Health and Safety and delegates responsibility to the Principal and Chief Executive to ensure the college fulfils its responsibilities.

Principal: ..... Date: .....

Chair of Board: ..... Date: .....

## 2. Legislative Framework/Related Policies

- 2.1. The Health and Safety at Work *etc.* Act 1974.
- 2.2. Management of Health and Safety at Work (Amendment) Regs 2006
- 2.3. Provision and Use of Work Equipment Regulations 1998
- 2.4. Manual Handling Operations 1992
- 2.5. The Workplace (Health, Safety and Welfare) Regulations 1992
- 2.6. The Personal Protective Equipment Regulations 2002
- 2.7. Health and Safety (First Aid) Regulations 1981
- 2.8. Electricity at Work Regulations 1989
- 2.9. The Control of Noise at Work Regulations 2005
- 2.10. The Employers' Liability (Compulsory Insurance) (Amendment) Regs 2011
- 2.11. Fire Safety (Scotland) Amendment Regulations 2010
- 2.12. Reporting of Injuries, Diseases and Dangerous Occurrences Regs 2013
- 2.13. The Control of Substances Hazardous to Health (Amendment) Regs 2004
- 2.14. The Health and Safety Information for Employees (Amendment) Regs 2009
- 2.15. Health and Safety (Display Screen Equipment) Regulations 1992 (As amended 2002)
- 2.16. Corporate Manslaughter and Corporate Homicide Act 2007
- 2.17. Counter-Terrorism and Security Act 2015
- 2.18. The Lifting Operations and Lifting Equipment Regulations 1998
- 2.19. The Work at Height Regulations 2005
- 2.20. Coronavirus (Scotland) Act 2020
- 2.19, 2.21. The Health Protection (Coronavirus) (Restrictions and Requirements) (Local Levels) (Scotland) Amendment (No. 12) Regulations 2021

## 3. Scope

- 3.1. This policy applies to all staff, students and visitors within Inverness College UHI.
- 3.2. Contractors are covered by this policy with reference to the contractors' management system.

## 4. Organisation and Responsibilities

To ensure the effective implementation of the health and safety policy, specific responsibilities are detailed below.

### 4.1. Board of Management

- 4.1.1. The Board of Management will set the policy direction for health, safety and wellbeing and will have overall responsibility for ensuring the health, safety and wellbeing of all staff, students, visitors or other persons affected by the organisations activities. The Board of Management will ensure health and safety management systems and standards are monitored regularly to ensure their effectiveness and will scrutinise reports to Board accordingly.

## 4.2. Principal and Chief Executive

4.2.1 The Principal has delegated responsibility, reporting to the Board of Management, for ensuring the college fulfils its responsibilities.

4.2.2 The Principal will:

- Ensure that health safety and wellbeing is an integral part of the overall management and working culture.
- Ensure that procedures to assess risks are established and effective control measures are implemented.
- Develop a positive attitude to health safety and wellbeing amongst employees by visibly demonstrating commitment to the continuous improvement of the health and safety performance throughout Inverness College.
- Ensure regular monitoring and review Health Safety and Wellbeing Management Policies and Procedures.
- Ensure that relevant meetings address health safety and wellbeing issues and that appropriate actions are taken to address issues that arise.
- Provide Joint consultation arrangements through the Health Safety and Wellbeing Committee and any sub-groups which report to the Health, Safety and Wellbeing Committee-

## 4.3. ~~Senior Executive~~ Management Management Team

4.3.1 The ~~Senior Executive~~-Management Team has delegated authority and functional responsibility for the activities carried out within their areas of corporate influence.

4.3.2 In order to meet their health, safety and wellbeing responsibilities, they will:

- Liaise with the Principal to establish the principles of continual improvement with regard to health, safety and wellbeing.
- Be aware of the Health and Safety at Work *etc.* Act 1974 and associated legislation relevant to the activities of the college.
- Allocate sufficient financial resources to allow the policy and procedures to be effectively implemented.
- Demonstrate commitment to achieving and maintaining a high standard of safety performance and accident prevention.
- Ensure monitoring and review of the implementation of the Health Safety and Wellbeing Policy and Procedures.

## 4.4. Managers and Heads of Schools

4.4.1 Managers and Heads of Schools have a health safety and wellbeing responsibility for the activities and functions carried out within their areas of operational responsibility.

4.4.2 In order to meet their responsibilities, Managers and Heads of Schools will:

- Ensure risk assessments, including assessments of plant, machinery and equipment (i.e. PUWER Assessments) are carried out where necessary and regularly reviewed in line with the requirements of health and safety legislation and the college Health Safety and Wellbeing Policy and Procedures.
- Undertake training identified by the Health & Safety Manager in the pursuance of Health & Safety compliance or improvement.
- Set clear measurable objectives to ensure progressive improvement.
- Provide all personnel with, so far as reasonably practicable;
  - Safe place of work
  - Safe plant and machinery
  - Safe working environment
  - Safe system of work
  - Safe handling, storing and transportation
  - Sufficient and competent information, instruction, training and supervision

#### 4.4.3 Managers and Heads of Schools will be responsible for:

- Ensuring that Inverness College UHI's Health Safety and Wellbeing Policy is explained to employees and they are made aware of their health safety and wellbeing duties and responsibilities and that tutors equally convey this to students under their control.
- The training needs of employees are assessed and addressed to include the requirement for role specific induction training for new employees.
- Ensuring that the activities of college employees and contractors do not expose employees, students, contractors or others to risk.
- In the event of being notified of dangerous activity being stopped by employees, they are to investigate the matter and inform the Health & Safety Manager of the circumstances.

## 4.5. Health and Safety Manager

### 4.5.1 The Health and Safety Manager reports to the ~~Director of Organisational Development~~ College Principal and CEO and has responsibility for:

- Reviewing, revising, implementing, embedding and monitoring compliance of all health safety and wellbeing policies, procedures and arrangements.
- Planning, implementing and co-ordinating the risk assessment, inspection and internal/external audit programmes.
- Planning, Implementing and co-ordinating the risk assessment process.
- Developing appropriate performance measures and reporting performance standards to ensure continuous improvement.
- Liaising with HR regarding health surveillance requirements.
- Preparing papers, reports and statistical data for identified Committees.
- Ensuring emergency evacuation procedures, including personal evacuation plans, are tested and reviewed on a regular basis.
- Recording of accident/incidents and reporting in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrences



Regulations (RIDDOR).

- Investigating and reporting on accidents, incidents and/ or near misses.

- Organising, co-ordinating and supporting safety personnel (first aiders and fire wardens).
- Identifying information, instruction and training requirements and delivering effective solutions.
- Contractor Management in association with the Estates Office. Provide advice and guidance to College departments/functions on contractor management.
- Acting as a point of contact for Enforcing Authorities.
- Maintaining own continuous professional development.
- Monitoring effective implementation of the Health Safety and Wellbeing Policy.
- Providing specialist advice and support to ~~senior~~ executive management and all departments/schools including the disseminating of good practice.
- Ensuring that the appropriate initial college health and safety induction training is given to all new employees.
- ~~Sanctioning Advising EMT on the suspension, following consultation with the relevant SMTEMT member,~~ of activities where health and safety is being compromised significantly.

#### 4.6. Estates and Campus Services Manager

4.6.1 The Estates and Campus Services Manager advises the appropriate member of the ~~SMTEMT~~ and is responsible for:

- Fire Marshalls at all campuses.
- The testing and recording of all fire detecting equipment.
- Ensuring all means of escape are fully maintained and functional.
- The maintenance and inspection of all firefighting equipment.
- All visiting contractors, including the control of the Approved Contractor Register and issuing of Permits to Work.
- Ensuring all buildings, services and equipment owned or managed by the college are fit for purpose and do not cause, or contribute towards, unacceptable risks to health and safety.
- Testing inspection and maintenance of all building services in line with legislation.

#### 4.7. Union Appointed Health and Safety Representatives

4.7.1 Staff appointed under the Safety Representatives and Safety Committees Regulations 1977 shall:

- Assist with the promotion of safe working practices.
- Familiarise themselves fully with the health and safety policy and arrangements.
- Liaise with managers and the College Health and Safety Manager in accident investigations and safety audits.
- Attend the College Health Safety and Wellbeing Committee, take part in proceedings, representing their members and presenting to them information gathered from meetings.

#### 4.8. Fire Marshals

4.8.1 Inverness College UHI campuses are sub-divided into zones. Each zone has an identified fire marshal whose responsibility is:

- To ensure in an emergency, everyone evacuates their zone safely and does not re-enter until the "all clear" is given.
- To assist disabled persons, where required, with evacuation to a place of safety and to ensure the chief fire marshal is advised accordingly.

#### 4.9. First Aiders

4.9.1 Inverness College UHI campuses are sub-divided into zones. Each zone has identified First Aiders whose responsibility is:

- To provide first aid for any staff students or visitors who require attention within their zone.
- To check and ensure adequate first aid supplies are always available.

#### 4.10 ~~Technicians~~

~~4.10.1 Inverness College UHI campuses are sub-divided into academic departments; each department has an Academic Technician whose responsibility is:~~

- ~~• Install, monitor and review agreed health and safety systems including risk assessments, COSHH assessments and policies and procedures.~~
- ~~• Assist in the education and training of employees and students, including participation in induction programmes, with regard to all relevant health and safety issues e.g. accident investigation, risk assessments, employee and student safety awareness etc.~~

#### 4.11 Employees

4.11.1 The Health and Safety at Work Act and the Management of Health and Safety at Work Regulations place duties upon employees, at all levels, while at work. These duties include the following:

- To take reasonable care for the health and safety of themselves and other persons who may be affected by their acts or omissions at work.
- To co-operate with the employer, so far as is reasonably necessary to enable them to meet their statutory health and safety duties, including undertaking training identified by the Health & Safety Manager in the pursuance of Health & Safety compliance or improvement.
- No-one may intentionally or recklessly interfere with or misuse anything provided in the interests of health, safety or welfare.
- Any employee who is required to operate machinery, equipment, dangerous substances, transport, safety devices or a means of production is to do so in accordance with training or instructions provided by the employer.
- Employees must make the employer aware of any serious imminent dangers to health and safety. All employees are expected to stop dangerous work practices from taking place where observed. Where an employee believes a work practice to be dangerous they

- are to instruct those involved to stop the activity and immediately inform the relevant line manager (responsible for the department, school, function or area in which the activity is taking place).
- Participate in and conduct departmental Risk Assessments as directed by line managers, the Health & Safety Manager and Executive Management Team.

#### 4.12 Students

4.12.1 All students shall comply with Inverness College UHI's Health Safety and Wellbeing Policy as published and with any health and safety procedures relating to the facilities which the student is using.

4.12.2 A student shall exercise reasonable care:

- For his or her personal safety.
- For the safety of other persons who may be affected by his or her acts or omissions.
- For the safety of the property of Inverness College UHI and of its students, staff, officers and visitors.

4.12.3 It shall be a disciplinary offence for any student to:

- Intentionally or recklessly misuse, tamper, or interfere with any firefighting equipment, fire prevention equipment, fire doors, fire detection equipment, fire alarm activation points, fire signs.
- Intentionally or recklessly misuse any equipment provided by the University in the interests of health, safety or welfare in pursuance of the Health and Safety at Work Act or of any relevant statutory provisions relating to health and safety.
- Fail to use appropriate Personal Protective Equipment.
- Fail to adhere to College Health & Safety policies, procedures or protocols.

#### 5. Compliance

5.1. This policy must be complied with and it will be audited-reviewed regularly-annually with reports going to the appropriate Audit Committee and Board of Management for external review- committee.

5.1.5.2. The arrangements within the policy are subject to internal audit, conducted on an annual basis by a third party auditing organisation.

5.2.5.3. Inverness College UHI will comply with legal and other requirements applicable to the identified health and safety hazards.

5.3.5.4. All new legal and other requirements will be evaluated, and documented, to determine applicability and impact to Inverness College UHI.

#### 6. Objectives and Targets

6.1. Objectives will be identified and set in line with the annual review and operational planning process.

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## 7. Communication

7.1. The Health Safety and Wellbeing Policy shall be actively communicated throughout the College using a variety of channels; examples of such channels include but are not limited to:

- Via the Policy Folder.
- Inclusion within the new start/contractor induction process.
- Provision to all external interested parties upon written request.
- Health and Safety notice boards.

## 8. Monitoring

8.1. Each college policy will be monitored and its implementation evaluated. Appropriate procedures for monitoring and evaluation are the responsibility of the lead officer. These procedures will be subject to audit by the Health and Safety and Quality departments

8.2. The following health and safety monitoring methods may be used to monitor implementation:

- **Active methods** monitor the design, development, installation and operation of management arrangements.
- **Reactive methods** identify evidence of poor health and safety practice through the risk assessment process and take immediate action as required.

## 9. Audit

9.1. A schedule will be developed and implemented to cover health, safety and environmental audits. Scope and criteria for audits will consider (but not be limited to):

- Management system
- Existing and new policies and procedures
- Student enrolment and induction
- Staff induction.
- Risk assessment and environmental aspects
- Outputs from external audits or previous internal audits

9.2. The Audits will be planned to ensure that areas which are subject to legal compliance are completed each year.

## 10. Review

- 10.1. This policy and supporting arrangements will be reviewed annually to ensure currency of content, arrangements, new legislative requirements and to provide a framework for the setting and reviewing of health and safety improvement objectives.
- 10.2. This policy may also be updated outside of the stated annual timeframe (i.e. changes to legislation, or as the result of review).
- 10.3. Revisions will brought to the attention of staff and students through agreed arrangements for health and safety and policy consultation and communication.

# Inverness College

## ANNUAL INTERNAL AUDIT PLAN 2021-22

May 2021





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## Restrictions of use

Restrictions on use: This document has been prepared solely for the management of Inverness College and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this document.

# 1. INTERNAL AUDIT APPROACH

## Introduction

Our role as internal auditors is to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. Our approach, as set out in the Firm's Internal Audit Manual, is to help the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Our approach complies with best professional practice, in particular the Public Sector Internal Audit Standards (PSIAS).

## Internal Audit at Inverness College

We have been appointed as internal auditors to Inverness College to provide the Board of Management, the Finance Director and other managers with assurance on the adequacy of internal control arrangements, including risk management and governance.

Responsibility for these arrangements remains fully with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Our role at Inverness College will also be aimed at helping management to improve risk management, governance and internal control, so reducing the effects of any significant risks facing the organisation.

In producing the internal audit plan for 2017-2022 we have sought to gain an understanding of the business of Inverness College together with its risk profile in the context of:

- The overall business strategy of Inverness College
- The key areas where management wish to monitor performance and the manner in which performance is measured
- The financial and non financial measurements and indicators of such performance
- The information required to 'run the business'
- The key challenges facing Inverness College

## 2. AUDIT RISK ASSESSMENT

### Background

Our risk based approach to internal audit uses Inverness College's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of Inverness College's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects the College's current risk profile.

### Planned approach to internal audit 2021-22

The Internal Audit proposed audit programme for 2021-22 is shown at Appendix I. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified during that period.

We have set out further in Appendix II the rationale for the inclusion of particular reviews in the audit plan, based on our initial review of the College's risk register, discussions with a number of key stakeholders and consideration of various documents, publications and information sources.

### Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within Inverness College. Where revisions are required we will obtain approval from the Finance Director prior to commencing fieldwork.

In determining the timing of our individual audits we will seek to agree a date which is convenient to Inverness College and which ensures availability of key officers.

A proposed phasing of our audit plan, based on our current understanding of Inverness College's workloads is set out in Appendix III.

### Variations to the Plan

Significant variations to the plan arising from our reviews, changes to Inverness College's risk profile or due to management requests will be discussed in the first instance with the Finance Director and approved by the Audit Committee before any variation is confirmed.

### 3. PROPOSED RESOURCES AND OUTPUTS

#### Staffing

The core team that will be delivering this programme to you is shown below:

Name	Grade	Telephone	Email
Claire Robertson	Director	07583 237579	claire.robertson@bdo.co.uk
Chloe Ridley	Manager	0758 3060591	chloe.ridley@bdo.co.uk

Our indicative staff mix to deliver the programme is shown below:

Grade	2021-22 (days)	Grade Mix (%)
Director	5	11
Manager	15	33
Auditors	25	56
Total	45	100

The core team will be supported by specialists from our national Risk and Advisory Team and wider firm as and when required.

#### Reporting to the Board of Management

We submit the Internal Audit Plan for discussion and approval by the Board of Management at its next meeting. We will liaise with the Finance Director and other senior officers as appropriate to ensure that internal audit reports summarising the results of our visits are presented to the appropriate Audit Committee meeting.

Following completion of the internal audit programme for 2021-22 we will produce an Internal Audit Annual Report summarising our key findings and evaluating our performance in accordance with agreed service requirements.

# APPENDIX I

## Internal Audit Plan 2021-22

Assurance Theme	Subject	Days	Assurance / Advisory
Operational	Procurement	5	Assurance
	Staff Recruitment	5	Assurance
	Covid-19- Quality & Assessment	6	Assurance
	Student Representation	5	Assurance
	Student Application, Induction & Enrolment	6	Assurance
Regulatory Reviews	Credits/FES	5	Regulatory
	Student Support Funds	3	Regulatory
Follow-up	Follow Up	3	
Indirect Audit Activity	Audit & Risk Committee	3	
	Client Liaison	3	
	Annual Reporting	1	
TOTAL		45	

# APPENDIX II

## Internal Audit Plan Overview

### Overview

The plan overview sets out the proposed audits in more detail and highlights further comment and rationale for inclusion in the Annual Internal Audit Plan 2021-22, together with the risk assessment source.

We will scope individual audits in advance of commencing any reviews and agree terms of reference with key officers involved.

Audit Area	Comment	Source
Procurement	<p>We will conduct a high-level review of the procurement arrangements in place from identifying procurement needs and forming a sourcing strategy, through to appraising options and contracting with suppliers. We will also undertake a review of the detailed contract management arrangements in place to monitor supplier performance and ensure contracts are successfully executed.</p> <p>This will include a value for money consideration of the use of added value performance measures and service level agreements, and a review of the extent to which anticipated savings are realised.</p>	a) BDO Assessment
Staff Recruitment	We will review the procedures that the College has in place in respect of the recruitment of College staff. We will assess compliance with recruitment regulations, including right to work regulations and equalities considerations.	a) BDO Assessment
Covid-19: Quality & Assessment	<p>Covid-19 has resulted in many College classes and assessments moving online and placements being cancelled. As a result the methods of assessment for courses have significantly changed.</p> <p>We will review the arrangements the College has in place for assessing and grading students as a result of Covid-19. We will consider whether the process is fair for students and students are not unfairly advantaged or disadvantaged, and is compliant with the requirements of awarding bodies.</p>	a) BDO assessment b) Executive Management

# APPENDIX II

## Internal Audit Plan Overview

Audit Area	Comment	Source
Student Representation	We will assess whether the College has appropriate governance arrangements in place to allow for effective contribution from the student body running the College. We will assess whether there is representation across all campuses, whether there are sufficient resources to support the student representatives and whether HISA's Strategic Plan is sufficiently monitored and reported on.	a) BDO assessment
Student Application, Induction & Enrolment	We will review the College's application, induction and enrolment process. We will assess whether the application process is clearly defined, consistent and student focused, the induction process supports students transition to college and whether the enrolment process is well planned and timely.	a) BDO assessment
Follow Up	The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit Committee with assurance that prior year, and in some cases in-year, recommendations are implemented within the expected timescales.	a) BDO assessment b) Executive management

# APPENDIX III

## Phasing of the Plan

Respecting existing work pressures, and subject to the availability of key officers, we would look to agree with Inverness College the phasing of our audit work as shown in the following tables. We would normally seek to phase our work around Audit Committee dates.

### Block 1: August - November 2021

Review	Proposed Audit Sponsor
Staff Recruitment	Nicola Quinn
Credits/FES	Georgie Parker
SSF & EMA	Lindsay Snodgrass

### Block 2: December 2021 - March 2022

Review	Proposed Audit Sponsor
Procurement	Roddy Ferrier
Student Representation	Lindsay Snodgrass
Covid-19- Quality & Assessment	Chris O'Neil

### Block 3: April - July 2022

Review	Proposed Audit Sponsor
Student Application, Induction & Enrolment	Georgie Parker
Follow up	Roddy Ferrier



# APPENDIX IV

## Internal Audit Strategy 2017- 2022

Assurance Theme	Subject	Risk Register	2017 - 2018	2018 - 2019	2019- 2020	2020-21	2021-22
Governance and Risk	Risk Management		✓				
	Corporate Governance	✓	✓				
	Financial Controls	✓	✓	✓	✓		
	Business planning & performance management	✓			✓		
Operational	Health & Safety	✓			✓	✓	
	Data Protection	✓	✓				
	Procurement						✓
	Business Continuity Management	✓		✓			
	Marketing and communications	✓			✓		
	Estates management	✓			✓		
	Partnership Working	✓	✓				
	Student Support	✓	✓				
	Curriculum Planning	✓		✓			
	Research governance	✓		✓			
	Business & commercial development			✓			
	Finance System Upgrade					✓	
	Coronavirus Job Retention Scheme Review					✓	
	Workforce Planning					✓	
	Cyber Security					✓	

# APPENDIX IV

## Internal Audit Strategy 2017- 2022

Assurance Theme	Subject	Risk Register	2017 - 2018	2018 - 2019	2019- 2020	2020-21	2021-22
Operational	Covid-19: Quality & Assessment						✓
	Student Representation						✓
	Staff Recruitment						✓
	Student, application, induction & enrolment						✓
	Follow up		✓	✓	✓	✓	✓

# APPENDIX V

## Internal Audit Charter

### Purpose of this Charter

This Charter formally defines Internal Audit's purpose, authority and responsibility. It establishes Internal Audit's position within Inverness College ("the College") and defines the scope of Internal Audit activities.

### Internal Audit's Purpose

Internal Audit provides an independent, objective assurance and consulting activity designed to add value and improve the College's operations. It helps the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit acts primarily to provide the Audit Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in Internal Audit's role is that it supports the College's management to fulfil its own risk, control and compliance responsibilities.

### Internal Audit's Authority

The Head of Internal Audit and internal audit staff are authorised to:

- Have unrestricted access to all the College's records, property, and personnel relevant to the performance of engagements
- Obtain the necessary assistance of the College's personnel in relevant engagements, as well as other specialised services from within or outside the College.

Internal Audit has no authority or management responsibility for any of its engagement subjects.

Internal Audit will not make any management decisions or engage in any activity which could reasonably be construed to compromise its independence.

### Internal Audit's Responsibility

The Head of Internal Audit is responsible for all aspects of Internal Audit activity, including strategy, planning, performance, and reporting.

The Head of Internal Audit will:

#### Strategy

- Develop and maintain an Internal Audit Strategy
- Review the Internal Audit Strategy at least annually with management and Board of Management

# APPENDIX V

## Internal Audit Charter

### Planning

- Develop and maintain an Internal Audit Plan to fulfil the requirements of this Charter and the Internal Audit Strategy
- Engage with Management and consider the College's strategic and operational objectives and related risks in the development of the Internal Audit Plan
- Review the Internal Audit Plan periodically with management
- Present the Internal Audit Plan, including updates, to the Audit Committee for periodic review and approval
- Prepare an Internal Audit Budget sufficient to fulfil the requirements of this Charter, the Internal Audit Strategy, and the Internal Audit Plan
- Submit the Internal Audit Budget to the Audit Committee for review and approval annually
- Coordinate with and provide oversight of other control and monitoring functions, including Risk Management, Compliance & Ethics, and external audit
- Consider the scope of work of the external auditors for the purpose of providing optimal audit coverage to the College.

### Performance

- Implement the Internal Audit Plan
- Maintain professional resources with sufficient knowledge, skills and experience to meet the requirements of this Charter, the Internal Audit Strategy and the Internal Audit Plan
- Allocate and manage resources to accomplish Internal Audit engagement objectives
- Establish and maintain appropriate internal auditing procedures incorporating best practice approaches and techniques
- Monitor delivery of the Internal Audit Plan against the Internal Audit Budget
- Ensure the ongoing effectiveness of Internal Audit activities.

### Reporting

- Issue a report to management at the conclusion of each engagement to confirm the results of the engagement and the timetable for the completion of management actions to be taken
- Provide periodic reports to management and the Audit Committee summarising Internal Audit activities and the results of Internal Audit Engagements
- Provide periodic reports to management and the Audit Committee on the status of management actions taken in response to Internal Audit Engagements
- Report annually to the Audit Committee and management on Internal Audit performance against goals and objectives
- Report as needed to the Audit Committee on management, resource, or budgetary impediments to the fulfilment of this Charter, the Internal Audit Strategy, or the Internal Audit Plan
- Inform the Audit Committee of emerging trends and practices in internal auditing.

# APPENDIX V

## Internal Audit Charter

### Independence and Internal Audit's Position within the College

To provide for Internal Audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Board of Management. The Head of Internal Audit has free and full access to the Chair of the Board of Management.

The Head of Internal Audit reports administratively to the Finance Director who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Board of Management.

The Internal Audit service will have an impartial, unbiased attitude and will avoid conflicts of interest.

If the independence or objectivity of the Internal Audit Service is impaired, details of the impairment should be disclosed to either the Finance Director, or the Chair of the Board of Management, dependent upon the nature of the impairment.

The Internal Audit Service is not authorised to perform any operational duties for the College; initiate or approve accounting transactions external to the Internal Audit Service; or direct the activities of any college employee not employed by the Internal Auditing Service, except to the extent such employees have been appropriately assigned to Service or to otherwise assist the Internal Auditor.

### Internal Audit's Scope

The scope of Internal Audit activities includes all activities conducted by the College. The Internal Audit Plan identifies those activities that have been identified as the subject of specific Internal Audit engagements.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by Internal Audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, Internal Audit should maintain objectivity and not assume management responsibility.

### Standards of Internal Audit Practice

Internal Audit will perform its work in accordance with the International Professional Practices Framework of the Chartered Institute of Internal Auditors. This Charter is a fundamental requirement of the Framework.

### Approval and Validity of this Charter

This charter shall be reviewed and approved annually by Management and by the Audit Committee on behalf of the Board of the College.

# APPENDIX VI

## Internal Audit Working Protocols & Performance

### Working Protocols

The table below illustrates the key communication and reporting points between the College and Internal Audit, which we will be subject to regular review. Any future changes to the communication and reporting points will be reported to the Audit Committee for approval.

Table One: Liaison Meetings between Internal Audit and the College

Meeting	Frequency	Board of Management	Finance Director	Managers	Relevant Staff	External Audit
Internal Audit Update Meeting	As required, minimum quarterly		✓			
Quality Assurance Meeting	Annually		✓			
Internal Audit Liaison meeting with Chair of Audit Committee	As required	✓				
Access to Audit Committee to discuss internal audit progress	As necessary	✓				
Meetings to raise immediate concerns	As necessary	✓	✓	✓	✓	
Meetings with External Audit	As necessary					✓

# APPENDIX VI

## Internal Audit Working Protocols & Performance

Table Two: Key reporting points between Internal Audit and the College

Meeting	Board of Management	Finance Director	Managers	Relevant Staff
Annual Internal Audit Plan	✓	✓	✓	✓
Individual Internal Audit Planning Documents			✓	✓
Draft Internal Audit Reports			✓	✓
Final Internal Audit Reports	✓	✓	✓	✓
Quality Progress Reports	✓			
Annual Internal Audit Report	✓	✓		✓

# APPENDIX VI

## Internal Audit Working Protocols & Performance

### Performance Measurement

Performance measurement is the use of measures and associated targets to assess objectively the performance of a body. It is now well established as an important means of improving performance and reinforcing accountability. BDO LLP has been appointed as internal auditors to Inverness College, subject to satisfactory performance. Consequently there is value in reviewing the quality of our service on a regular basis.

### Internal Audit Performance measures and indicators

Internal audit performance can be assessed in two ways. Firstly, there is the ability for us to self assess our performance on a regular basis and report back to the Board of Management on certain measures around inputs and satisfaction from those officers who have been subject to a review. Secondly, the view of the Board of Management as to the value being received from its internal audit provider has to be taken into account. For our part we will look to report to the Board of Management regularly on the internal audit inputs as detailed below.

The tables below contain performance measures and indicators that we consider to have the most value in assessing the efficiency and effectiveness of internal audit. We recommend that the Board of Management approves the following measures which we will report to each meeting and / or annually as appropriate.

Table Three: Performance Reporting to each Board of Management

Measure / Indicator
<i><b>Audit Coverage</b></i>
Audits completed against the Annual Audit Plan
Actual days input compared with Annual Audit Plan
<i><b>Audit Planning and Reporting</b></i>
Days to issue draft report after end of fieldwork
Days between fieldwork commencement date specified in Terms of Reference and date work actually commences



# APPENDIX VI

## Internal Audit Working Protocols & Performance

Table Four: Annual performance reporting to Board of Management

Measure / Indicator
<i>Relationships and Customer Satisfaction</i>
Customer Satisfaction Reports
% recommendations agreed with management
<i>Staffing and Training</i>
Staff mix compared with budget
Percentage of Partner and Manager time
Continuity of staffing
Use of specialist staff (e.g. IT Risk and Advisory)
Provision of appropriate training for staff

### Management Performance Measures and Indicators

Management's ability to respond efficiently to internal audit findings and recommendations helps the Board of Management to form its own view of the internal control framework. Importantly, Management's consideration of internal audit findings plays a contributory factor in our ability to deliver timely reports to the Board of Management. We recommend, therefore, that the following measures are also reported to the Board of Management.

Measure / Indicator	Timing
<i>Audit Reporting</i>	
Days for receipt of management responses	As data becomes available

### Other Performance Measures

In addition to the above mentioned measures we will also provide the Audit Committee with the results of other reviews of our internal audit service as and when they become available, including:

- Independent quality assurance reviews as required by the Chartered Institute of Internal Auditors (IIA); and
- BDO internal quality assurance reviews

# APPENDIX VII

## Inverness College Risk Register Summary March 2021

No.	RISK DESCRIPTION	Risk Score
24	Non-compliance with relevant statutory regulations or internal policies or procedures	9
9	College fails to identify and take opportunities for development and progression	6
18	College fails to maintain improvement in performance against national targets and Outcomes	4
22	The institution has a poor reputation.	4
23	Disruption to services/projects and/or partnership working resulting from loss of a key staff member.	6
26	Financial failure/operating loss Inability to achieve a balanced budget.	6
27	College estate not fit for purpose	4
25	Governance failure	9
17	Financial instability of UHI	16
19	Ongoing issues of non-compliance by GTFM	9
20	College does not achieve allocated HE student number targets.	9
21	College does not achieve allocated FE Credit targets	9
28	Academic quality is sub standard	6
29	Poor Student Experience	4
30	Institutional, personal and sensitive data is corrupted, lost, stolen or misused.	12
31	Research outputs are sub standard	4
32	Serious incident in the college residencies, including anti-social or illegal behaviour.	12
34	The College fails to make fully informed financial decisions	9

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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**COVID-19 - QUALITY & ASSESSMENT**

**2021-22**

# INVERNESS COLLEGE, COVID-19 - QUALITY & ASSESSMENT

## BACKGROUND

As part of the 2021-22 Internal Audit Plan, it was agreed that Internal Audit would perform a review of the arrangements in place for assessing and grading students as a result of Covid-19.

## PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance over the arrangements and controls in place to assess and grade students throughout the period affected by Covid-19. We will consider whether the process is compliant with the requirements of awarding bodies.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- Assessment practices have not been evolved to address the challenges posed by the Covid-19 restrictions;
- No emergency procedures have been introduced to ensure assessment and grading can be carried out under the restricted circumstances;
- The arrangements adopted are not compliant with the requirements of awarding bodies;
- The College is not considering best practice and could be found wanting in terms of the approach it is taking to academic performance assessment and grading;
- Students are not being kept informed or do not have access to information relating to their academic performance under the changed circumstances.

## SCOPE OF REVIEW

The scope of the review is to assess whether:

- Appropriate assessment arrangements have been introduced in response to Covid-19 restrictions and awarding body requirements;
- The College has considered assessment options and has adopted the most suitable approach for students across the College;
- The arrangements adopted are compliant with all awarding body requirements;
- The College has accessed, considered and adopted best practice in its approach to academic performance assessment and grading;
- There is clear justification for the approaches taken by the College, and this is made available to all students as appropriate;
- All students are provided with regular and clear updates as to the amended ways of working and the procedures that the College will be adopting, and can access information relating to their academic performance; and
- The arrangements are reported to and monitored by the Board of Management.

# INVERNESS COLLEGE, COVID-19 - QUALITY & ASSESSMENT

Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

## APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

## MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required.

# INVERNESS COLLEGE, COVID-19 - QUALITY & ASSESSMENT

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> <li>- Guidance and correspondence issued to students explaining the changed arrangements</li> <li>- Minutes of meetings held to discuss alternative options</li> <li>- College policy on the approach being adopted.</li> </ul>	Lindsay Snodgrass	07/03/2022 (2 weeks prior to fieldwork)

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Mark Reynolds	Internal Auditor	E: mark.reynolds@bdo.co.uk
INVERNESS COLLEGE		
Lindsay Snodgrass	Head of Student Services	E: Lindsay.Snodgrass.ic@uhi.ac.uk

# INVERNESS COLLEGE, COVID-19 - QUALITY & ASSESSMENT

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	21/03/2022
Number of audit days planned	6
Proposed date for closing meeting	28/03/2022
Planned date for issue of the draft report	11/04/2022
Planned date for receipt of management responses	25/04/2022
Planned date for issue of proposed final report	26/04/2022
Planned Audit Committee date for presentation of report	TBC

SIGN OFF			
ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	



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# INVERNESS COLLEGE

## INTERNAL AUDIT TERMS OF REFERENCE

### EDUCATION MAINTENANCE ALLOWANCE

2021-22

# INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE

## PURPOSE OF REVIEW

Education Maintenance Allowance (EMA) is a benefit paid to students aged 16 -19 years old who live in a low income household and have left, or are about to leave, compulsory education and are carrying on with their studies.

The Scottish Funding Council (SFC) has managed the national EMA programme for Scotland's colleges on behalf of the Scottish Government since 5 April 2004.

In order to comply with the SFC's requirements set out in 'Education Maintenance Allowance AY 2020-21', we have been requested by Inverness College to carry out an EMA Audit for the year ending 31 July 2021 with the purpose being to provide an audit certificate giving an opinion on whether:

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

We will also provide the College with an audit report detailing our findings and recommendations, for action by the College and submission to the SFC.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required. Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Sheree Grant	01/09/2021  (2 weeks ahead of fieldwork)

# INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.3). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Sean Morrison	Assistant Manager (Auditor)	T: 0141 249 8493 E: sean.morrison@bdo.co.uk
INVERNESS COLLEGE		
Sheree Grant	Admissions and Funding Team Leader	E: Sheree.Grant.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	15/09/2021
Number of audit days planned	3
Planned date for closing meeting	17/09/2021
Planned date for issue of the draft certificate	24/09/2021
Planned date for issue of draft audit report	24/09/2021
Planned date for provision of final FES return to BDO LLP	30/09/2021

# INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE

Planned date for submission of audit certificate to SFC	01/10/2021
Planned date for submission of audit report to SFC	01/10/2021

## SIGN OFF

ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**FES RETURN AUDIT**

**2021-22**

# INVERNESS COLLEGE, FES RETURN

## PURPOSE OF REVIEW

The annual collection of statistical data from colleges is of key importance in determining the Scottish Funding Council's (SFC's) activity reporting and funding allocations. The statistical data must be accurate to ensure that further education college activity is correctly counted and reported, and that funding to each College is correctly allocated in the related academic year.

In order to comply with the SFC's requirements set out in '2020-21 data return for funding purposes (FES return) and audit guidance for colleges', we have been requested by Inverness College to carry out an audit for the year ended 31 July 2021 with the purpose being to provide an audit certificate giving an opinion on whether:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- the FES return contains no material misstatement.

We will also provide the College with an audit report detailing our findings and recommendations, for action by the College and submission to the SFC.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required. Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Georgie Parker	23/08/2021  (2 weeks ahead of fieldwork)



# INVERNESS COLLEGE, FES RETURN

## Access to information/staff

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## Timing changes and cancellation:

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KEY CONTACTS		
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Sean Morrison	Assistant Manager (Auditor)	T: 0141 249 8493 E: sean.morrison@bdo.co.uk
INVERNESS COLLEGE		
Georgie Parker	Assistant Principal	E: Roddy.ferrier.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	06/09/2021
Number of audit days planned	5
Planned date for closing meeting	10/09/2021
Planned date for issue of the draft certificate	22/09/2021
Planned date for issue of draft audit report	22/09/2021
Planned date for provision of final FES return to BDO LLP	30/09/2021
Planned date for submission of audit certificate to SFC	01/10/2021

# INVERNESS COLLEGE, FES RETURN

Planned date for submission of audit report to SFC	01/10/2021
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SIGN OFF			
ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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# INVERNESS COLLEGE

## INTERNAL AUDIT TERMS OF REFERENCE

### FOLLOW UP REVIEW

2020-21

# INVERNESS COLLEGE, FOLLOW UP REVIEW

## BACKGROUND

As part of the 2021-22 Internal Audit plan for Inverness College, we will follow up on previously agreed recommendations made in Internal Audit reports in previous years, and where relevant during the current year.

## PURPOSE OF REVIEW

The purpose of this review is to provide assurance to management and the Audit Committee that previous internal audit recommendations have been implemented effectively and within targeted timescales.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risk associated with the area under review are:

- Action is not taken to implement recommendations resulting in weaknesses in control and subsequent loss, fraud or error.

## SCOPE OF REVIEW

We will review management's action taken to implement internal audit recommendations. This will involve the review of recommendations made in each of the internal audit reports issued during 2020/21, and a follow up of any outstanding recommendations from previous years. We will also review progress against recommendations made during the current year that are due for implementation.

We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

## APPROACH

Our approach will be to:

- Review the recommendations from previous audit reports, and review management updates on progress towards their implementation; and
- Review documentary evidence and conduct interviews to establish the effective completion of actions to implement the recommendations.

# INVERNESS COLLEGE, FOLLOW UP REVIEW

## MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required. Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- Reports on progress on implementing recommendations / recommendation tracker.	Roddy Ferrier	20/06/2022  (2 weeks prior to fieldwork)

### Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

### Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.4). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

# INVERNESS COLLEGE, FOLLOW UP REVIEW

## KEY CONTACTS

### BDO LLP

Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Abigail McGurn	Internal Auditor	E: abigail.mcgurn@bdo.co.uk

### INVERNESS COLLEGE

Roddy Ferrier	Director of Finance	E: Roddy.Ferrier@uhi.ac.uk
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## PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	04/07/2022
Number of audit days planned	3
Planned date for closing meeting	06/07/2022
Planned date for issue of the draft report	20/07/2022
Planned date for receipt of management responses	03/08/2022
Planned date for issue of proposed final report	04/08/2022
Planned Audit Committee date for presentation of report	TBC

# INVERNESS COLLEGE, FOLLOW UP REVIEW

## SIGN OFF

ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	



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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**PROCUREMENT**

**2021-22**

# INVERNESS COLLEGE, PROCUREMENT

## BACKGROUND

As part of the 2021-22 Internal Audit Plan, it was agreed that Internal Audit would perform a review of the procurement arrangements in place within Inverness College.

## PURPOSE OF REVIEW

The purpose of this review will be to conduct a high-level review of the procurement arrangements in place from identifying procurement needs and forming a sourcing strategy, through to appraising options and contracting with suppliers. We will also undertake a review of the detailed contract management arrangements in place to monitor supplier performance and ensure contracts are successfully executed.

This will include a value for money consideration of the use of added value performance measures and service level agreements, and a review of the extent to which anticipated savings are realised.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- A standardised process is not in place in order to identify, ingather and consolidate College procurement needs;
- An agreed procurement strategy and appropriate policies and procedures are not in place to guide staff on making purchasing decisions;
- Staff have not been trained in procurement, or do not receive appropriate procurement support;
- Agreed procurement procedures are not consistently followed, leading to poor value being achieved from purchases;
- There are no agreed contracts, or there are contracts in place with unfavourable terms with key suppliers;
- Supplier performance is not monitored effectively and no use has been made of performance measures and service level agreements; and
- Anticipated cost savings from supplier procurement and contracting activity are not realised.

## SCOPE OF REVIEW

The scope of the review is to assess whether:

- A standardised process is in place in order to identify, ingather and consolidate College procurement needs;
- An appropriate strategy, and clear policies and procedures are in place and comply with good practise, and these have been communicated to all relevant staff;

## INVERNESS COLLEGE, PROCUREMENT

- Roles and responsibilities in relation to procurement and contract management are clear;
- Staff are appropriately trained to discharge their roles effectively and are supported to make effective purchasing and procurement decisions;
- Procurement procedures are being followed consistently; approved suppliers are used for all purchases where applicable;
- Appropriate contracts, including appropriate terms and conditions and signed by authorised individuals, are in place with key suppliers;
- Supplier performance is being monitored effectively with effective use of KPIs and SLAs, and confirmation gained that agreed rates are being charged; and
- Anticipated cost savings, where appropriate, from supplier procurement and contracting activities are realised.

Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

### APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

### MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

### LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

# INVERNESS COLLEGE, PROCUREMENT

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required.

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> <li>- Procurement strategy, policies and procedures</li> <li>- Procurement training documentation</li> <li>- Contract register</li> <li>- Analysis of procurement needs.</li> </ul>	Roddy Ferrier	10/01/2022 (2 weeks prior to fieldwork)

### Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

### Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

# INVERNESS COLLEGE, PROCUREMENT

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Sean Morrison	Assistant Manager (Auditor)	E: sean.morrison@bdo.co.uk
INVERNESS COLLEGE		
Roddy Ferrier	Director of Finance	E: Roddy.Ferrier@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	24/01/2022
Number of audit days planned	5
Proposed date for closing meeting	28/01/2022
Planned date for issue of the draft report	11/02/2022
Planned date for receipt of management responses	25/02/2022
Planned date for issue of proposed final report	28/02/2022
Planned Audit Committee date for presentation of report	TBC

# INVERNESS COLLEGE, PROCUREMENT

## SIGN OFF

### ON BEHALF OF BDO LLP:

Signature: Claire Robertson

Title: Director

Date: 21/05/2021

### ON BEHALF OF INVERNESS COLLEGE:

Signature:

Title:

Date:

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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**STAFF RECRUITMENT**

**2021-22**

# INVERNESS COLLEGE, STAFF RECRUITMENT

## BACKGROUND

As part of the 2021-22 Internal Audit Plan, it was agreed that Internal Audit would carry out an evaluation of the processes in place in relation to staff recruitment, to verify that a fair and consistent recruitment process is in place and consistently applied, which complies with relevant employment legislation and promotes equality of opportunity. The review is also intended to verify that the necessary pre-employment checks are being carried out prior to staff being appointed.

## PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance on the design and effectiveness of the recruitment and selection procedures applied to both permanent and temporary staff appointments to assess whether a fair, consistent, lawful, well-controlled and cost effective approach to recruitment is being applied.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- Inadequate policies and procedures may be in place for staff recruitment;
- Staff involved in recruitment may be provided with inadequate training and support to apply the procedures;
- There may be inconsistencies in the approach taken for the recruitment of staff, and documentation to support recruitment decisions may not be maintained;
- There may be insufficient controls in place to prevent discriminatory practices and to ensure equality of opportunity;
- The approach to recruitment may not be cost effective; and
- Pre-employment checks may not be carried out on staff members prior to their appointment.

## SCOPE OF REVIEW

The scope of the review is to assess whether:

- Policies and procedures for staff recruitment are adequate and followed consistently;
- Staff involved in recruitment are provided with effective training and support;
- There is a consistent approach taken for the recruitment of staff, and all supporting documentation is maintained to support recruitment decisions;
- Sufficient controls are in place to prevent discriminatory practices and to ensure equality of opportunities with regards to recruitment;
- The approach to staff recruitment is cost effective; and
- Pre-employment checks are carried out on staff members prior to their appointment.

Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of

# INVERNESS COLLEGE, STAFF RECRUITMENT

estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

## APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

## MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required.

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

# INVERNESS COLLEGE, STAFF RECRUITMENT

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> <li>- Staff recruitment policies and procedures;</li> <li>- Staff application form;</li> <li>- Other relevant recruitment template documentation e.g. Recruitment authorisation form, New starter checklist;</li> <li>- Recruitment budget;</li> <li>- Recruitment training materials and attendance/training records; and</li> <li>- HR list of new starts within the last year.</li> </ul>	Nicola Quinn	09/08/2021 (2 weeks prior to fieldwork)

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

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KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Abigail McGurn	Internal Auditor	E: abigail.mcgurn@bdo.co.uk
INVERNESS COLLEGE		
Nicola Quinn	HR Manager	E: Nicola.Quinn.ic@uhi.ac.uk

# INVERNESS COLLEGE, STAFF RECRUITMENT

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	23/08/2021
Number of audit days planned	5
Proposed date for closing meeting	27/08/2021
Planned date for issue of the draft report	10/09/2021
Planned date for receipt of management responses	24/09/2021
Planned date for issue of proposed final report	27/09/2021
Planned Audit Committee date for presentation of report	TBC

SIGN OFF			
ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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# INVERNESS COLLEGE

## INTERNAL AUDIT TERMS OF REFERENCE

### STUDENT APPLICATION, ENROLMENT AND

### INDUCTION

2021-22



# INVERNESS COLLEGE, STUDENT APPLICATION, ENROLMENT AND INDUCTION

## BACKGROUND

As part of the 2021-22 Internal Audit Plan, it was agreed that Internal Audit would carry out a review of the College's application, enrolment and induction processes.

## PURPOSE OF REVIEW

The purpose of this review is to provide assurance to management and the Audit Committee regarding the adequacy and effectiveness of the College's application, enrolment and induction processes and to recommend improvements to those arrangements as necessary.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- The student application process may not be clearly defined, consistent and customer focused;
- Recruitment processes may not be efficient, consistent and appropriate to the subject area and support the conversion of interest into appropriate offers;
- Recruitment processes may not support the achievement of College activity targets;
- The student recruitment process may not be embedded within the College effectively and efficiently to support overall student recruitment;
- Induction processes may not support students in their transition to College; and
- The College enrolment processes may not be clearly defined and allow students to be enrolled timeously.

## SCOPE OF REVIEW

The scope of the review is to assess whether:

- The student application process is clearly defined, consistent and customer focused;
- Recruitment processes are efficient, consistent and appropriate to the subject area and support the conversion of interest into appropriate offers;
- Recruitment processes support the achievement of College activity targets;
- The student recruitment process is embedded well within the College and staff in different areas work together effectively and efficiently to support overall student recruitment;
- Induction processes support the student in their transition to College; and
- The College enrolment processes are clearly defined and allow students to be enrolled timeously.

Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.



# INVERNESS COLLEGE, STUDENT APPLICATION, ENROLMENT AND INDUCTION

## APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

## MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required.

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

# INVERNESS COLLEGE, STUDENT APPLICATION, ENROLMENT AND INDUCTION

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> <li>- student application process documentation</li> <li>- recruitment process documentation</li> <li>- College applicant, recruitment and enrolment targets</li> <li>- Activity targets</li> <li>- Enrolment process documentation.</li> </ul>	Georgie Parker	25/04/2022 (2 weeks prior to fieldwork)

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

## KEY CONTACTS

### BDO LLP

Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Abigail McGurn	Internal Auditor	E: abigail.mcgurn@bdo.co.uk

### INVERNESS COLLEGE

Georgie Parker	Assistant Principal	E: Georgie.Parker.ic@uhi.ac.uk
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# INVERNESS COLLEGE, STUDENT APPLICATION, ENROLMENT AND INDUCTION

## PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	09/05/2022
Number of audit days planned	6
Proposed date for closing meeting	16/05/2022
Planned date for issue of the draft report	30/05/2022
Planned date for receipt of management responses	13/06/2022
Planned date for issue of proposed final report	14/06/2022
Planned Audit Committee date for presentation of report	TBC

## SIGN OFF

ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**STUDENT REPRESENTATION**

**2021-22**

# INVERNESS COLLEGE, STUDENT REPRESENTATION

## BACKGROUND

As part of the 2021-22 Internal Audit Plan, it was agreed that Internal Audit would carry out a review of the student representation arrangements in place within Inverness College.

## PURPOSE OF REVIEW

The purpose of this review will be to assess whether the College has appropriate governance arrangements in place to allow for effective contribution from the student body to the running of the College. We will assess whether there is representation across all campuses, whether there are sufficient resources to support the student representatives and whether HISA's Strategic Plan is sufficiently monitored and reported on.

## KEY RISKS

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- There may not be appropriate governance arrangements in place to allow for an effective contribution from the student body to the running of the College;
- The College may not have effectively implemented student representation processes across all campuses;
- The College may not have sufficient resource in place to support student representatives in their roles; and
- Achievement of HISA's Strategic Plan and Student Engagement Plan may not be sufficiently monitored and reported upon.

## SCOPE OF REVIEW

The scope of the review is to assess whether:

- Appropriate governance arrangements are in place in relation to the Student Body (This will include a review of the Constitution, and Affiliation and Election arrangements);
- The College has adequate resources in place to support the student representatives effectively;
- The College has implemented student representation processes consistently across all campuses;
- The Student Association has developed a strategy and is accessing appropriate resources and engaging with external bodies to plan student representation activities effectively; and
- Achievement of HISA's Strategic Plan and Student Engagement Plan is monitored effectively.

Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and

# INVERNESS COLLEGE, STUDENT REPRESENTATION

that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

## APPROACH

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

## MANAGEMENT COMMENTS

No management comments have been raised regarding the areas under review.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach. All other areas are considered outside of the scope of this review.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required.

Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

# INVERNESS COLLEGE, STUDENT REPRESENTATION

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> <li>- The Constitution;</li> <li>- HISA's Strategic Plan and Annual Report;</li> <li>- Student Engagement Operational Plan;</li> <li>- Documents as to how the election process functions; and</li> <li>- The process for gaining student feedback.</li> </ul>	Lindsay Snodgrass	07/02/2022 (2 weeks prior to fieldwork)

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Abigail McGurn	Internal Auditor	E: abigail.mcgurn@bdo.co.uk
INVERNESS COLLEGE		
Lindsay Snodgrass	Head of Student Services	E: Lindsay.Snodgrass.ic@uhi.ac.uk



# INVERNESS COLLEGE, STUDENT REPRESENTATION

## PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	21/02/2022
Number of audit days planned	5
Proposed date for closing meeting	25/02/2022
Planned date for issue of the draft report	11/03/2022
Planned date for receipt of management responses	25/03/2022
Planned date for issue of proposed final report	28/03/2022
Planned Audit Committee date for presentation of report	TBC

## SIGN OFF

ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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**INVERNESS COLLEGE**

**INTERNAL AUDIT TERMS OF REFERENCE**

**STUDENT SUPPORT FUND**

**2021-22**

# INVERNESS COLLEGE, STUDENT SUPPORT FUND

## PURPOSE OF REVIEW

The Student Support Fund (SSF) is additional funding received from the Scottish Funding Council (SFC), passed on to students as bursaries, childcare assistance and as other discretionary funds.

In order to comply with the SFC's requirements set out in '2020-21 National policy: childcare funds for further and higher education students in Scotland's colleges', we have been requested by Inverness College to carry out an SSF Audit for the year ending 31 July 2021 with the purpose being to provide an audit certificate giving an opinion on whether:

- the aggregate student support fund return has been compiled in agreement with the underlying records;
- the College used these funds in accordance with the Scottish Funding Council conditions; and
- the systems and controls of the administration and disbursement of these funds are adequate.

We will also provide the College with an audit report detailing our findings and recommendations, for action by the College and submission to the SFC.

## LOCATIONS

Fieldwork will be performed remotely should COVID-19 restrictions remain in place, otherwise fieldwork will be performed at Inverness College, Main Campus.

## REQUIREMENTS

Outlined below is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you and when we require each piece of information. We have tried to be specific wherever possible however, please do contact us as soon as possible if you're unsure about any of the information required. Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Lindsay Snodgrass	30/08/2021  (2 weeks ahead of fieldwork)

# INVERNESS COLLEGE, STUDENT SUPPORT FUND

## Access to information/staff

Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

## Timing changes and cancellation:

In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.3). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

## KEY CONTACTS

### BDO LLP

Claire Robertson	Director	T: 0141 249 5206 E: <a href="mailto:claire.robertson@bdo.co.uk">claire.robertson@bdo.co.uk</a>
Chloe Ridley	Internal Audit Manager	T: 0131 347 0358 E: <a href="mailto:chloe.ridley@bdo.co.uk">chloe.ridley@bdo.co.uk</a>
Sean Morrison	Assistant Manager (Auditor)	T: 0141 249 8493 E: <a href="mailto:sean.morrison@bdo.co.uk">sean.morrison@bdo.co.uk</a>

### INVERNESS COLLEGE

Lindsay Snodgrass	Head of Student Services	E: <a href="mailto:Lindsay.Snodgrass.ic@uhi.ac.uk">Lindsay.Snodgrass.ic@uhi.ac.uk</a>
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## PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	13/09/2021
Number of audit days planned	3
Planned date for closing meeting	15/09/2021
Planned date for issue of the draft certificate	22/09/2021
Planned date for issue of draft audit report	22/09/2021
Planned date for provision of final FES return to BDO LLP	30/09/2021

# INVERNESS COLLEGE, STUDENT SUPPORT FUND

Planned date for submission of audit certificate to SFC	01/10/2021
Planned date for submission of audit report to SFC	01/10/2021

## SIGN OFF

ON BEHALF OF BDO LLP:		ON BEHALF OF INVERNESS COLLEGE:	
Signature:	Claire Robertson	Signature:	
Title:	Director	Title:	
Date:	21/05/2021	Date:	

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# Inverness College

**Annual Audit Plan**

**Year ending 31 July 2021**

**Audit Committee**

**1 June 2021**



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## About this report

This report has been prepared in accordance with Terms of Appointment Letter from Audit Scotland dated 31 May 2016 through which the Auditor General for Scotland has appointed us as external auditor of Inverness College ("the College") for financial years 2016/17 to 2020/21. As a result of the impact of Covid-19 our appointment was extended by a further 12 months to include the financial year 2021/22. We undertake our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and our responsibilities as set out within Audit Scotland's Code of Audit Practice (the Code), issued on 26 May 2016.

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

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

## Complaints

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

# 1. Executive summary

## Our key contacts:

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

**Olga Potapova**  
Manager  
[opotapova@uk.ey.com](mailto:opotapova@uk.ey.com)

## Our independence

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

## Purpose of this report

In accordance with the Public Finance and Accountability (Scotland) Act 2000, Audit Scotland appointed EY as the external auditor of Inverness College (the College) for the five year period 2016/17 to 2020/21. As a result of the impact of Covid-19 our appointment was extended by a further 12 months to include the financial year 2021/22.

This Annual Audit Plan, prepared for the benefit of College management and the Audit Committee, sets out our proposed audit approach for the audit of the financial year ending 31 July 2021, the fifth year of our appointment. In preparing this plan, we have updated our understanding of the College through planning discussions with management, review of relevant documentation and committee reports, and our general understanding of the environment in which the College is operating.

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

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

## Scope and Responsibilities

This Annual Audit Plan covers the work that we plan to perform to provide you with our opinion on whether the College's financial statements (the financial statements) give a true and fair view of the College's affairs as at 31 July 2021 in accordance with applicable law and the financial reporting framework. We also report on the regularity of transactions, as required by the Scottish Funding Council.

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

## Our Financial Statement Audit

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

- ▶ whether they give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the College's affairs as at 31 July 2021 and its surplus or deficit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Ireland; and
- ▶ whether they have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

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

## Materiality

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

Planning Materiality	Tolerable Error	Nominal amount
<b>£600,000</b>	<b>£300,000</b>	<b>£30,000</b>
2% of the College's gross forecast expenditure	Materiality at an individual account level	Level that we will report misstatements to committee

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

## Wider Scope audit

Our responsibilities extend beyond the audit of the financial statements. The Code requires auditors to provide judgements and conclusions on the dimensions of wider scope public audit that are applicable to small bodies:

- ▶ Financial sustainability; and
- ▶ Governance and transparency.

We will continue to extend our work to consider financial management arrangements at the College in 2020/21.

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

# Audit Risk Dashboard

## Key Financial Statement Risks

<b>Fraud Risk:</b> Risk of fraud in revenue and expenditure recognition	In accordance with ISA (UK) 240, we consider the presumed fraud risk in respect of improper income recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. During 2020/21, we will consider the impact of additional Covid-19 income streams on the College.
<b>Fraud Risk:</b> Misstatement due to fraud or error	As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud due to the ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.
<b>Inherent risk:</b> Valuation of property, plant and equipment	The value of property, plant and equipment (PPE) represent significant balances in the College's financial statements. Management is required to make material judgemental inputs, including the assessment of any required impairment, and to apply estimation techniques to calculate the year-end balances recorded in the balance sheet.
<b>Inherent risk:</b> Capital Financial Arrangements	Capital financing arrangements and the associated accounting is assessed as an inherent risk, due to the material value of the liability and the complexity of the associated accounting. We will utilise our specialists, as appropriate, to support the core audit team in the performance of audit procedures on this area.
<b>Inherent risk:</b> Valuation of pension assets and liabilities	<p>Accounting for the Local Government Pension Scheme (LGPS) involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. The Highland Council Pension Fund triennial valuation was completed as at 31 March and will therefore inform the valuation as at 31 July 2021.</p> <p>ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts, the assumptions underlying fair value estimates, and the valuation of the College's share of scheme assets and liabilities at the year end.</p>

## Wider Scope Risks

<b>Financial Sustainability:</b> Medium Term Financial Planning	<p>The full impact of the global pandemic on the College's education and financial plans has continued to evolve throughout 2020/21. In the short term, there is the impact of government funding, including furlough income, and direct financial support from the Scottish Funding Council. The College has also managed the move into blended learning model, however due to social distancing there has been a number of deferrals to 2021/22.</p> <p>The College is due to prepare an updated financial forecast in June 2021. Our expectation is that this will continue to reflect significant financial pressures in the medium to long term.</p>
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## 2. Sector developments

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

### **The context for financial sustainability in the FE sector**

As we noted within our Annual Audit Report, during 2020, the Scottish Funding Council released three reports considering the future of colleges and universities. In October 2020 the Scottish Funding Council (SFC) published their review of coherent provision and sustainability which considered how best the SFC can fulfil its mission of securing coherent provision by post-16 education bodies, and the undertaking of research in these changing times. The review covered future provision, delivery, outcomes and targets, funding models and support for research activity across the college and university sector in Scotland.

Specifically, as part of this review, the SFC published their updated analysis of the sector within their report, The Financial Sustainability of Colleges and Universities in Scotland. This reflects on the specific financial challenges the sector was facing prior to the impact of Covid-19, including cost pressures from cost of living pay awards, employers' pension contributions, maintaining the college estate and the UK's exit from the European Union, and notes that colleges were already implementing transformation plans to address those challenges. Covid-19 has, in some cases, resulted in the delay of these transformation plans, particularly where they relate to severance and commercial income growth. The main impact of Covid-19 is considered to be felt most by the sector during the 2020/21 financial and academic year.

Recognising the financial challenges facing colleges in the upcoming period, the SFC has identified a number of actions to further support colleges including:

- ▶ Targets - SFC will not recover funds for shortfalls against outcome agreement targets where these are related to Covid-19;
- ▶ Capital Funding - £2.3 million of additional funding for colleges has been awarded to support the provision of ICT equipment to help tackle digital poverty. In addition, the SFC announced £6.5 million of additional capital funding to support the economic recovery in 2020/21;
- ▶ Cash advances - SFC has provided flexibility in grant drawdowns to several colleges encountering liquidity challenges; and
- ▶ Flexibilities in relation to Flexible Workforce Development Fund, Student Support funds and credits.

We will continue to review the full impact of the financial savings requirements outlined in the Financial Forecast Return (FFR) against the College's strategic objectives as part of our work on financial sustainability.

### **Additional Funding for Colleges 2020/21**

Additional non-recurring Covid-19 support funding was announced as part of the Scottish Government's budget update statement on 16 February 2021. This included an additional £60 million for further and higher education, specifically to support universities and colleges maintain research activity, project jobs, help students and boost research and knowledge exchange.

The SFC subsequently announced additional funding of £15.3 million for colleges on 24 March 2021, applicable for the financial year 2020/21. The SFC noted that this funding will help address the major impact that Covid-19 has had on colleges, including:

- ▶ Reduced income, including from commercial contracts and residencies, affecting research funding and putting jobs at risk;
- ▶ Additional costs such as adjustments to campuses and facilities to allow for social distancing; and
- ▶ General weakening of financial sustainability.

Recognising that all colleges are facing financial pressures, the additional £15.3 million has been allocated to colleges in proportion to their respective core teaching grant allocations for Academic Year 2020/21. The conditions of the grant funding are further outlined within the SFC's *Additional funding for Colleges in FY 2020/21* report, as well as confirmation that the release of this additional funding is to be used for FY 2020/21.

### **2021/22 Budget**

The SFC announced the indicative funding allocations for the Academic Year 2021/22 on 24 March 2021. The indicative funding allocations set out are based on the Scottish Government's draft budget 2021/22 announcement on 28 January 2021 which was approved by the Scottish Parliament on 9 March 2021. The approved Scottish Budget 2021/22 set a College Resource (Revenue) budget for the financial year 2021/22 of £675.7 million, an increase of £35.7 million (5.6%) from 2020/21.

The SFC provides indicative funding allocations to help colleges plan for the forthcoming academic year, with final funding allocations to be published by the end of May 2021. The SFC's indicative funding announcement notes that:

- ▶ The SFC's revenue budget for 2021/22 has increased by 10.8% (£70.2 million) from AY 2020/21;
- ▶ Teaching funding has been increased by 8% (£29.8 million);
- ▶ Student support funding has increased by 1.9% (£2.6 million), and there is additional student support contingency funding set aside;
- ▶ The other programme funding budget, which includes national sector-wide services and strategic projects, has increased by £13.1 million;
- ▶ Student activity (credit) volume for the sector has been increased by 3.6% (circa 63,000 credits), largely as a result of creditors for Foundation Apprenticeships and deferred students; and
- ▶ Capital funding has decreased by £2 million, with sector-wide capital maintenance reducing by 6.2% (£1.8 million).

### 3. Financial Statement Risks

#### **Introduction**

The annual financial statements enables the College to demonstrate accountability for, and its performance in the use of its resources. They are prepared in accordance with proper accounting practice and applicable law.

#### **Audit Opinion**

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

- ▶ whether they give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the College's affairs as at 31 July 2021 and its surplus or deficit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Ireland; and
- ▶ whether they have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder issued by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We also report on the regularity of transactions, as required by the Scottish Funding Council, and review and report on the consistency of the other information prepared and published by the College along with the financial statements.

#### **Other Statutory Information**

The management commentary and narrative reporting continues to be an area of increased scrutiny as a result of rising stakeholder expectations, including continuing interest by the Financial Reporting Council. We will therefore continue to work with the finance team to support the continued improvement of the financial statements, including narrative disclosures, in 2020/21.

### Audit Approach

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

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the College.
- ▶ Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the Audit Committee reporting appropriately addresses matters communicated by us to the committee and reporting whether it is materially inconsistent with our understanding and the financial statements.
- ▶ Maintaining auditor independence.
- ▶ Substantive tests of detail of transactions and amounts. For 2020/21 we plan to follow a predominantly substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.



## Materiality

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

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

Materiality Level	Rationale
Planning Materiality £600,000	<b>Planning materiality (PM)</b> - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements. For planning purposes, materiality for 2020/21 has been set at £600,000. This represents approximately 2% of the College's forecast expenditure for the year.
Tolerable Error £300,000	<b>Tolerable error (TE)</b> - materiality at an individual account balance, which is set so as to reduce to an acceptably low level that the aggregate of uncorrected and undetected misstatements exceeds PM. We have set it at £300,000 which represents 50% of planning materiality due to a number of adjustments identified as part of the prior year audit.
Summary of Audit Differences £30,000	<b>Summary of Audit Differences (SAD) Nominal amount</b> - the amount below which misstatements whether individually or accumulated with other misstatements, would not have a material effect on the financial statements. The Code requires that auditors report at no more than £250,000. We have set it at £30,000, which represents 5% of planning materiality.

In 2019/20, we reduced our materiality due to rapid changes in the external environment in which the College operates. We have determined that in 2020/21 it is appropriate to reinstate materiality at 2%, given the reduced immediate uncertainties in the external environment.

The bases for the materiality outlined are consistent with our approach in previous years. Factors which we consider include the perspectives and expectations of users of the financial statements as well as our risk assessment as to the likelihood of material misstatements arising in the financial statements.

Based on these considerations, we apply lower materiality levels to the following areas we consider to be material by nature rather than size:

- ▶ Remuneration Report; and
- ▶ Related Party Transactions.

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

The amount we consider material at the end of the audit may differ from our initial determination. At the end of the audit we will form, and report to you, our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

### Going Concern compliance with ISA 570

We outlined in our 2019/20 reporting to the committee the impact that the Covid-19 pandemic had on the further education sector, and the increased levels of uncertainty within the forecasts used as part of the College's going concern assessment. As a result, in 2019/20, we placed additional focus on significant judgements made to conclude whether events or conditions indicate that a material uncertainty existed that may cast significant doubt on the College's ability to continue as a going concern. The judgements made determined the appropriate disclosures to be made in the financial statements, and allowed us to consider the impact on our audit opinion.

A revised auditing standard relating to our work on going concern, ISA 570, is effective for the audit of the College's 2020/21 financial statements. The revised standard increases the work we have been traditionally required to perform when assessing whether the College is a going concern. It means UK auditors will follow significantly stronger requirements than those required by current international standards, and much more in line with the required work undertaken by management and the audit team in 2019/20.

Auditing standards have been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly afterwards.

The revised standard requires:

- ▶ challenge of management's identification of events or conditions impacting going concern, more specific requirements to test management's resulting assessment of going concern, an evaluation of the supporting evidence obtained which includes consideration of the risk of management bias;
- ▶ greater work for us to challenge management's assessment of going concern, thoroughly test the adequacy of the supporting evidence we obtained and evaluate the risk of management bias. Our challenge will be made based on our knowledge of the College obtained through our audit, which will include additional specific risk assessment considerations which go beyond the current requirements;
- ▶ improved transparency with a new reporting requirement for public interest entities, listed and large private companies to provide a clear, positive conclusion on whether management's assessment is appropriate, and to set out the work we have done in this respect. While the College is not one of these three entity types listed, we will ensure compliance with any updated reporting requirements;
- ▶ a stand back requirement to consider all of the evidence obtained, whether corroborative or contradictory, when we draw our conclusions on going concern; and
- ▶ necessary consideration regarding the appropriateness of financial statement disclosures around going concern.

A revised version of Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the UK (PN 10) was issued in November 2020. A significant aspect of PN 10 is the guidance on applying ISA (UK) 570 Going Concern to the public sector. This notes the importance of the applicable financial reporting framework in determining the extent of the auditor's procedures. Our work will also take cognisance of recent guidance issued by Audit Scotland. As in prior years, due to the anticipated continuation of service provision, the going concern basis of accounting will continue to be appropriate for the College.

### **Covid-19 - Impact on Financial Statements**

In our reporting through 2020, we outlined how the ongoing disruption to daily life and the economy as a result of the Covid-19 virus was having a pervasive impact upon the preparation of financial statements for all bodies across the further education sector, and will do so for the foreseeable future. Financial statements now need to reflect the impact of Covid-19 on the College's financial position and performance. There continues to be a wide range of ways in which Covid-19 can impact the financial statements, potentially impacting the accounting and disclosure requirements throughout. We have outlined through this report how these may include, at a minimum:

- ▶ Management's assessment of going concern.
- ▶ Revenue recognition accounting for where activity has materially changed and where new income streams have occurred such as from government support.
- ▶ The valuation of fixed assets, in particular the ongoing use of the College estate.
- ▶ The valuation of future pension liabilities and scheme assets.
- ▶ Potential impairment of receivables.
- ▶ Financial statement disclosures, including the Annual Governance Statement.

We will report on the full impact of Covid-19 on the College's financial statements, and how we have responded to the additional risks of misstatement, as part of our reporting at the yearend to the committee, including supplementing this audit planning report with any material changes to our detailed risk assessment and audit approach for the yearend audit, where required.

### **Covid-19 - Impact on Audit Process**

The extensive nature of the Covid-19's impact on the financial statements and underlying accounting arrangements drives our assessment that the risk is considered pervasive to the financial statement audit. In addition to the impact on the financial statements themselves, the disruption caused by Covid-19 may impact on management's ability to produce financial statements and our ability to complete the audit to the planned timetable. For example, it will continue to be more difficult than usual for finance teams to collate and for us to access the supporting documentation necessary to support our audit procedures. As with the 2019/20 audit, this will need to be mitigated by additional audit procedures to respond to the additional risks caused by the factors noted above.

We have outlined the planned timing for the key deliverables of the audit process in Appendix D. These reflect the agreed intention to continue to work closely with management to review timeframes and logistics for the completion of the audit in 2020/21. All deadlines will continue to be reviewed throughout the year as circumstances change, however the FRC and Audit Scotland have made clear that any deadlines are secondary to the primacy of audit quality and ensuring completeness of work regardless of the environment in which audit takes place.

We will aim to continue to take a pragmatic and flexible approach in the current environment.

# Significant Risks

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

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

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

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

We consider there to be a specific risk around SFC income and expenditure recognition through:

- ▶ Incorrect income and expenditure cut-off recognition to alter the College's financial position around the financial year end.
- ▶ Incorrect recognition applied to grant income with conditions.

We also recognise a revenue recognition risk for other SFC grants where performance conditions are in place, tuition fee income and other grants and operating income in respect of possible manipulation of cut-off around the financial year end.

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

Work we will undertake:

- ▶ review and test all relevant income and expenditure policies against the relevant accounting standards and SORP
- ▶ review, test and challenge management around any accounting estimates on income and expenditure recognition for evidence of bias
- ▶ develop a testing strategy to test all material income and expenditure streams
- ▶ test all material grant income with performance conditions to ensure the income is recognised correctly in line with the outlined requirements
- ▶ review and perform focused testing on income and expenditure around the year end to ensure correct recognition around cut-off between financial periods
- ▶ perform testing for any evidence of clawback of income where conditions for entitlement have not been met
- ▶ review and develop a testing strategy for Covid-19 related income streams, including furlough income and additional Covid-19 related grant income
- ▶ assess and challenge manual adjustments or journal entries by management around the year end for evidence of management bias and evaluation of business rationale and evidence.

### Fraud Risk - Misstatement due to fraud or error

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

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

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

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

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

From 2020/21, our work around estimates in particular will be required to comply with the requirements around the revised ISA (UK) 540.

We will report our findings in these areas to you within our 2020/21 Annual Audit Report.

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

The College's property portfolio totals £53.3 million as at 31 July 2020 (2018/19 £56.6 million), with the major elements of this being in respect of land and buildings. Land and buildings are revalued to fair value with a full revaluation taking place at least every five years.

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

The College is required to consider annually that the valuation of the College estate remains appropriate outside of formal revaluation cycles.

In 2018/19 the College's existing land and buildings were subject to a revaluation in line with the requirements of the underlying accounting code, resulting in an uplift of £3 million on the asset values. In 2019/20 the Longman site was reclassified as an Asset held for sale and has been transferred from Fixed Assets to Assets Held for Sale in anticipation of its marketing and ultimate sale. The value of the site has been revalued by the District Valuer in July 2020 to £2.7 million. At the time of writing this report (May 2021) the site was still available on the market.

Given the size of this balance and the number of assumptions that are made in the valuation, we assign a higher inherent risk to property, plant and equipment. The impact of Covid-19 on the use of assets and future plans means that we will place significant scrutiny on management's assessment of impairment.

Our approach will focus on:

- ▶ analysis of the source data and inquiries as to the procedures used by management's specialist to establish whether the source data is complete
- ▶ assessment of the reasonableness of the assumptions and methods used, including their compliance with the SORP
- ▶ consideration of the appropriateness of the timing of when the specialist carried out the work
- ▶ assessment of whether the substance of the specialist's findings are properly reflected in the financial statements
- ▶ consideration of the material uncertainty that management's specialist may add to their valuation reports due to Covid-19, and the potential impact on our audit approach and opinion. We may consult as required
- ▶ assessment of the potential for impairment across the College estate that has not been reflected in the financial statements or most recent formal valuation
- ▶ assessment of specialist's findings for assets held for resale, and whether these valuations have been correctly processed in the financial statements through testing of accounting entries
- ▶ assessment of the College's backlog maintenance estates plans, including consideration of whether backlog maintenance expenditure in the year has been correctly accounted for as capital or revenue expenditure
- ▶ consideration of appropriateness of Longman site valuation as of the yearend should the land not be sold prior to that date.

### Inherent Risk – Valuation of Pension Liabilities

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

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

Triennial valuations of Scottish Local Government Pension Schemes (LGPS) were completed in March 2021. This will identify the funding level in each scheme and inform future funding and investment strategies as well as determining the level of employer and employee contribution rates from 2021/22 onwards.

HCPF is accounted for as a defined benefit scheme. The net pension liabilities on the balance sheet arising from participation in the scheme at 31 July 2020 were £6.557 million (2018/19: £2.638 million) and the present value of the unfunded obligation in relation to early retirements agreed in previous years is £2.3 million (2018/19: £2.1 million).

Accounting for this scheme involves significant estimation and judgement, including financial and demographic assumptions. The College engages an actuary to undertake the calculations on their behalf.

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

Our approach will include:

- ▶ obtaining an actuarial report at the year end date for the scheme and considering the reasonableness and consistency of assumptions underpinning such reports, in light of guidance available
- ▶ performing substantive testing on the verification of the pension assets, by engaging with the auditor of Highland Council Pension Fund in line with the assurance protocols laid out by Audit Scotland for IAS 19
- ▶ engage our actuarial specialists to assess the work of the actuary (Hymans Robertson), including the assumptions they have used and their assessment of the liability due to recent legal rulings including McCloud and Goodwin
- ▶ we will also review the calculation of the College's valuation of future early retirement liabilities at 31 July 2021
- ▶ review and test the accounting entries and disclosures made within the College's financial statements in relation to IAS 19.



### Inherent Risk – Capital Financial Arrangements

Capital financing arrangements and the associated accounting is assessed as an inherent risk, due to the material value of the liability and the complexity of the associated accounting.

Capital financing arrangements and the associated accounting is assessed as an inherent risk, due to the material value of the liability and the complexity of the associated accounting. We will utilise our specialists, as appropriate, to support the core audit team in the performance of audit procedures on this area.

In 2015 the College took possession of its new campus buildings, using the Scottish Futures Trust's Non-Profit Distributing (NPD) model.

Under the NPD arrangement, the College makes monthly service charge "unitary charge" payments which include the capital element of the loan funding together with interest, facilities management and building lifecycle costs. As at 31 July 2020 the present value of future lease payments was reported as £36.4 million.

Given the material value of the NPD liability as well as the complexity of the associated accounting treatment we consider this as an area of higher inherent risk.

Our approach will include:

- ▶ reviewing the College's NPD accounting and disclosures against the requirements of the SORP and FRS102 and against the underlying contracts
- ▶ auditing the NPD agreements and accounting model to consider the reasonableness of the NPD disclosure within the financial statements
- ▶ discussion with management against our recommendation made in our 2016/17 Annual Audit Report, which remained outstanding during 2017/18, 2018/19 and 2019/20 audits. In particular, we recommended management review the current accounting model to consider the assumptions contained therein, whether these remain appropriate and in particular whether the model should incorporate contingent rent within the calculation.



## Other audit considerations

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

### ***Accounting Framework: Updated SFC Accounts Direction***

The SFC's Accounts Direction is published annually in July and provides College's with guidance on disclosure requirements for the financial statements. We will work with management during 2020/21 to ensure the correct application of new requirements.

### ***Changes to Auditing Standards***

A revised ISA (UK) 701 applies from 2020/21 and aims to secure enhancements to auditor reporting. Our Annual Audit Report will therefore include:

- ▶ a description of the most significant assessed risks of material misstatement that were identified by the auditor which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the audit team;
- ▶ how each of the above significant risks of material misstatement was addressed including, as a new requirement of the ISA, significant judgements made with respect to each one;
- ▶ specifying the materiality threshold for the financial statements as a whole and, as new requirements, specifying performance materiality and providing an explanation of the significant judgments in determining these amounts; and
- ▶ an overview of the scope of the audit, including an explanation of how it addressed each of the significant assessed risks of material misstatement and how it was influenced by the auditor's application of materiality.

ISA(UK) 540 on accounting estimates was issued in December 2019. Guidance on inherent risk factors relevant to the public sector includes examples to be considered such as:

- ▶ a very high degree of estimation uncertainty caused by the need to project forecasts far into the future, such as liabilities relating to defined benefit pension schemes
- ▶ areas where there may be a lack of available comparators for estimates that are unique to the public sector, such as the valuation of important public assets
- ▶ the existence of possible constructive obligations created by political statements or past practice of carrying out actions that may be expected of public authorities but are not required by law; and
- ▶ political uncertainty and the possibility of future changes in public policy having an impact on the assumptions used to prepare accounting estimates.

### **Use of specialists**

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

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

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

### **Internal audit**

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

### **Cyber Security**

As outlined by Audit Scotland within their report *Fraud and Irregularity Update 2019/20*, the Covid-19 pandemic has brought significant challenges across the public sector as bodies have sought to continue to deliver services during extremely difficult times. In such emergency situations, existing controls may be compromised and it can be difficult to put in place robust controls for new processes.

The report highlights that there has been an increase in cybercrime, as more public sector staff connect remotely, including the use of various online video conferencing services for meetings which pose security issues. The report also highlights an increase in phishing emails and scams which, if accessed, allow fraudulent access to public sector systems.

We will discuss with management their assessment of whether internal controls at the College are sufficiently robust to mitigate the risk of cyber attacks.

**Other audit responsibilities**

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

***Anti-money laundering***

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

***Data analytics***

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

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

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

Covid-19 is a pervasive risk that impacts all wider scope dimensions. This will be an area of audit focus for 2020/21 considering how the College has adapted and the implications for the College's finances.

Together the Accounts Commission and the Auditor General for Scotland agreed the two dimensions set out in the Code which comprise the wider scope audit for small public sector bodies in Scotland. These are:

- ▶ Financial Sustainability; and
- ▶ Governance and Transparency.

We will continue to extend our work to consider financial management arrangements at the College in 2021/22.

### **Basis for risk assessment**

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

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

### **Financial Management**

As in 2019/20, we will continue to assess the impact of Covid-19 and the subsequent lockdowns on any core financial management arrangements. We will therefore consider:

- ▶ How internal control arrangements are being adapted and monitored to respond to ongoing remote working arrangements;
- ▶ How the College continue to respond to budgetary pressures including the loss of non-SFC income; and
- ▶ Whether financial reporting to the Board and Finance and Resources Committee continued and whether there was a clear articulation of the financial risks.

## Financial Sustainability

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

In 2019/20, the College prepared a three-year financial forecast for the period 2020 to 2023 and submitted these to the SFC in the form of the template Financial Forecast Return ('FFR'). The forecast is based on assumptions provided by the SFC in addition to College specific assumptions for areas such as other income and staff numbers, as included within the College's Budget 2020/21 and Financial Plan 2021/22 to 2022/23.

### Medium term financial planning

The full impact of the global pandemic on the College's education and financial plans has continued to evolve throughout 2020/21. In the short term, there is the impact of government funding, including furlough income, and direct financial support from the Scottish Funding Council. The College has also managed the move into blended learning model, however due to social distancing there has been a number of deferrals to 2021/22.

The College is due to prepare an updated financial forecast in June 2021. Our expectation is that this will continue reflect significant financial pressures in the medium to long term.

Our work for the year will consider:

- ▶ Has the College revised medium term financial plans to take account of the materialising risks in relation to Covid-19 and has appropriate scenario planning taken place?
- ▶ The impact of wider work undertaken by the Regional Strategic Body to secure financial sustainability across the partnership; and
- ▶ Where gaps in financial plans are identified, the approach adopted by the College to engage with the Scottish Funding Council and other stakeholders to address these gaps.

## Governance and Transparency

We will continue to consider how governance arrangements were adapted during the Covid-19 pandemic to ensure good governance arrangements remained in place.

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

In our 2019/20 Annual Audit Report we concluded that the College had in place the key requirements for good governance, and concluded that these key features of good governance remained in place and were operating effectively throughout the Covid-19 lockdown. We concluded that the Annual Governance Statement materially complied with the SFC's 2019/20 Accounts Direction.

The College's Audit Committee has an independent chair. Standing Orders regulate how the business of the College is conducted, and detailed terms of reference are in place for the Board's standing committees. The College continues to embed its risk management arrangements, including updating and reporting on the Strategic Risk Register to the Audit Committee.

Our work for the year will consider:

- ▶ How the College ensured the quality of arrangements to support good governance during the Covid-19 pandemic, including ensuring that there is sufficient transparency around governance and decision making arrangements?
- ▶ Is the Annual Governance Statement within the financial statements complete and does it reflect key matters impacted by Covid-19, such as delays in the completion of internal audit work and non-compliance with the code of good governance where actions were not able to be implemented?
- ▶ Progress against prior year audit recommendations from both internal and external audit, including the College's arrangements for ensuring these are monitored and reported on a routine basis.
- ▶ Internal audit arrangements during 2020/21, including whether the internal audit programme was able to be completed.

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

# Appendices

A - Code of Audit Practice: responsibilities

B - Independence and audit quality

C - Required communications with the Audit Committee

D - Timing and deliverables of the audit

E - Audit fees

F - Additional audit information

# Appendix A: Code of Audit Practice Responsibilities

## Audited Body's Responsibilities

### Corporate Governance

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

### Financial Statements and related reports

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

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

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

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

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

### Financial Position

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

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

### Best Value

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



# Appendix B: Independence Report

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

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

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

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

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

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

## Relationships, services and related threats and safeguards

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

Overall Assessment	Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Stephen Reid, your audit engagement partner, and the audit engagement team have not been compromised.
Self interest threats	<p>A self interest threat arises when EY has financial or other interests in the Group. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.</p> <p>We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.</p> <p>None of the services are prohibited under the FRC's Ethical Standard and the services have been approved in accordance with your policy on pre-approval. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC Ethical Standard, and if necessary agree additional safeguards or not accept the non-audit engagement. At the time of writing, the current ratio of non-audit fees to audit fees is approximately 0% (Appendix E), and will continue to be monitored through the audit engagement. No additional safeguards are required.</p> <p>A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you.</p> <p>There are no other self interest threats at the date of this report.</p>
Self review threats	<p>Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.</p> <p>There are no self review threats at the date of this report.</p>
Management threats	<p>Partners and employees of EY are prohibited from taking decisions on behalf of management of the Group. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decisions based on that work.</p> <p>There are no management threats at the date of this report.</p>
Other threats	<p>Other threats, such as advocacy, familiarity or intimidation, may arise.</p> <p>There are no other threats at the date of this report.</p>

### New UK Independence Standards

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

#### Summary of key changes

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

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

#### Next steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2019 which has been effective from 1 August 2020.

At the time of writing this report (May 2021) we do not currently provide any non-audit services which would be prohibited under the new standard.

# Appendix C: Required Communications

Item 05

Required communication	Our reporting to you
<b>Terms of engagement / Our responsibilities</b> Confirmation by the Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties. Our responsibilities are as set out in our engagement letter.	Audit Scotland Terms of Appointment letter – audit to be undertaken in accordance with the Code of Audit Practice
<b>Planning and audit approach</b> Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Annual Audit Plan
<b>Significant findings from the audit</b> <ul style="list-style-type: none"> <li>Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>Significant difficulties, if any, encountered during the audit</li> <li>Significant matters, if any, arising from the audit that were discussed with management</li> <li>Written representations that we are seeking</li> <li>Expected modifications to the audit report</li> <li>Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Annual Audit Plan Annual Audit Report
<b>Going concern</b> Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> <li>Whether the events or conditions constitute a material uncertainty</li> <li>Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>The adequacy of related disclosures in the financial statements</li> </ul>	Annual Audit Report
<b>Misstatements</b> <ul style="list-style-type: none"> <li>Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>The effect of uncorrected misstatements related to prior periods</li> <li>A request that any uncorrected misstatement be corrected</li> <li>Corrected misstatements that are significant</li> <li>Material misstatements corrected by management</li> </ul>	Annual Audit Report
<b>Fraud</b> <ul style="list-style-type: none"> <li>Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving:               <ol style="list-style-type: none"> <li>Management;</li> <li>Employees who have significant roles in internal control; or</li> <li>Others where the fraud results in a material misstatement in the financial statements</li> </ol> </li> <li>The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>Any other matters related to fraud, relevant to Audit Committee responsibility</li> </ul>	Annual Audit Report

Required communication	Our reporting to you
<b>Related parties</b> Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Annual Audit Report or as occurring if material.
<b>Consideration of laws and regulations</b> <ul style="list-style-type: none"> <li>▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of</li> </ul>	Annual Audit Report or as occurring if material.
<b>Independence</b> Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> Communication whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Annual Audit Plan Annual Audit Report
<b>Internal controls</b> Significant deficiencies in internal controls identified during the audit	Annual Audit Report
<b>Representations</b> We will request written representations from management and/or those charged with governance.	Annual Audit Report
<b>Subsequent events</b> Where appropriate, asking the Audit Committee whether any subsequent events have occurred that might affect the financial statements.	Annual Audit Report
<b>Material inconsistencies and misstatements</b> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Annual Audit Report
<b>Fee Reporting</b> <ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit plan is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Annual Audit Plan Annual Audit Report

# Appendix D: Timing and deliverables of the audit

We deliver our audit in accordance with guidance from Audit Scotland. We would note that we continue to operate in a Covid-19 environment and therefore continue to experience delays in audit processes. The delivery of deadlines will be reviewed through the year as circumstances change, however the FRC has made clear that any deadlines are secondary to the primacy of audit quality and ensuring completeness of work regardless of the environment in which audit takes place. We will work with management and the committee secretariat to agree a timetable for the completion of the audit that ensures a smooth governance process.

	Audit Activity	Deliverable	Timing
APR	▶ Audit planning and setting scope and strategy for the 2020/21 audit	Annual Audit Plan	June 2021
MAY	▶ Walkthrough Visit	Completion of internal documentation	June 2021
JUN	▶ Review of current issues impacting the College	Quarterly current issue return submission	Quarterly
OCT	▶ Review of reported frauds	Quarterly fraud return submission	Quarterly
NOV			
DEC	▶ Year-end substantive audit fieldwork on unaudited financial statements	Audited Financial Statements	TBC
JAN	▶ Conclude on results of audit procedures	Issue Annual Audit Report	TBC
FEB	▶ Issue opinion on the College's financial statements	Submit Audit Scotland minimum dataset request	TBC

## Appendix E: Audit fees

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

Audit Fees		2020/21	2019/20
	Component of fee:		
	Auditor remuneration - expected fee	£16,850	£16,360
	Additional audit procedures (see below)	£2,000	£8,000
	Audit Scotland fixed charges:		
	Pooled costs	£1,090	£940
	Contribution to Audit Scotland costs	£710	£890
	<b>Total fee</b>	<b>£20,650</b>	<b>£26,190</b>

The expected fee for each body, which for 2020/21 has been set centrally by Audit Scotland, assumes that it has sound governance arrangements in place and operating effectively throughout the year, prepares comprehensive and accurate draft financial statements and supporting schedules, and meets the agreed timetable for the audit. It also assumes there is no major change in respect of the scope of work in the year and an unqualified audit opinion resulting from the audit.

As the College's situation departs from any of these circumstances throughout the audit, it is expected that additional costs will be incurred through the course of the audit which will be subject to recovery in line with the agreed process and rates set out by Audit Scotland. Under this process, fees can be agreed between the auditor and audited body by varying the auditor remuneration by up to 20% above the level set, or more with the approval of Audit Scotland. As such we have included in the fee estimate for the year our current estimate of the costs related to additional work which can be reasonably estimated at this stage of our planning. The fee variation of £2,000 reflects our additional work which will be required around going concern under the new ISA 570 standard.

We will continue to consider the impact of changes to our risk considerations for the College, such as the impact of Covid-19 and any changes to requirements around the auditing of pensions, on the audit throughout 2020/21. Should any additional audit requirements arise we will raise these with management through the course of the audit and agree variations as appropriate, and report the final position to the Audit Committee with our annual audit report. All fee variations will depend on the progress made by management in providing robust impact assessments and supporting schedules in line with the underlying accounting requirements outlined by the Scottish Funding Council and Audit Scotland guidance. Where further additional work is required, fee variations will be agreed with management and reported to the Audit Committee in our 2020/21 Annual Audit Report.

# Appendix F: Additional audit information

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

## Our responsibilities required by auditing standards

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

## Purpose and evaluation of materiality

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

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

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

## Audit Quality Framework / Annual Audit Quality Report

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

We support reporting on audit quality by providing additional information including the results of internal quality reviews undertaken on our public sector audits. The most recent audit quality report can be found at: [Quality of public audit in Scotland annual report 2019/20 | Audit Scotland \(audit-scotland.gov.uk\)](#).

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 30 June 2020: [EY UK Transparency Report 2020 | EY UK](#)



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**Audit Committee**

<b>Subject/Title:</b>	Health and Safety Q3 Report (20-21)
<b>Author:</b> [Name and Job title]	Allan Kerr – Health & Safety Manager
<b>Meeting:</b>	<b>Audit Committee</b>
<b>Meeting Date:</b>	01 Jun 2021
<b>Date Paper prepared:</b>	20 May 2021
<b>Brief Summary of the paper:</b>	To provide the Audit Committee with the Quarter 3 report, 1 Feb 2021 – 30 April 2021 on matters pertaining to Inverness College Health, Safety & Wellbeing.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Discussion
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	No If yes, please specify:
<b>Risk implications:</b>	No If yes, please specify: Operational: Organisational:
<b>Equality and Diversity implications:</b>	No If yes, please specify:
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	Health and Safety Committee, comprising a cross section of the college including management, staff and trade union reps.

<b>Status</b> – [Confidential/Non confidential]	Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

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

**Board of Management**

<b>Subject/Title:</b>	Contract Strategy – Internal Audit Services
<b>Author:</b> [Name and Job title]	Swarna Bhargava, Contracts and Procurement Co-Ordinator & Amanda MacKenzie, Head of Procurement, UHI Shared Service
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	20 May 2021
<b>Brief Summary of the paper:</b>	Strategy and timeline for procurement of internal auditors.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	For discussion.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Compliance. Risk Management.
<b>Resource implications:</b>	<b>Yes / No</b> <b>If yes, please specify:</b> Internal Audit Costs
<b>Risk implications:</b>	<b>Yes / No</b> <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	<b>Yes/No</b> <b>If yes, please specify:</b>
<b>Consultation:</b>	

## ITEM 07

[staff, students, UHI & Partners, External] and provide detail			
<b>Status</b> – [Confidential/Non confidential]	Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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# INVERNESS COLLEGE

## INTERNAL AUDIT REPORT - DRAFT

CYBER SECURITY  
MAY 2021

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Limited	Limited



# INVERNESS COLLEGE, CYBER SECURITY

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## DISTRIBUTION

Martin Robinson	ICT Services Manager
Roddy Ferrier	Director of Finance and Estates
Members of the	Audit Committee


## REPORT STATUS LIST


Auditors:	Abigail McGurn
Dates work performed:	22/02/21 - 10/05/21
Draft report issued:	21/05/21
Final report issued:	

# INVERNESS COLLEGE, CYBER SECURITY




## EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design  System of internal controls is weakened with system objectives at risk of not being achieved.

Effectiveness  Non-compliance with key procedures and controls places the system objectives at risk.

## SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High		0
Medium		7
Low		0

TOTAL NUMBER OF RECOMMENDATIONS: 7

## BACKGROUND:

As part of the 2020-21 Internal Audit Plan, it was agreed by management and the Audit Committee that Internal Audit would carry out a review of key cyber security controls in place within Inverness College (the College).

The College's Information & Communication Technology (ICT) Team comprises of 10 staff including the ICT Services Manager and they are also supported by UHI's Information Technology (IT) Team.

The College adopts UHI's IT related policies including information security, anti-virus and password policies. These policies are available on the staff intranet.

All staff are required to logon with their own unique account at the active directory level. There are 24 T2 accounts, which can re-set passwords, create accounts and update basic account information. No one within the College has access to domain and enterprise admin accounts, as these are controlled by UHI.

ICT is responsible for creating new staff network accounts following Human Resources (HR) submitting a New User Ticket to the service desk. ICT will remove a leaver when HR advise ICT of staff that are leaving with a leaving date. HR will notify ICT of any staff who are appointed to a new post so ICT can update their access rights to any systems.

Prior to a third party being given access to the College's network a risk assessment should be completed and signed by both parties. Each third party account has its own unique login details and access is terminated when access is no longer required.



## INVERNESS COLLEGE, CYBER SECURITY

Network password settings are configured within the active directory for all user. The settings require a minimum of 8 characters and the account is locked out for 30 minutes after 30 failed log on attempts.

Patching is managed centrally by UHI. Microsoft patches are automatically run on desktops when they become available and this is monitored by the System Developer. Server patches are manually run by the ICT Team when they become available.

UHI use a vulnerability scanning tool, App Check which includes scanning of the Inverness College network. Any vulnerabilities identified in the scan are automatically raised as a ticket to the service desk to resolve. Vulnerabilities rated as critical or high risk should be resolved within 14 days. Scans are completed once a week and the output reports are reviewed by the College's ICT Services Manager and Director of Learning and Information Services (LIS).

The firewall is managed centrally by UHI. There are two Watchguard firewalls; one is located at Inverness College and the other at Perth College. There are five individuals across UHI with access to the firewall, each with their own unique user name and password. Alerts from the firewall are sent via email to the relevant Learning and Information Services staff. Depending on the type of incident, logs are kept for up to a year. Changes to firewall rules are made by raising a service desk ticket and the request will be reviewed by the Firewall Change Control Group.

The College has two server rooms; one on the Inverness College Campus and one in the Lochran Building. Both are accessed by key card. Estates, Facilities, IT, the Health and Safety Manager and the Principal have cards. The server rooms have CCTV, fire protection, air conditioning and environmental monitoring systems in place.

Microsoft anti-virus is on all devices and is centrally configured. Updates are completed as soon as they are released and the ICT team monitor implementation.

The College has two domain controllers, one at Inverness College and one at Perth College, therefore in the event of a disaster situation, if one of the sites was no longer in use, staff would still be able to access the network. The College's Business Continuity Plan includes a checklist for steps to take for a number of disaster situations including power failure and cyber security breach.

The Inverness College ICT team has an Operational Risk Register which is reviewed on a monthly basis by the Information Development Manager. Additionally UHI has an IT Risk Log for UHI wide IT risks. Once a month all IT staff across UHI meet to discuss information security across the partnership.

The College has their own Information Security Management Procedure, which would be used in the event a breach was identified at the College. There is also a UHI Incident Management Process which would be followed in the event of a UHI wide incident.

On the 5<sup>th</sup> March 2021, during the course of this audit the College suffered a cyber incident. The precise cause of the incident is still unknown, and is subject to an ongoing forensic investigation. The UHI Incident procedure was initiated. Services and devices were isolated from the network and the firewall closed to contain the incident. By the end of the day the infection was largely contained, but access to a number of core services such as student records and reporting services, timetabling and attendance system and finance and payroll systems were turned off. Most student facing services were unaffected such as the virtual learning environment and video conferencing services.

## INVERNESS COLLEGE, CYBER SECURITY

Advice was sought from sector experts including the Scottish Government Cyber Resilience Unit, National Cyber Security Centre and Police Scotland. The core ICT infrastructure has been rebuilt or refreshed from user identification and management (Active Directory) through to local on campus network services. The way these services are being managed and administered is also being reviewed to ensure there is a consistent and logical approach going forward.

The College's migration to Sharepoint has not been affected. On campus services were enabled in time to support the return to on campus delivery with wi-fi and relevant PCs enabled onsite. There main issues still ongoing relate to the new way of delivering services, for example deploying software packages via Intune rather than SCCM has not been fully addressed, access to some systems such as Celcat and SITS may be more restricted than previously and not all networked data has been restored yet to Sharepoint.

### SCOPE AND APPROACH:

The scope of our review was to assess whether:

- Network security policy and acceptable usage guidance has been developed and published;
- Acceptable usage and awareness of cyber and broader IT security threats is actively promoted to staff;
- Powerful access to the network is controlled;
- There is effective user access and authorisation controls in place for staff and third parties, including the management of new starts, movers and leavers;
- Network password settings are in line with policy requirements and best practice recommendations;
- There is regular security vulnerability scanning and network perimeter testing;
- Network devices are patched in line with supplier recommendations;
- Firewalls and other security appliances have been deployed and their configuration is securely administered and maintained;
- There are physical and environmental security controls in place for data hosting facilities;
- There is network security monitoring and filtering including: anti-virus, mail scanning and internet content filtering;
- Effective IT disaster recovery arrangements have been implemented; and
- Effective network security monitoring, logging and incident response procedures have been implemented.

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We then obtained documentary evidence that these controls are designed as described. We evaluated these controls to identify whether they adequately address the risks.

We then sought to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control.

### GOOD PRACTICE:

We identified a number of areas of good practice during our review:

- Information Security related policies and procedures have version control and are reviewed on a regular basis;

## INVERNESS COLLEGE, CYBER SECURITY

- The Colleges Business Continuity Plan includes checklists for steps to take in the event of a cyber security incident or power cut;
- There are strong physical and environmental controls in place for the server rooms;
- There are monthly meetings of ICT staff across UHI to discuss information security matters;
- UHI utilises vulnerability scanning software, App Check; and
- The College has an IT Operational Risk Register which is reviewed on a regular basis.

### KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we have also identified some areas where improvements could be made:

- **Penetration Testing:** UHI carry out vulnerability scanning which searches for infiltration vulnerabilities, however no penetration testing is performed;
- **Vulnerability Scanning:** there is no documented policy for expected timescales for medium and low risk vulnerabilities. There is no regular monitoring and reporting on whether vulnerabilities are being resolved in line with timescales. We found that one medium rated vulnerability which had not been resolved after over 600 days;
- **Patching:** There is no documented policy for the College's patching process and there is no test environment in place for patches before rolling out across the whole network;
- **Admin Accounts:** The default admin account is not disabled and each member of IT share the admin account, each does not have their own account;
- **Leavers:** There was two leavers out of a sample of five tested which were removed as part of a mass deletion as ICT were not informed in advance of their leaving;
- **Password Security:** The College's current password settings do not have password history enforced or a maximum password age. Additionally, it takes 30 failed log on attempts for an account to be locked and it will unlock after 30 minutes, with no requirement for an administrator to unlock;
- **Information Security Training:** Inverness College currently do not have access rights to monitor completion rates of their Information Security e-learning, as it is managed by UHI. Additionally refresher training is not required on an annual basis.

### CONCLUSION:

At this time we are able to offer limited assurance over the design and operational effectiveness of controls surrounding cyber security at Inverness College. In this report, we have made recommendations which will serve to improve the cyber security control environment and mitigate the risk.


### OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

- ✓ A consistent and policy driven approach has not been implemented to maintain network security.
- ✓ Network devices are not effectively deployed, monitored or managed.
- ✓ Security incident monitoring and response procedures are ineffective.

# INVERNESS COLLEGE, CYBER SECURITY

## DETAILED FINDINGS

**RISK: THE NETWORK IS NOT ADEQUATELY PROTECTED FROM EXTERNAL THREATS.**

Ref	Sig.	Finding
1		<p><b>Penetration Testing</b></p> <p>Penetration testing is vital in identifying whether the College's network has any vulnerabilities.</p> <p>UHI carry out vulnerability scanning which searches for infiltration vulnerabilities, however no penetration testing is performed.</p> <p>There is a risk that the vulnerability scanning does not pick up on a weakness that more extensive penetration testing would.</p>

## RECOMMENDATION:

We recommend penetration testing is completed on an annual basis.

## MANAGEMENT RESPONSE:

This is provided already as part of annual Cyber Essentials Plus Certification

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Responsible Officer:	ICT Services Manager, Director of LIS
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Implementation Date:	N/A
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# INVERNESS COLLEGE, CYBER SECURITY

**RISK: THE NETWORK IS NOT ADEQUATELY PROTECTED FROM EXTERNAL THREATS.**

Ref	Sig.	Finding
2		<p><b>Vulnerability Scanning</b></p> <p>It is important that any vulnerabilities identified in are addressed in a timely manner. It is good practice to have target response times for vulnerabilities which are dependent upon their rating, for example we would expect a critical vulnerability to be resolved within 7 days.</p> <p>The Computer Operations Policy outlines vulnerabilities with a severity of critical or high risk is to be addressed within 14 days. There is no difference for critical and high risk vulnerabilities and 14 days is longer than expected for a critical vulnerability.</p> <p>The Policy does not include target completion times for medium and low risk vulnerabilities.</p> <p>There is no regular monitoring and reporting on whether vulnerabilities are being resolved in line with timescales.</p> <p>Additionally, we found that one medium rated vulnerability which had not been resolved after over 600 days.</p> <p>There is a risk vulnerabilities are not resolved in a timely manner and the network is not adequately protected.</p>

## RECOMMENDATION:

We recommend the College documents their policy for expected completion times for medium and low rated vulnerabilities and lowers their target response time to 7 days or lower for critical vulnerabilities..

We also recommend IT and management monitor whether vulnerabilities have been addressed within these timescales

## MANAGEMENT RESPONSE:

Cyber Essentials certification and processes in place across UHI recommend addressing critical and high risks within 14 days of a patch being made available. We obviously, work to an asap on these but not see a need to amend these timescales.

These timescales are reviewed and escalated by the UHI ICT Security Officer to the Director of LIS as part of his role.

More information has been requested on individual risks as the documentation is for all the UHI academic Partners and this audit is for Inverness College risks only.

Feedback is taken on board about adding timescales for medium and low for the Partnership process.

Responsible Officer: ICT Services Manager, Director of LIS


## INVERNESS COLLEGE, CYBER SECURITY

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Implementation N/A  
Date:

# INVERNESS COLLEGE, CYBER SECURITY

## RISK: RESILIENCE AND REDUNDANCY CONSIDERATION ARE NOT BUILT INTO THE NETWORK

Ref	Sig.	Finding
3		<p><b>Patching</b></p> <p>It is good practice to have a test environment for patches before applying across the whole network to ensure operational acceptance.</p> <p>There is no documented policy for the College's patching process and there is no test environment in place for patches before rolling out across the whole network.</p> <p>There is a risk that patching updates cause system errors, affecting functionality.</p>

## RECOMMENDATION:

We recommend testing of patches prior to rollouts is conducted.

## MANAGEMENT RESPONSE:

There is a patch approach in place, but happy to have action to write this down and create a policy for this. That is, we upgrade key systems (SITS, Celcat, SUN accounts) and test before deployment, or when we upgrade a switch configuration, but we would not do this for Microsoft or other OS patches. As a) this would delay critical patches being installed, b) we do not have resources to duplicate testing done by OS providers.


So text above is inaccurate in saying there is no test environment across the whole network. This is place for some systems, such as SITS, and created temporarily for updates to other systems.

Responsible Officer: ICT Services Manager

Implementation Date: September 2021: create a patching policy to document the above

## INVERNESS COLLEGE, CYBER SECURITY

**RISK: THERE IS A LACK OF CONTROL OVER HOW STAFF, THIRD PARTIES AND OTHER STAKEHOLDERS GAIN ACCESS TO INVERNESS COLLEGE'S NETWORK.**

Ref	Sig.	Finding
4		<p><b>Admin Accounts</b></p> <p>It is important that the default admin account is disabled and each member of the IT team has their own admin account to ensure accountability and support a secure IT environment.</p> <p>The default admin account is not disabled and each member of IT share the admin account, rather than having unique accounts..</p> <p>There is a risk that changes to active directory cannot be traced to an individual member of staff.</p>

### RECOMMENDATION:

We recommend the default admin account is disabled and each member of the IT team has their own admin account.

### MANAGEMENT RESPONSE:

We do not, and did not use, a default admin account. The password when there was a shared account was via a random LAPs password as recommend by Microsoft.

Happy for this to be recommendation to not share an admin account (we do not do this in current configuration as considerable infrastructure changes during timescale of the audit), but can the source of this recommendation be provided? To ensure we have reasoning when in discussions on future Partnership configuration changes as there are different schools of thought on this.


Responsible Officer: ICT Services Manager

Implementation Date: N/A (this is already in place)



# INVERNESS COLLEGE, CYBER SECURITY

**RISK: THERE IS A LACK OF CONTROL OVER HOW STAFF, THIRD PARTIES AND OTHER STAKEHOLDERS GAIN ACCESS TO INVERNESS COLLEGE'S NETWORK.**

Ref	Sig.	Finding
5		<p><b>Leavers</b></p> <p>The leavers process outlines that Human Resources should advise ICT of staff that are leaving and advise of a leaving date.</p> <p>There was two leavers out of a sample of five tested which were removed as part of a mass deletion as ICT were not informed in advance of their leaving.</p> <p>There is a risk leavers are not removed from the network in a timely manner.</p>

## RECOMMENDATION:

We recommend HR are reminded to notify ICT when a member of staff hands in their notice or leaves.

## MANAGEMENT RESPONSE:


For clarity these were supply bank lecturers and not on a fixed term contract or subject to a resignation or staff member instigated leave process.

Responsible Officer: HR Manager

Implementation Date: DN: [unable to contact HR manager in timescales]

# INVERNESS COLLEGE, CYBER SECURITY

**RISK: THERE IS A LACK OF CONTROL OVER HOW STAFF, THIRD PARTIES AND OTHER STAKEHOLDERS GAIN ACCESS TO INVERNESS COLLEGE'S NETWORK.**

Ref	Sig.	Finding
6		<p><b>Password Security</b></p> <p>Passwords are the first line of defence against unauthorized access to networks and devices. The stronger the password controls, the more protected an organisation's network is from hackers and malicious software.</p> <p>The College's current password settings do not have password history enforced or a maximum password age. Additionally, it takes 30 failed log on attempts for an account to be locked and it will unlock after 30 minutes, with no requirement for an administrator to unlock.</p>

There is a risk that the organisation's network is not protected.

## RECOMMENDATION:

We recommend that password and account lockout settings are aligned with best practice and improved, including:

- Password history
- Password age
- Account lockout and requiring administrator accounts to unlock after failed log on attempt

## MANAGEMENT RESPONSE:

We have a Partnership wide password policy based on issues previously, and other measures in place such as multi-factor authentication and regional based logins in place.

Other settings put in place have had an operational impact. Such as account lockouts from repeated attempted to connect to on site Wi-Fi disabling accounts.

This is set across the Partnership and, up to now, is compliant with Cyber Essentials certification.


Whilst not disagreeing with recommended settings, these have proven not to work or no relevant in our environment due to MFA.

Responsible Officer:	ICT Services Manager / Director of LIS
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Implementation Date:	N/A
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## INVERNESS COLLEGE, CYBER SECURITY

**RISK: A CONSISTENT AND POLICY DRIVEN APPROACH HAS NOT BEEN IMPLEMENTED TO MAINTAIN NETWORK SECURITY.**

Ref	Sig.	Finding
7		<p><b>Information Security Training</b></p> <p>Regular cyber security training for staff helps to educate staff on phishing attacks and reduce network breaches.</p> <p>Inverness College currently do not have access rights to monitor completion rates of their Information Security e-learning, as it is managed by UHI.</p> <p>Additionally refresher training is not required on an annual basis.</p> <p>There is a risk staff are not undertaking mandatory training.</p>

### RECOMMENDATION:

We recommend the College monitor completion rates of Information Security e-learning and that the training is required to be completed annually by all staff with access to the network.

### MANAGEMENT RESPONSE:

This was already in place prior to the audit.

Responsible  
Officer: N/A

Implementation  
Date: N/A

# INVERNESS COLLEGE, CYBER SECURITY





## STAFF INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.




Martin Robinson	ICT Services Manager
Simon Young	Information Technology Manager
Darryl Thompson	Operations Manager, Learning & Information Services

# INVERNESS COLLEGE, CYBER SECURITY

## APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
<b>Substantial</b> 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>Moderate</b> 	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
<b>Limited</b> 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>No</b> 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

## RECOMMENDATION SIGNIFICANCE

<b>High</b> 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
<b>Medium</b> 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
<b>Low</b> 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

# INVERNESS COLLEGE, CYBER SECURITY

## APPENDIX II - TERMS OF REFERENCE

### PURPOSE OF REVIEW:

The purpose of this review will be to assess whether Inverness College has adequate procedures in place to classify and secure its information security assets and to protect against malicious activity and whether there are adequate arrangements in place to identify and respond to cyber threats.

### KEY RISKS:

Based upon the risk assessment undertaken during the development of the internal audit operational plan, through discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- A consistent and policy driven approach has not been implemented to maintain network security;
- There is a lack of control over how staff, third parties and other stakeholders gain access to Inverness College's network;
- Network Infrastructure devices are not securely configured;
- Network devices are not effectively deployed, monitored or managed;
- The network is not adequately protected from external threats;
- Resilience and redundancy consideration are not built into the network; and
- Security incident monitoring and response procedures are ineffective.

# INVERNESS COLLEGE, CYBER SECURITY

## SCOPE OF REVIEW:

The scope of our review is to assess whether:

- Network security policy and acceptable usage guidance has been developed and published;
- Acceptable usage and awareness of cyber and broader IT security threats is actively promoted to staff;
- Powerful access to the network is controlled;
- There is effective user access and authorisation controls in place for staff and third parties, including the management of new starts, movers and leavers;
- Network password settings are in line with policy requirements and best practice recommendations;
- There is regular security vulnerability scanning and network perimeter testing;
- Network devices are patched in line with supplier recommendations;
- Firewalls and other security appliances have been deployed and their configuration is securely administered and maintained;
- There are physical and environmental security controls in place for data hosting facilities;
- There is network security monitoring and filtering including: anti-virus, mail scanning and internet content filtering;
- Effective IT disaster recovery arrangements have been implemented; and
- Effective network security monitoring, logging and incident response procedures have been implemented.

However, Internal Audit will bring to the attention of management any points relating to other areas that come to their attention during the course of the audit. We assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit days may not be accurate.

## APPROACH:

Our approach will be to conduct interviews to establish the controls in operation for each of our areas of audit work. We will then seek documentary evidence that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks.

We will seek to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we will keep management informed of any issues which arise as a result of our testing.

A de-brief meeting will be undertaken before completing the review on-site to discuss findings and initial recommendations.

FOR MORE INFORMATION:

**Claire Robertson**

Claire.robertson@bdo.co.uk

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<b>Subject/Title:</b>	Risk Register
<b>Author:</b>	Lisa Ross Board Secretary
<b>Presented by:</b>	Roddy Ferrier/Chris O'Neil
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	25 May 2021
<b>Brief Summary of the paper:</b>	Copy of the risk register.  Updates are pending with regards item 30 on the register and a new risk is to be added with regards infection management – this will be general and non-Covid-19.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Discussion and consideration of risks.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	Risk Management – demonstrates our understanding of the key risks facing Inverness College UHI.
<b>Resource implications:</b>	
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Operational: Organisational: Ineffective management of significant risks leading to adverse financial impacts
<b>Equality and Diversity implications:</b>	No
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	N/A

## ITEM 09

<b>Status</b> – [Confidential/Non confidential]	Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

## Board of Management

<b>Subject/Title:</b>	Business Continuity Plan – Update on Annual Review Cycle
<b>Author:</b> [Name and Job title]	Professor Chris O’Neil, Principal
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	18 May 2021
<b>Brief Summary of the paper:</b>	Update on our Business Continuity Plan including how this is shared, developed, stored, accessed and the work which is currently in progress.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	For Discussion
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Risk Management
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Organisational: Potential governance failure if meetings not held.
<b>Equality and Diversity implications:</b>	Yes/No If yes, please specify:
<b>Consultation:</b>	

## ITEM 10

[staff, students, UHI & Partners, External] and provide detail			
<b>Status</b> – [Confidential/Non confidential]	Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	X
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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**Board of Management**

Subject/Title:	Cyber Incident Overview
Meeting and date:	Audit Committee – 01 June 2021
Author:	Martin Robinson – ICT Services Manager
Link to Strategic Plan:	
Cost implications:	Yes / No ( <i>delete as applicable</i> ) <b>If yes, please specify:</b>
Risk assessment:	Yes / No ( <i>delete as applicable</i> ) <b>If yes, please specify:</b> Financial: Operational: Organisational:

**CONFIDENTIAL****Recommendation(s)**

Note the report

**Purpose of report**

To provide an overview of the Cyber Incident and progress in recovery.

## Board of Management

<b>Subject/Title:</b>	Freedom of Information Annual Report
<b>Author:</b> [Name and Job title]	Lisa Ross, Board Secretary
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	25 May 2021
<b>Brief Summary of the paper:</b>	Annual reporting on FOI.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	For discussion.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Compliance – FOI and legislation.
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Organisational: Potential governance failure if meetings not held.
<b>Equality and Diversity implications:</b>	Yes/No If yes, please specify:
<b>Consultation:</b>	

## ITEM 12

[staff, students, UHI & Partners, External] and provide detail			
<b>Status</b> – [Confidential/Non confidential]	Non confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

**FREEDOM OF INFORMATION**

As a public authority, the College is required to comply with the Freedom of Information (Scotland) Act 2002.

**Number of Freedom of Information Requests Received**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
32	19	31	18	21

The number of requests received in 2020 is on par with the figures for 2019 and 2017.

**Number of Environmental Regulations Requests Received**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
1	0	0	0	0

**Format of Requests (Both FOI and EIR Requests)**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Letter	4	0	0	0	0
Email	29	19	31	18	21
Website	0	0	0	1	0

**Source of Requests**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Journalists	3	3	7	1	0
Own Staff	0	0	0	1	0
Commercial Organisations	2	0	1	0	0
Campaigning Groups	1	0	1	0	1
Trade Unions	11	5	14	4	3
MP's/Political Parties	8	4	5	2	0
Members of the Public	3	1	2	1	0
Other	0	0	1	1	8 *
Local Resident	0	1	0	0	0
Information not given	3	5	0	1	6
Own Students	2	0	0	1	0
Other Stakeholders	0	0	0	6	3
<b>TOTAL</b>	<b>33</b>	<b>19</b>	<b>31</b>	<b>18</b>	<b>21</b>

\* A number of requests were received from the whatdotheyknow.com website which is a site designed to help members of the public make FOI request. It is difficult however to determine whether such a request should be defined as being submitted by a member of the public,



## ITEM 12

other, local resident or under the category “information not given”.

**Type of Requests can be loosely defined as:**

	2016	2017	2018	2019	2020
Admissions	1	0	0	0	0
Commercial Activities	0	0	1	0	0
Procurement Issues	1	0	1	2	2
HR and Staffing Issues	9	7	11	6	4
Teaching and Assessment	0	0	1	1	3
Estates and Buildings	7	1	0	2	1
Student Issues and Numbers	9	9	11	3	3
Management and Administration of the Institution	0	1	0	1	4
IT	2	0	0	0	0
Financial Information	4	0	5	3	4
Other	0	1	1	0	0
		Marketing and Communications	Query related to both staff and students – sexual misconduct/harassment		

The requests received that related to HR and Staffing Issues were on the following topics:

- Staff numbers relating to stress absences.
- Number of and summary of outcomes in relation to disciplinary, complaints and investigations.
- Furlough information.
- Number of and duration of disciplinary, complaints and investigations.

### Response Times – Working Days

	1-5 Days	6-10 Days	11-15 Days	16-20 Days	Over 20 Days	Withdrawn
2016	4	2	8	11	8	0
2017	3	4	7	2	1	2

## ITEM 12

2018	7	8	4	12	0	0
2019	2	6	5	2	1	2
2020	4	2	6	8	1	0

### Average Response Times

	Number	Working Days
2016	33	15.7
2017	19	11.59
2018	31	11.16
2019	18	10.9
2020	21	12.24

### Fees

There were no fees charged by the College for any FOI request within the year 2020.

### Reviews:

The College received two requests to review our decision. One review upheld the original decision and the other overturned the original decision and provided the requested information to the requester.

### Publication Scheme

Under the terms of the Freedom of Information (Scotland) Act 2002, Inverness College adopted and published the new model publication scheme for public authorities in 2013. A revised scheme was adopted in 2017 and is available on the College website.

## Board of Management

<b>Subject/Title:</b>	Committee Evaluation
<b>Author:</b> [Name and Job title]	Lisa Ross, Board Secretary
<b>Meeting:</b>	Audit Committee
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	26 May 2021
<b>Brief Summary of the paper:</b>	Annual Audit Committee Evaluation Exercise.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	The committee is requested to collectively complete the Committee self-evaluation exercise.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	<p>The Code of Good Governance for Scotland's Colleges establishes standards of good governance practice for all boards and provides the essential foundations for compliance within the legislative framework. One of the five principles around which the code has been developed is effectiveness.</p> <p>Paragraph D24 states that "The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs"</p>
<b>Resource implications:</b>	
<b>Risk implications:</b>	Yes/No Operational: required for the proper Governance of the College
<b>Equality and Diversity implications:</b>	N/A
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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**Audit Committee Evaluation (to be completed by the Audit committee collectively).**

Date:

Good Practice	Yes	No	N/A	Comments/Action
<b>Composition, Establishment and Duties of the Committee</b>				
Does the Committee meet regularly in accordance with the Board Standing Orders?				
Does the Committee consistently have a quorum?				
Do all Committee members attend meetings regularly?				
Does the Committee have enough members?				
Does at least one of the Committee members have a background relevant to the remit of the Committee?				
Have new Committee members received all necessary training?				
Does the Committee report regularly to the Board?				

Good Practice	Yes	No	N/A	Comments/Action
<b>Terms of reference</b>				
Does the Committee have written terms of reference?				
Do the terms of reference include all aspects of the Committee's role?				
Does the membership of the Committee need to be changed?				
Are the terms of reference adopted by the full Board and reviewed annually?				

Good Practice	Yes	No	N/A	Comments/Action
<b>Compliance with the Law and Regulations</b>				
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues?				

Good Practice	Yes	No	N/A	Comments/Action
<b>Internal Control</b>				
Does the Committee monitor to ensure that risk is controlled?				
Does the Committee regularly review relevant strategic plans?				
Does the Committee consider the level of detail and information it receives appropriate?				
Are appropriate internal performance measures monitored by the Committee?				
Is the Committee addressing all matters delegated to it by the Board and under its terms of reference?				

Good Practice	Yes	No	N/A	Comments/Action
<b>Administrative arrangements</b>				
Does the Committee have an independent secretary?				
Are Committee papers distributed in sufficient time for members to give them due consideration?				
Are Committee meetings scheduled prior to important decisions on specific matters being made?				
Is the timing of Committee meetings discussed with all involved?				

## Board of Management

<b>Subject/Title:</b>	Quarterly Complaints Report
<b>Author:</b> [Name and Job title]	Liz Cook, Quality Manager
<b>Meeting:</b>	<b>Audit Committee</b>
<b>Meeting Date:</b>	01 June 2021
<b>Date Paper prepared:</b>	12 May 2021
<b>Brief Summary of the paper:</b>	The report provides an analysis of the complaints received during Quarter 3.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	The report assists with a number of strategies' including Quality Assurance and Enhancement, Learning and Teaching, and Student Engagement
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes / No If yes, please specify:
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None

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<b>Status</b> – [Confidential/Non confidential]	Non-confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

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



## Summary Report: Complaints 2020-21 year to date (YTD)

### Introduction

Complaints are received all year round, from a number of different sources although the primary source tends to be from students. Complaints are received via a variety of mechanisms including direct emails, complaints forms, Red Button. IC UHI uses the SPSO categories and sub-categories to classify complaints, which allows us to feed into sector wide data. The outcomes from complaint resolution are reported to UHI (HE) and published on the IC UHI website (FE).

Complaints are grouped into quarters depending on the time of year in which they are received. The quarter dates are detailed below:

- Quarter 1 (Q1): August – end of October,
- Quarter 2 (Q2): November – end of January,
- Quarter 3 (Q3): February – end of April,
- Quarter 4 (Q4): May – end of July.

This report provides an overview of the complaint categories and outcomes across academic year 2020-21 for Q3.

### Complaints by Category

16 complaints have been received in Q3, a decrease of 7 compared to the same quarter last year. Since the college closure as a result of COVID 19, the trend of receiving fewer complaints compared to the same quarter in the previous year continues. This could be due to a number of factors, for example, increased frontline resolution as students highlight issues as they arise, a shift in levels of dissatisfaction meaning students are less likely to flag smaller issues given the current situation and the reduction in service and facilities complaints whilst the building has a reduced occupancy.

The category of 'Course Related' remains the highest occurring category of complaint with a 25% increase (from 8 to 10 complaints) compared to Q3 last year. This category received 62.5% of the total number of complaints in Q3.

The category of 'Customer Care' had a 40% decrease (from 5 to 3 complaints) with 'Services' showing a 50% reduction (from 4 to 2 complaints). 'Applications to Progression' received 1 complaint, a decrease of 50% from last year.

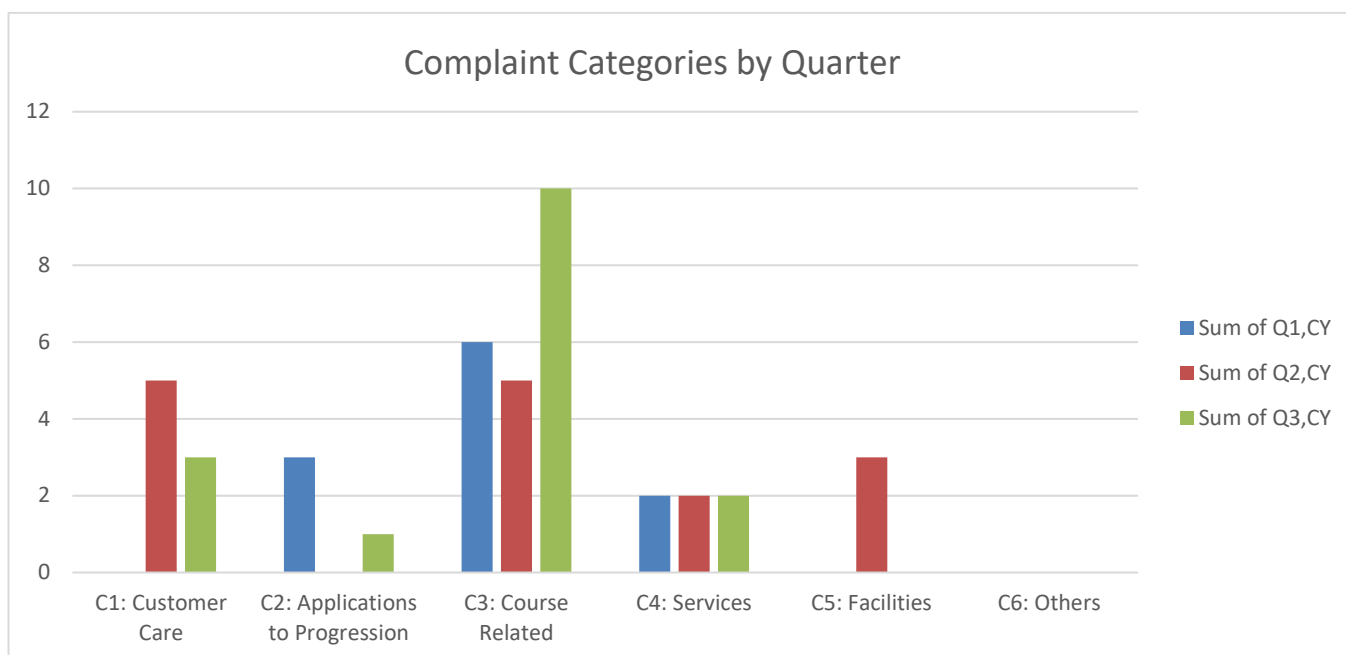
'Facilities' and 'Others' received no complaints in Q3.

Customer Category: Current Year (Quarter) 2020/21	YTD CY	Q1,CY	Q2,CY	Q3,CY	Q4,CY
C1: Customer Care	8	0	5	3	0
C2: Applications to Progression	4	3	0	1	0
C3: Course Related	21	6	5	10	0

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C4: Services	6	2	2	2	0
C5: Facilities	3	0	3	0	0
C6: Others	0	0	0	0	0
<b>TOTAL</b>	<b>42</b>	<b>11</b>	<b>15</b>	<b>16</b>	<b>0</b>

Customer Category: Current Year (Quarter) 2019/20	YTD CY	Q1,CY	Q2,CY	Q3,CY	Q4,CY
C1: Customer Care	12	3	3	5	1
C2: Applications to Progression	9	3	0	2	4
C3: Course Related	31	7	10	8	6
C4: Services	13	5	4	4	0
C5: Facilities	11	3	5	3	0
C6: Others	3	0	1	1	1
<b>TOTAL</b>	<b>79</b>	<b>21</b>	<b>23</b>	<b>23</b>	<b>12</b>



In relation to the level of delivery, 44% of complaints received in Q3 relate to HE programmes, 31% relate to FE programmes and 25% complaints came from members of the public.

Of the 7 HE complaints received in Q3, 3 fell within the subcategory of 'Course Management', 2 related to the subcategory of 'Learning and Teaching', and 1 each for 'Funding' and 'Staff Conduct'.

Of the 5 FE complaints, the subcategory of 'Learning and Teaching' received 2 complaints with 'Other', 'Funding' and 'Course Management' each receiving 1 complaint.

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Of the 4 complaints from Members of Public, 2 were in the 'Other' subcategory and 1 each in 'Marketing' and 'Course Management'.

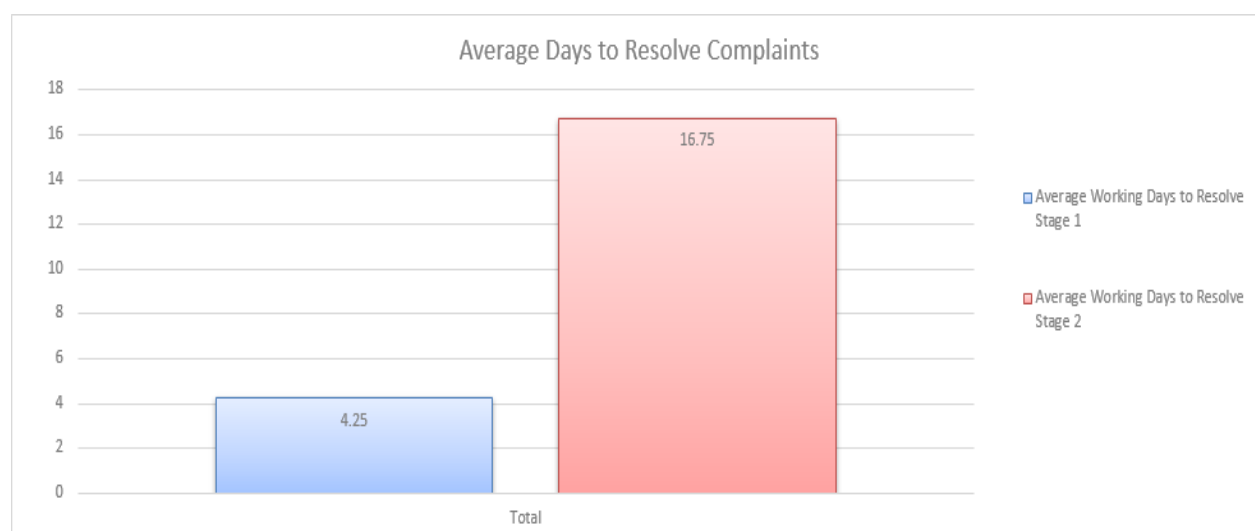
### Complaint Outcomes

The table below details the complaint outcomes. 12% of the complaints have been upheld, compared to 26% for the same quarter in 2019/20. 38% of complaints have been partially upheld compared to 26% for the same period last year. 44% were not upheld, compared to 17% for the same period last year. 1 complaint was not resolved by the end of Q3 and will be completed in Q4. 8 complaints were treated as stage 2 due to their complexity or the timing of their receipt.

Under the revised SPSO guidance for resolving complaints which was introduced on 1 April 2021, 1 complaint was Resolved and did not necessitate an Upheld/Partial Upheld/ Not Upheld outcome.

Outcome	Stage 1	Stage 2	Total
Resolved	0	0	1
Not upheld	5	2	7
Partially upheld	1	5	6
Upheld	1	1	2
Still under investigation	0	0	0
Escalated to Stage 2	1		1

### Complaint Timescales



The chart above displays the average number of days taken to resolve complaints in this quarter.

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The range of days taken to resolve Stage 1 complaints in Q3 is between 1 – 8 days.  
The range of days taken to resolve Stage 2 complaints in Q3 is between 7 – 44 days.

SPSO guidelines state pre-defined timescales of a 5 day turnaround for Stage 1, and 20 days for Stage 2. As part of the Stage 2 process, updates are provided to complainants where the complaint is complex and may take longer than 20 working days.

One stage 3 complaint took 44 days from receipt to closure. This was due to the cyber security incident and the availability of information to inform the complaint investigation. The complainant was updated regularly about the status of their complaint.

### Complaint Follow up Survey

Within 6 weeks of receiving the complaint outcome, complainants are sent a link to a short survey asking them for feedback on their experience of the complaints process and to rate their satisfaction levels against thirteen aspects of the process. The survey is anonymous unless the complainant chooses to identify themselves.

By the end of Q3, 32 complainants had been sent the survey, there were no responses within Q3.

### Learning from Complaints

Complaints often result in reviews of processes and procedures and they also allow us to identify opportunities for staff development. The Quality team continues to identify any learning points from each complaint in order to identify themes emerging. Programme and support teams use complaints as part of their evidence bank to inform their evaluative activities aimed at improving the student experience.

Below are examples of actions taken as a result of complaints received during Q3 2020-21:

- Include instructions on how to download Webex app in the course induction.
- The broken links to student support services on Myday have been reinstated.
- Staff telling students that they do not receive sufficient support has been discussed by the Head of School with the appropriate team.
- Review of Brightspace by Quality Officer and action plan implemented to address issues identified regarding course delivery.
- HISA have been made aware of the issue relating to council tax exemptions for those students on 18 month FE programmes. They will raise this regionally, and nationally as an issue that needs resolution for students.