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Meeting	Audit Committee
Date and time	Tuesday 18 October 2022 at 8.30 a.m.
Location	Virtually – via Microsoft Teams

Board Secretary
11 October 2022

AGENDA

Welcome and Apologies
Declaration of Interests and/or any Statement of Connections or Transparency Statements.

ITEMS FOR DECISION

1.   MINUTES
Minutes of the Meeting of the Audit Committee held on 07 June 2022

2.   a. OUTSTANDING ACTIONS
b. RECOMMENDATIONS LIST – EXTERNAL AUDIT - FOR YEAR ENDED 31 JULY 2021

3.   POLICIES FOR APPROVAL
a) Health and Safety Policy
b) Food Safety and Allergen Management Policy
c) Use of College Equipment and Networked Access Outwith UK Policy

4.   INTERNAL AUDIT
a) Follow Up Report
b) Annual Report
c) Internal Audit Plan for 2022-23
    BDO Plan and Report by Vice Principal – Finance and Audit
d) Terms of Reference for 2022-23
    I. Follow Up 22-23
   II. Curriculum Planning
  III. Financial Planning
  IV. Student Support
   V. Complaints Management
  VI. Strategic Planning
e) FES Audit
f) EMA Audit
g) SSF Audit
h) Student Representation Audit

ITEMS FOR DISCUSSION

5. **INTERNAL TRACKER OF INTERNAL AUDIT RECOMMENDATIONS**
   Report by Vice Principal – Finance and Audit

6. **RISK MANAGEMENT**
   Report by Vice Principal – Finance and Audit

7. **BUSINESS CONTINUITY**
   Committee Discussion

8. **DRAFT ANNUAL AUDIT COMMITTEE REPORT**
   Report by Governance Officer

9. **EXTERNAL AUDITORS LETTER AND OUR RESPONSES**
   Report by Assistant Principal – Finance and Audit

10. **COMMITTEE AND CHAIR EVALUATION FEEDBACK**
    Report by Governance Officer

ITEMS FOR NOTING

11. **AOCB**

12. **DATE OF NEXT MEETING – Joint Audit & F&GP Meeting (date provisionally diarised but may be subject to change)**

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.

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MINUTES of the HYBRID MEETING of the AUDIT COMMITTEE held via Microsoft Teams and Room 205 UHI Inverness Campus on Tuesday 07 June 2022

PRESENT:	Sally Blyth, Gillian Galloway, Amy Goodbrand, Chris O'Neil, James Millar, and Innis Montgomery
CHAIR:	Gillian Galloway
APOLOGIES:	Michael Beveridge, Chloe Main, BDOLLP, Internal Auditors and Stephen Reid, EY, External Auditors
ATTENDING:	Assistant Principal – Finance & Audit
	Assistant Principal – Academic & Research
	Information Systems Manager
	Claire Robertson, BDOLLP
	Olga Potapova EY, External Auditors
	Board Secretary

The Chair welcomed everyone to the meeting and highlighted that a private meeting between Committee Members and the Internal Auditors would take place directly after this meeting.

There were no declarations of interests, statements of connections or transparency statements noted.

1. **MINUTES**

   Minutes of the Meeting of the Audit Committee held on 08 March 2022

   The Committee highlighted a missing word on page 1, agenda item 2 and a grammatical error on page 3 of the minutes from 08 March 2022.

   Decision: Pending the above updates the Minutes of the Meeting of the Audit Committee held on 08 March 2022 were **AGREED** as a correct record and were **APPROVED**.

   Minutes of the Joint Audit and Finance and General Purposes Committee held on 17 March 2022

   Decision: The Minutes of the Joint Audit and Finance and General Purposes Committee held on 17 March 2022 were **AGREED** as a correct record and were **APPROVED.**

2. **OUTSTANDING ACTIONS**

   Committee Outstanding Actions:

   - Internal Procurement – the Committee noted that this item would be discussed

further within the agenda.

Decision: It was **AGREED** that this item could be removed from the list.

- Risk Register – the Committee noted that this item would be discussed further within the agenda.

Decision: It was **AGREED** that this item could be removed from the list.

Outstanding Recommendations from External Audits:

- Item 1 – Monitoring of Financial Position – The Assistant Principal – Finance and Audit advised the Committee that finance monitoring has been fully embedded within the Finance Team remit.

Decision: It was **AGREED** that this item could be removed from the list.

- Item 3 – Governance – External Effectiveness Review – The Board Secretary advised that our Action Plan from the External Effectiveness Review was updated in December 2021. The Committee was advised that all outstanding actions will be undertaken and completed during the summer period and that the updated action plan will be available for discussion at the October 2022 Board of Management meeting.

Decision: It was noted that an update on this recommendation will be available at the October 2022 meeting, and it was **AGREED** that this item would remain on the list.

- Item 7 – Service Concession Agreements – The Assistant Principal – Finance and Audit advised the Committee that advice had been sought from an EY specialist with regards the NPD Model and highlighted that the subject was complex. The Assistant Principal – Finance and Audit advised the Committee that we are due to enter into a new external audit contract next year and that it is planned that we would pause this recommendation until this time and then seek advice from our new external auditors on this issue. If still required, we will then seek specialist advice from EY to carry out this exercise.

Decision: It was **AGREED** that the list would be updated to reflect the above plan of action.

3. **EXTERNAL AUDIT PLANNING REPORT**

EY spoke to their Annual Audit Plan for the Year ending 31 July 2022 highlighting the following:

- That this would be their last year of appointment as External Auditors; advising that their audit approach had not changed.
- As part of the financial statement risks, they had included climate change reporting.
- Materiality levels and the rationale behind them.
- Going concern compliance.
- The significant risks which they have set out along with the rationale behind them.

It was particularly highlighted to the Committee the inherent risk with regards our property portfolio with the Longman Site still being classified as held for sale.

- That they were aware of our long-term approach with regards NPD.
- That specialist advice had been sought by us in relation to pension liabilities.
- That there had been an introduction of Financial Management detailed within the wider scope dimensions explaining that this had been introduced as part of Covid-19 considerations.
- The determined audit fee for 2021/22 confirming that it is not anticipated that we will incur any additional fees.
- The expected timeline for delivering the audit.

The Committee thanked EY for this helpful run through of the plan. The Committee noted that the Finance Team are confident that the audit can be delivered in the timeframe set out within the plan.

The Committee discussed financial sustainability within the sector, noting the National Pay Bargaining Programme, Job Evaluation Programme and the expected impact of flat funding.

The Committee welcomed the inclusion of climate change into the audit plan. The Committee noted that we have an action plan on climate change in place and that various working groups have been set up to carry out these actions. The Committee was advised that work is required to identify which Committees these actions will be reported to as some may sit across the remit of more than one Committee.

4.   **INTERNAL AUDIT**

a)   Procurement – March 2022

BDO advised the Committee that 3 medium level risks and 4 low level risks had been flagged as part of this audit. BDO advised that they had been able to offer moderate assurance over the design and operational effectiveness of our current arrangements.

BDO advised the Committee that we had been able to identify areas of good practice highlighting our production of a procurement strategy and our annual spend analysis.

However, notwithstanding the elements of good practice BDO highlighted that they had identified several opportunities where improvements could be made around:
- Devolved Procurement Compliance – with BDO recommending that budget holders do not approve devolved procurement purchases unless the buyers have complied with the documented procurement procedures and supplied the appropriate evidence on PECOS.
- Non-Contracted Spend – the Committee was advised that at times we have had to seek urgent legal advice from an additional legal services provider and that this is only carried out in exceptional circumstances.
- Invoice Processing – it was highlighted that the Finance Team would look at the processes for inspecting and approving an invoice for payment.
- Training – BDO highlighted the importance of providing additional training sessions to staff. A lengthy discussion on training provided to staff took place.
- Financial Regulations
- Procurement Strategy
- Contract Sign Off

The Committee welcomed the recommendations within this report and the areas of good practice identified within it.

b) Student Application, Enrolment and Induction – April 2022

BDO advised the Committee that 1 medium level risk and 2 low level risks had been flagged as part of this audit. BDO advised they had been able to offer moderate assurance over the arrangements which we currently have in place.

BDO advised the Committee that they had been able to identify areas of good practice such as our recruitment planning documentation, staff communication and our induction planning and resources.

However, notwithstanding the elements of good practice BDO highlighted that they had identified several opportunities where improvements could be made around:

• Application Retention Data – The Committee was advised that this proposal was based on a JISC recommendation and that there is no term specified within the regulations. The Committee noted that our Data Controller would seek guidance on this matter and provide BDO with a further update.
• Missing Data
• Policy Review

The Committee noted the contents of this audit report.

c) Covid-19 – Quality and Assessment – April 2022

BDO advised the Committee that 1 low level risk had been flagged as part of this audit and that they had been able to offer substantial assurance over the arrangements currently in place.

BDO advised the Committee that they had been able to identify several areas of good practice and that the recommendation was that a lessons learned review be carried out with regards our response to Covid-19.

The Committee welcomed this encouraging report and noted that Education Scotland would present the outcomes of their recent Progress Visit Report at the June 2022 Board of Management Meeting. This will also identify areas of good practice.

The Committee noted that following this presentation we would amalgamate this information together to identify the lessons learned.

d)   Staff Recruitment – April 2022

BDO advised the Committee that 6 medium level risks had been flagged as part of this audit and because of this they were only able to provide limited assurance over the arrangements currently in place.

BDO advised that many of the recommendations centred around the consistency of the paperwork being completed and that changes were advised to ensure that all are following a fair process.

BDO highlighted that they had identified several opportunities where improvements could be made around:

- Person Specification Scoring
- Interview Scoring
- Employment Contracts
- Recruitment and Selection Training
- References
- Procedure Documentation

The Committee noted that the HR Team are progressing these recommendations and work has commenced on reviewing, updating and clarifying our guidance with regards what paperwork is required to be completed and what forms should be returned to the HR Team.

Action: The Board Secretary will liaise with the HR Manager to ensure that updates on these recommendations are incorporated into the HR quarterly report and this issue will be discussed as part of this week's HR Committee.

e)   Progress Report 2021-22 – June 2022

BDO spoke to their internal audit progress report for 2021-22. The Committee noted that the Student Representation Report was due to be finalised and that this would be available for the next Committee.

5.   **INTERNAL AUDIT – FOLLOW UP ON RECOMMENDATIONS**

The Assistant Principal – Finance and Audit spoke to his report advising that the tracker had been updated to delete previously agreed items which required removal and that it's numbering now ties into the most recent update from the Internal Auditors report.

The Committee discussed the following recommendations:

- 2019-20 Cash Handling (Items 1-4) – The Committee was advised that the tills set up requires further review as the software supplied is not functioning correctly and we are currently liaising with the software supplier over this issue.

  Decision: It was **AGREED** that these items would remain on the list.

- 2020-21 Workforce Planning (Items 5-8). The Committee noted that work is progressing on these items but there is still additional work to be completed.

  Decision: It was **AGREED** that these items would remain on the list

Innis Montgomery left the meeting

- 2020-21 Finance System Update (Items 9-11) - The Committee discussed project management methodology and learning and teaching activity. The Committee discussed the PRINCE2 training methodology which several staff have been trained in and further discussed the potential for this training to be extended to

more members of staff.

Decision: It was **AGREED** that these items would remain on the list

6. **RISK MANAGEMENT**

The Assistant Principal – Finance and Audit provided the Committee with an update on the Risk Register, highlighting the increasing risk around risk number 17 which has been updated to include our concerns around the EO budget and with regards income and costs. The Committee again discussed the potential impact of flat funding, capital funding, impact of potential sector pay increases and reduction of EU funding

James Millar joined the meeting.

7. **COMMITTEE AND CHAIR EVALUATION**

The Board Secretary explained for those new to the Committee that once a year we carry out a collective exercise to self-evaluate both the Committee and the Committee Chair. The Committee noted that a report from all Committees on their evaluation will be taken to the Board of Management in October 2022 and any actions arising will be incorporated into our existing Board Action Plan.

Action: It was **AGREED** that due to the number of committee members currently in attendance that we would carry out these evaluations offline.

Claire Robertson, BDO left the meeting.

8. **PROCUREMENT OF INTERNAL AUDITORS**

The Assistant Principal – Finance and Audit advised the Committee that the tender process had ended on 31 May 2022 and that 3 compliant bids had been received. The Committee noted that the evaluation process would now be held from 01 – 10 June 2022. The Committee was advised that evaluation and scoring of internal auditors would be carried out by the procurement panel. The Committee noted that the procurement panel would score on the quality side only with the commercial side being scored by APUC. The Committee noted that the successful internal auditor contract would commence on 01 August 2022.

9. **DATE OF NEXT MEETING – 18 October 2022**

Signed by the Chair: _____
Date: _____

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Outstanding Actions from Audit Committee Meetings

Item	Action	Responsibility	Time Line	ACTIONED
07 June 2022				
Staff Recruitment Internal Audit	The Board Secretary will liaise with the HR Manager to ensure that updates on these recommendations are incorporated into the HR Quarterly report.	Board Sec	June 2022	
Committee and Committee Chair Evaluations	The Committee and Committee Chair Evaluations will be carried out offline.	Board Sec	July 2022	
Internal Audit – Closed Session	It will be checked that all audits are being discussed within EMT Meetings.	Board Sec.	June 2022	

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Audit Committee – Audit Recommendations List

No	EY Finding for the period ended 31 July 2021	Recommendation	IC Response	Responsible Officer	Timeframe	Update on Actions
3	Governance – External Effectiveness Review	The College has noted that due to Covid-19 it has not been able to undertake an externally facilitated review in 2020 and planned 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.	A full review was undertaken by College Development Network in January 2021. Management have continued to work on the implementation of the review and it's recommendations. They note it is an ongoing process with regular review required.	Board Secretary	June 2022	A subsequent review has been undertaken and an updated action plan is in place. Management are to ensure that they close the points within this action plan. **Action Ongoing**
7	Service Concession Arrangements – to ensure it meets the requirements of FRS 102.	From 2016/17 we have recommended to management that it review the model and accounting treatment for Service Concession Arrangements 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.	The aim is to have this addressed for 2021-22. The College has received some information from EY on how it wants the College to proceed.	Assistant Principal – Finance and Audit	For inclusion in 2021-22 Statutory Accounts.	It is now in the process of being reviewed by the Finance Service. **Action Ongoing** The Audit Committee have agreed that this item will be paused until we enter into our new external auditor contract. Following discussions with our new external auditor if this

					action is still required it was agreed that we would then seek specialist advice from EY to carry out this exercise.

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Audit - Board of Management

Subject/Title:	Health and Safety Policy
Author: [Name and Job title]	Allan Kerr Health and Safety Manager
Meeting:	Audit Committee
Meeting Date:	18.10.22
Date Paper prepared:	08.09.2022
Brief Summary of the paper:	The Policy was approved by Policy and Procedure Review Panel on 6th June. It was approved by EMT on 27th July. This Policy has taken out the 'Wellbeing' section to focus on Health and Safety, there is a new Wellbeing Policy to be drafted and taken through our local approval process.
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with:**:** • compliance • partnership services • risk management • strategic plan • new opportunity/change	
Resource implications:	Yes / No **If yes, please specify**:
Risk implications:	Yes / No **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes/No **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes		

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

Its disclosure would substantially prejudice a programme of research (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

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HEALTH AND SAFETY POLICY AND WELLBEING POLICY

REFERENCE: PL/HR/2021/001

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	29 June 2021
Next Review Date	May XXX 20232
Equality impact assessment	February June 20221
Further information (where relevant)	

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
Health & Safety Manager	30.03.21	• Legislation updated • Departmental and job titles updated. • Managers and Heads of School – training and responsibilities updated. • Health & Safety Manager – responsibilities updated • Removal of standalone Technicians section. • All employees' duties updated to include training, dangerous work activities and risk assessments. • Addition of student disciplinary when health and safety

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Item 03a

		policy, procedure or protocols are not adhered to. • Compliance section updated to include reporting committees and audit by external third party. Review approved by BoM.
Health & Safety Manager	09.06.22	• Legislation updated – rescinded Coronavirus legislation removed • Formatting changes • Policy renamed as Health and Safety Policy

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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~~health and safety 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: ……………...

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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
2.21.   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 wellbeinghealth and safety and will have overall responsibility for ensuring the health, safety and wellbeinghealth and safety 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.

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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 wellbeinghealth and safety 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 wellbeinghealth and safety 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 Wellbeinghealth and safety mManagement pPolicies and Procedures.
- Ensure that relevant meetings address health safety and wellbeinghealth and safety issues and that appropriate actions are taken to address issues that arise.
- Provide Joint consultation arrangements through the Health Safety and WellbeingHealth,Safety and Wellbeing Committee and any sub-groups which report to the Health, Safety and WellbeingHealth and Safety Committee.

4.3. Executive Management Team

4.3.1 The 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 wellbeinghealth and safety responsibilities, they will:

- Liaise with the Principal to establish the principles of continual improvement with regard to health, safety and wellbeinghealth and safety.
- 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 WellbeingHealth and Safety Policy and Procedures.

4.4. Managers and Heads of Schools

4.4.1 Managers and Heads of Schools have a health safety and wellbeinghealth and safety responsibility for the activities and functions carried out within

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their areas of operational responsibility.

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

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- 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~~Health and Safety 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~~4.4.2 Managers and Heads of Schools will be responsible for:
- Ensuring that Inverness College UHI's ~~Health Safety and Wellbeing~~Health and Safety Policy is explained to employees and they are made aware of their ~~health safety and wellbeing~~health and safety 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 College Principal and CEO and has responsibility for:
- Reviewing, revising, implementing, embedding and monitoring compliance of all ~~health safety and wellbeing~~health and safety 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

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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.
- 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 Health and Safety Policy.
- Providing specialist advice and support to 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.
- Advising EMT on the suspension, EMT 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 EMT 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 WellbeingHealth, 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   Employees

4.10.1 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.

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4.11 Students

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

4.11.2 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.

4.11.3 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 reviewed annually with reports going to the Audit Committee and Board of Management for external review. committee.

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

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

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 WellbeingHealth and Safety 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.

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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 be brought to the attention of staff and students through agreed arrangements for health and safety and policy consultation and communication.

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UHI INVERNESS

Audit - Board of Management

Subject/Title:	Food Safety and Allergen Management
Author: [Name and Job title]	Martin Whyte Operations and Commercial Manager
Meeting:	Audit Committee
Meeting Date:	18.10.2022
Date Paper prepared:	
Brief Summary of the paper:	The Policy was approved by Policy and Procedure Review Panel on 6th June. It was approved by EMT on 27th July.
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with:**:** • compliance • partnership services • risk management • strategic plan • new opportunity/change	
Resource implications:	Yes / No **If yes, please specify**:
Risk implications:	Yes / No **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes/No **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non-Confidential	
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes	

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

Its disclosure would substantially prejudice a programme of research (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

Item 03b.

UHI | INVERNESS

FOOD SAFETY & ALLERGEN MANAGEMENT POLICY

REFERENCE: PL/CS/2021/002

Policy Owner	Assistant Principal - Operations and External Relations
Lead Officer	Operations and Commercial Manager
Review Officer	Operations and Commercial Manager
Date first approved by BoM	30 June 2020
First Review Date	June 2021
Date review approved by BoM	
Next Review Date	May 2022
Equality impact assessment	May 2021
Further information (where relevant)	

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

Item 03b.

| Commercial Manager | May 2021 | Updated College department titles and job titles throughout Policy. Updated information around EHO inspections. |
| Operations and Commercial Manager | Sep 2021 | Updated college job title and included reference to amended Scottish Law that comes into effect 1st Oct 2021 |

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Contents

Item 03b.

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
2.2.2.3. The Food Information (Scotland) Amendment Regulations 2021
2.3.2.4. The Health and Safety at Work etc. Act 1974
2.4.2.5. Management of Health and Safety at Work (Amendment) Regs. 2006
2.5.2.6. The Personal Protective Equipment Regulations 2002
2.6.2.7. Health and Safety (First Aid) Regulations 1981
2.7.2.8. Reporting of Injuries, Diseases and Dangerous Occurrences Regs 2013
2.8.2.9. The Workplace (Health, Safety and Welfare) Regulations 1992
2.9.2.10. The Control of Substances Hazardous to Health (Amendment) Regs 2004
2.10.2.11. The Health and Safety Information for Employees (Amendment) Regs 2009
2.11.2.12. Corporate Manslaughter and Corporate Homicide Act 2007
2.12.2.13. Combined Health & Safety Policy
2.13.2.14. The University Caterers Organisation Code of Practice for Food Allergen Management

Item 03b.

3. Scope

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

3.1.

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 Executive Management Team is responsible for providing leadership and commitment to the embedding principles.

4.3.   The Assistant Principal - Operations and External Relations has strategic responsibility for the food safety and allergen management policy.

4.4.   The Operations and Commercial 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: Labelling Pre-Packed for Direct Sale (PPDS) products in accordance with legislation and Food Safety Scotland Guidance, including the Displaying display of 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 safety and hygiene standards are adhered to.

4.6.   The Health & Safety Manager is responsible for ensuring that all risk assessments are recorded and reviewed.

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 PPDS labelling and allergens will be undertaken via the reviewing of associated procedures at agreed intervals.

6.3.   A monthly food diary will be maintained by commercial operations to aid the monitoring and review of food safety and allergen compliance.

6.4.   Environmental Health Officer reports will be reviewed and any recommendations acted upon to ensure standards are maintained and continuously improved.

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.

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UHI | INVERNESS

Audit - Board of Management

Subject/Title:	Use of College Equipment and Network Access Outwith the UK
Author: [Name and Job title]	Martin Robinson ICT Services Manager
Meeting:	Audit Committee
Meeting Date:	18.10.2022
Date Paper prepared:	08.09.2022
Brief Summary of the paper:	This **New** Policy was approved by Policy and Procedure Review Panel on 6th June. It was approved by EMT on 27th July.
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with:** • compliance • partnership services • risk management • strategic plan • new opportunity/change	
Resource implications:	Yes / No **If yes, please specify**:
Risk implications:	Yes / No **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes/No **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non-Confidential	
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes	

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

Its disclosure would substantially prejudice a programme of research (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

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Use of College Equipment and Network Access Outwith the UK **REFERENCE: (will be inserted by Quality Unit)**	

Lead Officer	ICT Services Manager
Review Officer	Information Development Manager
Date first approved by BoM	
First Review Date	
Date review approved by BoM	
Next Review Date	
Equality impact assessment	
Further information (where relevant)	

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Reviewer	Date	Review Action/Impact

Contents

1. Policy Statement

The purpose of this policy is to provide clarity on the access controls in place to ensure the security of staff UHI login credentials and the data colleagues require to access on a daily basis.

In summary:

- Staff are expected to login from a UK location in order to perform their daily duties
- Staff must not take college equipment abroad unless authorised to do so as part of approved college business
- EMT approval is required to temporarily change the access controls in place to enable access out with the UK.
- College equipment must always be in possession of a staff member or stored securely at a UK home residence.

2. Legislative framework / related policies

2.1. UHI IS Acceptable Use Policy
2.2. Information Security Policy
2.3. Data Protection Policy

3. Scope

3.1. This policy applies to all staff, temporary workers/volunteers and researchers employed by UHI Inverness.

4. Policy Overview

4.1. Information Security access controls have been put in place to reduce the risk of staff log in credentials being compromised and/or exposing the UHI network to vulnerabilities such as hacking. These arrangements must be adhered to by all individuals within the policy scope. Controls include multi-factor authentication, geographical restrictions and other similar security arrangements.

4.2. Staff/colleagues are expected to work from an agreed location, by default the UK, and use all equipment and system accounts (e.g., email account) provided to them, to access UHI network data and to conduct all business communications (please see UHI IS Acceptable Use Policy).

4.3. Staff/colleagues on holiday or abroad for non-work purposes must not take college/UHI equipment with them or attempt to access college/UHI data (unless authorised by EMT).

4.4. Security restrictions can be amended temporarily for business trips or activity required whilst abroad. Please contact the ICT helpdesk to authorise a change in access control, confirming the geographical area required and the timescale/duration of the change. NB: all requests require approval of a member of the EMT.

4.5. Any attempt to avoid geographical identification of a network login, such as use of a third-party virtual private network (VPN), is prohibited by this policy.

4.6. Unauthorised transportation of college equipment outside of the UK or sharing/loaning equipment to a 3rd party or relinquishing possession to a 3rd party, a college campus or residence is prohibited by this policy.

5. **Compliance**

5.1. This policy is a cross-college policy; and all staff/colleagues must work to meet the requirements outlined within the policy.

5.2. Access restrictions are in place to enforce this policy.

6. **Monitoring**

6.1. Audit logs and alerts are available to the ICT Team to monitor adherence to this policy.

7. **Review**

7.1. The policy will be reviewed annually due to the on-going development of secure systems.

Inverness College UHI

INTERNAL AUDIT REPORT

Follow up review

July 2022

IDEAS | PEOPLE | TRUST

BDO

CONTENTS

REPORT STATUS	
Auditor:	Gemma Macdonald
Dates work performed:	4th July 2022 – 2nd August 2022
Draft report issued:	4th August 2022
Final report issued:	11TH October 2022

DISTRIBUTION LIST	
Roddy Ferrier	Director of Finance
Audit Committee	Members

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation 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 report.

EXECUTIVE SUMMARY

Scope and Work Undertaken

Background

As part of the provision of continual assurance with regard to internal control arrangements, a review of the degree of implementation of previously agreed Internal Audit recommendations was conducted in July 2022. We have considered the implementation status of all recommendations raised from the Internal Audit work carried out which were due to be implemented at the time of this review.

A total of 48 audit recommendations were followed up. These relate to 15 separate internal audit reports, as shown below:

- Business Continuity Management (2018/19) (2 recommendations)
- Curriculum Planning (2018/19) (1 recommendation)
- Business Planning and Performance Management (2019/20) (2 recommendations)
- Cash Handling (2019/20) (4 recommendations)
- Health and Safety (2019/20) (2 recommendations)
- Estates Management (2019/20) (1 recommendations)
- Workforce Planning (2020/21) (4 recommendations)
- System Upgrade (2020/21) (4 recommendations)

- Cyber Security (2020/21) (5 recommendations)
- Covid-19 Job Retention Scheme Grant Claims (2020/21) (2 recommendations)
- Staff Recruitment (2021/22) (6 recommendations)
- Student Application, Enrolment & Induction 2021/22 (3 recommendations)
- Covid-19 – Quality & Assessment 2021/22 (1 recommendation)
- Procurement 2021/22 (7 recommendations)
- Student Representation 2021/22 (4 recommendations)

Methodology

Inverness College's Internal Audit recommendation progress reports were reviewed to ascertain Management's assessment of the degree of implementation achieved. Where the report stated that recommendations had been implemented or partially implemented testing was undertaken to verify compliance.

Acknowledgement

We appreciate the assistance provided by the staff involved in the review and would like to thank them for their help and on-going co-operation (see Appendix I for a list of staff consulted during the follow-up review).

EXECUTIVE SUMMARY

Status of recommendations due for implementation as at July 2022

The summary below and overleaf provides a simple overview of the status of each recommendation. Of the 37 recommendations due to be implemented, 10 recommendations (27%) have been categorised as fully implemented, 9 (24%) have been categorised as partially implemented, 9 (24%) as not implemented, and 10 (27%) have been superseded. Details of the partially implemented and not implemented recommendations are included on the pages which follow. 10 recommendations are not yet due for implementation.

The implementation rate is low due to the Committee having decided that 13 recommendations should be removed. We have given commentary on these recommendations, stating whether we agree they are low risk and/or no longer relevant or whether in our independent opinion we believe these still present a risk and should be implemented, for the consideration of the Committee.

Audit	Status at July 2022					Total
	Fully Implemented	Partially Implemented	Not Implemented	Superseded	Not yet due for Implementation	
Business Continuity Management (2018/19)	-	-	2	-	-	2
Curriculum Planning (2018/19)	-	-	-	1	-	1
Business Planning and Performance Management (2019/20)	-	-	-	2	-	2
Cash Handling (2019/20)	-	4	-	-	-	4
Health and Safety (2019/20)	1	1	-	-	-	2
Estates Management (2019/20)	-	-	-	1	-	1
Workforce Planning (2020/21)	-	3	1	-	-	4
System Upgrade (2020/21)	-	-	4	-	-	4
Cyber Security (2020/21)	4	-	1	-	-	5
Covid-19 Job Retention Scheme Grant Claims (2020/21)	-	-	1	1	-	2

EXECUTIVE SUMMARY

Audit	Status at July 2022					Total
	Fully Implemented	Partially Implemented	Not Implemented	Superseded	Not yet due for Implementation	
Staff Recruitment (2021/22)	-	-	-	5	1	6
Student Application, Enrolment & Induction (2021/22)	2	1	-	-	-	3
Covid-19 – Quality & Assessment (2021/22)	1	-	-	-	-	1
Procurement (2021/22)	2	-	-	-	5	7
Student Representation (2021/22)	-	-	-	-	4	4
TOTAL	**10**	**9**	**9**	**10**	**10**	**48**

RECOMMENDATION STATUS – BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	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 annual basis based upon likelihood and overall risk. A formal testing schedule should also be developed for IT/Disaster recovery. In addition, we recommend that the outcomes, lessons learned and required actions are formally documented within the plan for each test.	🟧	**Original** Agreed. Implemented for the next induction in June 2019 **October 2021** BCP Testing. As you are aware the current pandemic and the colleges respond to the unfolding events of the last 18 months had demonstrated our ability to continue our operations , Off site and online to deliver academic studies to our students. Also within this period we have been subject to a cyber incident, once again our current BCP has been enacted to reduce its effect on the running of this facility. Both events has shown our BCP has been robust so all other testing has been suspended until 2022 when we are back to some sort of normality.	*Responsible Officer: Martin Kerr* *Implementation Date: June 2019*

Status at July 2022

Not implemented – Committee agreed to remove from further follow up

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. This risk was rated medium as it is important that Business Continuity Plans are tested regularly to ensure that they well understood and that actions are taken on any lessons learned in order to ensure that the Plan can be effectively enacted in the event of a business disruption. Although the College was able to continue operations in the face of the recent pandemic, there may be another type of disaster which requires a different response and therefore it would be beneficial to resume regular testing of the Business Continuity Plan.

RECOMMENDATION STATUS – BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	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.	🟢	Original Agreed. October 2021 BCP contact review was undertaken 15th September. Review document being drafted. Contact details to be updated by end Oct 2021.	*Responsible Officer: Martin Kerr* *Implementation Date: March 2019*

Status at July 2022

Not implemented – Committee agreed to remove from further follow up

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. This is a low risk recommendation but it remains important that accurate contact details are included within the BCP in case of an emergency.

RECOMMENDATION STATUS – CURRICULUM PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that the college produce more regular utilisation reports for its estate and staff, and that these reports are monitored and scrutinised by an appropriate group within the college.	🟢	**Original** 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. The college will ensure that room utilisation audits are re-instated and reported regularly through an appropriate group. **October 2021** Since March 2019, occupancy of the campus has been severely restricted. Student and staff occupancy rates have been monitored regularly, to ensure that we have been operating line with the relevant Covid restrictions that are in place. We have put a KPI monitoring process in place, which is being updated and presented to EMT, the Board and to all staff. This includes a room utilisation measure, which will be reported as soon as Covid measures are lifted. G Parker	*Responsible Officer: Depute Principal - Planning and Student Experience* *Implementation Date: Academic Year 2019-20*

RECOMMENDATION STATUS – CURRICULUM PLANNING 2018/19

Status at July 2022
Superseded
College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. This is a low risk recommendation and does not pose a significant risk to the College if not implemented.

RECOMMENDATION STATUS – BUSINESS PLANNING & PERFORMANCE MANAGEMENT 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
4	We recommend that the Board is provided with an annual performance report on the Strategic Plan and associated KPIs covering the preceding academic year. We recommend that progress on departmental enhancement plans is summarised and reported quarterly at SMT meetings, with exceptions highlighted.	🟧	<u>Original</u> The college will ensure that annual reporting on KPIs is included in the October Board meeting, and will discuss with the board the possibility of introducing interim reporting throughout the year. Quarterly reporting, by summary and exception, on departmental Enhancement Plans will be implemented for the June 2020 SMT meeting. <u>October 2021</u> The KPI matrix was launched in August 2021, containing a number of KPIs relating to each section of the strategic plan. Relevant measures from the KPI matrix will be presented at Board Committees and the full KPI matrix will form part of the Principal's report to the full Board in October. G Parker	*Responsible Officer: Depute Principal – Planning and Student Experience* *Implementation Date: October 2020*

Status at July 2022
Superseded College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. It can be inferred from the Audit Committee's acceptance of the removal of this recommendation that they are satisfied with the level of oversight the Board have over the implementation of the Strategic Plan.

RECOMMENDATION STATUS – BUSINESS PLANNING & PERFORMANCE MANAGEMENT 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
5	We recommend that to align with best practice that the departmental enhancement plans review and approval section is completed, preferably by either a senior College group or a senior member of staff, such as the Depute Principal.	🟢	Original The college will ensure that all departmental enhancement plans are signed off by the relevant senior manager. October 2021 Following the departure of the Depute Principal, the Enhancement Planning process is being led by the Assistant Principal, Student Experience & Quality (APSE&Q). The process has been significantly developed, including improved monitoring. The new process is being rolled out, supported by training delivered by the new Interim Quality Manager. Once teams have set departmental goals, these are reviewed, discussed and approved as appropriate by the APSE&Q. These are added to the annual quality improvement plan, which is monitored throughout the year by the Quality Team and APSE&Q. The new process was presented to LT&R Committee in September 2021. Each year, the main themes will be presented to LT&R.	*Responsible Officer: Depute Principal – Planning and Student Experience* *Implementation Date: June 2020*

Status at July 2022

Superseded

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. This is a low risk recommendation in order to align with best practice and therefore the threat to the College from not implementing the recommendation is minimal.

RECOMMENDATION STATUS – CASH HANDLING 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
6	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.	🟧	**Original** Agreed. **October 2021** Finance Procedures are still under review with the new Shared Finance Team. The Finance Team restructure has been delayed and procedures will be reviewed once the new structure is in place.	*Responsible Officer: Morag Jarvis* *Implementation Date: Within one calendar month of lockdown ending.*

Status at July 2022

Partially Implemented

The College have advised us that there has been problems with the tills with regards to accounting for VAT. Meetings have been held with the software supplier and it is hoped that progress will be made towards a resolution in July 2022.

Management Response – October 2022

Progress has been made although Hair and Beauty takings prints need to disclose cash takings by notes and cash. Expected to be implemented by end of October 2022

RECOMMENDATION STATUS – CASH HANDLING 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
7	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.	🟧	<u>Original</u> Agreed. <u>October 2021</u> Finance Procedures are still under review with the new Shared Finance Team. The Finance Team restructure has been delayed and procedures will be reviewed once the new structure is in place.	*Responsible Officer: Morag Jarvis* *Implementation Date: Within one calendar month of lockdown ending.*

Status at July 2022
Partially Implemented The College have advised us that this recommendation will be addressed once the issues with the tills has been resolved.

Management Response – October 2022
Commencing mid October 2022

RECOMMENDATION STATUS – CASH HANDLING 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
8	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 & Beauty department have a safe which will be used to hold cash from evening appointments overnight.	🟢	**Original** Agreed. **October 2022** Finance Procedures are still under review with the new Shared Finance Team. The Finance Team restructure has been delayed and procedures will be reviewed once the new structure is in place. Hair & Beauty are only taking Card Payments at present.	*Responsible Officer: Morag Jarvis* *Implementation Date: Within one calendar month of lockdown ending.*

Status at July 2022

Partially Implemented

Example daily reconciliations have been provided, and the Hair & Beauty department have a safe. This recommendation will be fully implemented when procedures are updated and finalised.

Management Response – October 2022

Recommend to close

RECOMMENDATION STATUS – CASH HANDLING 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
9	We recommend that the Banking Process and Procedures document is updated to include the following areas: - Which members of staff may operate the till in each department and what the training arrangements are for till operators; and - The procedure for maintaining a float including the arrangements for picking up, counting, storing and dropping off the float.	🟢	<u>Original</u> Agreed. <u>October 2021</u> Finance Procedures are still under review with the new Shared Finance Team. The Finance Team restructure has been delayed and procedures will be reviewed once the new structure is in place.	*Responsible Officer: Morag Jarvis* *Implementation Date: Within one calendar month of lockdown ending.*

Status at July 2022

Partially Implemented

The College have advised us that the procedures are in draft but still to be reviewed.

Management Response – October 2022

Finance procedures to be reviewed by Team Leader by end of November 2022

RECOMMENDATION STATUS – HEALTH & SAFETY 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
10	We recommend staff are required to log DSE Assessments and questionnaires in a way that allows completion to be monitored centrally. We recommend the Health & Safety Manual is updated and clearly documents where completed assessments should be retained. We recommend staff are required to refresh their assessments and questionnaires on a regular basis for example every three years, or whenever they move desks. We recommend new staff are required to complete a DSE Assessment and questionnaire as part of their induction.	🟧	<u>Original</u> A comprehensive programme of DSE assessments were undertaken during the transition from the Longman building to the Beechwood campus. Unfortunately, for unknown reasons, the record of these records is unavailable. As circumstances have changed due to the COVID-19 pandemic, a new programme of DSE Assessments will take place during the return to working within College buildings, which will consider both office working and, where applicable, home working arrangements. The Health & Safety Manual is in the process of being reviewed and instruction on the administration of records will be included. The requirements for DSE assessments (including reviews will be stipulated in the Health & Safety Manual DSE training and self-assessment will be included in the staff induction process and included in the Health & Safety Manual	*Responsible Officer: Health & Safety Manager* *Implementation Date: January 2021*

Status at July 2022

Partially Implemented

Staff are required to undertake a DSE module and assessment as part of the IHASCO online mandatory training. Not all staff have received the training. Non-compliance is being followed up with management. No update has been provided regarding the update to the Health and Safety Manual.

Management Response – October 2022

All staff are required to undertake a DSE training module and subsequently undertake a DSE assessment as part of the IHASCO online mandatory training. The status is 'partially implemented' as not all staff have completed the training. Non compliance with this is being followed up by managers.

RECOMMENDATION STATUS – ESTATES MANAGEMENT 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
11	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.	🟧	<u>Original</u> 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. <u>October 2021</u> Estates strategy in development, awaiting finalisation of overall strategic plan from 2021.	*Responsible Officer: Estates and Campus Service Manager and Management Accountant* *Implementation Date: September 2020*

Status at July 2022

Superseded

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022.   It would be good practice for the College to have their budget and plan in place before the year begins, but if the College decide not to implement this recommendation the risk is not significant as long as a budget and plan are in place during the year.

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
12	We recommend the College considers implementing a learning management system, which will allow training records and certifications to be held centrally and will allow skills gaps analysis to be completed which can inform the learning plan.	🟧	<u>Original</u> We continue to work with staff and managers to ensure that all qualifications and certificates are forwarded to the PD team for accurate imputing to the system. We are currently exploring add-ons to our HR system which would allow skills gaps analysis to be completed on an organisation wide basis. Meanwhile, managers continue to undertake skills gap analysis for their areas as part of their overall management responsibilities. <u>October 2021</u> Discussions are ongoing to evaluate the benefits of moving the HR system to the same system as the recently implemented Payroll system. This system incorporates a learning management system which would enable greater functionality than the current CipHR system. Meanwhile, the college is planning to implement a Talent Management Strategy which will entail a skills gap analysis.	*Responsible Officer: Professional Development Manager* *Implementation Date: HR system review during academic year 2021/22*

Status at July 2022
Partially Implemented The College have seen an increase in staff updating training records electronically over the lockdown period in which reliance on paper systems decreased. The College have an HR system review scheduled for July 2022 which will allow them to consider the potential for add-ons which will facilitate an organisation wide skills gap analysis.
Management Response - October 2022
Most training records are currently held centrally within the HR system. The lockdown periods decreased staff reliance on paper systems and we now see staff more regularly updating training records electronically. Responsibility for skills gap analysis remains within Schools/Professional Services teams. The review of our HR system is ongoing with a refresh scheduled for July 2022.

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
13	We recommend identifying critical roles and preparing a documented succession plan.	🟧	Original Whilst we do not necessarily have a 'list' of critical roles – I must re-iterate some of the comments made: • We review our staffing in line with our annual curriculum plan and set our annual staffing budget accordingly. Anticipating future skill need / development of skill sets to support future curriculum developments. • Managers continually monitor staff numbers to ensure that sufficient resources are attached to each department to ensure curriculum and support service levels can be met. • Skills gaps are filled either through redeployment of staff from other areas of the College or, where necessary, through external recruitment in line with the budget. • A review and approval process has been established to ensure that appointments, both internal and external, are managed in line with available budgets, curriculum and service demand and strategic objectives. • Development opportunities are made available for staff internally in preparation for promoted posts when vacancies become available. Staff have been provided with learning and development support to help them achieve that. For example, through trainee roles/programmes, CMI training for new line managers and those aspiring to become, and secondment opportunities. • Within the Curriculum teams, Programme Co-ordinators roles were created several years ago which allow lecturers to be appointed on a fixed term basis allowing them to gain experience in reviewing quality of programmes and timetable management.	*Responsible Officer: HR Manager* *Implementation Date: April 2021*

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

| | | • Academic Management/Schools Structure - over the past years we have also implemented a number of workforce structural changes including a transformation of our academic middle management structure and moving our curriculum groupings into wider 'schools' structure. For example, appointments to the Depute Head of School posts were made.

• Although recruitment to specialist roles is challenging in the Highlands, the College has implemented a number of initiatives to develop some resilience. Processes are in place which ensure that critical positions are filled to ensure that staff resources are available to meet commitments. Managers continually monitor staff numbers to ensure that sufficient resources are attached to each department to ensure curriculum and support service levels can be met. We continue to use development opportunities to mitigate risk wherever possible. Attraction campaigns are enhanced and reviewed for hard to fill posts.

• Variable supply staff are used to address resource gaps in the short term with the pool of variable staff reviewed annually in conjunction with dept mgrs.to ensure that skills are available to meet requirements.

• Profiling of staff, in terms of age, qualifications and skills, is performed along with access to pension funds, and known retirals.

• A personal skills framework is in place which forms part of every staff member's annual PDR process.

A documented succession plan procedure as outlined above will be formalised.

<u>October 2021</u>

We now wish to move to a Talent Management approach, encompassing workforce planning, human resource management, organisational and staff development.

A new Talent Management Strategy will ensure that the College, now and into the future, has a constructive, demand led approach to recruiting, developing, recognising and retaining talented individuals and teams, who are Ambitious, Bold and Creative in meeting the needs of our communities.

The Talent Management Strategy will be based around the Talent Management Framework (TMF) and will include Succession Planning. | |

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

| | | The College are currently seeking tenders for HR Consultancy Services for developing this Talent Management Strategy through to initial implementation. The project is due to commence on 1st September 2021 following evaluations of tenders.

The College are currently seeking tenders for HR Consultancy Services for developing this Talent Management Strategy through to initial implementation. The project is due to commence on 1st September 2021 following evaluations of tenders. | |

Status at July 2022

Partially Implemented

The College has advised us that their HR and Professional Development teams are developing a three stage approach to the general principles of Succession Planning; identifying those employees who may have development potential (a) now (b) 1-3 years from now, or (c) 3-5 years from now. They have proposed that the current Performance Review and Development (PRD) process be amended to accommodate succession planning as an outcome, where appropriate, at the conclusion of the PRD process. This is planned to commence at the start of the next academic year.

Management Response – October 2022

The succession planning process has been developed and will be launched within semester 1, after staff have been trained in the process.

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
14	We recommend the College adopts UHI's Staff Development Policy and Procedure and these are reviewed on a regular basis.	🟢	**Original** The UHI Staff Development Policy and Procedures will be adopted and communicated to staff through the Professional Development committee and other channels as soon as it becomes available. **October 2021** The UHI Staff Development Policy has not yet been released. Inverness College will adopt this policy when it becomes available. Meanwhile, a new Professional Review & Development policy is currently being implemented across the whole college.	*Responsible Officer: Professional Development Manager* *Implementation Date: As soon as UHI release the new policy and procedure, anticipated before the end of 2020/21 academic year.*

Status at July 2022

Not Implemented

The College have advised us that the single UHI Staff Development Policy has not yet been launched. The College stated that if this Policy does not become available by the end of academic year 2021/22, work will commence to review and redevelop the current UHI Inverness Staff Development Policy and Procedure to bring it in line with current best practice.

Management Response – October 2022

A common UHI has yet to be progressed. In light of this we are developing our own Professional Development policy and procedure which will be in place by the end of the calendar year.

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
15	We recommend the Workforce Plan is completed and is reviewed and approved on a timely basis. The document owner, reviewer and approver and when it is next due for review should also be documented, and future reviews timetabled to ensure the plan is refreshed for the beginning of the years to which it relates.	🟢	<u>Original</u> The Workforce Plan 2020-23 is currently a draft version and the outstanding sections to be completed are Section 5, Recruitment and Retention of Workforce and Section 6, Succession Planning. The HR Manager will liaise with SMT to finalise, including documenting its owner and the review process. <u>October 2021</u> We now wish to move to a Talent Management approach, encompassing workforce planning, human resource management, organisational and staff development. A new Talent Management Strategy will ensure that the College, now and into the future, has a constructive, demand led approach to recruiting, developing, recognising and retaining talented individuals and teams, who are Ambitious, Bold and Creative in meeting the needs of our communities. The Talent Management Strategy will be based around the Talent Management Framework (TMF) and will include Succession Planning. The College are currently seeking tenders for HR Consultancy Services for developing this Talent Management Strategy through to initial implementation. The project is due to commence on 1st September 2021 following evaluations of tenders.	*Responsible Officer: HR Manager and SMT* *Implementation Date: June 2021*

RECOMMENDATION STATUS – WORKFORCE PLANNING 2020/21

Status at July 2022
Partially Implemented
The College has advised us that they are moving to a new approach that encompasses workforce planning, human resource management, organisational and staff development which will result in the creation of a Talent Management Strategy. In order for this recommendation to be fully implemented, the Talent Management Strategy which replaces the Workforce Plan should be reviewed on a regular basis. The document owner, reviewer and approver, and when it is next due for review should be documented.
Management Response – October 2022
The College has traditionally conducted workforce planning activities on an annual basis. The College are now moving to a Talent Management approach, encompassing workforce planning, human resource management, organisational and staff development. A new Talent Management Strategy will ensure that the College, now and into the future, has a constructive, demand led approach to recruiting, developing, recognising and retaining talented individuals and teams, who are Ambitious, Bold and Creative in meeting the needs of our communities. The Talent Management Strategy will be based around the Talent Management Framework - Workforce Planning, Talent Attraction, Induction and Engagement, Talent Development, Performance Management and Succession Planning.

RECOMMENDATION STATUS –SYSTEM UPGRADE 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
16	We recommend the College prepares a project management framework and that all people responsible for managing projects are trained in the methodology. We recommend the methodology includes and considers the following: • Includes templates for Business Cases, project plans, risk registers, monitoring, project evaluation • Outlines expected approval required of key documents • Change management process • Gateway process • Monitoring timelines, costs and risks through the project • Project evaluation and Lessons learned when the project is completed • Risk Management • Scalability, considers requirements for projects of differing sizes	🟧	<u>Original</u> It has been discussed with the Quality Manager and her manager which is SMT level. It has been agreed that the Quality team will create a Policy and Procedure for Project Management. This will be drafted and be put to the BOM to approve in June 2021. <u>October 2021</u> There may be a larger payroll/HR system project to be progressed, in which case some of this paperwork could be worked on in tandem or slightly before.	*Responsible Officer: SMT still to allocate* *Implementation Date: June 2021*

Status at July 2022

Not Implemented
No update has been provided.

Management Response – October 2022

Recommend that this be closed.

RECOMMENDATION STATUS – SYSTEM UPGRADE 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
17	We recommend as part of the College's project management methodology, following a projects completion, there is a requirement to evaluate the project. This should include consideration of whether the objectives of the project have been achieved, and whether there are any lessons to be learned or actions to take forward.	🟧	<u>Original</u> Evaluation is that the project has delivered an updated Finance System that works in terms of what it was supposed to deliver in that the Finance Service has an updated ledger and Finance reporting is now being modelled so that the College Finance Service can monitor college finances in a much more coherent way. I consider this complete. As far as the wider issue of evaluation – can be included as part of Policy and Procedures. <u>October 2021</u> Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber Incident) and no further action is being considered.	*Responsible Officer: Director of Finance (Shared)* *Implementation Date: June 2021*

Status at July 2022
Not Implemented No update has been provided.

Management Response – October 2022
The response of no further action being undertaken at 31 October 21 was accepted by Committee. If this was not minuted then it can go back to Committee and agree to take off Follow Up.

RECOMMENDATION STATUS – SYSTEM UPGRADE 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
18	The College's Project Management Methodology should outline the expected process to follow when there are changes to a project and the required level of approval for a change. It may be useful to create a Change Form template. Project Managers should ensure Change Forms are completed appropriately when necessary.	🟧	<u>Original</u> I can see this some measure. I don't consider the delay here a large issue. The main thing is that it delivered in time to process the budget for 2020-21. However bigger projects can often get out of control without clear change parameters. See Quality Review re Procedure and time parameters. This should be combined. We also probably need to progress a Project Register. <u>October 2021</u> Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber Incident) and no further action is being considered.	*Responsible Officer: SMT still to allocate* *Implementation Date: June 2021*

Status at July 2022
Not Implemented No update has been provided.

Management Response – October 2022
Recommend that this be closed.

RECOMMENDATION STATUS – SYSTEM UPGRADE 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
19	We recommend the College's project management methodology outlines the requirement for key roles and responsibilities, governance and reporting mechanisms to be documented in project planning documentation. Where there are changes to the project team throughout the project's implementation, it should be decided and clearly documented who will be taking over their responsibilities	🟧	<u>Original</u> Not accepted per this project - this was a small project. Only if there were problems of the project not being delivered would I advise the Board. I verbally updated the SMT but not recorded dates or anything. The back end of this project was being delivered at the same time budget collation for 2020-21 was taking place. Generally, I have been satisfied with the outcome. This also was being delivered with Finance Recovery and new Finance management. The SMT was dealing with Financial Recovery Plan; a Finance Director resigned; an Interim Finance Director was trying to find her feet; by the time the current Finance Director commenced in May the project was near complete. For larger projects there may be something here, but the reality is that sometimes in organisations other issues take precedence. Project Management Methodology can be combined with the work Quality will be doing on this. <u>October 2021</u> Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber incident) and no further action is being considered.	*Responsible Officer: SMT still to allocate* *Implementation Date: June 2021*

RECOMMENDATION STATUS – SYSTEM UPGRADE 2020/21

Status at July 2022
Not Implemented No update has been provided.
Management Response – October 2022
Recommend that this be closed.

RECOMMENDATION STATUS – CYBER SECURITY 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
20	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.	🟧	**Original** 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 so would address these within the 7 days recommended. These timescales are reviewed and escalated by the UHI ICT Security Officer to the Director of LIS as part of his role There is also monitoring of risks as they are reviewed and reported to the UHI Information Security Group on a weekly basis. In terms of mediums and lows we have a risk-based approach to information security and due to the initial numbers of high and critical NVTs the focus has been on them. We now have a period where there are no critical or highs, or they are appearing in manageable numbers and are now looking at lowering the score threshold and setting time limits for mediums and lows.	*Responsible Officer: Director of LIS, ICT Services manager* *Implementation Date: December 2021*

RECOMMENDATION STATUS – CYBER SECURITY 2020/21

Status at July 2022
Not Implemented
The College has advised us that there is a UHI Partnership approach to this to meet Cyber Essentials certification and that there is currently no plan to change this as a result of this audit recommendation.
Management Response – October 2022
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 so would address these within the 7 days recommended. These timescales are reviewed and escalated by the UHI ICT Security Officer to the Director of LIS as part of his role There is also monitoring of risks as they are reviewed and reported to the UHI Information Security Group on a weekly basis. In terms of mediums and lows we have a risk-based approach to information security and due to the initial numbers of high and critical NVTs the focus has been on them. We now have a period where there are no critical or highs, or they are appearing in manageable numbers and are now looking at lowering the score threshold and setting time limits for mediums and lows.

RECOMMENDATION STATUS – CORONAVIRUS JOB RETENTION SCHEME GRANT CLAIMS 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
21	We recommend that the College review and re-calculate their CJRS submissions and notify HMRC of the revised calculations. We recommend that when grants are applied for in future, these are reviewed by a second member of staff for accuracy.	▲	Original Not accepted – Internal Audit Sample of 15 showed a net under-claim. Given the financial position of the college and the likely small amounts involved, it is not considered an effective use of staff resources to pursue this.	*Responsible Officer: Roderick M Ferrier* *Implementation Date: 30/009/21*

Status at July 2022

Not implemented – Committee agreed to remove from further follow up

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022. Whilst our sample of 15 showed a net under-claim, it indicates that there is inaccuracy in the CJRS submissions and there could be an overall over-claim which was not reflected in the sample; there is no way to know this without implementing the recommendation. This is a high risk recommendation as the College could be charged if they are found to have over-claimed, and we would therefore recommend that the College reconsider implementing it.

RECOMMENDATION STATUS – CORONAVIRUS JOB RETENTION SCHEME GRANT CLAIMS 2020/21

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
22	We recommend that staff are updated in writing when their employment status changes.	🟧	<u>Original</u> Written procedures are in place; however on occasions regarding this aspect of new work some pieces of paperwork were overlooked. However the staff involved did meet with their line manager and were aware of their employment status. It is not intended to revisit past paperwork and therefore no follow up is required from this.	*Responsible Officer: Roderick M Ferrier* *Implementation Date: 30/009/21*

Status at July 2022

Superseded

College Management have other actions they want to prioritise and therefore the Audit Committee agreed to remove this recommendation at their meeting on 7th June 2022.   We recognise that there are procedures in place and, if these are applied consistently, staff should be updated in writing when their employment status changes; therefore the risk associated with not following up on this recommendation is low.

RECOMMENDATION STATUS – STAFF RECRUITMENT 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
23	We recommend that recruiting managers are reminded to complete Shortlisting Forms and return completed Forms to HR. The Staff Recruitment & Selection Procedure should be updated to reflect that the shortlisting panel should return the completed shortlisting forms to HR.	🟧	Original As noted, there is a range of guidance available to recruiting managers on all aspects of the recruitment processes, which includes an extensive set of guidance for managers and interview guidance and assessment templates as well as a recruitment process chart outlining who is responsible for completion of each key stage. This is made available on the HR SharePoint site. The HR team continue to support recruiting managers on all aspects of the process. Management proposes that links to these guidance documents are added to the Staff Recruitment & Selection Procedure.	*Responsible Officer: HR Manager* *Implementation Date: Staff Recruitment & Selection Procedure to be updated by 30 June 2022.* *Implementation to be determined by PPRP dates which have yet to be set for the AY 2022-23.*

Status at July 2022
Not Implemented The College has advised us that due to unplanned leave within the team, these updates are now scheduled to be completed by the end of this Academic Year.
Management Response – October 2022
This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.

RECOMMENDATION STATUS – STAFF RECRUITMENT 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
24	We recommend management require all interview panel members to complete and return an Interview Panel Questions Form following interview assessments. Completed forms should be returned as early as possible from the date interviews were held. We recommend the Staff Recruitment and Selection Procedure is updated to reflect when the Interview Panel Question Scoring Form is required to be completed and returned to HR.	🟧	<u>Original</u> As noted, there is a range of guidance available to recruiting managers on all aspects of the recruitment processes, which includes an extensive set of guidance for managers and interview guidance and assessment templates. This is made available on the HR SharePoint site. The HR team continue to support recruiting managers on all aspects of the process. Management proposes that links to these guidance documents are added to the Staff Recruitment & Selection Procedure. In addition, HR commit to a completion check of the relevant interview forms and marking, and reject/return these to the recruiting manager if not fully completed.	*Responsible Officer: HR Manager* *Implementation Date: Staff Recruitment & Selection Procedure to be updated by 30 June 2022.* *Implementation to be determined by PPRP dates which have yet to be set for the AY 2022-23.*

Status at July 2022

Not Implemented

The College has advised us that due to unplanned leave within the team, these updates are now scheduled to be completed by the end of this Academic Year.

Management Response – October 2022

This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.

RECOMMENDATION STATUS – STAFF RECRUITMENT 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
25	We recommend employment contracts are signed and dated by both the College and the employee at the earliest possible opportunity following verbal acceptance of an offer of employment. The original and copies of signed employment contracts should be retained securely and should also be available digitally.	🟧	<u>Original</u> Following verbal acceptance of an offer of employment, writing confirmation of a conditional offer of employment (including a provisional start date) is issued. Upon completion of all satisfactory pre-employment checks, the conditional offer and start date are confirmed and the employment contracts are signed and dated by both the College and the employee at the earliest possible opportunity. In the event that not all pre-employment checks are completed prior to the provisional date, a risk assessment will be undertaken and if it is recommended to proceed with the provisional start date, the contract of employment will still be issued, conditionally as above. Upon completion of all satisfactory pre-employment checks, a letter will be issued to confirm. As a consequence of remote working, all copies of signed employment contracts are retained securely digitally. Hard copies are not held. The risk assessment provision is to be included within the Staff Recruitment & Selection Procedure.	*Responsible Officer: HR Manager and HR Business Partners* *Implementation Date: Staff Recruitment & Selection Procedure to be updated by 30 June 2022.* *Implementation to be determined by PPRP dates which have yet to be set for the AY 2022-23.*

Status at July 2022

Not Implemented

The College has advised us that due to unplanned leave within the team, these updates are now scheduled to be completed by the end of this Academic Year.

Management Response – October 2022

This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.

RECOMMENDATION STATUS – STAFF RECRUITMENT 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
26	We recommend new staff do not start until completion of satisfactory pre-employment checks.	🟧	Original Following verbal acceptance of an offer of employment, writing confirmation of a conditional offer of employment (including a provisional start date) is issued. Upon completion of all satisfactory pre-employment checks (including two references, the conditional offer and start date are confirmed and the employment contracts are signed and dated by both the College and the employee at the earliest possible opportunity. In the event that not all pre-employment checks are completed prior to the provisional date, a risk assessment will be undertaken and if it is recommended to proceed with the provisional start date, the contract of employment will still be issued, conditionally as above. Upon completion of all satisfactory pre-employment checks, a letter will be issued to confirm. The risk assessment provision to be included within the Staff Recruitment & Selection Procedure.	*Responsible Officer: HR Manager and HR Business Partners* *Implementation Date: Staff Recruitment & Selection Procedure to be updated by 30 June 2022.* *Implementation to be determined by PPRP dates which have yet to be set for the AY 2022-23.*

Status at July 2022

Not Implemented

The College has advised us that due to unplanned leave within the team, these updates are now scheduled to be completed by the end of this Academic Year.

Management Response – October 2022

This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.

RECOMMENDATION STATUS – STAFF RECRUITMENT 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
27	We recommend the Staff Recruitment and Selection procedure is updated: • to clearly outline who is responsible for completion of each key stage within the recruitment process, including the separate responsibilities of HR and recruiting management. • to clearly states the documentation that must be returned to HR by the recruiting manager and shortlisting panel as part of the recruitment process.	🟧	**Original** As noted, there is a range of guidance available to recruiting managers on all aspects of the recruitment processes, which includes an extensive set of guidance for managers and interview guidance and assessment templates as well as a recruitment process chart outlining who is responsible for completion of each key stage. This is made available on the HR SharePoint site. Management proposes that links to these guidance documents are added to the Staff Recruitment & Selection Procedure.	*Responsible Officer: HR Manager* *Implementation Date: Staff Recruitment & Selection Procedure to be updated by 30 June 2022.* *Implementation to be determined by PPRP dates which have yet to be set for the AY 2022-23.*

Status at July 2022
Not Implemented The College has advised us that due to unplanned leave within the team, these updates are now scheduled to be completed by the end of this Academic Year.
Management Response – October 2022
This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.

RECOMMENDATION STATUS – STUDENT APPLICATION, ENROLMENT & INDUCTION 2021/22

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
28	It is understood that these policies are owned by UHI, however it is recommended that actions are taken to prompt the review of these policies to ensure their adequacy and accuracy.	🟢	Original We have reported this issue to UHI and requested that the policies are reviewed.	*Responsible Officer: Sheree Grant* *Implementation Date: Forwarded to UHI Admissions Manager 10/5/22*

Status at July 2022

Partially Implemented

An email was sent by the Admissions and Student Funding Team Leader to UHI on 4th July 2022 requesting information on the plans to review the HE and FE Admissions Policies - the College are still awaiting a response.

Management Response – October 2022

The UHI-wide group agreed that the policy would not be reviewed after three years due to covid disruption. There has been a new appointment of a Head of Student Recruitment. Further review and progress awaits this person to take ownership of this.

APPENDIX I – STAFF INTERVIEWED/CONSULTED

NAME	JOB TITLE
Roddy Ferrier	Director of Finance
Morag Jarvis	Finance Team Leader
Nicola Quinn	HR Manager
Suzanne Stewart	Data Controller
Jane MacLennan	Information Systems Manager

BDO LLP appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

APPENDIX II – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial 🟢	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.
Moderate 🟦	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.
Limited 🟧	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.
No 🔺	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	
High 🔺	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.
Medium 🟧	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.
Low 🟢	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.

APPENDIX III – TERMS OF REFERENCE

BACKGROUND

As part of the 2020/21 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.

INVERNESS COLLEGE

INTERNAL AUDIT ANNUAL REPORT 2021-22

OCTOBER 2022

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CONTENTS

EXECUTIVE SUMMARY

Background

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 BDO'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.

Internal Audit Plan 2021-22

BDO LLP has been appointed as internal auditors to Inverness College to provide the Board (via the Audit Committee) and Management Team with assurance on the adequacy of the following arrangements:

- Risk Management;
- Corporate Governance
- Internal Control; and
- Value for money.

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 is also aimed at helping management to improve risk management, governance and internal control, so reducing the effects of any significant risks facing the organisation.

Our risk evaluations and tests are designed to ensure that controls are sound both in design and effective in operation. Our conclusions are based on evidence obtained during the course of our audit work, verification tests and samples selected from the year's transactions to date. However, our conclusions should not be taken to mean that all transactions have been properly authorised and processed or that all elements of systems have been tested.

EXECUTIVE SUMMARY

Audit Approach

We have reviewed the control policies and procedures employed by Inverness College to manage risks in business areas identified by management set out in the 2021-22 Annual Internal Audit Plan approved by the Audit Committee. This report is made solely in relation to those business areas and risks reviewed in the year and does not relate to any of the other operations of the organisation.

Our approach complies with best professional practice, in particular, Public Sector Internal Audit Standards and the Chartered Institute of Internal Auditors' Position Statement on Risk Based Internal Auditing.

We discharge our role, as detailed within the audit planning documents agreed with Inverness College management for each review, by:

• Considering the risks that have been identified by management as being associated with the processes under review

• Reviewing the written policies and procedures and holding discussions with management to identify process controls

• Evaluating the risk management activities and controls established by management to address the risks it is seeking to manage

• Performing walkthrough tests to determine whether the expected risk management activities and controls are in place

• Performing compliance tests (where appropriate) to determine whether the risk management activities and controls are operating as expected.

The assurance statement provided on page 8 of this report is based on historical information and the projection of any information or conclusions contained in our assurance statement to any future periods is subject to the risk that changes may alter its validity.

Coverage

During 2021-22 BDO LLP has reviewed and evaluated Inverness College's processes in the following areas:

• Staff Recruitment	• Student application, induction & enrolment
• Procurement	• Covid-19: Quality & Assessment
• Student Representation	• Follow up

EXECUTIVE SUMMARY

Recommendations

To assist management in addressing our findings, we categorise our recommendations according to their level or priority. The recommendations made in the completed reviews totalled 21.

Summary of Recommendations (SEE APPENDIX I)

High	▲	
Medium	■	10
Low	●	11
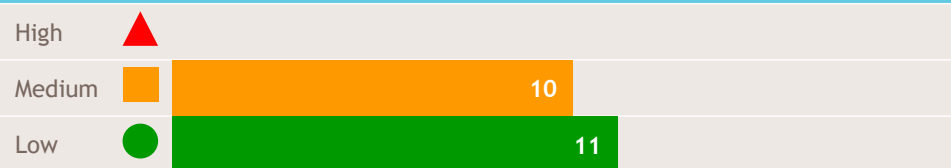
Total number of recommendations: 21

Reporting mechanisms and practices

Our initial draft reports are sent to the key officer responsible for the area under review in order to gather management responses. In every instance there is an opportunity to discuss the draft report in detail. Therefore, any issues or concerns can be discussed with management before finalisation of the reports.

Our method of operating with the Audit Committee is to agree reports with management and then present and discuss the matters arising at the Audit Committee meetings.

Management action on our recommendations

Management have reviewed and commented on our reports. For the reports which have been finalised, management have agreed responses. The responses indicate that appropriate steps to implement our recommendations will be put in place.

EXECUTIVE SUMMARY

Relationship with external audit

All our final reports are available to the external auditors through the Audit Committee papers and are available on request. Our files are also available to External Audit should they wish to review working papers in order to place reliance on the work of Internal Audit.

Follow up

During the year we undertook independent exercises to assess the progress made by Inverness College in implementing internal audit recommendations made in previous years.

Implementation of recommendations is a key determinant of our annual opinion. If recommendations are not implemented on a timely basis then weaknesses in control and governance frameworks will remain in place. Furthermore, an unwillingness or inability to implement recommendations reflects poorly on management's commitment to the maintenance of a robust control environment. Of the 37 recommendations due to be implemented, 10 recommendations (27%) has been categorised as fully implemented, 9 (24%) have been categorised as partially implemented, 9 (24%) as not implemented and 10 (27%) were superseded. 5 recommendations are not yet due for implementation.

The implementation rate is lower than average due to the Audit Committee having decided that 13 recommendations should be removed. There were three recommendations where we believed in our independent opinion that these still present a risk and should be implemented. Renewed focus is necessary to ensure the remaining outstanding recommendations are implemented within a reasonable timeframe.

Summary of work performed

Details of the completed internal audit reviews have been reported to the Audit Committee throughout the year and have been discussed at length with consideration and scrutiny of management responses and timescales proposed.

For the purpose of this annual report, we set out in the following pages our summary of recommendations and assessment of the design and effectiveness of the risk assurance for each of the audit areas reviewed.

REVIEW OF 2019-20 WORK

Reports Issued	Overall Report Conclusions – see appendix I				
	▲	■	●	Design	Operational Effectiveness
Staff Recruitment	0	6	0	Limited	Limited
Procurement	0	3	4	Moderate	Moderate
Student Application, Induction and Enrolment	0	1	2	Moderate	Moderate
Covid-19: Quality and Assessment	0	0	1	Substantial	Substantial
Student Representation	0	0	4	Moderate	Moderate
Follow Up	n/a	n/a	n/a	n/a	n/a

ANNUAL STATEMENT OF ASSURANCE

Report by BDO LLP to Inverness College

As the internal auditors of Inverness College we are required to provide the Board, via the Audit Committee, and the Senior Management Team with a view on the adequacy and effectiveness of Inverness College's risk management, governance and internal control processes.

In giving our view it should be noted that assurance can never be absolute. The internal audit service provides Inverness College with reasonable assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2021-22. The statement of assurance is not a guarantee that all aspects of the internal control system are adequate and effective. The statement of assurance should confirm that, based on the evidence of the audits conducted, there are no signs of material weakness in the framework of control.

In assessing the level of assurance to be given, we have taken into account:

- All internal audit reviews undertaken by BDO LLP during 2021-22;

- Any follow-up action taken in respect of audits from previous periods for these audit areas;

- Whether any significant recommendations have not been accepted by management and the consequent risks;

- The effects of any significant changes in the organisation's objectives or systems;

- The requirements of the Public Sector Internal Audit Standards; and

- Any limitations which may have been placed on the scope of internal audit (no restrictions were placed on our work).

Conclusion

In our view, based on the reviews undertaken during the period, and in the context of materiality:

- In four of the five assurance audits performed, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on our verification reviews and sample testing, the risk management, control, value for money and governance arrangements in these four areas were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.

- However, our staff recruitment review identified that further work was required to ensure robust processes. As such, we are not able to provide reasonable assurance based on our verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in this area to provide reasonable assurance that the related risk management, control, value for money and governance objectives were achieved for the period under review.

PERFORMANCE AGAINST OPERATIONAL PLAN

Visit	Date of visit	Proposed Audit	Planned Days	Actual Days	Status
1	November 2021	Staff Recruitment	5	5	Completed
2	January 2021	Procurement	5	5	Completed
3	April 2022	Student Application, Induction and Enrolment	6	6	Completed
4	March 2022	Covid-19: Quality and Assessment	6	6	Completed
5	May 2022	Student Representation	5	5	Completed
6	July 2022	Follow Up	3	3	Completed

AUDIT PERFORMANCE

AUDIT	COMPLETION OF FIELDWORK/DEBRIEF MEETING	DRAFT REPORT	FINAL MANAGEMENT RESPONSES	FINAL REPORT
Staff Recruitment	15 February 2022	1 April 2022	27 May 2022	30 May 2022
Procurement	16 March 2022	1 April 2022	19 May 2022	19 May 2022
Student Application, Induction and Enrolment	21 April 2022	25 April 2022	10 May 2022	10 May 2022
Covid-19: Quality and Assessment	13 April 2022	26 April 2022	13 May 2022	13 May 2022
Student Representation	18 May 2022	23 May 2022	30 May 2022	31 May 2022
Follow Up	2 August 2022	4 August 2022	11 October 2022	11 October 2022

On average:

• All reports were issued in draft within 10 working days of completion of our fieldwork and a debrief meeting with management.

• Initial responses were received within 10 working days of the draft report being issued.

• Final reports were issued within 1 working day of final management responses being received.

APPENDIX I – DEFINITIONS

LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial 🟢	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.
Moderate 🟦	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.
Limited 🟧	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.
No 🔺	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	
High 🔺	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.
Medium 🟧	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.
Low 🟢	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.

Item 04b

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Subject/Title:	Internal Audit Plan 2022-23
Author:	Roderick M Ferrier, Vice Principal, Finance and Audit
Meeting:	Audit and Risk Committee
Meeting Date:	18 October 22
Date Paper prepared:	11 October 22
Brief Summary of the paper:	Present the Internal Auditor's Internal Audit Plan
Action requested: [Approval, recommendation, discussion, noting]	Approving
Link to Strategy: Please highlight how the paper links to, or assists with: ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	Complies with Risk Management
Resource implications:	None **If yes, please specify**:
Risk implications:	Yes **If yes, please specify:** Financial Operational Strategic Encompassing all major risks

Equality and Diversity implications:	N/A	
Student Experience Impact:	None	
Consultation: [staff, students, UHI & Partners, External] and provide detail	None	
Status – [Confidential/Non confidential]	Non-Confidential	
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes	
*If a paper should **not** be included within "open" business, please highlight below the reason.		
Its disclosure would substantially prejudice a programme of research (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 confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

Recommendation(s):
That members review and approve the Internal Auditor's Audit Plan for 2022-23 to 2024-25.

Purpose of report
To consider the Internal Auditor's Annual Audit Plan.

Executive Summary

The College went through a procurement exercise for Internal Audit, and BDO, the previous Internal Auditor, was successful in this exercise.

BDO was asked to consider a three-year plan based on:

- Its previous knowledge of the College
- Review of the College's Risk Register
- Review of the College's Strategic Plan

BDO then developed this Plan. The Plan was then presented to the College's Executive who approved it.

I had discussed issues with the new Chair who had expressed some concerns around some aspects of Health and Safety. After the above agreement with Executive colleagues, it was decided to amend the Plan to include a review of Health and Safety in 2023-24. From reviewing the Internal Tracker, the last review of Health and Safety was 2019-20. If this was not reviewed in this current plan, then this would be over five years since this was last reviewed. This was too long a period.

The original Plan had Incident Management included for 2023-24, so it was agreed with the Internal Auditors that this be dropped, and Health and Safety be included.

The following audits:

- FES/Credits
- Student Support

The above audits are all statutory, and all have to be done on an annual basis. Thus, in the Plan, they cover all three years 2022-23, 2023-24 and 2024-25.

11 October 2022

INVERNESS COLLEGE

ANNUAL INTERNAL AUDIT PLAN 2022-2023

October 2022

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CONTENTS

Restrictions of use

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 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 primary responsibility is to provide assurance to the Audit Committee on the management of key risks to the College's objectives.

We also aim to help management by providing constructive challenge, sharing good practice and making suggestions to improve business efficiency.

Our approach complies with best professional practice, in particular, the principles set out in the Institute of Internal Auditors International Professional Practices Framework (IPPF), Public Sector Internal Audit Standards (PSIAS) and the Student Funding Council (SFC)

The purpose of this paper is to set out, and seek agreement from, the College's Audit Committee on the Internal Audit Annual Plan for 2022/23.

Internal Audit at Inverness College

We have been re-appointed as internal auditors to Inverness College (the College) to provide the Board of Management and college management 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 2022-23 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 and objectives of Inverness College

▶ The key areas where management wish to monitor performance and the manner in which performance is measured

▶ The key challenges facing Inverness College, through its strategic risk register

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 College'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 the 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.

Internal Audit Strategy

A three year Audit Strategy for 2022-25 is shown at Appendix I.

Initial discussions were held with the Director of Finance and the Chair of the Board of Management to identify the College's future areas of focus and priorities to aid development of a three year rolling internal audit programme, making sure that our audit activity provides sufficient coverage over areas of principal risk, effectively addresses any assurance gaps, and is prioritised to those issues most pertinent to the College.

An initial internal audit programme was established using information provided by management, including the current risk register, the Strategic Plan, the College's financial forecasts and financial performance, and our wider knowledge of risk and assurance from across our higher and further education client base. This was presented to the wider Senior Management Team (SMT) to obtain their input and feedback before presentation to the Audit Committee.

Internal Audit Annual Plan

The Internal Audit Plan for 2022/23 is set out on pages Appendix II. The proposed phasing of the audit plan, based on our understanding of Inverness College's workload is set out in Appendix IV.

We will keep the plan under review throughout the year and we will highlight for consideration any significant areas of risk identified during that period that may need to be included as part of the internal audit plan.

Where auditable areas correspond to corporate risks we will take into account the mitigation strategies in place when performing our reviews. This is to ensure that the mitigating controls, as well as the actions that have been identified by management, are in operation and are effective.

We have set out further in Appendix III 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 Head of Finance 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.

Variations to the Plan

We acknowledge that variations to the plan may arise from our reviews, changes to the College's risk profile or due to management requests. Variations will be discussed in the first instance with the Head of Finance 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 237 579	claire.robertson@bdo.co.uk
Chloe Main	Manager	0758 3060 591	chloe.main@bdo.co.uk

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

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

Grade	2022-23 (days)	Grade Mix (%)
Director	6.75	15
Manager	15.75	35
Auditors	22.5	50
Total	45	100

Reporting to the Audit Committee

Each year we will submit the Internal Audit Plan for discussion and approval by the Audit Committee. We will liaise with the Head of Finance 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 2022-23 we will produce an Internal Audit Annual Report summarising our key findings and evaluating our performance in accordance with agreed service requirements.

Internal Audit Charter

We have formally defined Internal Audit's purpose, authority and responsibility in an Internal Audit Charter, which can be found in Appendix VI. The Charter establishes Internal Audit's position within the College and defines the scope of its activities.

Working Protocols

We have defined operating protocols for managing each assignment. These can be found in Appendix V. The protocols take account of how we will communicate with stakeholders before, during and after each audit, and the process we go through to create and confirm our reports and recommendations to improve the economy, efficiency and effectiveness of the College's activities.

Definitions

We define in Appendix VII our approach for grading individual audit findings and overall audit reports. These definitions have been designed to make the ratings clear to both the Internal Audit team and audit stakeholders.

APPENDIX I
Internal Audit Strategy 2022- 2025

Assurance Theme	Subject	Risk Register	2022-23	2023-24	2024-25
Governance & Risk	Strategic Planning	18	✓		
	Risk Management			✓	
	Fraud Strategy				✓
Finance	Financial Planning	20	✓		
	Payroll			✓	
	Core Financial Controls				✓
People	Learning & Development	9		✓	
	Staff Wellbeing				✓
Resilience & Digital	Cyber Review	30			✓
Students & Delivery	Curriculum planning	20, 21	✓		
	Student support	29	✓		
Compliance	Complaints Management	24	✓		
	Sustainability	24		✓	
	Freedom of Information	24			✓
	Health & Safety	24		✓	
	Credits / FES		✓	✓	✓
	Student Support Funds		✓	✓	✓
	Follow up		✓	✓	✓

APPENDIX II
Internal Audit Plan 2022-23

Assurance Theme	Subject	Days	Assurance / Advisory / Regulatory
Governance & Risk	Strategic Planning	6	Assurance
Finance	Financial Planning	5	Assurance
Students & Quality	Curriculum Planning	6	Assurance
	Student Support	5	Assurance
Compliance	Complaints Management	5	Assurance
	Further Education Statistics / Student Support Fund	8	Regulatory
	Follow up	3	
Contract management	Audit Committee	3	
	Client Liaison	3	
	Annual Reporting	1	
TOTAL		**45**	

APPENDIX III
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 2022-23, 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
Strategic Planning	We will assess the methodology used to compile Inverness College's strategy and supporting business plans, and evaluate whether these documents clearly articulate the vision, mission, values and strategies of Inverness College. We will also assess whether the strategic planning process has resulted in clear objectives with measurable success indicators.	a) BDO Assessment b) Risk Register Ref: 18
Financial Planning	We will assess if Inverness College has well designed, effective controls in place in relation to financial planning. We will consider whether there are effective financial plans (including medium and long term) in place which are based on reliable and accurate information and reasonable assumptions and forecasts, whether scenario and sensitivity analysis is performed, and whether there is appropriate reporting and oversight.	a) BDO Assessment b) Management c) Risk Register Ref: 17, 26 & 34
Curriculum Planning	We will assess the adequacy and effectiveness of curriculum planning arrangements and to recommend improvements to those arrangements as necessary. Specifically, we will assess whether a robust curriculum planning process is in place which is aligned to the needs of the region and the requirements of the regional outcome agreement.	a) BDO Assessment b) Management c) Risk Register Ref: 20, 21

APPENDIX III
Internal Audit Plan Overview

Audit Area	Comment	Source
Student Support	Given the current economic climate, and current inflation rates, the College are concerned about their students and want to ensure they are providing suitable support. We will assess the design and effectiveness of the controls in place in relation to student support. We will consider the types of services being offered, the management of the services, the student feedback sought and how it is actioned, and the continuous improvement practices in place in order to improve student support in the future.	a) BDO Assessment b) Management c) Risk Register Ref: 29
Complaints Management	We will assess whether the College has adequate complaints handling policies and procedures, which are being consistently applied. We will also consider whether appropriate action and evaluation takes place following a complaint and there is appropriate monitoring and oversight of complaints management performance.	a) BDO Assessment b) Risk Register Ref: 24
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) Management

APPENDIX IV
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 – October 2022

Review	Proposed Audit Sponsor
FES	Jane Maclennan
SSF & EMA	Jane Maclennan

Block 2: November 2022 – January 2023

Review	Proposed Audit Sponsor
Financial Planning	Roddy Ferrier
Student Support	Lindsay Snodgrass

Block 3: February – April 2023

Review	Proposed Audit Sponsor
Complaints Management	Lindsay Snodgrass, Natalie Kelly
Strategic Planning	Chris O'Neil

Block 4: May – July 2023

Review	Proposed Audit Sponsor
Curriculum Planning	Georgie Parker
Follow-up	Roddy Ferrier

Appendix V
Internal audit charter

Purpose of this Charter

This Charter formally defines internal audit's purpose, authority and responsibility in line with the IIA's:

▶ Attribute Standard 1000,

▶ Performance Standard 2060, and

▶ Implementation Standards 1000.A1 & C1.

This Charter establishes internal audit's position within Inverness College and defines the scope and limitations of internal audit activities and its relationship with the Audit Committee and Senior Management.

Standards for the Professional Practice of Internal Auditing

The internal audit function undertakes its work in line with the mandatory elements of the IIA's' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing as set out by the Global IIA.

Internal audit's purpose

Internal audit provides independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps the organisation 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 the information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports the organisation's management to fulfil its own risk, control and compliance responsibilities.

Internal audit's authority

Internal audit staff are authorised to:

▶ Have full, free and unfettered access to all of the organisation's records, property, and personnel relevant to the performance of engagements; whilst being accountable for the confidentiality and safeguarding of such records and information.

▶ Obtain assistance from the necessary organisation's personnel in relevant engagements, as well as other specialised services from within or outside the organisation.

The Head of Internal Audit will have unrestricted access to the Audit Committee and retain the right to meet *in camera* with the Audit Committee, without management present.

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.

Internal audit will:

Strategy

▶ Develop and maintain an Internal Audit Strategy

▶ Review the Internal Audit Strategy at least annually with management and Audit Committee.

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 organisation's strategic and operational objectives and related risks in the development of the Internal Audit Plan

▶ Review the Internal Audit Plan periodically with management and adjust the plan as necessary to respond to any changes in business risks, operations, systems and controls

▶ 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 and ethics, and external audit

▶ Consider the scope of the work of other assurance providers for the purpose of providing optimal audit coverage to the organisation.

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 budget

▶ Ensure the ongoing effectiveness of internal audit activities

▶ Ensure the principles of integrity, objectivity, confidentiality and competency are upheld.

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 the goals and objectives set out in the internal audit plan and any agreed key performance indicators

▶ 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 issues that could impact the organisation.

Appendix V
Internal audit charter

Independence and internal audit's position within the organisation

To provide for internal audit's independence, its personnel and any contractors will report to internal audit function, who reports to the Audit Committee. The Head of Internal Audit has free and full access to the Chair of the Audit Committee.

Internal audit reports administratively to the Chief Executive or their delegate the Head of Finance who provides day-to-day oversight.

The appointment or removal of internal audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest and perform engagements in such a manner that there are no quality compromises and judgement on audit matters is not subjugated to others.

If the independence or objectivity of the internal audit service is impaired, details of the impairment will be disclosed to either the CEO or the Chair of the Audit Committee, dependent upon the nature of the impairment.

The internal audit service is not authorised to perform any operational duties for the organisation; initiate or approve accounting transactions external to the internal audit service; or direct the activities of any the organisation 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 organisation. 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 engagements are subject to agreement with management. When performing consulting services, internal audit will maintain objectivity and not assume management responsibility.

Quality Assurance Improvement Programme (QAIP)

The internal audit function will maintain a QAIP. The programme will include an evaluation of the internal audit activity's conformance with The Standards and an evaluation of whether the internal auditors apply The IIA's Code of Ethics. The plan will assess the efficiency and effectiveness of internal audit and identify opportunities for improvement.

Periodic reporting on compliance against Professional Standards

Internal audit will periodically report to the Audit Committee to:

▶ Confirm the independence of the function on at least an annual basis.

▶ Report annually on conformance with The IIA's Code of Ethics and the Standards.

▶ Confirm the maintenance of a QAIP, and

▶ Report on the results of internal assessments and the results of the external quality assessments (undertaken at least once every 5 years by a qualified, independent assessment team).

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 organisation.

APPENDIX VI
Internal Audit Working Protocols & Performance
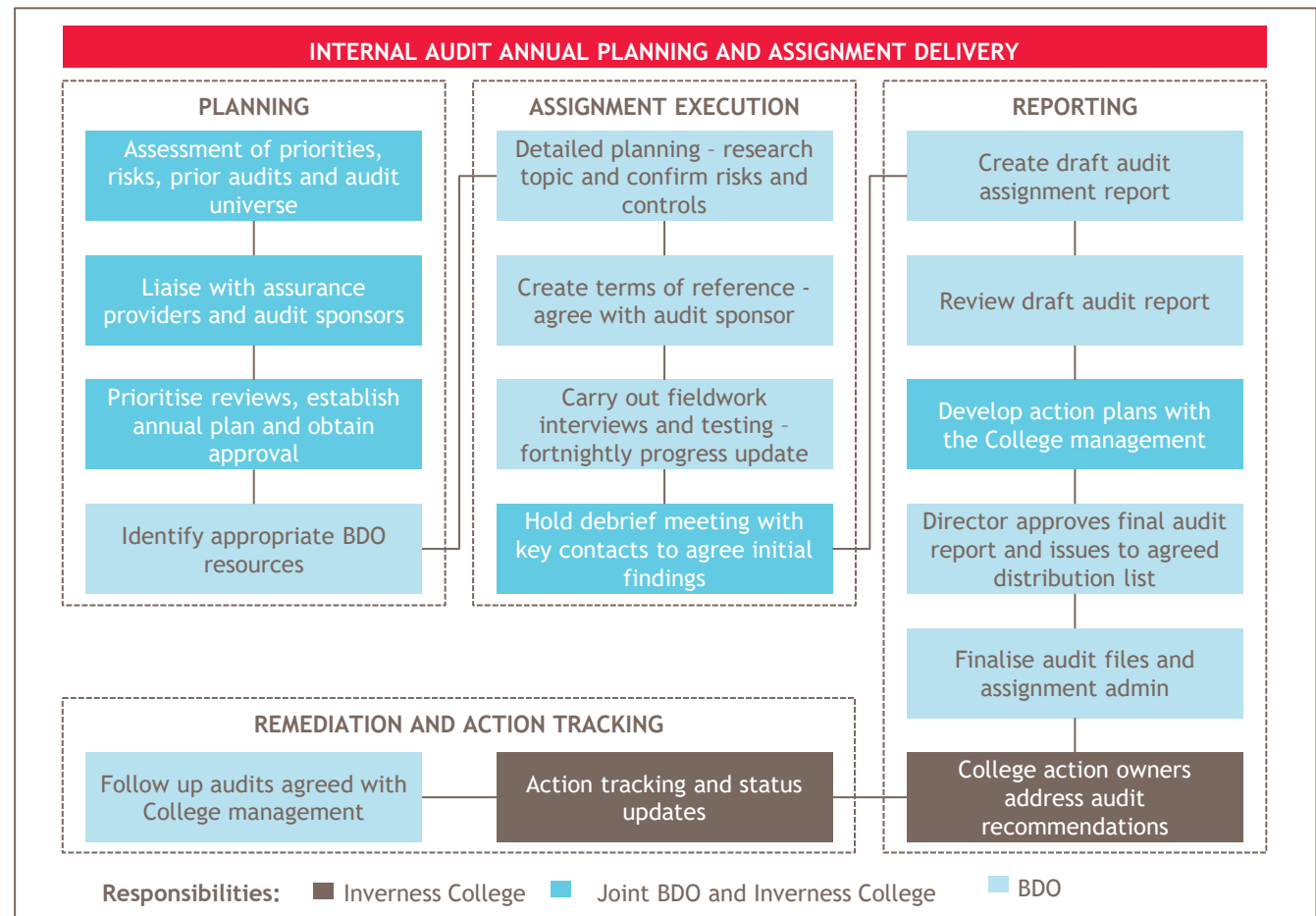
Internal Audit Delivery

We summarise opposite the annual planning and assignment delivery model we will use at the College. The model journeys through the four main processes associated with internal audit delivery; audit planning, assignment execution, reporting, and finally, remediation and action tracking. We have illustrated throughout the process those responsible for each step.

A key aspect of our work is high quality reporting. It is important to note that it is always our intention that final reports do not contain any nasty surprises. Our approach is always to maintain regular communications with management throughout the audit and to notify the key audit contacts of any significant issues as they arise.

We annually agree with the Audit Committee the internal audit strategy and annual plan. We present the annual audit programme to the senior management team and feed their comments into our planning, and address audit work plans to management responsible for the area being audited to ensure proper ownership.

We liaise closely with the College's external auditors to identify areas where they may place reliance on our work, ensure the annual schedule is phased so as to provide maximum benefit and limit the impact on business operations.

INTERNAL AUDIT ANNUAL PLANNING AND ASSIGNMENT DELIVERY

PLANNING
- Assessment of priorities, risks, prior audits and audit universe
- Liaise with assurance providers and audit sponsors
- Prioritise reviews, establish annual plan and obtain approval
- Identify appropriate BDO resources

ASSIGNMENT EXECUTION
- Detailed planning – research topic and confirm risks and controls
- Create terms of reference - agree with audit sponsor
- Carry out fieldwork interviews and testing – fortnightly progress update
- Hold debrief meeting with key contacts to agree initial findings

REPORTING
- Create draft audit assignment report
- Review draft audit report
- Develop action plans with the College management
- Director approves final audit report and issues to agreed distribution list
- Finalise audit files and assignment admin
- College action owners address audit recommendations

REMEDIATION AND ACTION TRACKING
- Follow up audits agreed with College management
- Action tracking and status updates

Responsibilities: ■ Inverness College ■ Joint BDO and Inverness College ■ BDO

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	Audit Committee	Head of Finance	Managers	Relevant Staff	External Audit
Internal Audit Liaison Meeting	Quarterly		✓			
Quality Assurance Meeting	As required		✓			
Liaison meeting with Chair of Audit Committee	As required	✓				
Audit Committee to discuss internal audit progress	As necessary	✓				
Meetings to raise immediate concerns	As necessary	✓	✓	✓	✓	
Meetings with External Audit	As necessary					✓

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

Meeting	Audit Committee	Head of Finance	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 Audit Committee on certain measures around inputs and satisfaction from those officers who have been subject to a review. Secondly, the view of the Audit Committee 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 Audit Committee 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 Audit Committee approves the following measures which we will report to each meeting and / or annually as appropriate.

Table Three: Performance Reporting to each Audit Committee

Measure / Indicator
Audit Coverage   Audits completed against the Annual Audit Plan   Actual days input compared with Annual Audit Plan
Audit Planning and Reporting   Days to issue draft report after end of fieldwork

Management Performance Measures and Indicators

Management's ability to respond efficiently to internal audit findings and recommendations helps the Audit Committee 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 Audit Committee. We recommend, therefore, that the following measures are also reported to the Audit Committee.

Measure / Indicator	Timing
Audit Reporting 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 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
Opinion and Recommendation Significance Definitions

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF INTERNAL CONTROLS	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial ●	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.
Moderate ■	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.
Limited ⬡	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.
No ▲	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	
High ▲	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.
Medium ■	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.
Low ●	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.

APPENDIX VIII
Inverness College Risk Register Summary

Ref	RISK DESCRIPTION	Gross Risk	Residual Risk	Associated Audits
9	College fails to identify and take opportunities for development and progression.		6	Learning and Development 23/24
17	Financial instability of UHI.		20	Financial Planning 22/23
18	College fails to maintain improvement in performance against national targets and outcomes.		9	Strategic Planning 22/23
19	Ongoing issues of non-compliance by GTFM.		16	Estates Management 2019/20
20	College does not achieve allocated HE student number targets.		16	Student Application, Induction and Enrolment 21/22
21	College does not achieve allocated FE Credit targets.		9	Student Application, Induction and Enrolment 21/22
22	The institution has a poor reputation.		4	Incident Management 2023/24
23	Disruption to services/projects and/or partnership working resulting from loss of a key staff member.		6	Workforce Planning 2020/21
24	Non-compliance with relevant statutory regulations or internal policies and procedures.		9	FES, SSF and EMA audits See compliance section of three year plan
25	Governance Failure.		6	Corporate Governance 23/24
26	Financial failure/operating loss. Inability to achieve a balanced budget.		9	Financial Planning 22/23
27	College estate not fit for purpose.		4	Estates Management 19/20
28	Academic quality is sub standard.		6	Covid-19: Quality & Assessment
29	Poor Student Experience.		4	Student Support 22/23
30	Institutional, personal and sensitive data and/or services are disrupted, corrupted, exposed, lost, stolen or misused.		12	Data Protection 17/18 Cyber Security 2020/21
31	Research outputs are sub standard.		4	Research Governance 2018/19
32	A serious incident in the college residencies, including anti-social or illegal behaviour.		16	Incident Management 2023/24
34	The College fails to make fully informed financial management decisions.		9	Financial Planning 22/23
35	The College does not respond to infectious diseases in a proportionate manner dependant upon scale (Pandemic, Epidemic or Outbreak).		9	Business Continuity Management 2018/19

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|BDO

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

FOLLOW UP REVIEW

2022-23

BACKGROUND

As part of the 2022-23 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 2021/22, 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.

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed remotely.

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	31/07/2022 (1 week 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.

KEY CONTACTS

BDO LLP		
Claire Robertson	Director	T: 0141 249 5206
		E: claire.robertson@bdo.co.uk
Chloe Main	Internal Audit Manager	T: 0131 347 0358
		E: chloe.main@bdo.co.uk
Tom O'hara	Internal Auditor	E: tom.ohara@bdo.co.uk
INVERNESS COLLEGE		
Roddy Ferrier	Director of Finance	E: Roddy.Ferrier@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	**DATE**
Commence fieldwork	08/08/2023
Number of audit days planned	3
Planned date for issue of the draft report	01/09/2023
Planned date for receipt of management responses	15/09/2023
Planned date for issue of proposed final report	18/09/2022
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:		Date:	

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

CURRICULUM PLANNING

2022-23

BACKGROUND

It was agreed with management and the Audit Committee within the 2022-23 internal audit plan that Internal Audit would review the control arrangements which Inverness College ('the College') has in place in relation to curriculum planning.

PURPOSE OF REVIEW

The purpose of this review is to provide assurance to management and the Audit Committee regarding the adequacy and effectiveness of curriculum planning arrangements and to recommend improvements to those arrangements as necessary.

Specifically, we will assess whether a robust curriculum planning process is in place which is aligned to the needs of the region and the requirements of the regional outcome agreement.

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 College's curriculum may not meet the needs of the region;
- The curriculum planning process may not align to the requirements of the regional outcome agreement
- The curriculum planning process may not be supported by both curriculum and finance staff; and
- Consideration may not have been given to financial aspects of course provision, to determine the viability of course provision and the minimum enrolment required to maintain course viability.

SCOPE OF REVIEW

Our review will assess whether:

- The College's curriculum meets the needs of the region, with a specific focus on increasing the part-time course provision
- The curriculum planning process aligns to the requirements of the regional outcome agreement
- The curriculum planning process includes curriculum and finance staff; and
- Financial aspects of course provision are considered to identify viability and minimum enrolments required.

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 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.

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	- Curriculum planning documentation - regional outcome agreement, - Reports and Minutes of planning discussions - Supporting financial consideration of course provision	Georgie Parker	17/04/2022 (1 week ahead of 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 Main	Internal Audit Manager	E: chloe.main@bdo.co.uk
Joe Reid	Internal Auditor	E: joe.reid@bdo.co.uk
INVERNESS COLLEGE		
Georgie Parker	Vice Principal, Operations and External Relations	Georgie.Parker.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE

Commence fieldwork	24/04/2023
Number of audit days planned	6
Agreed date for closing meeting	02/05/2023
Planned date for issue of the draft report	16/05/2023
Planned date for receipt of management responses	30/05/2023
Planned date for issue of proposed final report	31/05/2023
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:		Date:	

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

FINANCIAL PLANNING

2022-23

BACKGROUND

As part of the 2022-23 Internal Audit Plan, it was agreed that Internal Audit would review the design and operating effectiveness of the controls in place at Inverness College surrounding financial planning arrangements.

PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance that Inverness College has well designed, effective controls in place in relation to financial planning.

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 financial planning process may not be carried out in a timely manner in accordance with a clearly defined timetable
- Financial plans may not be subject to effective consultation, review or approval
- Financial plans may be based upon unreasonable assumptions or information
- No, or limited, scenario planning or sensitivity analysis has been undertaken
- Budget monitoring may not be carried out on a regular basis; and
- Appropriate action may not be taken by management to resolve issues identified in budget monitoring reports.

SCOPE OF REVIEW

The scope of our review is to assess whether:

- Financial plans are developed in a timely manner in accordance with a clearly defined timetable.
- Financial Plans are subject to appropriate consultation, review and approval arrangements
- Financial plans are based on reasonable assumptions and forecasts and accurate, reliable information
- Scenario planning and sensitivity analysis has been carried out to ensure budgets are flexible and robust enough to meet organisational requirements and respond to funding changes
- Budget monitoring occurs on a regular basis, by budget holders, management and the Board of Management; and
- Explanations are provided for variances in budget monitoring reports and appropriate action is taken.

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 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.

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	- Financial plan/budget and associated Board and Committee minutes and papers. - Budget timetable.	Roddy Ferrier	21/11/2022 (1 week ahead of 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 Main	Manager	E: chloe.main@bdo.co.uk
Yufei Zhao	Internal Audit Trainee	E: yufei.zhao@bdo.co.uk

INVERNESS COLLEGE

Roddy Ferrier	Director of Finance	E: roddy.ferrier@uhi.ac.uk

PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	28/11/2022
Number of audit days planned	5
Planned date for closing meeting	02/12/2022
Planned date for issue of the draft report	16/12/2022
Planned date for receipt of management responses	13/01/2023
Planned date for issue of proposed final report	16/01/2023
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:		Date:	

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

STUDENT SUPPORT

2022-23

BACKGROUND

It was agreed with management and the Audit Committee within the 2022-23 internal audit plan that Internal Audit would review the control arrangements which Inverness College ('the College') has in place in relation to student support.

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 controls in place in relation to student support. We will consider the types of services being offered, the management of the services, the student feedback sought and how it is actioned, and the continuous improvement practices in place in order to improve student support in the future.

KEY RISKS

Based upon the risk assessment undertaken, discussions with management, and our collective audit knowledge and understanding the key risks associated with the area under review are:

- The College may not be providing the expected range of support services to its students
- Support services may not be provided consistently across campuses
- There may not be clearly defined roles and responsibilities in place in relation to student support services
- There may not be clearly defined policies and procedures in place in relation to student support services
- There may not be appropriate plans, targets and performance monitoring in place in relation to student support services
- There may not be mechanisms in place to gather feedback on the quality and range of support services offered; and
- Effective action may not be taken to address issues arising from student feedback on support services.

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- The College is providing a sufficient range of support services to its students including bursaries, financial assistance and mental health support
- Support services are provided consistently across campuses
- Clear roles and responsibilities are in place in relation to support services
- Clear policies and procedures are in place in relation to support services
- Clear plans and targets are in place in relation to student services
- Effective performance management arrangements are in place in relation to student services; and

- Feedback on support services is obtained and effective actions are taken to address any issues arising from the feedback.

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.

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at remotely.

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
Documentation	- Student feedback on support services; - Action plan to address student feedback. - student support services strategies, plans, policies and procedures - student support performance reports	Lindsay Snodgrass Required 19 December 2022

KEY CONTACTS

BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Main	Internal Audit Manager	E: chloe.main@bdo.co.uk
Yufei Zhao	Audit Trainee	E: Yufei.zhao@bdo.co.uk
INVERNESS COLLEGE		
Lindsay Snodgrass	Head of Student Services	E: Lindsay.Snodgrass.ic@uhi.ac.uk

PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	09/01/2023
Number of audit days planned	5

Planned date for closing meeting	13/01/2023
Planned date for issue of the draft report	27/01/2023
Planned date for receipt of management responses	10/02/2023
Planned date for issue of proposed final report	13/02/2023
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:		Date:	

INVERNESS COLLEGE
INTERNAL AUDIT TERMS OF REFERENCE

COMPLAINTS MANAGEMENT

2022-23

BACKGROUND

As part of the 2022-23 Internal Audit Plan, it was agreed by management and the Audit Committee that Internal Audit would carry out a review of the complaints handling and management arrangements in place within Inverness College ('the College').

PURPOSE OF REVIEW

The purpose of this review is to provide assurance to management and the Audit Committee that effective processes are in place in relation to complaints handling and management.

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:

- Complaints handling and management policies and procedures may not be in place and are not compliant with SPSO requirements
- The College may not have appropriate systems in place to allow for complaints to be recorded and monitored
- The College may not take appropriate action following a complaint
- The College may not undertake evaluation of underlying issues following a complaint
- Records of complaints may not be monitored regularly and therefore areas of concern are not identified; and
- Monitoring and reporting of complaints may not be reported internally and to management.

SCOPE OF REVIEW

The scope of the review is to assess whether:

- Complaints handling and management policies and procedures are in place and comply with SPSO requirements
- The College has appropriate systems in place to allow for complaints to be recorded and monitored
- The College takes appropriate action following a complaint
- The College evaluates the underlying issues following a complaint
- Records of complaints are monitored regularly and therefore areas of concern are not identified; and
- Monitoring and reporting of complaints is reported internally and to management.

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 to discuss findings and initial recommendations.

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed in remotely.

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	– Policies and Procedures for complaints management; – Complaints log – Management information relating for complaints, including reporting to Board	Natalie Kelly/Lindsay Snodgrass	27/03/2022

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 Main	Manager	T: 0131 347 0358 E: chloe.main@bdo.co.uk
Yufei Zhao	Audit Trainee	E: Yufei.zhao@bdo.co.uk
INVERNESS COLLEGE		
Lindsay Snodgrass	Head of Student Services	E: Lindsay.Snodgrass.ic@uhi.ac.uk
Natalie Kelly	Quality Manager	E: Natalie.Kelly.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	06/03/2023
Number of audit days planned	5
Proposed date for closing meeting	10/03/2023
Planned date for issue of the draft report	24/03/2023
Planned date for receipt of management responses	11/04/2023
Planned date for issue of proposed final report	12/04/2023
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:		Date:	

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

STRATEGIC PLANNING

2022-23

BACKGROUND

As part of the 2022-23 Internal Audit Plan, it was agreed by management and the Audit Committee that Internal Audit would carry out a review of the strategic planning arrangements in place within Inverness College (the College).

PURPOSE OF REVIEW

The purpose of this review will be to assess the methodology used to compile Inverness College's strategy and supporting business plans, and evaluate whether these documents clearly articulate the vision, mission, values and strategies of Inverness College. We will also assess whether the strategic planning process has resulted in clear objectives with measurable success indicators.

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 strategic plan may not articulate the vision, mission, values and strategies of the College, or may not be effectively communicated
- College plans may not align with the articulated contribution to the nationally agreed outcomes described in the College outcome agreement
- Supporting strategies, for example, Estates, People and Commercial strategies may not align to the strategic plan
- The Strategic Plan may not contain clear objectives with measureable success indicators, or may not assign adequate resources to the achievement of objectives; and
- There may not be a framework in place to measure and report upon the achievement of objectives within the plan.

SCOPE OF REVIEW

The scope of our review is to assess whether:

- The strategic plan clearly articulates the vision, mission, values and strategies of the College and has been communicated effectively
- The Strategic Plan aligns with the UHI Outcome Agreement and UHI strategic plan
- Supporting College strategies align with the College's Strategic Plan
- The plan contains clear objectives, assigns adequate resources to these objectives, and details measureable success indicators; and
- An effective framework is in place to measure and report on the achievement of objectives within the plan.

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.

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed remotely.

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	- Strategic Plan, - UHI strategic plan - UHI outcome agreement - minutes from Board and other committee meetings where the plan was discussed, and related reports, - Supporting strategies, e.g. people, estates & commercial; and - Action plans detailing how each strand of the strategy will be delivered, - performance reporting on strategic plan	Chris O'Neil	06/03/2023 (1 week 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	E: claire.robertson@bdo.co.uk
Chloe Main	Internal Audit Manager	E: chloe.main@bdo.co.uk
Gemma Macleod	Assistant Manager	E: gemma.macleod@bdo.co.uk
INVERNESS COLLEGE		
Chris O'Neil	Principal	E: Chris.ONeil.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	**DATE**
Commence fieldwork	13/03/2023
Number of audit days planned	6
Planned date for closing meeting	20/03/2023
Planned date for issue of the draft report	03/04/2023
Planned date for receipt of management responses	17/04/2023
Planned date for issue of proposed final report	18/04/2023
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:		Date:	

INVERNESS COLLEGE

MANAGEMENT LETTER FINAL

FES RETURN AUDIT 2021-22
OCTOBER 2022

INVERNESS COLLEGE, FES

DISTRIBUTION	
Roddy Ferrier	Director of Finance
Georgie Parker	Vice Principal - Operations and External Relations
Jane Maclennan	Information System Manager
Audit Committee	Members
REPORT STATUS LIST	
Auditors:	Sean Morrison
Dates work performed:	12 September - 20 September 2022
Draft report issued:	06 October 2022
Final report issued:	06 October 2022

INVERNESS COLLEGE, FES

EXECUTIVE SUMMARY

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	0
Medium	■	0
Low	●	0

TOTAL NUMBER OF RECOMMENDATIONS: 0

BACKGROUND:

A review of the College's FES (further education statistical) data return has been carried out in accordance with the 'Credit Guidance: 2021-22 student activity data guidance for colleges' (SFC/GD/16/2021) issued in August 2021 and the audit guidance for colleges (SFC/GD/19/2022) issued on 16 August 2022.

Our report is based on information supplied by college management and staff and the audit approach outlined below.

AUDIT APPROACH AND SCOPE:

We assessed the overall control environment by considering 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.

The purpose of the review was to examine the adequacy of the sub-systems used by the College in relation to the Credit Guidance, the audit guidance and associated guidance to complete the student data returns.

The assessment of the control environment as outlined above was used to determine specific tests and sample sizes.

Our review also sought to address all the risk areas outlined in Annex D of the audit guidance issued on 16 August 2022.

Our fieldwork, which took 5 days to complete, was undertaken by a fully qualified auditor, and was reviewed by the Director responsible for the assignment. All personnel have previous experience of delivering internal audit assignments to FE Colleges.

Our test samples were selected from full population data sets and were representative of the area under review e.g. sampling across all key modes of attendance.

INVERNESS COLLEGE, FES

A summary of the specific tests, together with sample sizes (which were randomly selected), is described below:

- For all of the tests noted below involving students, we confirmed that the student had in fact attended after the 25% required date.

- A sample of 15 courses, totalling 2,324 credits (roughly 8% of total), was randomly selected. The programme codes, the price group numbers, the number of eligible students and the number of students enrolled on class registers were checked to supporting documentation for reasonableness and accuracy. We also recalculated the individual Credits for each of the 15 courses and assessed whether the 25% required date was accurate.

- We traced our sample of students on each test to an online enrolment form or paper based form where required (or student summary record) to confirm the credits figure was for a bona fide student of the College.

- Throughout our tests we confirmed that a mechanism was in place to track and record student participation and progress for the respective courses. We also confirmed credits had been correctly calculated for these courses and that a student summary record was in place for all sampled students. We also ensured that the attendance for each student surpassed the required date of the course.

- We reviewed a sample of 15 withdrawn students (who had withdrawn within two weeks of the required date) to confirm that, for each student, their withdrawal was processed correctly and in a timely manner and that the date of last attendance agreed to the class register, and was before or after the required date.

- We reviewed the process in place for Programme design within the College to ensure that controls were operating to correctly classify courses as HE or FE and FT or PT. We also reviewed a sample of 15 courses to ensure that the correct superclass code had been used for each course, for one of the courses sampled we determined that a more appropriate superclass code could be used, we note that this was the same price group as the current code.

- We reviewed a sample of 15 Price Group 5 students and assessed whether the students were eligible to be classed as Price Group 5 students and on eligible courses, and assessed whether students attended beyond the required date.

- We confirmed with management that the College do not have spanning courses within their course catalogue.

- We reviewed a sample of 5 infill students to confirm that credits were only claimed for students that had attended past the required date, who were properly enrolled and who were eligible to claim credits under infill.

- We reviewed a sample of 5 non-accredited work experience/placement students to confirm that credits for these units were claimed in line with the guidance of one credit for every 80 hours of teaching.

- We reviewed a sample of 20 students to ensure that a College fee waiver form was completed and authorised and appropriately backed up by supporting documentation. We also assessed whether a student summary record and evidence of attendance existed (past the required date) and that students were enrolled on eligible courses. We also tested the credits data to confirm that only one full-time fee is recorded per student in the academic year.

- For a sample of 10 students with more than one enrolment (e.g. enrolled on a FT and PT course) we obtained explanations and reviewed records to confirm that credits were not over-claimed.

- We reviewed a sample of 10 ESOL courses to confirm that the credits claimed were accurate. We then selected 10 students from the courses to assess whether the students were properly enrolled in the College and attended past the required date.

INVERNESS COLLEGE, FES

- We reviewed a sample of 15 students on school based programmes to assess whether credits claimed were accurate.
- We confirmed with management that the college no longer run any courses in collaboration with other institutions.
- We tested a sample of 10 open distance learning courses, and confirmed that the correct credits were claimed for each student, that the progress of the students was sufficient and that students were resident in Scotland.
- We tested a sample of 15 courses, and confirmed that the required date for each course was correct.
- We tested a sample of 10 students who had units deferred from 2020/2021 as a result of Covid-19, and verified that the unit credits had not been claimed last year. Observation noted below.

ANALYTICAL REVIEW:

A brief summary of the analytical review work undertaken is as follows:
- We compared the student numbers per mode of attendance with the prior year, investigating any significant fluctuations with College staff; and
- We obtained the fee waiver figures per category of fee waiver and compared these with the previous year's figures, investigating any significant fluctuations with College staff.

The final 2021/22 FES return submitted to SFC by the College matched the figures we reviewed. The Colleges core activity credit target set by the Regional Board was 30,677 credits. Total actual credits within the Colleges FES return are 28,697 which is 6.5% below the total target. These figures have been accepted by the SFC.

Student Numbers	2021/22	2020/21
Head Count		
FEFT	967	941
FEPT	2,198	1,902
Total	3,165	2,843

Fundable student numbers have increased by roughly 11.3% in comparison with last year. The increase is partly due to the sector returning back to pre-pandemic numbers.

All Student Enrolments		
Student Numbers	2021/22	2020/21
Enrolments		
FEFT	1,094	1,044
FEPT	3,565	2,611
Total	4,659	3,655

There has been an increase of roughly 27.4% in the number of student enrolments during the year.

INVERNESS COLLEGE, FES

Fee Waiver Summary:

Source of Finance of Fee for Student	2021/22 (£)	2020/21 (£)
22 - Fee Waiver - full-time non-advanced	752,976.00	856,000.00
23 - Fee Waiver - income support	338.40	0.00
24 - Fee Waiver - low income	507.60	2,079.60
25 - Fee Waiver - Islands Authority Fee Waiver (excl. Orkney and Shetland)	0.00	225.60
26 - Fee Waiver - cost borne by college	25,041.60	12,165.48
28 - Fee Waiver - Incapacity Benefit	0.00	0.00
29 - Fee Waiver - Severe Disablement Allowance	0.00	0.00
30 - Fee Waiver - housing benefit	0.00	0.00
33 - Fee waiver - student on a DPG 18 programme	22,870.20	41,052.48
37 - Fee Waiver - carers allowance	761.40	0.00
38 - Fee Waiver - disability living allowance	56.40	451.20
39 - Fee waiver - pension credit	0.00	0.00
40 - Fee Waiver - working tax credit	507.60	0.00
41 - Fee waiver - old FT criteria	0.00	22,926.60
42 - Fee waiver - school pupil	106,714.44	73,015.44
43 - Fee waiver - attendance allowance	0.00	0.00
44 - Fee waiver - income based job seekers allowance	0.00	0.00
47 - Fee waiver – income-related employment and support allowance	0.00	958.80
48 - Fee Waiver - student in care	0.00	1,015.20
49 - Fee Waiver - Asylum seeker or spouse or child of an asylum seeker	0.00	338.40
50 - Fee Waiver – contribution based employment and support allowance	0.00	0.00
52 - Fee Waiver – Personal Independence Payment (PIP)	2,453.40	1,692.00
53 - Fee Waiver – Universal credit (UC)	3,835.20	5,583.60
55 – Fee Waiver - COVID	99,967.98	48,404.00
56 - Fee waiver – Short full-time (SFT) course where the student is eligible for	75,730.20	0.00
Total - including cost borne by college	1,091,760.40	1,066,708.00
Total overclaim for individual students	10,673.40	12,266.00
Total - excluding cost borne by college	966,750.84	1,006,139.00
Total - excluding cost borne by college and overclaims	956,077.44	993,873.12

INVERNESS COLLEGE, FES

There has been an overall decrease in fee waiver (excluding cost borne by college and over claims) of roughly 4%.

There has been an increase of 100% (£12,876.12) in fee waivers for cost borne by college. Fee waiver because of COVID was introduced to accommodate students whose courses were impacted by COVID, for example where units were required to be completed in the 2021/22 academic year but started in 2020/21, with an increase of roughly 106% since last year.

There was a decrease in fee waiver claims for other categories such as 'low income' (400%, £1,572) and 'universal credit' (31%, £1,748.40).

Categories fluctuate as a result of the type of student enrolled at the College and, as such, it is not unreasonable for the totals within the individual categories to vary from year to year.

CONCLUSION:

The College's systems and procedures were found to be sufficiently adequate to promote the accurate collection and recording of data in respect of the credits return.

ACKNOWLEDGEMENT:

We wish to thank the College staff for their co-operation and assistance throughout this review, which was much appreciated.

INVERNESS COLLEGE, FES

OBSERVATIONS

DEFERRED STUDENTS

We reviewed ten students who had deferred Covid-19 units and found that for three students the planned hours from the student pathway had to be reduced to ensure that no credits were over-claimed. The issue occurred as for carpentry and joinery courses the classes, for example 1A and 1C had the hours applied across all classes. Screenshots were provided by management to show that the credits being claimed have been correctly adjusted and going forward this should not be an issue due to the Covid courses not being applicable for later academic years.

INVERNESS COLLEGE, FES

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**
Substantial 🟢	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.
Moderate 🟦	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.
Limited 🟧	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.
No 🔺	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	
High 🔺	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.
Medium 🟧	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.
Low 🟢	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.

FOR MORE INFORMATION:

CLAIRE ROBERTSON

+44 (0)7583 237 579
claire.robertson@bdo.co.uk

BDO

INVERNESS COLLEGE
MANAGEMENT LETTER FINAL

EMA 2021-22
OCTOBER 2022

INVERNESS COLLEGE, EMA

DISTRIBUTION	
Roddy Ferrier	Director of Finance
Georgie Parker	Vice Principal - Operations and External Relations
Jane Maclennan	Information System Manager
Audit Committee	Members

REPORT STATUS LIST	
Auditors:	Sean Morrison
Dates work performed:	12 September - 29 September 2022
Draft report issued:	06 October 2022
Final report issued:	06 October 2022

INVERNESS COLLEGE, EMA

EXECUTIVE SUMMARY

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	0
Medium	■	0
Low	●	0

TOTAL NUMBER OF RECOMMENDATIONS: 0

BACKGROUND:

A review of the College's student data returns has been carried out in accordance with the Scottish Funding Council EMA audit guidance issued on 15 August 2022.

Our report is based on information supplied by College management and staff, and the audit approach outlined below.

AUDIT APPROACH AND SCOPE:

We assessed the overall control environment by considering the following:
- Procedures and controls in place to capture data; and
- High level review and involvement by College management.

The purpose of the review was to examine the sub-systems used by the College in relation to the management of EMA funds in the context of the SFC audit guidance.

The assessment of the control environment as outlined above was used to determine specific tests and sample sizes.

Our fieldwork, which took 3 days to complete, was undertaken by a fully qualified auditor, and was reviewed by the Director responsible for the assignment. All personnel have previous experience of internal audit of FE Colleges.

Our samples were selected from data from the student records system, SITS.

INVERNESS COLLEGE, EMA

TESTING SUMMARY:

A summary of the specific tests, together with our (randomly selected) sample sizes is detailed below:

- A sample of 15 students from the population of 130 students was selected.
- We traced each of our sample of students to a completed enrolment form confirming eligibility and the existence of a valid audit trail.
- We re-assessed the applications to ensure they received the correct rate of EMA, and had all relevant documentation in place, such as completed learner agreements.
- We assessed whether student attendance has been monitored effectively for each of the sample.
- We traced the total income received from the SFC to the College's bank account and the monthly remittance advice slips received from the SFC to ensure claims had been correctly recorded.
- We reviewed the College's EMA reconciliation to confirm its accuracy.
- We reviewed the College's spot check workings to assess whether they had spot checked at least 5% of total students.

CONCLUSION:

The College's systems and procedures were found to be sufficiently adequate to promote the accurate collection and recording of data in respect of the EMA payments.

ACKNOWLEDGEMENT:

We wish to thank the College staff for their co-operation and assistance throughout this review.

INVERNESS COLLEGE, EMA

OBSERVATIONS

STUDENT ATTENDANCE

For 7 of our 15 students sample tested, we found that in our sample fortnights that EMA payments were made to students who did not have 100% attendance in the required study weeks. We recognise that in Academic Year 2021-22 that the College were using a flexible approach to monitoring attendance and engagement using information provided by the Education Support Assistants due to the ongoing changes consisting of hybrid teaching and the region still having issues with COVID-19. As a result, the decision was made not to have a strict 100% attendance policy. Going forward the College will be using the old process of using the timetabling software to verify 100% student attendance before an EMA payment is made.

We note that the SFC EMA guidance provided flexibility to attendance for assessing attendance criteria for vulnerable students, and cases involving COVID-19.

INVERNESS COLLEGE, EMA

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
Substantial	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.
Moderate	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.
Limited	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.
No	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

High	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.
Medium	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.
Low	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.

FOR MORE INFORMATION:

CLAIRE ROBERTSON

+44 (0)7583 237 579
claire.robertson@bdo.co.uk

www.bdo.co.uk

INVERNESS COLLEGE

MANAGEMENT LETTER FINAL

STUDENT SUPPORT FUND AUDIT 2021-22
OCTOBER 2022

INVERNESS COLLEGE, SSF

DISTRIBUTION	
Roddy Ferrier	Director of Finance
Georgie Parker	Vice Principal - Operations and External Relations
Jane Maclennan	Information System Manager
Audit Committee	Members
REPORT STATUS LIST	
Auditors:	Sean Morrison
Dates work performed:	12 September - 30 September 2022
Draft report issued:	06 October 2022
Final report issued:	06 October 2022

INVERNESS COLLEGE, SSF

EXECUTIVE SUMMARY

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	0
Medium	■	0
Low	●	0

TOTAL NUMBER OF RECOMMENDATIONS: 0

BACKGROUND:

A review of the College's student data returns has been carried out in accordance with the 'Student Support Fund' Audit Guidance Notes for 2021-22 issued on 16 August 2022.

Our report is based on information supplied by College management and staff, and the audit approach outlined below.

AUDIT APPROACH AND SCOPE:

We assessed the overall control environment by considering the following:
- Procedures and controls in place to capture data; and
- High level review and involvement by College management.

The purpose of the review was to examine the system used by the College in relation to the student support fund, in the context of the national policy for further education bursaries, and with consideration of the audit guidance, to examine the processes used to administer student support funds and to complete the aggregated return.

The assessment of the control environment as outlined above was used to determine specific tests and sample sizes.

Our fieldwork, which took 3 days to complete, was undertaken by a fully qualified auditor, and was reviewed by the Director responsible for the assignment. All personnel have previous experience of internal audit of FE Colleges.

Our samples were randomly selected from data from the student records system, SITS.

INVERNESS COLLEGE, SSF

TESTING SUMMARY:

A summary of the specific tests, together with our (randomly selected) sample sizes is detailed below:

- A sample of 20 students, from a population of 739 eligible bursary students was selected, this included care experienced students.
- We traced each of our sample of students to an online application (or paper form where required) confirming the eligibility criteria were checked and evidence retained, and reviewed the backup documentation supporting each of the applications, including confirmation that the applicant's income status is reviewed before awarding a bursary.
- We confirmed that student attendance is monitored effectively for the sample, and confirmed that withdrawn students, or those no longer meeting acceptable attendance criteria, no longer received payment.
- We confirmed for the sample that the bursary was paid into the bank account of the correct student.
- We traced the total income received from the SFC to the College's bank account and nominal ledger and cross checked the total income to the monthly remittance advices received from the SFC to ensure these have been correctly recorded.
- We matched the College's aggregated returns to the underlying records.
- We confirmed that bursary overspends have been properly accounted for within the College.
- We tested a sample of 10 students from a population of 71 confirming eligibility for further education or higher education childcare award.
- We tested a sample of 5 students from a population of 87 confirming eligibility for further education discretionary award.
- We confirmed that payments made under discretionary and childcare funds were for allowable expenditure in each of the sample selected.

CONCLUSION:

The College's systems and procedures were found to be sufficiently adequate to promote the accurate collection and recording of data in respect of the aggregated student support funds returns.

ACKNOWLEDGEMENT:

We wish to thank the College staff for their co-operation and assistance throughout this review.

INVERNESS COLLEGE, SSF

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
Substantial 🟢	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.
Moderate 🟦	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.
Limited 🟧	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.
No 🔺	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

High 🔺
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.

Medium 🟧
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.

Low 🟢
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.

FOR MORE INFORMATION:

CLAIRE ROBERTSON

+44 (0)7583 237 579
claire.robertson@bdo.co.uk

www.bdo.co.uk

BDO

INVERNESS COLLEGE

INTERNAL AUDIT REPORT

STUDENT REPRESENTATION
MAY 2022

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

INVERNESS COLLEGE, STUDENT REPRESENTATION

DISTRIBUTION	
Lindsay Snodgrass	Assistant Principal of Student Experience
Natalie Kelly	Quality Manager
Roddy Ferrier	Director of Finance
Members of the	Audit Committee
REPORT STATUS LIST	
Auditors:	Tom O'Hara
Dates work performed:	3 May 2022 - 18 May 2022
Draft report issued:	23 May 2022
Final report issued:	31 May 2022

INVERNESS COLLEGE, STUDENT REPRESENTATION

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design	■	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	■	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High	▲	0
Medium	■	0
Low	■	4

TOTAL NUMBER OF RECOMMENDATIONS: 4

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 (the College).

The College's Quality Team is responsible for the student representation activities of the College, including the coordination of student surveys, the development of student engagement strategies and liaising with HISA Inverness. The Quality Team comprises of the Quality Manager and four Quality Officers.

The College's Student Association, the Highlands and Islands Student Association (HISA) Inverness, is part of the wider University of Highlands and Islands Student Association group. HISA is a separate entity to the College, having its own constitution, staff, and responsibilities for student representation and engagement. There are three HISA Inverness staff stationed at the College, including the HISA Inverness President. It is noteworthy that the staffing resource within HISA Inverness is currently below previous levels due to one of the three student officers leaving their post mid-way through and the Co-Ordinator role remaining vacant for a significant period of time. HISA staff from the wider UHI HISA, such as the HISA Sports Coordinator, will also liaise with the College.

The College recruits Student Voice Representatives throughout the year from the College's student body. The College and HISA advertises the role of Student Voice Representative at student induction events and through student communications, such as email, social media, and the student newsletter. In the current academic year, 2021-22, there are approximately 90 Student Voice Representatives at the College, a decrease from approximately 150 during the previous academic year 2020-21.

INVERNESS COLLEGE, STUDENT REPRESENTATION

HISA Inverness schedule monthly Student Representative Council Meetings which allow Student Voice Representatives to report feedback obtained from their peers and discuss student-raised issues with HISA and college representatives. Each meeting has a loose agenda to allow the meeting to be driven by student raised issues or concerns. Although the meetings are student-led, College staff have the chance to attend to respond to discussions or relay important student notices.

Course Committee meetings are part of the College's self-evaluation process, where College Schools and departments discuss performance and identify possible improvements. There are three Course Committee meetings throughout the year, with a final annual review meeting taking place in August. The meetings are attended by relevant College staff, including Heads of Schools, lecturing staff, relevant Professional Services staff and, where possible, external stakeholders such as employers. The College sends an open invitation via Webex for all relevant students to attend as they wish.

In addition, each academic faculty has a dedicated Personal Development Advisor that act as a liaison between the student body and the College. Personal Development Advisors run induction sessions with classes that include information on student representation and the process of becoming a Student Vice Representative. Personal Development Advisors are available for student pastoral support and respond to student feedback.

HISA Inverness staff are represented at many of the College's committees. HISA committee members act as representatives of the student body and relay their sentiments and concerns. HISA representatives are members of several management committees, such as the Equality, Diversity & Inclusion and the Student Journey & Enhancement Committees. HISA are also represented at the Board of Management sub-committee, which is focussed on student experience, the Learning, Teaching and Research Committee. In addition, the HISA Inverness President and the Vice President Education are members of the Board of Management.

The College often establishes ad-hoc committees and short life working groups for events or issues, such as the COVID-19 Monitoring Group. These committees and working groups will often include HISA representatives.

HISA Inverness provides support and training to Student Voice Representatives. HISA Inverness organises and delivers an induction training presentation for newly elected Student Voice Representatives. These training sessions are delivered throughout the year and are scheduled to fit in with the schedules of the student representatives. Approximately 15 training sessions were held during the 2020-21 academic year.

The HISA Student Voice Representative induction materials are provided to representatives after their completion of the induction. HISA also developed an online induction module for Student Voice Representatives unable to attend these sessions.

In addition to the Student Voice Representatives, Course Curriculum Meetings and Personal Development Advisors, the College has alternative mechanisms for student feedback.

Students can submit anonymous feedback through UHI's "Red Button" service. Students can access the "Red Button" through their online student profile. Any student submitted feedback submitted to UHI that is relevant to the College is forwarded onto the College's Quality Team.

INVERNESS COLLEGE, STUDENT REPRESENTATION

In addition to the National Student Survey, the College's Quality Team conducts two surveys during each academic year, the Early Student Experience Survey and the Student Satisfaction and Engagement Survey. The Early Student Experience Survey is delivered in the Autumn and focuses on student's experiences with the College's induction and onboarding process. The Student Satisfaction and Engagement Survey is delivered in Spring, and focuses on student experiences with the College's learning, teaching and interactions with student support services.

The College's Quality Team produce a pivot table of the results of each survey for college staff to analyse by course, school or student characteristics. The pivot tables are available to staff on the college's staff intranet.

The College's Quality Team performs student focus groups when the College requires specific student feedback on issues or proposals. The focus group consists of a member of the Quality Team discussing an issue or proposal with a class without the presence of a lecturer. Following the discussion, the Quality Team will summarise the feedback and discuss next actions with the class's Head of School.

The Quality Team, in partnership with HISA, distribute a twice-monthly student newsletter, "The Link", to the College's student body. The Link covers HISA updates, important notices such as upcoming surveys, and provides closure on student raised issues at the College.

The College acts upon student feedback through the Quality Enhancement Plan (QEP) process. QEPs are a key output of the Course Committee Meeting process, however, QEPs can be developed by Schools and departments as result of student feedback gathered through other mechanisms. QEPs document the issue identified, the desired outcome and outlines the actions required, action owner responsible, and an expected completion date to achieve this outcome.

The Quality Team is responsible for the oversight of the QEP tracker, which was introduced during the current academic year, to monitor the progress of actions raised by each School and department. The College's overall progress on QEP actions is reported to the Student Journey and Enhancement Committee and to the Executive Management Committee.

The College and HISA agree an updated Student Partnership Agreement on an annual basis. The agreement outlines three themes which the College and HISA commit to collaborating on. The themes identified for the 2021-22 academic year are student life, advice, support & progression and learning & teaching. The agreement is co-authored by HISA and the College with input from the Student President, the Quality Manager and the Assistant Principal Student Experience & Quality. The three annual themes are advertised to the student body in a number of ways including, for example, the use of wall decals to help raise awareness.

The updated Student Partnership Agreement is delivered to the Learning, Teaching and Research Committee at the beginning of each academic year. Progress on the delivery of the themes is subsequently reported to the Learning, Teaching and Research Committee on a quarterly basis.

The Quality Team and HISA Inverness hold twice-monthly meetings to monitor the progress of Student Partnership Agreement deliverables. The Quality Team maintain a Student Partnership Agreement action tracker for the year, which is updated at each twice-monthly meeting between the Quality Team and HISA.

INVERNESS COLLEGE, STUDENT REPRESENTATION

SCOPE AND APPROACH:

The scope of the review is to assess whether:

- Appropriate arrangements are in place in relation to the Student Voice being represented at all levels and across all aspects of work, including at Board of Management;
- The College has adequate resources in place to support the student representatives effectively;
- Appropriate mechanisms are in place to gather feedback from students, across all levels and modes of study, and to act on any key messages/trends arising from feedback; and
- Appropriate arrangements are in place to ensure collaborative working between the student's association (HISA Inverness) and the College to support continuous improvement of the student experience.

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.

GOOD PRACTICE:

During our review we noted a number of areas of good practice being demonstrated at the College in relation to student representation. These included:

- HISA Inverness is represented at numerous committees across the College, including the Board of Management.
- Course Committee Meetings were open to all students to attend.
- The College's "Red Button" service allows students to make anonymous feedback.
- The Quality Team produce pivot tables of the ESES and SSES which are available to all staff to review and drill-down on results.
- The College produces a twice-monthly student newsletter, "The Link," which updates students on actions by the College in relation to student-raised feedback.

KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we have noted five areas where further improvements could be made to the College's student representation process, summarised below:

- **Student Representation Strategy:** The College's Student Representation Strategy expired in 2020. This was due to the overall College strategy being delayed due to Covid and that a new Student Engagement Strategy will now be developed
- **Student Voice Representatives:** The College has recruited approximately 90 Student Voice Representatives during the 2021-22 academic year and recruited approximately 150 Student Voice Representatives during the 2020-21 academic year. The recruitment levels of Student Voice Representatives are insufficient to ensure better coverage across classes.
- **QEP Action Tracker:** Many of the QEP deliverables recorded in the QEP Action Tracker are past their due date and some progress logs for deliverables are not being

INVERNESS COLLEGE, STUDENT REPRESENTATION

recorded. Some Heads of School have incorrectly set longer term and overly ambitious actions which have led to some actions by-passing their due date.

- **Student Partnership Action Tracker:** The Student Partnership Action Tracker did not record target completion dates for recorded actions.

CONCLUSION:

We are able to provide moderate assurance over the design and operational effectiveness of controls in place relating to student representation at the College.

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

✓ 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 sufficient resources in place to support student representatives in their roles

✓ The College may not gather feedback from students consistently and analyse results

✓ The College may not have appropriate arrangements in place to ensure collaborative working with HISA Inverness and support continuous improvement

INVERNESS COLLEGE, STUDENT REPRESENTATION

DETAILED FINDINGS

RISK: 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

Ref	Sig.	Finding
1	🟢	**Student Representation Strategy** It is important strategies are regularly refreshed and reviewed to ensure they reflect current and relevant strategic objectives of the organisation. The current Strategic Plan for Student Representation expired in 2020. Its review and subsequent update was deferred by the College's delayed update of its Strategic Plan. We note that the College's review and update of its Strategic Plan was significantly disrupted by the COVID-19 pandemic, and that an updated Strategic Plan for Student Representation is currently in development. There is a risk that the College does not have relevant strategic objectives for Student Representation.

RECOMMENDATION:

We recommend that the Strategic Plan for Student Representation is reviewed and updated as soon as practicable.

MANAGEMENT RESPONSE:

The review and update of the Strategic Plan for Student Representation has been delayed due to disruption caused by the pandemic and the overall strategic plan. The overall strategic plan for UHI Inverness has now been drafted allowing the Student Representation one to now be drafted.

Responsible Officer:	Assistant Principal – Student Experience and Quality
Implementation Date:	31 October 2022

INVERNESS COLLEGE, STUDENT REPRESENTATION

RISK: THE COLLEGE MAY NOT GATHER FEEDBACK FROM STUDENTS CONSISTENTLY AND ANALYSE RESULTS		
Ref	**Sig.**	**Finding**
2	🟢	**QEP Action Tracker**

It is good practice for action trackers to be regularly reviewed and updated to ensure that actions are effectively monitored and any issues can be identified and appropriately escalated.

The College's Quality Team records and monitor's progress on each School's and department's Quality Enhancement Plans (QEP) through its QEP tracker, which outlines each QEP's deliverables, the completion percentage of that deliverable, its expected due date and the date the deliverable was completed.

Internal Audit conducted a review of the QEP action tracker and identified that numerous actions were past their due date. In addition, progress logs are not being recorded for the status of all deliverables, meaning the tracker is not keeping a complete record of the progress of some deliverables.

Due to this being the first year the QEP tracker has been utilised and certain School's and department's setting overly ambitious completion dates. This learning will be taken into the next academic year cycle and the new QEP tracker.

There is a risk that actions within the QEP tracker are not being monitored and tracked to completion.

RECOMMENDATION:

We recommend that QEP action owners ensure each action included within the QEP tracker is appropriate and achievable within the academic year, and then monitored to completion. Progress logs are recorded for action deliverables in the QEP action tracker.

In addition to updating the QEP tracker at Course Committee Meetings, the Quality Team should send monthly reminders to action owners to provide information on the status of each action.

INVERNESS COLLEGE, STUDENT REPRESENTATION

MANAGEMENT RESPONSE:

The college implemented the QEP tracker this current academic year and lessons have been learnt. A focus group has been set up for May 2022 to identify improvements that can be implemented for 2022-23. This review will include discussion around updating the tracker to include additional details on the overall result from each goal, a named person being responsible for each deliverable and streamlining the paperwork that sits alongside the tracker.

The status of QEP goals will be included on the agenda for the monthly meetings between Quality Officers and Heads/Deputes to discuss the possibility of extending the deadline dates where there is a valid reason why it has not been achieved, or to close off the deliverable. Monthly reporting to SJEC will continue, and will include identification of deliverables that have passed their deadline dates. The overall responsibility of completing actions within the agreed deadlines will remain with each individual team, and in particular, that team's Manager.

Responsible Officer:	Quality Manager
Implementation Date:	30 September 2022

INVERNESS COLLEGE, STUDENT REPRESENTATION

RISK: THE COLLEGE MAY NOT HAVE APPROPRIATE ARRANGEMENTS IN PLACE TO ENSURE COLLABORATIVE WORKING WITH HISA INVERNESS AND SUPPORT CONTINUOUS IMPROVEMENT	

Ref	Sig.	Finding
3	🟢	**Student Partnership Action Tracker** It is good practice for an action trackers to include target completion dates to allow for effective monitoring of the progress of action deliverables. The student partnership action tracker is used to track Student Partnership theme actions between the College and HISA Inverness. During the review, it was identified that target completion dates were not being inputted for all actions. There is a risk that the progress of Student Partnership actions cannot be effectively monitored and assessed against expectations.

RECOMMENDATION:

We recommend that expected completion dates are recorded for each Student Partnership action within the tracker, and that the progress of actions is assessed against the expected completion date.

MANAGEMENT RESPONSE:

There have been challenges over the past year with changes to staffing and the pandemic. Going forward we anticipate a closer working relationship between the Quality Team and HISA. A team event in July is planned for staff in both teams to come together and plan for next academic year. A new tracker will be created and will include target completion dates. Monitoring will be carried out by the Quality Manager and reported to SJEC on an ongoing basis.

Responsible Officer:	Quality Officer
Implementation Date:	30 September 2022

INVERNESS COLLEGE, STUDENT REPRESENTATION

RISK: 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

Ref	Sig.	Finding
4	🟢	**Student Voice Representatives** It is important to ensure that student representatives have a presence in each class to ensure the study body is effectively represented. There are over 6,000 students at the College. Despite this, the College has recruited approximately 90 Student Voice Representatives for the current academic year and approximately 150 in the previous academic year, which is not sufficient to ensure a critical mass of Student Voice Representatives. We note that HISA and the College has experienced difficulties in recruiting Student Voice Representatives since the start of the COVID-19 pandemic and that it is actively recruiting and promoting the role of Student Voice Representatives within the student body. There is a risk that student representatives do not have a presence in every class and that the study body is not being effectively represented.

RECOMMENDATION:

We recommend that the College ensures that there is at least one Student Voice Representative in each of the College's classes.

The College should consider expanding the student benefits of becoming a Student Voice Representative, such as qualifications or group experiences, to attract potential student applicants.

MANAGEMENT RESPONSE:

We hope that Open Days and Induction Days will have a greater presence from HISA in 2022/23 as we return to being on campus which will promote the opportunity of being a Student Voice Rep. There will also be a gap analysis completed over the summer to identify areas/courses where there was a difficulty recruiting to identify if we need to support HISA with targeted support in recruiting Student Voice Reps for next year.

Responsible Officer:	Quality Manager (with input from HISA)
Implementation Date:	30 September 2022

INVERNESS COLLEGE, STUDENT REPRESENTATION

OBSERVATIONS

SCQF LEARNER REPRESENTATION AND ENGAGEMENT

The College previously offered Student Voice Representatives the chance to gain an SCQF Learning Representation and Engagement award in recognition of the skills they developed in their role. However, the College has not offered this qualification to representatives since the 2019-20 academic year due to disruption caused by the COVID-19 pandemic and recognition of the additional challenges which students were facing. The College might benefit from considering its re-introduction as an incentive to prospective Student Voice Representatives.

INVERNESS COLLEGE, STUDENT REPRESENTATION

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.

Lindsay Snodgrass	Assistant Principal of Student Experience
Natalie Kelly	Quality Manager
Aimee Coultas	Quality Officer
Ruth McFadyen	HISA Inverness President
Laurie Symons	HISA Sports Development Coordinator
Sophie MacGregor	HISA Student Voice Assistant
Alison Woodside	Deputy Head of School of Creative Arts
Ralph Gunn	Personal Development Advisor
Heather Keyes	Head of School for Care, Health and Wellbeing
Lynsey Mason	Wellbeing and Learning Support Manager

INVERNESS COLLEGE, STUDENT REPRESENTATION

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
Substantial 🟢	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.
Moderate 🟦	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.
Limited 🟧	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.
No 🔺	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

High 🔺 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.

Medium 🟧 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.

Low 🟢 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, STUDENT REPRESENTATION

APPENDIX II - TERMS OF REFERENCE

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 at all levels and across all aspects of work, whether there are sufficient resources to support the student representatives and whether the collaborative improvement work of HISA Inverness and the college is sufficiently monitored and reported on.

KEY RISKS:

- 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 sufficient resources in place to support student representatives in their roles

- The College may not gather feedback from students consistently and analyse results

- The College may not have appropriate arrangements in place to ensure collaborative working with HISA Inverness and support continuous improvement

SCOPE OF REVIEW:

The scope of the review is to assess whether:

- Appropriate arrangements are in place in relation to the Student Voice being represented at all levels and across all aspects of work, including at Board of Management;
- The College has adequate resources in place to support the student representatives effectively;
- Appropriate mechanisms are in place to gather feedback from students, across all levels and modes of study, and to act on any key messages/trends arising from feedback; and
- Appropriate arrangements are in place to ensure collaborative working between the student's association (HISA Inverness) and the College to support continuous improvement of the student experience.

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 REPRESENTATION

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 ROBERSTON

0141 248 3761
Claire.roberston@bdo.co.uk

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Subject/Title:	Internal Tracker of Internal Audit Recommendations
Author:	Roderick M Ferrier, Vice Principal, Finance and Audit
Meeting:	Audit and Risk Committee
Meeting Date:	18 October 22
Date Paper prepared:	11 October 22
Brief Summary of the paper:	Present most recent Internal Tracker
Action requested: [Approval, recommendation, discussion, noting]	Reviewing
Link to Strategy: Please highlight how the paper links to, or assists with:**:** ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	Complies with Risk Management
Resource implications:	None **If yes, please specify**:
Risk implications:	Yes **If yes, please specify:** Financial Operational Strategic Encompassing all major risks

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Equality and Diversity implications:	N/A
Student Experience Impact:	None
Consultation: [staff, students, UHI & Partners, External] and provide detail	None
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes

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

Its disclosure would substantially prejudice a programme of research (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 confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

Recommendation(s):
That members review the most up to date version of the College's Audit Tracker of Internal Audit's Recommendations.

Purpose of report
To review progress on the dealing of Internal Audit Recommendations.

Executive Summary

Cash Handling

Progress has been made re Action 1 although Hair and Beauty takings' prints need to disclose cash takings by notes and cash. This is being addressed.

Variance analysis of cash differences will be implemented within the next few weeks. Cash Takings are mostly daily but sometimes Refectories can be short-staffed meaning this is not wholly complied with. Effectively the College is complying with the recommendation, but sometimes unable to deliver 100%. It is recommended that this Recommendation is closed as being actioned.

Cash Handling procedures have been drafted but Team Leader has to review.

Health and Safety

DSE Assessments – managers are being asked to follow up re non-compliance.

Health and Safety Learning and Training is being followed up re internal processes. It is recommended that this can be closed.

Workforce Planning

There is not much difference from the previous tracker which gave the estimated timeframes to deliver on recommendations.

Succession Planning should be commenced within Semester 1.

Systems

From discussion with Senior colleagues trying to comply with recommendations may be difficult. Projects can come under the following areas:

- Research
- Estates
- One off assessments involving Commercial Manager e.g. Sports Pitch
- HR considering transferring from Cipher System to Cintra system

All the above projects are different in scope and type and having a standard methodology may simply not be achievable.

Procurement

Sampling review has been done and continues. This can be closed off.

There is a first draft of the Procurement Strategy. The APUC Manager has reviewed this but hopes to make further changes by 31 December 2022.

Staff Recruitment

HR is seeking to address all outstanding recommendations. It is intended to seek to have the necessary procedures for review by the end of November 2022.

Student Application, Enrolment and Induction

The outstanding Action point rests with UHI staff, as the recommendation refers to UHI-wide policies.

Cyber Security

Refer to Follow Up by Internal Auditor

	Reporting Year	Audit	Finding Reference (per report)	Finding	Recommendation	Recommendation Significance	Management Response	Implementation Date	Responsible Officer	BDO status at October 2022	Client status as at Oct 2022 (Fully Implemented/ Partially Implemented/ Not Implemented/ Superseded/ Not Due For Implementation)	Client Comments
2019/20												
1	2019/20	Cash Handling	1	It is important that cash handling procedures are consistently applied to minimise the opportunity for fraud or errors. During our testing, we found that one of the Hair & Beauty takings sheets and one of the library takings sheets were not completed to show the breakdown of denominations counted by finance or the variance. We also found that the Hair & Beauty takings sheet was not signed by finance to evidence that totals had been agreed. There is a risk that potential misappropriation of cash may go unnoticed if the total of cash takings for the day are not verified.	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.	Medium	Refectory is providing reports breaking down denominations of notes. Hair and Beauty is still not doing this, but will be advised to follow procedures. Daily takings are signed by departmental staff. Library takings are not material but will be advised to follow procedures.	Within one calendar month of lockdown ending.	Team Leader Income and Expenditure		Hair and Beauty to input cash denomminations (notes)	By end of October 2022
2	2019/20	Cash Handling	2	It is important that there is a procedure in place to monitor and investigate variances in cash takings. During testing we found that there were variances in takings that were not investigated as they were below £10; however, there is no ongoing monitoring of trends in variances and that the investigation process for variances was not documented. There is annual analysis of the net figure which for the year ended 31 July 2019 amounted to £340.57 over. There is a risk that there may be patterns in variances which are going unchecked and hence remedial action may not be taken.	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 remdial 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.	Medium	Monthly reporting will now include a report of variances covering Refectories, Hair and Beauty, and Library. New tills provide greater assurance that taking cash out of the till without accountability is difficult.	Within one calendar month of lockdown ending.	Team Leader Income and Expenditure		To run monthly variance reports	Commencing mid-October 2022
3	2019/20	Cash Handling	3	It is important that cash handling procedures are consistently applied to minimise the opportunity for fraud or errors. During our testing, we found that the library and hair & beauty departments do not bring their takings to the cash office every day. There are some instances where there are no takings in these departments and it may also be the case that hair & beauty have evening appointments after the cash offices is closed, they cash up their tills and keep the takings in a safe within their department. The procedures outline a specific time each day that departments should pass takings on to the cash office but do not indicate that there may be instances where there are no cash takings or that cash may be held overnight in departments. There is a risk that misappropriated takings could go unnoticed if there is not a daily reconciliation for each department.	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 Hari & Beauty department have a sage which will be used to hold cash from evening appointments overnight.	Low	Sometimes Refectories do not bring cash to Finance department on a daily basis. This can be due to staff shortages. The keep cash in a safe overnight. Finance would prefer cash on a daily basis as it just takes more work to cash up. This area of the college has the greatest amount of cash. Every day Hair and Beauty take cash, they bring expeditiously to Finance. Libray does not have a lot of cash.	Within one calendar month of lockdown ending.	Team Leader Income and Expenditure		Discussions with Refectory Manager. However trying to balance Operations with due process can sometimes be challenging.	Procedures are in place but in practice sometimes not strictly adhered to (eg if Refectory is short staffed) Recommend to close
4	2019/20	Cash Handling	4	It is important that cash handling procedures are fully documented to provide staff with guidance on processes. During our review we found that there were areas not covered by the procedures: - The procedures do not make it clear who may operate tills in each department or what the training arrangements are for till operation; and - There is no documented procedure for maintaining a float. There is a risk that staff may not be aware of the cash handling processes which increases the likelihood of errors.	We recommend that the Banking Process and Procedures document is updated to include the following areas: - Which members of staff may operate the till in each department and what the training arrangements are for till operators; and - The procedure for maintaining a float including the arrangements for picking up, counting, storing and dropping off the float.	Low	Now Completed in draft but Team Leader reviewing in terms of content and coverage	Within one calendar month of lockdown ending.	Team Leader Income and Expenditure		Finance Procedures to be reviewed by Team Leader	By end of November 2022
5	2019/20	Health & Safety	2	Display Screen Equipment Assessment Documentation The College requires staff to complete a Display Screen Equipment (DSE) questionnaire and workstation assessment to ensure compliance with Health and Safety (Display Screen Equipment) Regulations 2002. There are inconsistent practices across the College for retaining DSE workstation assessments and questionnaires. Some are kept locally and some are kept on SHE. The Health & Safety Manual is not clear about how the assessments should be retained. The College does not have a central log of staff DSE workstation assessments and questionnaires. The Staff Development Procedure includes no requirement to have a DSE assessment completed as part of the induction. There is a risk the College cannot evidence staff are completing DSE questionnaires and assessments.	We recommend staff are required to log DSE Assessments and questionnaires in a way that allows completion to be monitored centrally. We recommend the Health & Safety Manual is updated and clearly documents where completed assessments should be retained. We recommend staff are required to refresh their assessments and questionnaires on a regular basis for example every three years, or whenever they move desks. We recommend new staff are required to complete a DSE Assessment and questionnaire as part of their induction.	Medium	A comprehensive programme of DSE assessments were undertaken during the transition from the Longman building to the Beechwood campus. Unfortunately, for unknown reasons, the record of these records is unavailable. As circumstances have changed due to the COVID-19 pandemic, a new programme of DSE Assessments will take place during the return to working within College buildings, which will consider both office working and, where applicable, home working arrangements. The Health & Safety Manual is in the process of being reviewed and instruction on the administration of records will be included. The requirements for DSE assessments (including reviews will be stipulated in the Health & Safety Manual DSE training and self-assessment will be included in the staff induction process and included in the Health & Safety Manual	?	Health and Safety Manager		All staff are required to undertake a DSE training module and subsequently undertake a DSE assesment as part of the IHASCO online mandatory training. The status is 'partially implemented' as not all staff have completed the training. Non compliance with this is being followed up by managers.
6	2019/20	Health & Safety	5	Health & Safety Learning Health and safety training helps reduce the number of accidents and incidents. The College has a series of mandatory health and safety e-learning courses for staff to complete. There are many staff who have not completed these courses. The Health & Safety Manager has since created a Health & Safety Training Matrix which documents the courses a member of staff is to complete dependent upon their role. There is an increased risk of accidents and incidents occurring at the College.	We recommend line managers are reminded to actively monitor their staff's completion of Health & Safety learning.	Medium	Principal and Professional Development have been following up with Managers identified by H & S Manager regarding staff who still need to undergo training.	4-Oct-22	Health and Safety Manager		Implemented	Principal and Professional Developemnt been following up with Managers re staff needing training
2020/21												
7	2020/21	Workforce Planning	1	Accurate Training Records It is important to have accurate records of staff training, qualifications and certifications to understand the level of competency across the organisation. Not all training records and certifications of staff are held in a central location. Ciphr does not have the capabilities to monitor training needs. Specialised training and certifications are monitored by Curriculum Managers due to a lack of capacity and specialist knowledge of requirements in the Development Team. As a result skills gap analysis cannot be conducted to feed the Learning Plan. There is a risk the College does not have an accurate record of completed and outstanding training.	We recommend the College considers implementing a learning management system, which will allow training records and certifications to be held centrally and will allow skills gaps analysis to be completed which can inform the learning plan.	Medium	We continue to work with staff and managers to ensure that all qualifications and certificates are forwarded to the PD team for accurate imputing to the system. We are currently exploring add-ons to our HR system which would allow skills gaps analysis to be completed on an organisation wide basis. Meanwhile, managers continue to undertake skills gap analysis for their areas as part of their overall management responsibilities.	HR system review during academic year 2021/22	Professional Development Manager		**Accurate Training Records** Most training records are currently held centrally within the HR system. The lockdown periods decreased staff reliance on paper systems and we now see staff more regularly updating training records electronically. Responsibility for skills gap analysis remains within Schools/Professional Services teams. The review of our HR system is ongoing with a refresh scheduled for July 2022.
8	2020/21	Workforce Planning	2	Succession Planning It is good practice to identify critical roles and have a succession plan to support a smooth transition in the event a key member of staff was to become unavailable or leave. The College has not identified critical roles and does not have a documented succession plan. There is a risk the College loses key skills and experience if a key member of staff were to leave.	We recommend identifying critical roles and preparing a documented succession plan.	Medium	Whilst we do not necessarily have a "list" of critical roles - I must re-iterate some of the comments made: • We review our staffing in line with our annual curriculum plan and set our annual staffing budget accordingly. Anticipating future skill need / development of skill sets to support future curriculum developments. • Managers continually monitor staff numbers to ensure that sufficient resources are attached to each department to ensure curriculum and support service levels can be met. • Skills gaps are filled either through redeployment of staff from other areas of the College or, where necessary, through external recruitment in line with available budgets, curriculum and service demand and strategic objectives. • A review and approval process has been established to ensure that appointments, both internal and external, are managed in line with available budgets, curriculum and service demand and strategic objectives. • Development opportunities are made available for staff internally in preparation for promoted posts when vacancies become available. Staff have been provided with learning and development support to help them achieve that. For example, through trainee roles/programmes, CMI training for new line managers and those aspiring to become, and secondment opportunities. • Within the Curriculum teams, Programme Co-ordinators roles were created several years ago which allow lecturers to be appointed on a fixed term basis allowing them to gain experience in reviewing quality of programmes and timetable management. • Academic Management/Schools Structure - over the past years we have also implemented a number of workforce structural changes including a transformation of our academic middle management structure and moving our curriculum groupings into wider 'schools' structure. For example, appointments to the Depute Head of School posts were made. • Although recruitment to specialist roles is challenging in the Highlands, the College has implemented a number of initiatives to develop some resilience. Processes are in place which ensure that critical positions are filled to ensure that staff resources are available to meet commitments. Managers continually	01/04/2021 *Update as at June 2022 - This is planned to commence at the start of the next academic year.	HR Manager		**Succession Planning** The HR and Professional Development teams are jointly developing a three-stage approach to the general principles of Succession Planning - namely identifying those employees who may have development potential (a) now, (b) 1-3 years from now or (c) 3-5 years from now. To allow this approach may be woven into future standard line management procedures, it is proposed the current Performance Review and Development (PRD) process be amended to accommodate succession planning as an outcome, where appropriate at the conclusion of the PRD process. This is planned to commence at the start of the next academic year. The succession planning process has been developed and will be launched within semester 1, after staff have been trained in the process.
9	2020/21	Workforce Planning	5	Staff Development Policies & Procedures Policies should be reviewed on a regular basis to ensure policies reflect current expected practice. The Staff Development Policy was last reviewed by the Board of Management in 2015 and was due to be reviewed in March 2018. The Staff Development Procedure was last reviewed by the Board of Management in 2010 and was due to be reviewed in September 2013 with an extension to September 2014. We recognise UHI is currently in the process of developing a Staff Development Policy and Procedure that will be used across all campuses including Inverness College, adopting a Single Policy Environment. There is a risk policies become outdated and do not reflect current practice.	We recommend the College adopts UHI's Staff Development Policy and Procedure and these are reviewed on a regular basis.	Low	The UHI Staff Development Policy and Procedures will be adopted and communicated to staff through the Professional Development committee and other channels as soon as it becomes available.	As soon as UHI release the new policy and procedure, anticipated before the end of 2020/21 academic year.	Professional Development Manager	N/A	**Staff Development Policies & Procedures** The single UHI Staff Development Policy has still not been launched. If this does not become available by the end of academic year 2021/22, work will commence to review/redevelop the current UHI Inverness Staff Development Policy and Procedure to bring it in line with current best practice.	A common UHI has yet to be progressed. In light of this we are developing our own Professional Development policy and procedure which will be in place by the end of the calendar year.
10	2020/21	Workforce Planning	6	The Workforce Plan It is important that clear workforce plans are in place and appropriately reviewed and approved. The Workforce Plan 2020-23 is currently a draft version and there are sections which are still to be completed: Section 5, Recruitment and Retention of Workforce and Section 6, Succession Planning. The document does not document its owner or the review process. There is a risk that the College does not have an effective Workforce Plan.	We recommend the Workforce Plan is completed and is reviewed and approved on a timely basis. The document owner, reviewer and approver and when it is next due for review should also be documented, and future reviews timetabled to ensure the plan is refreshed for the beginning of the years to which it relates.	Low	The Workforce Plan 2020-23 is currently a draft version and the outstanding sections to be completed are Section 5, Recruitment and Retention of Workforce and Section 6, Succession Planning. The HR Manager will liaise with SMT to finalise, including documenting its owner and the review process.	31 June 2021 *Update as at June 2022: 1. Supporting Probation Policy and Procedure - this is currently progressing through the UHI Inverness PPRP process, with a view to introducing both at the start of the 2021 / 2022 academic year. 2. Succession Planning - the	HR Manager and SMT		The College has traditionally conducted workforce planning activities on an annual basis. The College are now moving to a Talent Management approach, encompassing workforce planning, human resource management, organisational and staff development. A new Talent Management Strategy will ensure that the College, now and into the future, has a constructive, demand led approach to recruiting, developing, recognising and retaining talented individuals and teams, who are Ambitious, Bold and Creative in meeting the needs of our communities.	
11	2020/21	Systems	1	Project Management Methodology It is important that an organisation has a documented project management methodology to ensure that projects are run efficiently, effectively and consistently. There is no documented Project Management Methodology in place at Inverness College. As a result there is no agreed process for managing projects. There is a risk that projects are not effectively manages, as no project management methodology is in place.	We recommend the College prepares a project management framework and that all people responsible for managing projects are trained in the methodology. We recommend the methodology includes and considers the following: • Includes templates for Business Cases, project plans, risk registers, monitoring, project evaluation • Outlines expected approval required of key documents • Change management process • Gateway process • Monitoring timelines, costs and risks through the project • Project evaluation and Lessons learned when the project is completed • Risk Management • Scalability, considers requirements for projects of differing sizes	Medium	Commercial Manager is a qualified Prince 2 practitioner. So Business case for eg Sports Pitch is reviewed on on-going basis and if factors change that affect its financial payback, then the project is reassessed as to its viability. The Executive is aware of projects within the College ranging from Research, Estates, and eg HR reviewing going from transferring from Cypher to Cintra system. However having a one area for all this is probably not viable as projectects vary in type and scope. And this would apply to Change Management. There is a rigorous project tracker system in place for Research (implemented in full in 2020). Obviously in research effective project management is essential so we have been operating a clearly auditable system for a while				Projects can vary in terms of type and scope.	Recommend that this be closed.
12	2020/21	Systems	3	The project Terms of Reference (ToR) outlined events that would require a Change form to be submitted; change in scope, change in estimates and changes to the schedule. The ToR did not outline acceptable tolerance for changes or the level of authority required to approve a Change Form. One Change Form was completed when additional key documentation was added to the ToR. This form was approved by the College's Finance Project Facilitator, however the form was not dated or signed. The project was originally agreed to be completed on the 1st of April 2020 but was not completed until the 31st of May 2020, 8 weeks later and a Change Form was not completed. There is a risk that changes to the project are not appropriately documented and approved.	The College's Project Management Methodology should outline the expected process to follow when there are changes to a project and the required level of approval for a change. It may be useful to create a Change Form template. Project Managers should ensure Change Forms are completed appropriately when necessary.	Medium	See above				Projects can vary in terms of type and scope.	Recommend that this be closed.

No.	Year	Area	Rec	Finding / Risk	Recommendation	Rating	Management Response / Update	Date	Responsible		Status	Comment
13	2020/21	Systems	4	Roles and responsibilities should be defined and documented at the outset of a project to ensure understanding and accountability. The project team was outlined in the Terms of Reference, however there was no detail of their expected responsibilities, including who had overall responsibility at Inverness College for the project. Additionally, governance and reporting mechanisms were not documented. It was not clear how regularly management, SMT and the Board should be updated on progress of the project. There is a risk that individuals were not aware of their responsibilities.	We recommend the College's project management methodology outlines the requirement for key roles and responsibilities, governance and reporting mechanisms to be documented in project planning documentation. Where there are changes to the project team throughout the project's implementation, it should be decided and clearly documented who will be taking over their responsibilities	Medium	See above				Projects can vary in terms of type and scope.	Recommend that this be closed.

2021/22												
14	2021-22	Procurement	1	There is a risk that the College 's documented devolved procurement procedures are not being followed consistently by purchasers when raising an order and value for money is not being achieved from purchases.	We recommend that the College ensures budget holders do not approve devolved procurement purchases unless the buyers have complied with the documented procurement procedures and supplied appropriate evidence on PECOS.	Medium	APUC Procurement Officers and Contracts Officers have been checking 10 - 20 orders per month	31-Jul-22	Vice Principal, Finance and Audit		Complete	Complete
15	2021-22	Procurement	6	There is a risk that the College's Procurement Strategy does not reflect current conditions or practices and that the strategy's objectives are not being effectively monitored.	We recommend that the 2022-25 Procurement Strategy and Procurement Strategy Action Plan is updated as soon as practicable and that it is appropriately approved	Low	First Draft of Procurement Strategy has been completed. The APUC Procurement Manager has reviewed, but further revision required.	31-Dec-22	Vice Principal, Finance and Audit		To complete by 31 December 22	In Progress
16	2021-22	Staff Recruitment	1	The Staff Recruitment and Selection Procedure outlines the shortlisting panel must complete a Shortlisting Form to ensure applicants are shortlisted objectively against the job specification and evidence why candidates have or have not been shortlisted. Sample testing of new joiners identified that a person specification scoring form was not completed for six of seven new joiners tested. There is a risk that the most suitable candidates are not shortlisted for interviews, which may prevent the recruitment process from being fair, transparent or effective.	We recommend that recruiting managers are reminded to complete Shortlisting Forms and return completed Forms to HR. The Staff Recruitment & Selection Procedure should be updated to reflect that the shortlisting panel should return the completed shortlisting forms to HR.	Medium	This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.	30-Nov-22	HR Manager		To complete by 30 November 22	In Progress
17	2021-22	Staff Recruitment	2	It is important that interviews held for all job vacancies are assessed consistently, and that results are documented, to ensure fairness and transparency within the recruitment and selection process. The College has an Interview Panel Questions scoring form however there is no mention of when it should be completed in the Staff Recruitment and Selection Procedure. Internal audit were unable to obtain evidence of interview scoring for two of seven job vacancies tested: •In one instance, the Interview Panel Questions Form was not returned to HR by the recruiting manager, who has since left the College; •In one instance, where an internal candidate was interviewed, the Interview Panel Questions form was not completed, and written notes were recorded instead. There is a risk that a fair and transparent interview process is not followed at the College, which could prevent the most suitable candidate from being recommended for the role.	We recommend management require all interview panel members to complete and return an Interview Panel Questions Form following interview assessments. Completed forms should be returned as early as possible from the date interviews were held. We recommend the Staff Recruitment and Selection Procedure is updated to reflect when the Interview Panel Question Scoring Form is required to be completed and returned to HR.	Medium	This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.	30-Nov-22	HR Manager		To complete by 30 November 22	In Progress
18	2021-22	Staff Recruitment	3	It is good practice that an organisation obtains a signed employment contract before a new starter commences employment and retains copies of the signed contract to evidence that terms of the contract were agreed by both the College and the employee. Sample testing performed over seven new joiners identified three instances where copies of signed employment contracts were not retained, and two instances where employment contracts were signed after employment had already commenced. There is a risk that the College could be vulnerable to tribunals or disputes surrounding the terms of employment if contracts are not agreed and signed in advance, and evidence of a signed contract is not recorded.	We recommend employment contracts are signed and dated by both the College and the employee at the earliest possible opportunity following verbal acceptance of an offer of employment. The original and copies of signed employment contracts should be retained securely and should also be available digitally.	Medium	This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.	30-Nov-22	HR Manager		To complete by 30 November 22	In Progress
19	2021-22	Staff Recruitment	5	The Staff Recruitment and Selection Procedure states that as part of pre-employment requirements, all posts will be subject to the completion of satisfactory reference checks. This is normally expected to comprise two references from the candidate's most recent employers. Sample testing performed over seven new joiners identified one instance where references had not been returned as part of the required pre-employment checks. We acknowledge HR are ongoing discussions with the employee to obtain alternative references. There is a risk that the College is breaching employment policy by employing new starters prior to completion of satisfactory pre-employment checks.	We recommend new staff do not start until completion of satisfactory pre-employment checks.	Medium	This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.	30-Nov-22	HR Manager		To complete by 30 November 22	In Progress
20	2021-22	Staff Recruitment	6	It is important that adequate procedures are in place surrounding the staff recruitment process to ensure those involved have a clear understanding of their responsibilities. There are areas of the Staff Recruitment and Selection procedure which could be improved to add further clarity to the recruitment and selection process: •The procedure does not clearly outline who is responsible for certain stages of the recruitment process between the recruiting manager or HR ; •There are many template forms, however the procedure does not outline when these should be completed, including vacancy requisition forms, person specification scoring, shortlisting forms. Further, the policies and procedures do not clearly state what documentation panel members are required to return to HR as part of the recruitment process, such as completed interview scoring forms. There is a risk that staff are unaware of their responsibilities regarding staff recruitment which could prevent key requirements of the process from being adhered to.	We recommend the Staff Recruitment and Selection procedure is updated: •to clearly outline who is responsible for completion of each key stage within the recruitment process, including the separate responsibilities of HR and recruiting management. •to clearly states the documentation that must be returned to HR by the recruiting manager and shortlisting panel as part of the recruitment process.	Medium	This recommendation will be fully implemented when Procedure has been approved and published. To be presented to PPRP in November 2022.	30-Nov-22	HR Manager		To complete by 30 November 22	In Progress
21	2021-22	Student Application, Enrolment and Induction	3	Policies should be kept up to date and reviewed as per the review date stated at the point of last review to ensure that policies are adequate and reflective of current practices at the College. The HE Admissions, FE Admissions and FE Regional Admissions Policies were due for review in July 2020, February 2018, and May 2020 respectively and are therefore out of date. There is a risk that the information contained within the policies is no longer current and could lead to errors in the applications process occurring.	It is understood that these policies are owned by UHI, however it is recommended that actions are taken to prompt the review of these policies to ensure their adequacy and accuracy.	Low	The UHI-wide group agreed that the policy would not be reviewed till after three years due to covid disruption. There has been a new appointment of a Head of Student Recruitment for UHI. Further review and progress awaits this person to take ownership of this.	?	Admissions and Student Funding Team Leader		?	This depends on UHI staff to deliver

UHI | INVERNESS

Subject/Title:	Risk Register
Author:	Roderick M Ferrier, Vice Principal, Finance and Audit
Meeting:	Audit and Risk Committee
Meeting Date:	18 October 22
Date Paper prepared:	11 October 22
Brief Summary of the paper:	Present most recent Risk Register
Action requested: [Approval, recommendation, discussion, noting]	Reviewing
Link to Strategy: Please highlight how the paper links to, or assists with: ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	Complies with Risk Management
Resource implications:	None **If yes, please specify**:
Risk implications:	Yes **If yes, please specify:** Financial Operational Strategic Encompassing all major risks

UHI | INVERNESS

Equality and Diversity implications:	N/A
Student Experience Impact:	None
Consultation: [staff, students, UHI & Partners, External] and provide detail	None
Status – [Confidential/Non confidential]	Confidential
Freedom of Information Can this paper be included in "open" business* [Yes/No]	No

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

Its disclosure would substantially prejudice a programme of research (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)	Y	Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

Recommendation(s):

That members review the most up to date version of the College's Risk Register.

Purpose of report

Risk Management is a part of proper Corporate Governance and reviewing of the College's Risk Register at Audit and Risk Committee is part of carrying out this responsibility.

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Subject/Title:	Draft Annual Audit Committee Report for the Academic Year 2021-22
Author: [Name and Job title]	Lisa Ross Governance Officer
Meeting:	Audit Committee
Meeting Date:	18 October 2022
Date Paper prepared:	11 October 2022
Brief Summary of the paper:	Attached is the draft version of the Annual Audit Committee report. It highlights the membership of the Audit Committee, meetings held, those attending, and the key reports presented during 2021-22. This includes both the work carried out by the Internal Auditor BDO for 2021/22, and the External Auditor Ernst & Young for the audit of the 2020/21 financial statements. Other key areas of the work of the committee are highlighted within the report.
Action requested: [Approval, recommendation, discussion, noting]	Discussion. This report will then be taken to the Joint Audit and Finance and General Purposes Committee for recommendation to the Board of Management.

Link to Strategy: Please highlight how the paper links to, or assists with:: ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management. The report relates to the discussions and actions in relation to risk management Linked to Opportunity and Growth in Sustainability within the strategic plan, specifically managing our risks
Resource implications:	<mark>Yes</mark> / No **If yes, please specify**: Not directly, but indirectly in relation to the management of risk.
Risk implications:	<mark>Yes</mark> / No **If yes, please specify:** Operational: as outlined in the risk register Organisational: as outlined in the risk register
Equality and Diversity implications:	Yes/<mark>No</mark> **If yes, please specify:**
Student Experience Impact:	Yes/<mark>No</mark> If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	No consultation carried out – report is a statement of work carried out by the Audit Committee throughout 2021-22
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes

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

Its disclosure would substantially prejudice a programme of research (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 confident 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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Audit Committee Annual Report to the Board of Management

Title	UHI Inverness Audit Committee Annual Report 2021-22
Introduction	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of Management. This report covers the work of the Audit Committee during the 2021-22 Academic Year.
Membership	The Membership of the Committee during the 2021-22 academic year was as follows: -

Member	Designation	Membership Period
Gillian Galloway	Chair	September 2021-August 2022
Sally Blyth	Vice Chair	September 2021 – August 2022
Innis Montgomery	Member of the Committee	September 2021 – August 2022
Samantha Cribb	Member of the Committee	September 2021 – August 2022
Tina Stones	Member of the Committee	September 2021 – March 2022
James Millar	Member of the Committee	March 2022 – August 2022
Amy Goodbrand	Co-opted Member of the Committee	September 2021 – August 2022
Michael Beveridge	Co-opted Member of the Committee	June 2022 - August 2022

Item 08

Meetings	Four meetings were held throughout the year and the attendance was as follows: - **19 October 2021** Gillian Galloway, Sally Blyth, Samantha Cribb & Amy Goodbrand **08 March 2022** Gillian Galloway, Sally Blyth, Samantha Cribb, Innis Montgomery, James Millar & Amy Goodbrand **17 March 2022 (Joint Audit and Finance and General Purposes Committee Meeting)** Gillian Galloway, Sally Blyth, Innis Montgomery, James Millar & Amy Goodbrand **07 June 2022** Gillian Galloway, Sally Blyth, Innis Montgomery, James Millar & Amy Goodbrand • Representatives from our internal auditors, BDO, attended all four meetings in 2021-22. • Representatives from Ernst & Young attended both March 2022 meetings and the meeting in June 2022. • The Assistant Principal – Finance and Audit attended all four meetings. • The Principal attended all four meetings. • The Assistant Principal – Academic and Research attended both March 2022 meetings and the meeting in June 2022 Others in Attendance: • On 08 March 2022, Mark Sheridan, Chair of Board of Management and Michael Beveridge observed the meeting. • On 17 March 2022, Michael Beveridge observed the meeting. • On 07 June 2022 the Information Systems Manager attended the meeting.
Terms of Reference	The Terms of Reference were reviewed by the Committee on 19 October 2021. The updated Terms of Reference were taken to the Board of Management on 14 December 2021. They were further reviewed and approved by the Board of Management on 20 March 2022. The Terms of Reference will next be due for review in March 2024.

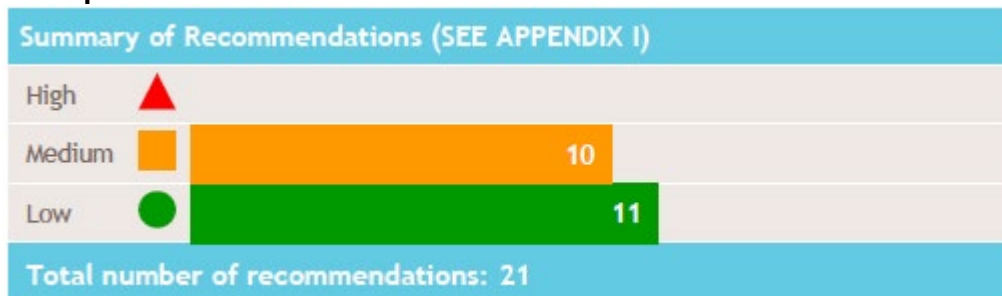| Internal Audit	**Provider**
	The Internal Auditors are BDO. They were appointed for the three-year period 2017-2020. A further 12-month extension to this contract for the period of 01 August 2020 – 31 July 2021 was agreed. On 01 June 2021 the Audit Committee was advised that a final contract extension for the period 01 August 2021 – 31 July 2022 had been agreed. The Committee agreed to a mini competition process to take place through the APUC system with the tender process being carried out and completed on 31 May 2022. An evaluation process took place throughout 01 – 10 June 2022 with BDO being successfully appointed with their new contract commencing from 01 August 2022. This contract will be for a period of 36 months with a 2 further 12-month extension options on mutual agreement. **Audit committee assessment of performance** The annual review of the performance of BDO was not undertaken this year due to the mini competition process which was being carried out in respect of the Internal Auditors. The next scheduled review will take place in March 2023. **Review of internal audit plan** During 2021-22 our Internal Auditors BDO reviewed and evaluated our processes in the following areas: • Staff Recruitment • Procurement • Student Representation • Student Application, induction and enrolment. • Covid-19: Quality and Assessment The outcomes of all reviews have been presented to and discussed by Audit Committee. Please note however that the dates which the Internal Auditors carry out and complete their audit reports are not aligned to this report due to the time lapse between the audit being carried out and it being presented to the Committee. The initial conclusion is reflected in the summary table below and is not expected to change. The plan was based on the proposed allocation of days as set out in the 2021-22 operational plan. There was no change in the time spent – Planned v budget. 30 days' work was undertaken.

Summary of Internal Audit Reports 2021-22

Reports Issued	Overall Report Conclusions – see appendix I				
	▲	🟧	🟢	Design	Operational Effectiveness
Staff Recruitment	0	6	0	Limited	Limited
Procurement	0	3	4	Moderate	Moderate
Student Application, Induction and Enrolment	0	1	2	Moderate	Moderate
Covid-19: Quality and Assessment	0	0	1	Substantial	Substantial
Student Representation	0	0	4	Moderate	Moderate
Follow Up	n/a	n/a	n/a	n/a	n/a

Audit reports

Summary of Recommendations (SEE APPENDIX I)		
High	🔺	
Medium	🟧	10
Low	🟢	11
Total number of recommendations: 21		

The Committee made specific comments on reports as follows (these comments refer to the audits which were taken to the Committee during the period September 21 – August 22 with some of the audits which were carried out by Internal Audit not being discussed within this Academic Year): -

Cyber Security Audit
BDO advised that this audit had begun prior to the cyber incident at the start of the year and had been finalised following the incident. BDO advised that the audit had highlighted 4 medium level risks and 2 low level risks. The Committee noted that the report specified that an account is locked for a period of time following 30 failed log in attempts which members felt was high. The Committee was advised that it was thought that this number was in place to provide students with additional chances to log in before they are logged out and that a high level such as this was generally acceptable within the College environment; however, the Principal advised that he would find out the rationale behind the 30 failed attempts and report back to the Committee at the next meeting. The Committee discussed the cyber incident and noted the need for lessons learned to be discussed with the Board of Management. The Committee was advised that we were currently awaiting a report from Executive Office before this discussion could take place. With regards the admin accounts the Committee was advised that admin default accounts are not in use.

Coronavirus Job Retention Scheme Grant Audit
BDO advised that they had highlighted one high level risk and one medium level risk following this audit. The Committee noted that the high-level risk was due to there being no review of the calculations prior to submission of the claim and as a result there were a number of errors in all of the claims which were submitted. The Committee was provided with the background to these forms being completed and submitted and highlighted that the errors were due to resource issues within the Finance Team, out of date systems in use as well as human error. The Committee was advised that improvements have been made to the Finance Team including a payroll system upgrade. However, it was noted that additional training on the new payroll system is still being rolled out to the appropriate staff members. The Committee, whilst mindful of the exceptional circumstances surrounding Covid-19 and the additional pressures this placed on staff felt that this audit had exposed additional risks and that we need to consider how confident we are with regards the information coming from our finance systems. The Committee was advised that the system upgrade remains a priority, that the Finance Team is sufficiently filled at

present and that joint working with North Highland College continues to offer us additional flexibility and robustness. The Committee noted that work is continuing to align the finance and HR systems and processes. The Committee requested that they see responses and updates with regards this audit recommendation to enable them to track the actions being taken to address the concerns which have been highlighted by BDO. The Committee requested the prioritisation of the finance department restructure and training.

EMA 2020-21 Audit
BDO advised that one recommendation had been flagged within this audit which related to the SFC requirement that we spot check 5% of claims throughout the year. The Committee was advised that the first spot checks were conducted in November 2021 with further checks to be scheduled following the Education Scotland visit. The Committee noted that we were now fully compliant with this requirement and that this recommendation would not require to be included within the outstanding recommendations list.

Procurement Audit
BDO advised that 3 medium level risks and 4 low level risks had been flagged as part of this audit. BDO advised that they had been able to offer moderate assurance over the design and operational effectiveness of our current arrangements. BDO advised that we had been able to identify areas of good practice highlighting our production of a procurement strategy and our annual spend analysis. However, notwithstanding the elements of good practice, BDO highlighted that they had identified several opportunities where improvements could be made around:

- Devolved Procurement Compliance – with BDO recommending that budget holders do not approve devolved procurement purchases unless the buyers have complied with the documented procurement procedures and supplied the appropriate evidence on PECOS.
- Non-Contracted Spend – the Committee was advised that at times we have had to seek urgent legal advice from an additional legal services provider and that this is only carried out in exceptional circumstances.
- Invoice Processing – it was highlighted that the Finance Team would look at the processes for inspecting and approving an invoice for payment.
- Training – BDO highlighted the importance of providing additional training sessions to staff. A lengthy discussion on training provided to staff took place.
- Financial Regulations
- Procurement Strategy
- Contract Sign Off

The Committee welcomed the recommendations within this report and the areas of good practice identified within it.

Student Application, Enrolment and Induction
BDO advised the Committee that 1 medium level risk and 2 low level risks had been flagged as part of this audit. BDO advised that they have been able to offer moderate assurance over the arrangements which we currently have in place. BDO advised that they have been able to identify areas of good practice such as our recruitment planning documentation, staff communication and our induction planning and resources. However, notwithstanding the elements of good practice, BDO highlighted that they had identified several opportunities where improvements could be made around:

- Application Retention Data – The Committee was advised that this proposal was based on a JISC recommendation and that there is no term specified within the regulations. The Committee noted that our Data Controller would seek guidance on this matter and provide BDO with a further update.
- Missing Data
- Policy Review

The Committee noted the contents of this audit report.

Covid-19 – Quality and Assessment

BDO advised the Committee that 1 low level risk had been flagged as part of this audit and that they had been able to offer substantial assurance over the arrangements currently in place. BDO advised that they had been able to identify several areas of good practice and that the recommendation was that a lessons learned review be carried out with regards our response to Covid-19. The Committee welcomed this encouraging report and noted that Education Scotland would present the outcomes of their recent Progress Visit Report at the June 2022 Board of Management Meeting. This will also identify areas of good practice. The Committee noted that following this presentation, we would amalgamate this information together to identify the lessons learned.

Staff Recruitment

BDO advised the Committee that 6 medium level risks had been flagged as part of this audit and because of this they were only able to provide limited assurance over the arrangements currently in place. BDO advised that many of the recommendations centred around the consistency of the paperwork being completed and that changes were advised to ensure that all are following a fair process. BDO highlighted that they had identified several opportunities where improvements could be made around:

- Person Specification Scoring
- Interview Scoring
- Employment Contracts
- Recruitment and Selection Training
- References
- Procedure Documentation

The Committee noted that the HR Team are progressing these recommendations and work has commenced on reviewing, updating and clarifying our guidance with regards what paperwork is required to be completed and what forms should be returned to the HR Team. The Committee was advised that the Board Secretary would liaise with the HR Manager to ensure that updates on these recommendations are incorporated into the HR quarterly report. The Committee noted that this issue would be discussed as part of the June HR Committee.

Closed Meeting

A closed meeting with internal auditors took place on 07 June 2022. During this meeting BDO gave the Committee an oversight with regards how UHI Inverness staff have interacted with them during the audit process as well as providing BDO with the opportunity to speak freely and discuss all aspects of internal audit.

	Overall opinion of risk management, control, and governance arrangements In the view of BDO, based on the reviews undertaken during the period and in the context of materiality that: • In four of the five assurance audits performed, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on our verification reviews and sample testing, the risk management, control, value for money and governance arrangements in these four areas were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review. • However, our staff recruitment review identified that further work was required to ensure robust processes. As such, we are not able to provide reasonable assurance based on our verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in this area to provide reasonable assurance that the related management, control, value for money and governance objectives were achieved for the period under review.
External audit	**Ernst & Young** Ernst & Young completed their audit of the accounts for the year ending 31 July 2021. This was the fifth report by Ernst & Young who had been appointed by the Auditor General for Scotland as the external auditor for the financial years 2016/17 to 2021/22. These accounts were submitted to and approved by the Board of Management on 30 March 2022. Ernst and Young's independent auditor's report provided an unqualified opinion that the financial statements • gave 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 (SFC) of the state of the affairs of the College and Group as at 31 July 2021 and of its surplus for the year then ended; • had been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and • had been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder 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). **Audit committee assessment of performance** The annual review of the performance of EY for the year 2021/22 is still to be carried out. **Closed Meeting** The Audit Committee held a closed session with the External Auditors following the Audit Committee held on 08 March 2022.

	Audit of annual accounts 2021/22 EY has carried out the Audit of the Annual Accounts for 2021-22.
Other work done	**Risk Management** The Committee discussed the risks and ongoing concerns in respect of: • The Halls of Residence • Impact of flat funding, capital funding, sector pay increase and reduction of EU funding. • Credit Targets • Covid-19 • Global risks – conflict in Ukraine, rise of cyber attacks and rising costs of energy and resources with the Committee in favour of the risk register having an outward perspective. **KPI Matrix** The development of the KPI Matrix which the Committee noted would provide us with a complex structure to ensure that communication is in place and that any areas of weakness are identified. **Policies** No policies were reviewed by the Committee during 2021/22 **Value for Money and Procurement Annual Report** A report on Value for Money and Procurement was discussed at the Finance and General Purposes Committee Meeting held on 27 January 2021 and then at the Board of Management meeting on 18 February 2021. An updated version of the report was taken to the Finance and General Purposes Committee on 17 March 2022 and was given final approval at the Board of Management Meeting on 31 March 2022. **Business Continuity Plan** The Committee noted that the Continuity Plan had been stretched to the limit in respect of the cyber incident and Covid-19. The Committee was provided with sight of the live and evolving document which is available on SharePoint and provides up-to-date guidance for individuals and expected actions with regards business continuity. The Committee noted that the SharePoint document includes a recovery section which is being enhanced to include the responsibilities of appropriate individuals within the College.
Opinion	The Audit Committee is of the opinion that the risk management of activities and controls in the areas examined by BDO were found to be suitably designed to achieve the specific risk management control and governance arrangements.

	The Audit Committee concurs with the (draft) opinion of BDO that in respect of four out of the five audits, risk management, control, and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control, and governance objectives were achieved for the period under review and accepted that in respect of the staff recruitment review that further work was required to ensure robust process and that as such BDO cannot provide reasonable assurance based on their verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in this area to provide reasonable assurance that the related management, control, value for money and governance objectives were achieved for the period under review.
Circulation	Copy to the Auditors once approved by the Board of Management
Conclusion	The Audit Committee is pleased to report to the Board of Management that in its opinion the College has adequate internal controls, procedures, and systems in place Signed……………………………………………… Chair, Audit Committee Date ……………………………………………….

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Subject/Title:	Audit Committee Letter and Representations to External Auditors
Author:	Roderick M Ferrier, Assistant Principal, Finance and Audit
Meeting:	Audit and Risk Committee
Meeting Date:	18 October 22
Date Paper prepared:	06 October 22
Brief Summary of the paper:	Present College response to letter of Assurance from External Auditors
Action requested: [Approval, recommendation, discussion, noting]	Approving
Link to Strategy: Please highlight how the paper links to, or assists with:**:** ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	Complies with Risk Management
Resource implications:	None **If yes, please specify**:
Risk implications:	Yes **If yes, please specify:** Financial Operational

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Equality and Diversity implications:	N/A
Student Experience Impact:	None
Consultation: [staff, students, UHI & Partners, External] and provide detail	None
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes

*If a paper should **not** be included within "open" business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (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 confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

Recommendation(s):
That members review the responses drafted to questions of assurances from External Auditors and approve the submission.

Purpose of report
External Auditors write to the Audit and Risk Committee as part of its annual external audit procedures seeking assurances and representations from the Committee.

Executive Summary
This is a standard letter from the External Auditors which is part of the Audit process. This letter may be slightly modified by the External Auditors each year.

The College responses have been drafted by the Vice Principal, Finance and Audit, and are for Committee review and approval. The responses are reasonably well embedded, although responses are reviewed annually, and adjustments made as appropriate.

Date: 6 October 22

Ernst & Young LLP   Tel: + 44 131 777 2000
Atria One   Fax: + 44 131 777 2001
144 Morrison Street   ey.com
Edinburgh
EH3 8EX

Members of the Audit Committee
Inverness College UHI
1 Inverness Campus
Inverness
IV2 5NA

11th July 2022

Ref: SR/OP

Direct line: 0131 777 2839

Email: SReid2@uk.ey.com

Dear Audit Committee Members

External audit: Year ended 31 July 2022

Auditing standards require us to formally update our understanding of your arrangements for oversight of management processes and arrangements annually. I am therefore writing to ask that you please provide a response to the following questions.

1. How does the Audit Committee, as 'those charged with governance' at Inverness College ("the College"), exercise oversight of management's processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error (including the nature, extent and frequency of these assessments).

- The College maintains a risk register that is subject to ongoing review and risk assessment by the Audit Committee on a regular (generally quarterly) basis.

- Internal auditors are appointed and the Audit Committee agrees with them an internal audit plan for each year of their appointment covering a range of areas of the College's business, with input from other relevant Board Committees as to audit scope. The Audit Committee receives reports from the internal auditors on each area of internal audit (e.g., cash handling), highlighting any outstanding actions or non-compliance issues, usually with a risk rating, and their recommendations. The Audit Committee expects its Vice Principal, Finance and Audit, to deal with the year-end accounting process in a way that adheres to standards and ethics and to oversee and manage the College's finance and accounting staff; and EMT to assess and manage such risks more broadly and to report any concerns to the Committee. It expects the internal auditors and external auditors to approach it if they have any concerns.

- The Audit Committee has open dialogue with appropriate members of the Executive Management Team at quarterly meetings, seeking reassurance on matters such as sufficiency of finance and accounting resources and systems.

- identifying and responding to risks of fraud in the College, including any specific risks of fraud which management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist.

- Both internal and external auditors are contracted to provide services which includes looking at a wide range of audit activities across various aspects of the College, including these areas.

- The Audit Committee pursues and monitors implementation of outstanding recommendations through internal reporting by the College's Vice Principal Finance and Audit and other members of its Executive Management Team ("EMT") at quarterly meetings of the Audit Committee including e.g., steps being undertaken to comply with the National Fraud Initiative.

- The Finance and General Purposes Committee of Board of Management (BOM) also has oversight of financial information and reports presented to it by the EMT at regular quarterly meetings and would be expected to raise with Audit Committee any concerns.

- communicating to employees its view on business practice and ethical behaviour, for example by updating, communicating and monitoring against the College`s code of conduct.

- The (BOM) has been open and accountable and this process includes the Chair and members of the Audit Committee. The Audit Committee takes a view before the academic year starts as to which areas of business practice and ethical behaviour it wishes to internally audit. It scopes out those audit areas with input from relevant Board Committees and conducts the process through its appointed auditors. There have been drop-in sessions where employees have been present and able to have discussions with the Principal. The Principal reports back to the BOM with a summary of these sessions which he hosts, and this includes highlighting employee's views on strategic and operational matters in progress. The outcome of all reviews is communicated to stakeholders by the Board directly via publication of the findings and to the employees by the executive functions and roles with that delegated responsibility. If there was a problem with any financial issue, it would be hoped that any staff member could approach a committee chair or member and raise an issue without undue concern. In terms of updating the timetable of reviews in this regard the Audit Committee and BOM works alongside the Quality Team. Additionally, the website includes regular updates and details of committee membership, agendas and minutes. This allows all staff and members of the public to clearly follow discussions on BOM and Audit Committee matters.

- encouraging employees to report their concerns about fraud; and

- The Committee and the Board of Management generally have encouraged openness with staff as much as possible. The College has a "Whistleblowing" Policy in place and any employee with concerns is actively encouraged to report them. EMT reports to the Audit Committee on updates to relevant policies and procedures.

- communicating to you the processes for identifying and responding to fraud or error?

- The Audit Committee receives reports from the Vice Principal Finance and Audit and other members of EMT (generally including updates on risk register review) at quarterly meetings of the Audit Committee and monitors actions taken to address outstanding internal audit recommendations through such internal reporting. The Committee would expect EMT or internal audit reports to highlight any deficiencies in relation to processes for identifying and responding to fraud or error and EMT to report on steps taken to address those.

  If EMT or the Committee had any specific concerns on processes for identifying or responding to fraud and error, then both internal and external auditors would be advised as soon as practically possible.

2. How does the Audit Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?
This is done by having an Executive Management Team in place who are aware of the need for appropriate processes and procedures and advising the Committee of any breaches. There are also internal and external auditors appointed who also are expected to contribute to this area and advise the Committee of any breaches that they suspect may have occurred. The Audit Committee monitors actions taken to address outstanding internal audit recommendations through reports from the Assistant Principal Finance and Audit and other members of EMT at quarterly meetings of the Audit Committee. North Highland College had an Internal Audit on Fraud and Bribery done in 2021-22. This audit had strong assurance. There is an effort to have finance processes and controls in Inverness College mirror that of North Highland College.

3. Have there been any significant changes in the design and/or operating effectiveness of management controls as a result of the Coronavirus outbreak?
Management and staff have had to adapt to home working, and management of departments and service delivered remotely. Generally, this has worked well. For example, despite working from home, the Finance department has paid staff and suppliers and raised fees and invoices. It is also monitoring the College finances and for the third year has produced a set of year-end accounts and budgets on time. Other support functions e.g., HR, Admissions, Registry and Student support are also being delivered by staff working from home. Management has effectively been delivered through e-mails and VC meetings. In 2021-22 there were more Professional staff working from and across college sites. Some practical teaching has been done on site e.g., Engineering, Construction. Controls have had to change in some measure e.g., storing and approving invoices electronically and digital approvals.

Audit Committee and BOM have been appraised of ongoing risk assessments and changes in management controls by EMT as a result of the Coronavirus outbreak e.g., to address issues such as restricting access to and use of premises by staff and students, social distancing, homeworking, increased online delivery of services, and students' and staff wellbeing.

Internal auditors have addressed the impact of Coronavirus in course of internal audits and have carried out additional audits including e.g., on Covid 19 Quality and Assessment and Covid 19 Health and Safety.

4. Is the Audit Committee aware of any:

- breaches of, or deficiencies in internal control; and

- The Audit Committee is not aware of any material breach or deficiencies.

- actual, suspected or alleged frauds during 2021/22?

- The Audit Committee is not aware of any actual, suspected or alleged frauds.

5. Is the Audit Committee aware of any organisational or management pressure to meet financial or operating targets?

The current operating environment, public sector funding constraints and the Coronavirus outbreak inevitably put pressure on both the College as an organisation and its management to meet financial and operating targets, as on all institutions in the further and higher education sector.

The Audit Committee and BOM has had open dialogue with management about financial pressures and steps taken as soon as possible to address those by commencing a Financial Recovery Plan during the year ending 31 July 2020 and into the year ended 31 July 2021. This plan proved successful in helping the college deal with its finances in a sustainable way in 2021-22.

It is also made aware of management's efforts to ensure the College's finances are sound, including on-going reviews of curriculum and support services in response to business challenges as they arise. The management team leads on this, reporting to the Audit Committee at its quarterly meetings.

6. How does the Audit Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2021/22?
The Audit Committee is served by having internal and external auditors reporting to it. Also, Executive Management have responsibilities to ensure compliance with relevant laws and regulations and provide assurance through regular management reports presented to the Audit Committee at its quarterly meetings. There are also external professional service providers that assist the College including: e.g., VAT specialists who review the College's Partial Exemption Calculation and provide VAT advice on issues; and lawyers who provide the College with legal advice on various issues.

7. How does the Audit Committee gain assurance that the College has policies and procedures in place to identify, evaluate and account for litigation and claims. Is the Audit and Risk Committee aware of any actual or potential litigation or claims that would affect the financial statements?
The Audit Committee relies on its Executive Management Team to identify such potential litigation and claims, and to report to it. The Audit Committee is not aware of any potential litigation issues.

8. How does the Audit Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?
The financial position for the year ended 31 July 22 show the College has delivered a surplus Adjusted Operating Position. Liquidity has improved during the year. Draft Statutory Accounts for the year ended 31 July 2022 show that there was near £7.5 million in cash on 31 July 2022. The College is likely to be able to meet is debts as they fall due within the twenty-four months from 31 July 2022 to 31 July 2024.

9. Has management considered the impact of the coronavirus outbreak as part of their going concern assessment, including:
   ‣ any changes in underlying assumptions
   ‣ additional or potential financial difficulties, impairments or write-offs

Yes – 2022-23 budget it is assumed that Refectory income is still below pre-Covid 19 activity; and projections for commercial courses continue to be at lower levels as compared to non-Covid environment. The most recent Budget Monitoring to 30 September 2022 and projecting forward have included various assumptions on income including anticipated effect of Covid 19. However increasingly it is fuel prices and inflation that is increasing risk, although the Government has announced plans to try and cap energy bills.

10. How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with the Scottish Funding Council's ("SFC") Accounts Direction and Financial Memorandum?
The Audit Committee expects the College's Vice Principal, Finance and Audit, to ensure compliance. The Audit Committee understands that monthly cash flow information is submitted to the SFC by the Vice Principal, Finance and Audit, mostly on a monthly basis. and an annual Financial Forecast Return is also sent to the SFC which is reviewed and approved by the Finance and General Purposes Committee. There is also a year-end certificate which is signed by the Principal. Again, if internal or external auditors discovered major breaches, then the Committee would expect them to be reported.

An annual Revenue Budget and a Capital Budget is presented by Management to BOM, and financial performance is also monitored through regular reporting to the Finance and General Purposes Committee which meets quarterly.

11. How does the Audit Committee satisfy itself that the College has arrangements to ensure compliance with its requirements as an independent charity as set out by OSCR?
BOM members and EMT are aware of the charitable status of the College. The College submits annual returns to OSCR and also its annual financial statements. The Committee is not aware of any issues of non-compliance being raised by OSCR.

12. How does the Audit Committee satisfy itself that the College has arrangements to monitor and maintain the regularity of income and expenditure?
Income and Expenditure information is reported per Committee cycle to the Finance and General Purposes Committee.

13. What does the Audit Committee consider to be the related parties that are significant to the College and what is its understanding of the relationships and transactions with those related parties?
It is expected that each BOM member will disclose any potential conflicts of interest that arise concerning the College's business. A register of interests is available on our website, and this is kept up to date. At the start of each meeting of BOM or any of its committee's members are asked to declare any interest which they may have in respect of items on the agenda.

Other parties with whom the College has significant contractual relationships in respect of the delivery of further and higher education are The University of the Highlands and Islands ("UHI") and its other "Academic Partner" independent colleges. The College delivers further and higher education on behalf of UHI, alone and in conjunction with, other colleges in Highlands and Islands; and UHI is the regional strategic body responsible for planning, monitoring and funding of further education in the Highlands and Islands. The College is not considered to be a subsidiary of UHI.

14. Does the Audit Committee have concerns regarding relationships or transactions with related parties and, if so, what is the substance of those concerns?
Although the College is not a subsidiary of UHI, as an "Academic Partner" of UHI, the aim of which is to provide tertiary education (from post-16 to post-graduate level) across the Highlands & Islands region, the College relies upon UHI to provide much of its funding and other support including e.g. shared services; and upon UHI's other Academic Partners to perform their obligations to the UHI network including e.g. in collaborating on delivery of courses and services; thereby exposing the College to a degree of risk that is out with the control of the College, raising concerns as to the potential impact upon the College of certain risks at UHI level, including e.g. decisions made by UHI as regards funding allocations and in respect of financial sustainability of UHI and its other Academic Partners, particularly given the impact upon the sector of Covid 19.

Thank you for your assistance. Please respond to the inquiries above (or if you have any queries in respect of this letter) by emailing Olga Potapova at opotapova@uk.ey.com.

Yours faithfully

Stephen Reid
Partner
For and on behalf of Ernst & Young LLP

UHI | INVERNESS

Subject/Title:	Chair and Committee Evaluation Feedback
Author: [Name and Job title]	Lisa Ross Governance Officer
Meeting:	Audit Committee
Meeting Date:	18 October 2022
Date Paper prepared:	11 October 2022
Brief Summary of the paper:	Feedback on the Audit Chair and Committee Evaluation
Action requested: [Approval, recommendation, discussion, noting]	Discussion and Noting

Link to Strategy: Please highlight how the paper links to, or assists with:**:** ☐ compliance ☐ partnership services ☐ risk management ☐ strategic plan ☐ new opportunity/change	Governance Compliance
Resource implications:	Yes / <mark>No</mark> **If yes, please specify**:
Risk implications:	Yes / <mark>No</mark> **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes/<mark>No</mark> **If yes, please specify:**
Student Experience Impact:	Yes/<mark>No</mark> If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes

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

Its disclosure would substantially prejudice a programme of research (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 confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

Background

The Audit Chair and Committee Evaluations were carried out offline during July – August 2022. Five members of the Committee provided feedback and comment on the Committee and three members provided feedback and comment on the Chair.

Chair Feedback

The completed evaluation documentation for the previous Audit Chair has been passed to the Chair of the Board of Management for feedback to be delivered as part of the Board Member Evaluation Process. However, there were no issues raised and all present provided positive feedback with regards the Chair.

Committee Feedback

A copy of the feedback from the Committee is attached as Appendix 1. No issues were highlighted as part of this evaluation process.

The feedback received highlighted that it would be beneficial to seek members with a financial background during any future recruitment drives. The Committee should note however, that our Board is currently at its maximum level for membership.

Action Required

Audit Training will be included as part of the Board Development Plan. The Board Development Plan will be available for discussion and adoption at the October 2022 Board of Management Meeting.

The Committee is to consider the development of a top-level dashboard in order to view measures and financial information.

Next Steps

The feedback received will be presented to the Board of Management on 25 October 2022 as part of the yearly report on Committee Evaluations.

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

Date: Offline over Summer 2022

Good Practice	Yes	No	N/A	Comments/Action
Composition, Establishment and Duties of the Committee				
Does the Committee meet regularly in accordance with the Board Standing Orders?	Y			
Does the Committee consistently have a quorum?	Y			
Do all Committee members attend meetings regularly?	Y			The Committee noted that most members attend each meeting.
Does the Committee have enough members?	Y			
Does at least one of the Committee members have a background relevant to the remit of the Committee?	Y			The Committee felt that it would be helpful to have a member with accountancy knowledge.
Have new Committee members received all necessary training?	Y			Committee Members felt confident that existing members had been provided with the relevant training but felt that newer members would benefit from additional training.
Does the Committee report regularly to the Board?	Y			

Good Practice	Yes	No	N/A	Comments/Action
Terms of reference				
Does the Committee have written terms of reference?	Y			
Do the terms of reference include all aspects of the Committee's role?	Y			
Does the membership of the Committee need to be changed?		N		The Committee felt that someone with accountancy knowledge would complement the existing membership.
Are the terms of reference adopted by the full Board and reviewed annually?	Y			

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

Good Practice	Yes	No	N/A	Comments/Action
Internal Control				
Does the Committee monitor to ensure that risk is controlled?	Y			
Does the Committee regularly review relevant strategic plans?	Y			
Does the Committee consider the level of detail and information it receives appropriate?	Y			The Committee felt that the information presented was detailed and well prepared but that a top-level dashboard could be of assistance to non-financial members.
Are appropriate internal performance measures monitored by the Committee?	Y			The Committee felt that ideally a dashboard could be used to view the measures as a summary.
Is the Committee addressing all matters delegated to it by the Board and under its terms of reference?	Y			

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