

Board of Management

Meeting	Audit Committee
Date and time	Tuesday 26 November 2019 at 8.30 a.m.
Location	Board Room, 1 Inverness Campus

College Secretary
22 November 2019

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Minutes of Meeting of the Audit Committee held on 17 September 2019
2. **OUTSTANDING ACTIONS**
Action List
3. **ANNUAL BOARD REVIEW OF RISK MANAGEMENT POLICY**
Report by Director of Finance

ITEMS FOR DISCUSSION

4. **INTERNAL AUDIT REPORTS**
 - a) **FES Audit return**
 - b) **Student Support (Bursary, Childcare and FE Hardship) funds**
 - c) **EMA**
 - d) **2018-19 Audits – Terms of Reference**
 - ...
 - ...
 - ...
 - ...
 - **Follow up review**

Audit Reports by BDO
5. **OUTSTANDING AUDIT RECOMMENDATIONS**
Report by Director of Finance
6. **VALUE FOR MONEY AND PROCUREMENT ANNUAL REPORT 2018/19**

Joint Report by APUC Supply Chain Manager and Contracts and Procurement Co-ordinator

7. **RISK REGISTER**
Report by Director of Finance
8. **JOINT AUDIT CHAIRS MEETING – 13 NOVEMBER 2019**
Verbal update from Chair
9. **FINANCE SYSTEM STATUS UPDATE (CONFIDENTIAL)**
Verbal update from Director of Finance
10. **BUSINESS CONTINUITY (CONFIDENTIAL)**
Report by Estates and Campus Services Manager
11. **HEALTH AND SAFETY**
Report by Estates and Campus Services Manager

ITEMS FOR NOTING

12. **COMPLAINTS - QUARTERLY REPORT**
Report by Quality Manager
13. **AOCB**
14. **DATE OF NEXT MEETING**
Tuesday 10 March 2020 at 8.30 a.m.

Board of Management

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 17 September 2019

PRESENT: Hazel Allen, Sarah Burton, Jaci Douglas, Fiona Neilson, Chris O'Neil
CHAIR: Hazel Allen
APOLOGIES: Innis Montgomery and Steve Walsh
ATTENDING: Director of Organisational Development
Director of Finance
Tony Barrie, BDO LLP, Internal Auditors
Board of Management Secretary

1. MINUTES

The Minutes of the Meeting of the Audit Committee held on Tuesday 28 May 2019 were **AGREED** as a correct record, were **APPROVED** and signed by the Chair.

2. OUTSTANDING ACTIONS

The Committee **AGREED** which actions had been completed and could be signed off and those which were still outstanding and would remain on the list.

3. RISK MANAGEMENT

A report had been prepared by the Director of Finance which provided the Committee with a status update of the risks recorded on the Inverness College UHI Corporate Risk Register.

The Committee **NOTED** the contents of this report.

4. NATIONAL FRAUD INITIATIVE EXERCISE 2018/19

The Report prepared by the Director of Finance outlined the purpose and requirements of the National Fraud Initiative (NFI) exercise that took place in

2018/19. She advised that this was the first year that Audit Scotland required all of Scotland's colleges to participate in this exercise.

5. ERNST & YOUNG CORRESPONDENCE

A report prepared by the previous Board Secretary advised the Committee that Ernest & Young, External Auditors had written to the College on 3 June requiring a response to a series of questions intended to formally update their understanding of the college's arrangements for oversight of management process and arrangements.

The Committee **NOTED** the contents of the letter and **AGREED** that the Director of Finance would prepare an appropriate response.

6. FOLLOW UP REVIEWS 2018/19

Tony Barrie, BDO LLP Internal Auditors provided the Committee with a verbal update.

He advised that BDO was still awaiting additional information from the College and as such, the report had not yet been completed. The Director of Finance advised that this would be provided to him imminently.

The Committee **NOTED** that the final report would be circulated to the Committee.

7. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2018/19

A report by the Director of Finance provided the Committee with an update on progress of implementation of the action points arising from both internal audit reports and the annual external audit that had not already been reported to the Committee as completed.

The Director of Finance advised the Committee that the college was currently following up on audit recommendations and implementing these timeously. The Committee **NOTED** that there were a number of outstanding actions from three audits that took place during 2018/19. The Director of Finance advised that these actions were either in progress or not yet due for completion and therefore due dates had been revised. It was **NOTED** that one action from the Financial Planning review had now been marked as complete.

The Director of Finance advised that there was also still one remaining recommendation from internal audits prior to 2017/18. This related to reconciliations between SITS and SUN. She advised that although progress was made during 2018/19 it continued to be a challenge for the Finance Team due to a combination of staffing changes and the interface between the two systems.

The Director of Finance advised that following the external audit review and the financial statements undertaken by Ernst & Young, there had been three recommendations made. Two of those recommendations had previously been reported as complete however the third relating to the Non-Profit Distribution Model remained outstanding.

The Committee **NOTED** that it was felt by Senior Management that there was no capacity to undertake an effective review internally and internal audit had been asked to consider the scope of work required to address this recommendation.

8. HEALTH AND SAFETY ANNUAL REPORT 2018/19

The Director of Organisational Development spoke to her report. The report provided the Audit Committee with the Annual Report 2018/19 on matters pertaining to health and safety.

The Committee **NOTED** that it had been a positive year for the college in terms of the Management of Health & Safety albeit there were some areas for improvement.

The Committee **NOTED** that the Health and Safety Manager had left the college at the end of August and that the recruitment process was underway for his successor.

9. AOCB

None

10. DATE OF NEXT MEETING – TUESDAY 26 NOVEMBER 2019 @ 8.30 A.M.

Signed by the Chair: _____

Date: _____

Outstanding Actions - Audit Committee

27 November 2018				
Item	Action	Responsibility	Time Line	ACTIONED
Risk Register/ Risk	Further reflection on the mitigating actions as they are very mechanistic	SMT	ongoing	
	consider how to embed the process of enhancing mitigating actions at partnership level.	SMT	ongoing	
26 February 2019				
Item	Action	Responsibility	Time Line	ACTIONED
Audit report Business Continuity management	Actions arising from the next test exercise be reported back to committee	D of Org Dev	Sept 2019	
Risk register	Full risk register to be provided on an annual basis	D of F	Sept 2019	
28 May 2019				
Audit report Financial Planning	Quarterly report to be prepared for BOM outlining performance against objectives within the finance strategy	D of F	Ongoing	

Board of Management

Subject/Title:	Risk Management Policy – Board Review
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Audit Committee
Meeting Date:	26 November 2019
Date Paper prepared:	18 November 2019
Brief Summary of the paper:	The Risk Management Policy was approved in 2018 and the review date agreed as November 2019. There are no changes proposed to the current policy other than rewording under section 2 for GDPR to ensure consistency with other policies and to propose a review date of November 2022.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk management
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No 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 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

Risk Management Policy – Annual Review

Executive summary

The College's Risk Management Policy is presented for annual review.

Background information

The policy was approved by the Board of management in March 2018, following recommendation at the Audit Committee in February 2018. It was subsequently reviewed in November 2018 to align with the annual cycle.

No changes are proposed to the policy however the reference in section 2 to GDPR will be amended to ensure consistency with other College policies.

It is proposed that this policy move to a minimum 3 year review cycle from this point forward.



RISK MANAGEMENT POLICY

REFERENCE: PL/CS/2018/001

Policy Owner	Director of Finance
Lead Officer	Director of Finance
Review Officer	Director of Finance
Date first approved by BoM	10 December 2007
First Review Date	December 2010
Date review approved by BoM	18 December 2018
Next Review Date	November 2019
Equality impact assessment	N/A
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Director of Corporate Services	20.12.10	Review approved by BoM
Director of Corporate Services	02.12.14	Review approved by BoM
Director of Corporate Services	24.12.15	Review approved by Audit Committee
Depute Principal	22.03.18	Review approved by BoM
Director of Finance	18.12.18	Review approved by BoM

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1 Policy Statement

The Board of Management of Inverness College UHI has adopted this policy for the management of risk at the College. This policy forms part of the governance arrangements of the University of the Highlands and Islands.

The current policy statements on risk were reviewed and agreed by the University Court on 20 September 2017. The College has adopted the statements:

The College's general approach is to minimise its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences. However, the College recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

1.2 Overview and Scope

Risk is inherent in all activity. Risk management is important to ensure that all significant, relevant risks are understood and prioritised as part of normal management practices. Information on risk must be organised in a way that is useful for management purposes and enables decisions to be taken based on the knowledge of risk versus reward.

Identification and management of risk on a consistent, appropriate and timeous basis is a requirement of the University Court, as regional Strategic Body, and of the Scottish Funding Council (SFC).

The recognition and management of risk is the responsibility of everyone who allocates and/or uses resources so all members of staff should have an awareness of the risks of the organisation.

1.3 Implementation and Monitoring

The policy will be implemented through the Senior Management Team (SMT) of the College. A report comprising the corporate/high level risk register will be presented to the committee of the SMT and to the Board of Management Audit Committee for review and monitoring at each meeting.

2 Legislative framework/related policies

- 2.1. Health and Safety Policy
- 2.2. ICT - UHI Partnership Information Security Acceptable Use Policy
- 2.3. Data Protection Policy
- 2.4. Financial Regulations
- 2.5. Data Protection Act 1998
- 2.6. General Data Protection Regulation (GDPR) (From 25 May 2018)
- 2.7. Business Continuity Plan.

2 Overview

Risk is inherent in all activity. Risk management is important to ensure that all significant, relevant risks are understood and prioritised as part of normal management practices.

Information on risk must be organised in a way that is useful for management purposes and enables decisions to be taken based on the knowledge of risk versus reward. Identification and management of risk on a consistent, appropriate and timeous basis is a requirement of the University Court, as regional Strategic Body, and of the Scottish Funding Council (SFC).

4 Scope

The scope of this policy was initially developed to apply to faculties and departments of Executive Office and also to create a model of good practice methodology that could be adopted by Academic Partners. The College, as an integral part of the University, has adopted the policy to cover all aspects of its activity and operations.

5 Risk Appetite

The College will take a portfolio approach to risk management: i.e. whilst at any one time it may be carrying a high level of risks in one or more parts of its business, it will ensure that the number of areas exposed to high risk at any time are minimised and balanced with a low risk approach in other areas.

The portfolio of risk will be regularly reviewed by the SMT, Audit Committee and Board of Management.

High risk areas will be very closely aligned to strategic priorities and aligned to high returns i.e. the College should not be exposed to high levels of risk if returns are likely to be minimal or if the activity is not business critical.

The elapsed time over which the College is exposed to a high level of risk in

any area should be minimised as much as possible.

6 Partnership Approach to Risk management

The University uses a standardised risk template and this has been adopted by the College. The template and the methodology for recording risks was developed and agreed through the Finance Directors Practitioners Group and the process for completing and sharing risk registers was endorsed by Academic Partners Principals.

The criteria for measuring the likelihood of risks occurring and the gross impact of risks is attached at Appendix 1.

7 Roles and Responsibilities

7.1 The Director of Finance is the policy owner.

The recognition and management of risk is the responsibility of everyone who allocates and/or uses resources, so all members of staff should have an awareness of the risks of the organisation.

Risks need to be evaluated in a controlled manner and the uncertainties involved need to be minimised. The approaches available to managing risk include:

- Terminate – avoid risk by doing something else
- Transfer – risk passed on to someone else e.g. outsourcing, insurance, subcontracting
- Treat – reduce risks by management action
- Tolerate – accept risk and manage appropriately

7.2 Board of Management

The Board of Management has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within the institution. This includes determining the risk appetite of the institution, i.e. determining what risks are acceptable and which are not, and to provide a framework within which the appropriate level of exposure to risk can be determined in particular circumstances; and;
- Approve major decisions affecting the College's risk profile or exposure.

7.3 Finance and General Purposes Committee

The Finance and General Purposes Committee is responsible for:

- Ensuring that the major risks associated with specific proposals put to it have been properly considered and can be appropriately managed within the policy framework set by the Board.

7.4 Audit Committee

The Audit Committee is responsible for monitoring the College's general arrangements for risk management and specifically for:

- Ensuring that corporate risks are properly managed, reviewing evidence to this effect and ensuring measurement of results as appropriate.
- Advising the Board on the effectiveness of policies and procedures for risk assessment and risk management;
- Annually reviewing the College's approach to risk management and, if appropriate, recommending changes or improvements to key elements of its processes and procedures;
- Providing a statement to the Board annually indicating how the College has complied with good practice with regard to Corporate Governance and, in particular, in relation to effective risk management.

7.5 Role of Internal Audit

A "risk based" internal audit plan is prepared taking account of the College's risk register, strategic plan and wider operating environment.

The College aims to progress towards "risk managed" which is defined as "Enterprise approach to risk management developed and communicated".

Internal audit will:

- Report its findings to the audit committee
- Advise and make recommendations to senior managers as appropriate.

7.6 Senior Management Team

The Senior Management Team is responsible for:

- Implementing the Board's risk management policy and ensuring compliance
- Identifying, evaluating and managing strategic and operational risks in the College and bringing emerging corporate risks to the attention of the Board and/or its committees.

- Ensuring that everyone in each SMT member's area of responsibility understands their risk management responsibilities making clear the extent to which staff are empowered to take risks.
- Communicating College policy and information about the risk management programme to all staff and external partners as appropriate

IMPACT					
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Significant	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Insignificant	1	2	3	4	5
	1 -Very	2 -	3 - Possible	4 - Likely	5 - Almost
	LIKELIHOOD				

LIKELIHOOD CRITERIA	TIMESCALE 3 YEARS	
Score	Descriptor	Probability
5-Almost Certain	More than likely – the event is anticipated to occur	>80%
4-Likely	Fairly likely – the event will probably occur	61-80%
3-Possible	Possible – the event is expected to occur at some time	31-60%
2-Unlikely	Unlikely – the event could occur at some time	10-30%
1-Very Rare	Remote – the event may only occur in exceptional circumstances	<10%

IMPACT - CRITERIA		TIMESCALE 3 YEARS		
		Financial		Reputational (need to)
5 - Catastrophic	A disaster with the potential to lead to: • loss of a major UHI partner	> £500,000 or lead to	Likely loss of key partner, curriculum area or department Litigation in progress	Incident or event that could result in potentially long term damage to UHI's reputation. Strategy needed to manage the
4-Major	A critical event which threatens to lead to: major reduction in funding	£250,000 - £500,000 or lead to	• Possible loss of partner and litigation threatened • Major deterioration in quality/pass rates/delivery	Incident/event that could result in limited medium – short term damage to UHI's reputation at local/regional level.
3-Significant	A Significant event, such as financial/ operational difficulty in a department or	£50,000 - £250,000	General deterioration in quality/delivery but not persistent	An incident/event that could result in limited short term damage to UHI's reputation and
2-Minor	An adverse event that can be accommodated	£10,000 -	• Some quality/delivery issues occurring regularly	Low media profile Problem commented
1-Insignificant	An adverse event that can be accommodated	<£10,000	• Quality/delivery issue considered one-off	• No adverse publicity • Credibility unaffected



INVERNESS COLLEGE

MANAGEMENT LETTER

FES RETURN AUDIT 2018-19
OCTOBER 2019



INVERNESS COLLEGE, FES

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DISTRIBUTION

Roddy Henry	Depute Principal
Fiona Mustarde	Director of Finance
Andy Coulter	MIS Manager
Audit Committee	Members




REPORT STATUS LIST

Auditors:	Sean Morrison and Gemma Rickman
Dates work performed:	10 September - 27 September 2019
Draft report issued:	11 October 2019
Final report issued:	21 October 2019

INVERNESS COLLEGE, FES

EXECUTIVE SUMMARY

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High		0
Medium		0
Low		1

TOTAL NUMBER OF RECOMMENDATIONS: 1

BACKGROUND:

A review of the College's FES (further education statistical) data return has been carried out in accordance with the 'Credit Guidance: 2018-19 student activity data guidance for colleges' (SFC/GD/10/2018) issued in August 2018 and the audit guidance for colleges (SFC/GD/07/2019) issued on 30 May 2019.

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 30 May 2019.

Our fieldwork, which took 5 days to complete, was undertaken by experienced auditors, 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

TESTING SUMMARY:

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

- We reviewed class lists for 15 courses and selected a student from each course and confirmed that the student had in fact attended after the 25% required date. This “required date” test was also conducted on all students selected within the other sample tests below.
- A sample of 15 courses, totalling 3,055 credits (10% of total), was randomly selected based on an initial review of courses by Dominant Programme Group (DPG). The programme codes, the dominant 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.
- We tested a sample of 10 separate courses and selected two students from each course, and confirmed that a mechanism was in place to track and record student participation and progress on these courses. We also confirmed credits had been correctly calculated for these courses and that a student summary record was in place for all enrolled 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 after 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 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 two of the courses sampled we determined that a more appropriate superclass code could be used, management completed these changes while we were on site.
- 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 ECDL students (10% of the population) to confirm whether the credits claimed were accurate. We also reviewed the enrolment form for each student.
- We reviewed a sample of 10 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 found no issues with the credits claimed, however the student records system (SITS) used by the college does not have the capability to apportion one credit to the 80 hours of teaching for the non-accredited work experience/placement units. As SITS is programmed to apportion one credit for every 40 hours of teaching, as per the credits guidance.

INVERNESS COLLEGE, FES

- We reviewed a sample of 15 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.
- 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.

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 2018/19 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 28,915 credits. In addition the College had an ESF activity target of 296 credits. The total credit target for 2018/19 was therefore 29,211. Total actual credits within the Colleges FES return are 29,437 which is 0.77% above the total target. These figures have been accepted by the SFC.

Student Numbers	2017/18	2018/19
Head Count		
FEFT	1,232	1,132
FEPT	3,005	2,901
Total	4,237	4,033

Fundable student numbers have decreased by roughly 4.8% in comparison with last year. The decrease is due to a slight drop in fundable student numbers.

INVERNESS COLLEGE, FES

All Student Enrolments		
Student Numbers	2017/18	2018/19
Enrolments		
FEFT	1,276	1,273
FEPT	3,425	4,160
Total	4,701	5,433

There has been an increase of roughly 15.5% in the number of student enrolments during the year.

INVERNESS COLLEGE, FES

Fee Waiver Summary:

Source of Finance of Fee for Student	2017/18 (£)	2018/19 (£)
22 - Fee Waiver - full-time non-advanced	1,006,992.00	974,736
23 - Fee Waiver - income support	1,015.20	817.80
24 - Fee Waiver - low income	710.64	56.40
25 - Fee Waiver - Islands Authority Fee Waiver (excl. Orkney and Shetland)	0.00	0.00
26 - Fee Waiver - cost borne by college	26,433.27	17,484
28 - Fee Waiver - Incapacity Benefit	0.00	0.00
29 - Fee Waiver - Severe Disablement Allowance	380.70	0.00
30 - Fee Waiver - housing benefit	1,917.60	564
33 - Fee waiver - student on a DPG 18 programme	33,219.60	29,201.19
37 - Fee Waiver - carers allowance	0.00	0.00
38 - Fee Waiver - disability living allowance	2,058.60	1,290
39 - Fee waiver - pension credit	225.60	451.20
40 - Fee Waiver - working tax credit	3,553.20	338.40
41 - Fee waiver - old FT criteria	41,172.00	63,241.80
42 - Fee waiver - school pupil	104,588.00	96,052.75
43 - Fee waiver - attendance allowance	0.00	0.00
44 - Fee waiver - income based job seekers allowance	686.67	1,311.15
47 - Fee waiver - income-related employment and support allowance	2,848.20	1,015.20
48 - Fee Waiver - student in care	282.00	0.00
49 - Fee Waiver - Asylum seeker or spouse or child of an asylum seeker	56.40	0.00
50 - Fee Waiver - contribution based employment and support allowance	394.80	56.40
52 - Fee Waiver - Personal Independence Payment (PIP)	2,425.20	1,480.50
53 - Fee Waiver - Universal credit (UC)	3,807.00	4,074.90
Total - including cost borne by college	1,232,767	1,192,172
Total overclaim for individual students	28,253	22,022.10
Total - excluding cost borne by college	1,206,334	1,174,687.60
Total - excluding cost borne by college and overclaims	1,178,080	1,152,665.50

INVERNESS COLLEGE, FES

There has been an overall decrease in fee waiver (excluding cost borne by college and over claims) of roughly 2.2%.

There has been a decrease of 19% (£197) in fee waivers for income support students. Fee waiver for school pupils decreased by roughly 7.8% (£8,205) due to a decrease in the volume of school pupil activity.

There was an increase in fee waiver claims for other categories such as 'pension credit' (100%, £226) and 'income based job seekers allowance' (90%, £624).

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

DETAILED FINDINGS

RISK: NON-FUNDABLE STUDENTS ARE INCLUDED IN THE CREDIT COUNT. GRANT-IN-AID COULD BE OVERSTATED.

Ref	Sig.	Finding
1		<p>Documenting student enrolment is important for evidencing that a student exists, and ensuring that required information, such as personal details, has been gathered by the college.</p> <p>For two of the students tested throughout the audit there was no manual or online enrolment form. Both of these students attended the same work based learning course, being SVQ 2 Hairdressing, and it was explained by management that attempts have been made to encourage the provider to complete manual enrolment forms for the students.</p> <p>There is a risk the college cannot sufficiently evidence student enrolment for courses that are work-based.</p>

RECOMMENDATION:

We recommend that management consider implementing stricter monitoring of the requirement for work based courses to complete manual enrolment forms for students.

MANAGEMENT RESPONSE:

The college has reviewed its processes and will ensure that students on work-based courses complete enrolment forms either electronically or manually before or on the start date of the course.

Responsible Officer: Depute Principal - Planning and Student Experience

Implementation Date: February 2020

INVERNESS COLLEGE, FES

OBSERVATIONS

SUPERCLASS CODES





Our audit found that for two out of the fifteen courses tested, there was a more suitable super class code that could have been used. Management edited these courses super class codes at the time of the audit.

NON ACCREDITED WORK EXPERIENCE/PLACEMENT CREDITS




The student records system (SITS) used by the college does not have the capability to apportion one credit for every 80 hours of teaching for the non-accredited work experience/placement units. As SITS is programmed to apportion one credit for every 40 hours of teaching, as per the credits guidance for all other eligible courses. We note that there were no issues of incorrect credits being claimed, that there are a minimal number of these units being undertaken, and that manual credit claims can be made within SITS.

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.

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INVERNESS COLLEGE

MANAGEMENT LETTER

STUDENT SUPPORT FUND AUDIT 2018-19
OCTOBER 2019



INVERNESS COLLEGE, SSF

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DISTRIBUTION

Roddy Henry	Depute Principal
Fiona Mustarde	Director of Finance
Andy Coulter	MIS Manager
Audit Committee	Members




REPORT STATUS LIST

Auditors:	Sean Morrison
Dates work performed:	10 September - 27 September 2019
Draft report issued:	11 October 2019
Final report issued:	21 October 2019

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 2018-19 issued on 30 May 2019.

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 audit technician, 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 15 students, from a population of 965 eligible students was selected.
- 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 back up 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 9 students from a population of 60 confirming eligibility for further education or higher education childcare award.
- We tested a sample of 6 students from a population of 61 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.

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INVERNESS COLLEGE

MANAGEMENT LETTER

EMA 2018-19
OCTOBER 2019



INVERNESS COLLEGE, EMA

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DISTRIBUTION

Roddy Henry	Depute Principal
Fiona Mustarde	Director of Finance
Andy Coulter	MIS Manager
Audit Committee	Members




REPORT STATUS LIST

Auditors:	Sean Morrison and Gemma Rickman
Dates work performed:	10 September - 27 September 2019
Draft report issued:	11 October 2019
Final report issued:	21 October 2019

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 30 May 2019.

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 2 days to complete, was undertaken by a fully qualified auditor and audit technician, 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 182 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

SIGNED LEARNER AGREEMENT

Our audit found that for one out of fifteen students tested, there was no signed learner agreement form stored by the Funding team. We confirmed that the form had been sent to the student, who is then responsible for signing and returning to the Funding team, however this was not completed by the student.

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.

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INVERNESS COLLEGE

INTERNAL AUDIT REPORT

RESEARCH GOVERNANCE
NOVEMBER 2019

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

INVERNESS COLLEGE, RESEARCH GOVERNANCE

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DISTRIBUTION

Melanie Smith	Director of Research and Innovation
Fiona Mustarde	Director of Finance
Audit Committee	Members


REPORT STATUS LIST


Auditors:	Sean Morrison
Dates work performed:	19 March - 23 May 2019
Draft report issued:	04 June 2019
Final report issued:	22 November 2019

INVERNESS COLLEGE, RESEARCH GOVERNANCE




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		1
Low		2

TOTAL NUMBER OF RECOMMENDATIONS: 3

BACKGROUND:

It was agreed with management and the Audit Committee within the 2018-19 Internal Audit plan that Internal Audit would review the arrangements Inverness College ('the College') have in place in relation to research governance. The purpose of our review is to provide independent assurance to management and the Audit Committee that the controls in place in relation to research governance are well designed and operating effectively.

The research team consists of the Director of Research and Innovation who oversees the department, two Directors of Research for the institutes and centres of research (who report to the Director of Research and Innovation), a Research Development Facilitator (appointed in late 2018 to support the growth in the department and further develop the processes in place for research management), and a Research Administrator. The roles and responsibilities for the team are detailed within the respective job descriptions. There are also a number of researchers employed to conduct research projects.

Since 2007 the College has been committed to the development of research as a core part of its growth as a partner of the University of the Highlands and Islands (UHI). Over this period the Research Strategy has been implemented in two phases; Phase 1 2007-2012 and Phase 2 2012-17. Both of these phases met targets which have resulted in the organisation and growth of research capacity; and development of a culture of research in the dual sector education environment of UHI. This phased approach has ensured research is now an integral part of the College Strategic Plan and it is a key component of driving academic excellence throughout the organisation.

The current Research Strategy covers 2017-2020, and it clearly aligns with the College strategic plan. The Research strategy was developed by the Director of Research and

INVERNESS COLLEGE, RESEARCH GOVERNANCE

Innovation, and was discussed with Management and SMT before being approved by the Board.

The strategy outlines five strategic objectives, being:

1. To build upon our established platform of research excellence, expanding activity in our research centres and across academic teams.
2. To ensure our research has relevance, application and impact through development of innovative partnerships with schools, key sector partners and academic partners, and through effective communication of results.
3. To maximise the opportunities for growing our postgraduate researcher community, creating a strong research culture for our early career researcher development.
4. To ensure research is embedded across our curriculum presenting opportunities for staff and students to be challenging and innovative in their professional practice and supporting integrated career progression.
5. To expand and develop innovative research and entrepreneurship and grow our knowledge exchange activity.

The strategy also identifies the way in which these objectives will be achieved and related KPIs. Progress towards the strategy is monitored and overseen by the Research Committee, with an annual report provided to the Board on performance against the SMART targets.

There is a research hub on the College website, which is a dedicated research base for staff and postgraduate researchers. This provides a forum for the development of multi-disciplinary research in the College, within UHI, and with other institutions in the UK and internationally. The hub also contains information on the centres and the research projects undertaken.

Before College research projects can be applied for approval must be provided by the Director of Research and Innovation, who assesses the viability of the piece of research. Typically a project initiation document (PID) is completed for each potential piece of research by the researcher applying for the project, and either approved or rejected. Research that is managed through UHI is required to go through a similar approval process, whereby an advance notification form is required to be completed and approved by the Dean or Head of Department prior to application for the research funding. For large projects, approval would also be sought from the Director of Finance. The Director of Finance is the signatory required for contracts and agreements.

The Director of Research and Innovation line manages the researchers and oversees the Director of the Rivers and Lochs Institute, this provides the opportunity for monitoring the research staffs utilisation of their research days. The researchers also have research activity planners which they are able to use to record and manage their time spent on research projects.

There are three groups at the College and UHI with responsibility for monitoring, scrutinising and receiving information on research projects. The following groups provide strong oversight and direction for the College's research function.

- Learning, Teaching and Research Committee - This group is a committee of the Board of Management. The Director of Research and Innovation provides a research performance report to this group on a quarterly basis, which provides an update on the progress made towards achieving the Research Strategy objectives.
- Research Knowledge and Exchange Committee - This group is chaired by the Director of Research and Innovation, and consists of research staff, management and executive managers. The group reviews key research reports, such as progress

INVERNESS COLLEGE, RESEARCH GOVERNANCE

reports on ongoing research projects, updates from the Research Operations Group, REF updates and research finance reports. Minutes from this group are sent to the UHI Research and Knowledge Exchange Committee which the Director of Research and Innovation attends.

- Research Operations Group - This group consists of researchers, the Director of Research and Innovation, and the Research Development Facilitator. The group reviews operational research matters such as finance, press, website issues and REF updates.

SCOPE AND APPROACH:

The scope of our review was to assess whether:

- The College has a research strategy in place which has been clearly aligned to the College's strategic priorities.
- Research governance and management roles and responsibilities have been clearly defined.
- There are clear protocols in place for completing and assessing applications for research grant funding.
- Applications for research grant funding are completed and assessed appropriately.
- There are effective processes in place for ensuring that research staff utilise their allocated research days.
- There is effective monitoring, reporting and scrutiny arrangements in place in relation to research grant funding.

Our approach was to conduct interviews to establish the controls and processes in operation, and to review documentary evidence that these controls are designed as described. We then evaluated these controls to identify whether they adequately address the risks.

GOOD PRACTICE:

We noted a number of areas of good practice being demonstrated at Inverness College in relation to the research governance arrangements. These included:

- The College has a robust research strategy in place for 2017-2020 that clearly aligns to the College's strategic priorities.
- Research governance and management roles and responsibilities are clearly detailed within the job descriptions for the Research department staff. We also note that the research staff within the College are well experienced in their respective roles.
- Research projects are required to be reviewed and approved by senior College staff, such as the Director of Research and Innovation, and the Director of Finance, prior to applications for the projects being completed.
- The Director of Research and Innovation monitors the research staff utilisation of research time.
- Research projects progress is reported on a regular basis to a number of Research groups within the College and UHI, where the opportunity is provided for monitoring, reporting and scrutiny to be applied to research projects.

INVERNESS COLLEGE, RESEARCH GOVERNANCE

KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we have identified the following areas where improvement could be made to the research governance control environment:

- **Procedures** - The College research protocols are in place and followed by staff, however the documentation detailing these research protocols and procedures are not yet in place for all key research governance areas, such as project set-up, approval and monitoring. We recognise that the Research Development Facilitator has been brought in to the College to drive the improvement of research areas such as the documenting of research procedures, and system and process improvements. Also, we understand that the research department staff and researchers in place are experienced, and know how to perform their respective roles.
- **Project tracker** - The College currently has a project list in place, which could be improved by including responsible staff for the project, key project timescales and milestones, progress summaries and project size.
- **Research activity time** - The College have activity planners in place for researchers, however these are not been fully completed by researchers on a consistent basis. The Director of Research and Innovation plans to improve the recording of research staff time utilisation on projects, through better usage of the activity planners in place.

CONCLUSION:

We are able to provide moderate assurance over the design and operational effectiveness of the controls in place relating to the research governance arrangements.

INVERNESS COLLEGE, RESEARCH GOVERNANCE


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

- ✓ There may not be a Research Strategy in place which is clearly aligned to Inverness College's strategic priorities.
- ✓ Research governance and management roles and responsibilities may not be clearly defined.
- ✓ Applications for research grant funding may not be completed and assessed appropriately.
- ✓ Funding provided from the Research Development Fund may not be approved appropriately.
- ✓ There may not be an effective process in place for ensuring that research active individuals utilise their allocated research days.
- ✓ There may not be effective monitoring, reporting and scrutiny arrangements in place in relation to research grant funding.

INVERNESS COLLEGE, RESEARCH GOVERNANCE

DETAILED FINDINGS

RISK: THERE MAY NOT BE A CLEAR PROTOCOL IN PLACE FOR COMPLETING AND ASSESSING APPLICATIONS FOR RESEARCH GRANT FUNDING.

Ref	Sig.	Finding
1		<p>Processes and Procedures</p> <p>Documented research governance processes and procedures provide staff with guidance on how to perform their responsibilities in a consistent manner, as well as the actions that are required to be completed as part of the research governance process.</p> <p>The College research protocols are in place and followed by staff, however the documentation detailing these research protocols and procedures are not yet in place for all key research governance areas, such as project set-up, approval and monitoring. We recognise that the Research Development Facilitator has been brought in to the College to drive the improvement of research areas such as the documenting of research procedures, and system and process improvements.</p> <p>Also, we understand that the research department staff and researchers in place are experienced, and know how to perform their respective roles.</p> <p>However, there is a risk that for new staff, that there is insufficient formalised guidance on the tasks that are required to be completed throughout the life cycle of a research project.</p>

RECOMMENDATION:

We recommend that management consider implementing detailed documented procedures and protocols for all key areas in the research governance process, including the applications and approvals process, and the documents relating to the monitoring, managing and closure of a research project, such as lessons learnt reports and consistent monitoring templates. These should then be completed on a consistent basis for all research projects.

MANAGEMENT RESPONSE:


Agreed. Clear project initiation has been developed and will be fully implemented in the coming months for all projects.

Responsible Officer: Melanie Smith

Implementation Date: October 2019

INVERNESS COLLEGE, RESEARCH GOVERNANCE

RISK: THERE MAY NOT BE EFFECTIVE MONITORING, REPORTING AND SCRUTINY ARRANGEMENTS IN PLACE IN RELATION TO RESEARCH GRANT FUNDING.

Ref	Sig.	Finding
2		<p>Project Tracker</p> <p>A well maintained research project tracker supports the monitoring of project progress for key stakeholders to the project.</p> <p>The College currently has a project list in place, which could be improved by including responsible staff for the project, key timescales and milestones, progress summary and project size.</p> <p>We recognise that updates on projects are provided to the Research Committee via project papers. However, a well-designed project tracker provided to all research groups as an appendix is an effective way of tracking overall project progress.</p> <p>There is a risk that by not having a well-designed project tracker that the effectiveness of project monitoring could be diminished.</p>

RECOMMENDATION:

We recommend that management consider developing a more robust project tracker for the research projects in place. Containing information such as responsible individuals, key timescales and milestones, progress summaries and project size.

We also recommend that the project tracker should be included as a standing agenda appendix item at appropriate research group meetings, such as the Research Committee meetings.

MANAGEMENT RESPONSE:


Agreed but we view this as part and parcel of the project initiation process and procedure as per recommendation 1 and not as a separate requirement. The project tracker will be presented to the Research Operational Group which meets bi-monthly.

Responsible Officer: Melanie Smith

Implementation Date: October 2019

INVERNESS COLLEGE, RESEARCH GOVERNANCE

RISK: THERE MAY NOT BE EFFECTIVE MONITORING, REPORTING AND SCRUTINY ARRANGEMENTS IN PLACE IN RELATION TO RESEARCH GRANT FUNDING.

Ref	Sig.	Finding
3		<p>Research Time Recording</p> <p>The recording and tracking of research time is required to provide management with the opportunity to assess the workload of researchers and determine whether they are utilised well, to identify potential delays in the project and to justify the staff costs attributed to the project.</p> <p>The College have activity planners in place for researchers, however these are not been fully completed by researchers on a consistent basis. The Director of Research and Innovation plans to improve the recording of research staff time utilisation on projects, through better usage of the activity planners in place.</p> <p>We note that the Director of Research and Innovation line manages or oversees the researchers, and through this process monitors the time utilisation of the researchers. However, the process could be improved if research staff were to record their research time more rigorously on a week by week basis through better usage of the research activity planner.</p> <p>There is a risk that by not effectively completing time records for research projects that performance issues may be missed by management, or the college will be unable to demonstrate staff time spent on projects.</p>

RECOMMENDATION:

We recommend that the process for completing the activity planners be improved through mandatory completion of the research activity planner.

We would also suggest that once completed on a regular basis that these planners are subject to periodic review to assess how effective and efficient research staff have been in carrying out their research activities.

MANAGEMENT RESPONSE:

Agreed. This has already been implemented and is monitored by our Research Development Facilitator.

Responsible Officer: Research Development Facilitator

Implementation Date: July 2019

INVERNESS COLLEGE, RESEARCH GOVERNANCE

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.

Mairi Cowan
Melanie Smith




Research Development Facilitator
Director of Research and Innovation

INVERNESS COLLEGE, RESEARCH GOVERNANCE

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, RESEARCH GOVERNANCE

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of this review is to provide management and the Audit Committee with assurance that sufficient levels of direction, support, management and scrutiny are being provided to the college's research department.

KEY RISKS:

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

- There may not be a Research Strategy in place which is clearly aligned to Inverness College's strategic priorities.
- Research governance and management roles and responsibilities may not be clearly defined.
- There may not be a clear protocol in place for completing and assessing applications for research grant funding.
- Applications for research grant funding may not be completed and assessed appropriately.
- Funding provided from the Research Development Fund may not be approved appropriately.
- There may not be an effective process in place for ensuring that research active individuals utilise their allocated research days.

SCOPE OF REVIEW:

The scope of our review will be to assess whether:

- There is a Research Strategy in place which is clearly aligned to Inverness College's strategic priorities.
- Research governance and management roles and responsibilities are clearly defined.
- There is a clear protocol in place for completing and assessing applications for research grant funding.
- Applications for research grant funding are completed and assessed appropriately.
- Funding provided from the Research Development Fund is approved appropriately.
- There is an effective process in place for ensuring that research active individuals utilise their allocated research days.
- There is effective monitoring, reporting and scrutiny arrangements in place in relation to research grant funding.

FOR MORE INFORMATION:

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Inverness College UHI

INTERNAL AUDIT REPORT

Follow up review

November 2019



IDEAS | PEOPLE | TRUST



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REPORT STATUS

Auditor:	Sean Morrison
Dates work performed:	10 June 2019 - 01 October 2019
Draft report issued:	29 October 2019
Final report issued:	20 November 2019

DISTRIBUTION LIST

Fiona Mustarde	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 June 2019. In accordance with the Internal Audit Annual Plan 2018-19, 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 30 audit recommendations were followed up. These relate to 11 separate internal audit reports, as shown below:

- Data Protection/Freedom of Information (2011/12) (1 recommendation)
- Student Fees and Contracts (2016/17) (2 recommendations)
- Financial Controls (2017/18) (1 recommendation)
- Partnership Working (2017/18) (2 recommendations)
- Business Continuity Management (2018/19) (6 recommendations)
- Curriculum Planning (2018/19) (1 recommendation)
- Budgetary and Creditors/Purchasing (2015/16) (1 recommendation)
- Risk Management (2017/18) (3 recommendations)
- Data Protection (2017/18) (4 recommendations)
- Student Support (2017/18) (1 recommendations)
- Financial Planning (2018/19) (8 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 October 2019

The summary below and overleaf provides a simple overview of the status of each recommendation. Of the 30 recommendations due to be implemented, 16 recommendations (54%) have been categorised as fully implemented and a further five (16%) as partially implemented, and 6 (20%) as not implemented. Details of the partially implemented, and not implemented recommendations are included on the pages which follow.


On this basis, we conclude that Inverness College has made sound progress in implementing the recommendations made and we can provide assurance that management's resolve to implement previously agreed Internal Audit recommendations is sound. Continued focus is necessary to ensure the remaining outstanding recommendations are implemented in good time. We particularly note that recommendations from the Business Continuity Management and Financial Planning audits remain outstanding.

Audit	Status at October 2019					Total
	Fully Implemented	Partially Implemented	Not Implemented	Superseded	Not yet due for Implementation	
Data Protection/Freedom of Information	1	-	-	-	-	1
Budgetary and Creditors/Purchasing	1	-	-	-	-	1
Student Fees and Contracts	1	1	-	-	-	2
Risk Management	3	-	-	-	-	3
Financial Controls	1	-	-	-	-	1
Data Protection	3	-	1	-	-	4
Partnership Working	-	1	-	1	-	2
Student Support	1	-	-	-	-	1
Business Continuity Management	3	2	1	-	-	6
Financial Planning	2	1	4	-	1	8
Curriculum Planning	-	-	-	-	1	1
TOTAL	16	5	6	1	2	30


RECOMMENDATION STATUS - STUDENT FEES AND CONTRACTS 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	Amounts transferred between SITS and SUN should be reconciled regularly and explanations for any variances documented and corrections made if necessary. Such reconciliations should be reviewed and agreed by a second member of staff; with both the preparer and reviewer signing the reconciliations as evidence this is being done.		Update: The college have made significant progress regarding bringing the SITS reconciliation up to date. There is still progress required as the investigations needed to clear off some of the remaining items require a number of staff. Our debtors officer is now working on this along with another finance officer with the hope of completion in coming months.	<i>Responsible Officer: Finance Manager</i> <i>Implementation Date: 31 August 2016</i>
Status at October 2019 & Revised Recommendation				
Partially Implemented Plans are now in place to implement a process that will allow daily reconciliations to be conducted.				
Management Response - October 2019				
Monthly reconciliations have proven to be problematic due to the level of data transferred between the systems. New approach is to implement a daily reconciliation of data transferred between SITS and SUN. Target completion date December 2019.				


RECOMMENDATION STATUS - DATA PROTECTION 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We recommend that it should be ensured that the data protection policy or a supplementary policy contains information relating to how to respond to a 'right to be forgotten'.		AGREED: A formal records management policy and retention schedule has been revised and will be tabled at the Audit Committee for approval and thereafter implemented. The DPO will monitor compliance with the personal data aspect of the schedule.	<i>Responsible Officer: Information Development Manager</i> <i>Implementation Date: 31 May 2018</i>
Status at October 2019 & Revised Recommendation				
Not Implemented The records management policy does not have information on the right to be forgotten. Due to be added to the data protection committee agenda on the 21 st of October for the information to be recorded within the data protection policy.				
Management Response - October 2019				
The records management policy does not have information on the right to be forgotten. Due to be added to the data protection committee agenda on the 21 st of October for the information to be recorded within the data protection policy.				


RECOMMENDATION STATUS - PARTNERSHIP WORKING 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that the College should seek a partnership agreement with the Highland Council which clearly defines roles and responsibilities.		AGREED: The college, along with the two other Academic Partners in Highland Region, has formed a Strategic Group with Highland Council education department. The development of a partnership agreement has been agreed as one of the key activities of the group. As such the recommendation has been completed.	<i>Responsible Officer: Depute Principal</i> <i>Implementation Date: Completed</i>
Status at October 2019 & Revised Recommendation				
Partially Implemented Partnership agreement in place, and the council are in the process of signing and providing to the college. However, we require the completed and signed agreement to confirm roles and responsibilities.				
Management Response - October 2019				
In terms of action that the College can control, this action has now been completed. The College can do nothing further other than continue to prompt for a response from Highland Council.				


RECOMMENDATION STATUS - BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
4	We recommend that, as planned, the College implements business continuity training for all staff. Regular refresher training should be provided going forward, and the College should ensure it records all training for each staff member, and obtains sufficient evidence of attendance/completion.		Agreed	<p>Responsible Officer: Martin Kerr and Richie Hart</p> <p>Implementation Date: May 2019</p>
Status at October 2019 & Revised Recommendation				
<p>Not Implemented</p> <p>Business continuity training still to be developed and provided to staff.</p>				
Management Response - October 2019				
This will be looked at once the new Health and Safety Manager commences in post in November 2019.				


RECOMMENDATION STATUS - BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
5	<p>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.</p> <p>In addition, we recommend that the outcomes, lessons learned and required actions are formally documented within the plan for each test.</p>		Agreed. Implemented for the next induction in June 2019	<p><i>Responsible Officer: Martin Kerr</i></p> <p><i>Implementation Date: June 2019</i></p>
Status at October 2019 & Revised Recommendation				
<p>Partially Implemented</p> <p>Business continuity testing schedule has been developed for 2019/20.</p>				
Management Response - October 2019				
Business continuity testing schedule has been developed, and is in place for 2019/20.				


RECOMMENDATION STATUS - BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
6	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.		Agreed	<p>Responsible Officer: Martin Kerr</p> <p>Implementation Date: March 2019</p>
Status at October 2019 & Revised Recommendation				
<p>Partially Implemented</p> <p>The contact details have not been fully completed within the BCP document reviewed.</p>				
Management Response - October 2019				
This task will be delegated to an appropriate team member to ensure all contact details are updated and relevant.				


RECOMMENDATION STATUS - FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
7	<p>We recommend scenario planning and sensitivity analysis is incorporated in plans to achieve the Finance Strategy.</p> <p>Factors with the most uncertainty should be considered, such as:</p> <ul style="list-style-type: none"> - salary uplifts - funding - other income 		Agreed that scenario planning and sensitivity analysis should be completed and properly documented.	<p><i>Responsible Officer: Director of Finance</i></p> <p><i>Implementation Date: June 2019</i></p>
Status at October 2019 & Revised Recommendation				
<p>Partially Implemented</p> <p>We recognise that scenario planning was conducted as part of the 2019/20 budget setting process. However, scenario planning/sensitivity analysis for the medium term (3-5 years) has not been conducted to display the College's capability of remaining operational in a number of forecasted scenarios over a longer time period.</p>				
Management Response - October 2019				
<p>The requirement for medium term financial planning is recognised and will be taken forward by the interim Director of Finance.</p>				


RECOMMENDATION STATUS - FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
8	<p>We recommend the outcome of the Budget & Resource Planning submissions is communicated to budget holders.</p> <p>A scoring mechanism is put in place to grade projects, and projects are prioritised and selected based on this.</p>		<p>Agreed. SMT will be asked to review and prioritise requests and budget holders will be notified. A transparent scoring mechanism will be agreed and applied to ensure consistency.</p>	<p><i>Responsible Officer: Director of Finance</i></p> <p><i>Implementation Date: July 2019</i></p>
Status at October 2019 & Revised Recommendation				
<p>Not Implemented</p> <p>The scoring mechanism is still being developed and the first quarterly meeting with budget holders is due to be completed in the coming months.</p>				
Management Response - October 2019				
<p>The scoring methodology is still to be agreed by SMT. The first quarterly review meetings are due to take place late November and enhancement plans will form part of this review.</p>				


RECOMMENDATION STATUS - FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
9	We recommend Budget profiling is performed on an annual basis, taking into consideration expected expenditure each month.		Agreed. This is an area of focus for the Management Accounting team.	<i>Responsible Officer:</i> <i>Management Accountants</i> <i>Implementation Date: June 2019</i>
Status at October 2019 & Revised Recommendation				
Not Implemented Partially profiled what they can but due to resource changes still being worked on.				
Management Response - October 2019				
No further progress has been made due to the inability to date to recruit to the vacant Management Accounting Assistant. This task will not be progressed until that post has been filled.				

RECOMMENDATION STATUS - FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
10	Meetings should be scheduled with budget holders on a quarterly basis. Budget holders are assigned a first point of contact within Finance.		Agreed. Budget holders have already been assigned named contact points within the Finance team. In addition, quarterly financial review meetings will be in place for 2019/20 and these meetings will also include the Principal and Director of Finance.	<i>Responsible Officer: Finance Manager</i> <i>Implementation Date: August 2019</i>
Status at October 2019 & Revised Recommendation				
Not Implemented Pushed implementation date to December, as first quarter is not until the end of November, meetings scheduled for November with principal, SMT leads and managers.				
Management Response - October 2019				
First quarterly review meetings taking place in late November and December 2019.				

RECOMMENDATION STATUS - FINANCIAL PLANNING 2018/19





Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
11	<p>We recommend the budget timetable assigns responsibility for completion of each task.</p> <p>The budget timetable should include the following steps:</p> <ol style="list-style-type: none"> 1. communication of the budget timetable to the Senior Management Team and budget holder 2. update the budget when funding is confirmed from the UHI 3. submission deadline of Enhancement Plans and Budget and Resource Planning Templates; and 4. review of the Enhancement Plans and communication of the results. <p>We recommend the budget timetable is communicated to budget holders.</p> <p>Budget holders expected involvement is communicated in advance of the budget setting process.</p>		<p>Agreed that the budget timetable should have assigned responsibility for tasks and be clearly communicated. Updating the budget for final UHI allocations will be incorporated if the timing of the final confirmation enables this. The Enhancement Plan process is not specifically about budgeting. Additional resource requirements can be identified through this process. Agreed that the outcome of this process needs to be clearly communicated to budget holders on completion.</p>	<p>Responsible Officer: Director of Finance</p> <p>Implementation Date: July 2019</p>
Status at October 2019 & Revised Recommendation				
<p>Not Implemented</p> <p>This will be implemented as part of the next budget setting process.</p>				
Management Response - October 2019				
<p>The budget setting process will not commence until late January / February 2020. A timetable will be developed for this and communicated to SMT and all budget holders.</p>				




APPENDIX I - STAFF INTERVIEWED/CONSULTED

NAME	JOB TITLE
Fiona Mustarde	Director of Finance

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 2018-19 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 the 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

The key risk associated with the area under review is:


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

DOCUMENT REQUEST

Reports on progress on implementing recommendations / recommendation tracker.

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 2018/19, and a follow up of outstanding recommendations from previous years.



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

ESTATES MANAGEMENT

2019-20

INVERNESS COLLEGE, ESTATES MANAGEMENT

BACKGROUND

As part of the 2019-20 Internal Audit Plan, it was agreed by management and the Audit Committee that Internal Audit would carry out a review of the estates management arrangements in place within Inverness College.

PURPOSE OF REVIEW

The purpose of this review will be to assess the arrangements in place to manage and maintain the current estate. This will include an assessment of the clarity of responsibilities of Inverness College and the building provider, planning and prioritisation of estates development and monitoring of space utilisation.

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:

- Roles and responsibilities of the College and the building provider may not be clearly documented and understood;
- Procedures for reporting faults are unclear and ill-defined or not understood;
- Planning and prioritisation of estates developments may not be linked to current and anticipated needs of the College. Users may not be consulted with;
- Space utilisation may not be monitored. Appropriate action may not be taken where issues are identified; and
- There may not be adequate review and evaluation arrangements in place of the building provider.

SCOPE OF REVIEW

The scope of our review is to assess whether:

- Roles and responsibilities of the College and the building provider are clearly documented and understood;
- Procedures for reporting faults are clear and understood;
- Planning and prioritisation of estates developments is linked to current and anticipated needs of the College. Users may not be consulted with;
- Space utilisation is monitored. Appropriate action is taken where issues are identified; and
- There is adequate review and evaluation arrangements in place of the building provider.

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

INVERNESS COLLEGE, ESTATES MANAGEMENT

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 Inverness College.

EXCLUSIONS

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

REQUIREMENTS

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

INVERNESS COLLEGE, ESTATES MANAGEMENT

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none"> - Current estates strategy; - Policies and procedures relating to maintenance; - Reports or monitoring tools used by estates to monitor and track income and expenditure against budget. 	Lindsay Ferries	30/04/2020 (2 weeks prior to fieldwork)

Access to information/staff

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

Timing changes and cancellation:

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

KEY CONTACTS

BDO LLP

Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Assistant Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Gemma Macdonald	Audit Trainee	E: Gemma.X.Macdonald@bdo.co.uk

INVERNESS COLLEGE

Lindsay Ferries	Director of Organisational Development	E: Lindsay.ferries.ic@uhi.ac.uk
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INVERNESS COLLEGE, ESTATES MANAGEMENT

PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	20/04/2020
Number of audit days planned	6
Planned date for closing meeting	27/04/2020
Planned date for issue of the draft report	11/05/2020
Planned date for receipt of management responses	25/05/2020
Planned date for issue of proposed final report	26/05/2020
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:	



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

HEALTH & SAFETY

2019-20

INVERNESS COLLEGE, HEALTH & SAFETY

BACKGROUND

As part of the 2019-20 Internal Audit Plan, it was agreed by management and the Audit Committee that Internal Audit would carry out a review of the health & safety arrangements in place within Inverness College.

PURPOSE OF REVIEW

The purpose of this review will be to gain assurance that health & safety governance arrangements are designed to achieve compliance with statutory requirements and that the College's defined policies, processes and organisational requirements are being applied. We will also assess whether risk assessments have been undertaken for each building and effective management reporting is in place to allow for the timely escalation and resolution of health & safety risks.

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 health & safety policy, strategy and procedures may not effectively address identified health & safety risks or meet statutory requirements;
- Roles and responsibilities in relation to health & safety may not be well understood;
- Health & safety policy, strategy and procedures may not be consistently applied;
- There may not be adequate, timely or sufficient management and Board reporting in place in relation to health & safety management to allow for appropriate escalation and resolution of health & safety risks;
- There may be inadequate training of staff in relation to health & safety; and
- Risk assessments may not have been undertaken for the building.

SCOPE OF REVIEW

The scope of our review is to assess whether:

- The health & safety policy, strategy and procedures effectively address identified health & safety risks and meet statutory requirements;
- Roles & responsibilities in relation to health & safety are well understood;
- Health & safety policy, strategy & procedures are consistently applied;
- There is adequate, timely and sufficient management and Board reporting in place in relation to health & safety management to allow for appropriate escalation and resolution of health & safety risks;
- There is adequate training of staff in relation to health & safety; and
- Risk assessments have been undertaken for the building.

INVERNESS COLLEGE, HEALTH & SAFETY

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 Inverness College.

EXCLUSIONS

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

REQUIREMENTS

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

INVERNESS COLLEGE, HEALTH & SAFETY

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	<ul style="list-style-type: none">- Health & safety policy/strategy/framework;- ToR for Board and Health & Safety Committee/ responsibilities of Board and committee members;- Details of how risk assessments are managed and documented;- Latest health & safety reports prepared for the Board;- Details of incident reporting arrangements;- Minutes of Health & Safety Committee (if relevant, last 12 months); and- Health & Safety training records.	Lindsay Ferries	17/02/2020 (2 weeks prior to fieldwork)

Access to information/staff

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

Timing changes and cancellation:

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

INVERNESS COLLEGE, HEALTH & SAFETY

KEY CONTACTS

BDO LLP

Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Senior	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Gemma Macdonald	Internal Audit Trainee	T: 0141 249 8416 E: gemma.x.macdonald@bdo.co.uk

INVERNESS COLLEGE


Lindsay Ferries	Director of Organisational Development	E: Lindsay.ferries.ic@uhi.ac.uk
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PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	02/03/2020
Number of audit days planned	5
Planned date for closing meeting	06/03/2020
Planned date for issue of the draft report	20/03/2020
Planned date for receipt of management responses	03/04/2020
Planned date for issue of proposed final report	06/04/2020
Planned Audit Committee date for presentation of report	TBC

INVERNESS COLLEGE, HEALTH & SAFETY

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




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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

MARKETING & COMMUNICATIONS

2019-20

INVERNESS COLLEGE- MARKETING & COMMUNICATIONS

BACKGROUND

It was agreed with management and the Audit Committee within the 2019-20 internal audit plan that Internal Audit would carry out a review of the communications and stakeholder engagement arrangements in place within Inverness College.

PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance that effective controls are in place in relation to the Communications & Stakeholder Engagement strategy.

KEY RISKS

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

- There may not be a clear Communications and Stakeholder Engagement strategy in place;
- Policies, procedures, roles, responsibilities and delegated authorities in relation to communications and social media use may not be clearly defined;
- Internal communications are not regular, useful and effectively planned and delivered;
- Communications with key stakeholders are not regular, useful and effectively planned and delivered; and
- The effectiveness of key communications may not be evaluated or feedback sought or responded to from stakeholders or staff.

SCOPE OF REVIEW

Our review will assess whether:

- A clear Communications and Stakeholder Engagement strategy in place;
- Policies, procedures, roles, responsibilities and delegated authorities in relation to communications and social media use have been clearly defined;
- Internal communications are regular, useful and effectively planned and delivered;
- Communications with key stakeholders are regular, useful, and effectively planned and delivered; and
- Feedback is sought from key stakeholders and staff on the communications issued, and where appropriate this feedback is reflected in future communication plans.

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

INVERNESS COLLEGE- MARKETING & COMMUNICATIONS

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 to ensure that these controls are designed as described. We will evaluate these controls to identify whether they adequately address the risks. We will perform sample testing of compliance with key controls.

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 and observations.

LOCATIONS

Fieldwork will be performed at Inverness College.

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	- Media and Communications policy and strategy documents	Georgie Parker	09/03/2020 (2 weeks ahead of fieldwork)

INVERNESS COLLEGE- MARKETING & COMMUNICATIONS

	<ul style="list-style-type: none"> - Monthly reporting on communications - Communications log - Communications and social media policies and procedures 		
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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.


KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Auditor Senior	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Gemma Rickman	Internal Auditor	E: gemma.rickman@bdo.co.uk
INVERNESS COLLEGE		
Georgie Parker	Director of Business Development	E: Georgie.Parker.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	23/03/2020

INVERNESS COLLEGE- MARKETING & COMMUNICATIONS

Number of audit days planned	5
Planned date for closing meeting	27/03/2020
Planned date for issue of the draft report	10/04/2020
Planned date for receipt of management responses	24/04/2020
Planned date for issue of proposed final report	27/04/2020
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:	




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Board of Management

Subject/Title:	Outstanding Internal Audit Recommendations
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Audit Committee
Meeting Date:	26 November 2019
Date Paper prepared:	19 November 2019
Brief Summary of the paper:	Update on progress against audit recommendations not previously reported as completed.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk Management – demonstrates the steps taken to address the risks identified as a result of internal audit reviews.
Resource implications:	Yes. Potential for reduced income/increased costs if correct procedures not followed.
Risk implications:	Yes If yes, please specify: Operational: clear procedures identified and followed Organisational: reputational risk of failure to adhere
Equality and Diversity implications:	No
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 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

Update on Outstanding Internal Audit Recommendations

Executive summary

This report provides the Committee with an updated position regarding the implementation of action points arising from both Internal Audit reports and the annual external audit that have not already been reported to Committee as completed.

Background information

The College is committed to following up on audit recommendations and implementing these timeously.

A summary of the outstanding recommendations is attached containing current status and progress updates. This report includes all recommendations not previously reported as completed.

Outstanding Internal Audit Recommendations 2018/19

There are a number of outstanding actions from three audits that took place during 2018/19. All of these actions are either in progress or not yet due for completion and due dates have been revised as appropriate.

Outstanding Internal Audit Recommendations 2017/18

There is one remaining action point resulting from the Financial Controls audit that took place in January 2018 and reported back to the February Audit Committee meeting. Further detail is provided in the attached summary.

Outstanding Internal Audit Recommendations prior to 2017/18

There is one remaining recommendation from audits prior to 2017/18. This relates to reconciliations between SITS and SUN. Although progress was made during 2018/19, this continues to be a challenge for the Finance team through a combination of staffing changes and the interface between the two systems.

Outstanding External Audit Recommendations 2017/18 Audit

Following the external audit review of the financial statements undertaken by Ernst & Young, there were three recommendations made. Further detail of the one outstanding recommendation is provided in the attached summary. This action will not complete prior to the finalisation of the 2018/19 annual report and accounts due to difficulties with clarifying the final scope. Further discussion with the external audit partner is required.

UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
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2018/19 Internal Audit Actions

Curriculum Planning 2018/19 – Report Date 3 May 2019

1	Room Utilisation Reporting 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.	The college will ensure that room utilisation audits are reinstated and reported regularly through an appropriate group.	Depute Principal – Planning and Student Experience	AY 2019/20	Not yet due	Too early in the academic year for this activity to commence.
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2018/19 Internal Audit Actions

Financial Planning – Report Date March 2019

1	Scenario Planning Scenario planning and sensitivity analysis is incorporated in plans to achieve the Finance Strategy. Factors with the most uncertainty should be considered, such as: - salary uplifts - funding - other income	Agreed that scenario planning and sensitivity analysis should be completed and document properly.	Director of Finance	June 2019 March 2020	In progress	Changes in senior Finance staff have delayed progress. However this is also relative to the FFR and guidance was provided during August on assumptions and scenarios to be modelled.
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UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
2	<p>Outturn Monitoring We recommend a medium term plan is created to address the deficit identified in the FFR. The plan should include efficiency and income generating targets for each year and there should be a detailed plan in place to achieve the targets.</p> <p>This should be aligned with the budget setting and monitoring process.</p>	It is agreed that this plan should be clearly documented and have a structured reporting mechanism to capture the activities identified and evaluate achievement. This will provide the SMT with data to inform further steps required.	Director of Finance / SMT	June 2019 March 2020	In progress	Work streams continue but have yet to be effectively collated into one clear, detailed overall plan. This aligns with recommendation 1.
3	<p>Budget Holder Meetings Meetings should be scheduled with budget holders on a quarterly basis.</p> <p>Budget holders are assigned a first point of contact within Finance.</p>	Budget holders have already been assigned named contact points within the Finance team. In addition, quarterly financial review meetings will be in place for 2019/20 and these meetings will also include the Principal and Director of Finance.	Finance Manager	August 2019 December 2019	In progress	Due date amended to reflect first quarterly review meeting point for 2019/20
4	<p>Budget Review We recommend Financial Regulations are updated to reflect that SMT are required to consider the budget prior to the F&GP Committee.</p>	This will be considered when the Financial Regulations are next reviewed.	Finance Manager	December 2019	Not yet due	Para 13.1 of the Financial Regulations has been amended to include a review by SMT prior to Board consideration. The updated regulations will be presented to F&GP in December.

UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
5	<p>Budget Timetable and Communication We recommend the budget timetable assigns responsibility for completion of each task. The budget timetable should include the following steps: 1. communication of the budget timetable to the Senior Management Team and budget holder 2. update the budget when funding is confirmed from the UHI 3. submission deadline of Enhancement Plans and Budget and Resource Planning Templates; and 4. review of the Enhancement Plans and communication of the results. We recommend the budget timetable is communicated to budget holders. Budget holders expected involvement is communicated in advance of the budget setting process.</p>	<p>Agreed that the budget timetable should have assigned responsibility for tasks and be clearly communicated. Updating the budget for final UHI allocations will be incorporated if the timing of the final confirmation enables this.</p> <p>The Enhancement Plan process is not specifically about budgeting. Additional resource requirements can be identified through this process. Agreed that the outcome of this process needs to be clearly communicated to budget holders on completion.</p>	Director of Finance	<p>July 2019 February 2020</p>	In progress	<p>The due date has been amended in light of where we are in the budgetary cycle. The enhancement plan process for 2019/20 is still to be closed off.</p>
6	<p>Enhancement Plan Communication We recommend the outcome of the Budget & Resource Planning submissions is communicated to budget holders.</p> <p>A scoring mechanism is put in place to grade projects, and projects are prioritised and selected based on this.</p>	<p>Agreed. SMT will be asked to review and prioritise requests and budget holders will be notified. A transparent scoring mechanism will be agreed and applied to ensure consistency.</p>	Director of Finance	<p>July 2019 January 2020</p>	In progress	<p>Progress has been delayed due to other priorities although priority requirements have been progressed.</p>

UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
8	Budget Profiling We recommend Budget profiling is performed on an annual basis, taking into consideration expected expenditure each month.	Agreed. This is an area of focus for the Management Accounting team.	Management Accountants	June 2019 February 2020	Incomplete	Pressures within the team and the loss of the Finance Manager has impacted on the ability to complete budget profiling as planned. This will continue to be an area for focus and review

2018/19 Internal Audit Actions

Business Continuity Management 2018/19 – Report Date 20 February 2019

1	Inverness College may not have clearly defined business critical systems and processes within the business continuity plan. We recommend that the College ensures that a recovery plan is documented for all departments, to direct recovery in the event of an incident.	Agreed	Estates Manager	April 2019 June 2019 February 2020	In progress	Only one of the two teams identified have completed their plan. The second team is working to complete their recovery plan.
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UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
2	<p>The plan may not be appropriately communicated to staff, and key staff may not be aware of their roles to instigate the plan. We recommend that, as planned, the College implements business continuity training for all staff. Regular refresher training should be provided going forward, and the College should ensure it records all training for each staff member, and obtains sufficient evidence of attendance/completion.</p>	Agreed, this had already been identified by the College as an action to take forward.	Estates Manager / Health and Safety Manager	May 2019 Dec 2019	In progress	Some training was provided in 2017/18 through Police Scotland. Fire Marshall training scheduled. Further Police Scotland Griffin training scheduled for December 2019.
3	<p>The business continuity plan may not be regularly tested, and the results appropriately reported to management. 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.</p> <p>In addition, we recommend that the outcomes, lessons learned and required actions are formally documented within the plan for each test.</p>	Agreed, to be implemented with the next induction in June 2019	Estates Manager	June 2019 March 2020	In progress	Testing schedule for various elements from March through to August 2019. The only outstanding elements are the UHI Desk top test which is awaiting dates from UHI and the lockdown test which will not be scheduled until the new Health and Safety Manager is in place.

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
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2017/18 Internal Audit Actions

Financial Controls 2017/18 – Report Date 19 February 2018

2	Ineffective or inefficient procedures and controls may be in place for the finance processes. We recommend that a comprehensive fixed asset register is developed and maintained on a regular basis.	All fixed assets are identified at time of purchase and recorded appropriately. Assets are correctly allocated to a class in line with the depreciation policy and depreciated accordingly. We are aware that the fixed asset register currently used requires to be enhanced to reflect all relevant information at a detailed asset level.	Finance Manager	Original date 31/07/2018 Revised date 30/04/2020	In progress	Partially complete. This task could not be completed without the detailed group 2 equipment from GTEIL. This information was received in June but progress delayed due to staff availability. Finance will work with colleagues in ICT and Estates to define what is required beyond the financial requirements and determine the appropriate recording mechanism.
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Internal Audit Actions – Henderson Loggie

Student Fees and Contracts – Report Date 13 May 2016

R5	SITS / SUN Transfers Amounts transferred between SITS and SUN should be reconciled regularly and explanations for any variances documented and corrections made if necessary. Such reconciliations should be reviewed and agreed by a second member of staff; with both the preparer and reviewer signing the reconciliations as evidence this is being done.	This task was reallocated within the team and is to be embedded into month end procedures.	Finance Manager	Original date August 2016 Revised date June 2020	Partially complete	Good progress was made however resource challenges impacted on full completion. This key task is now being addressed through the new team structure within Finance and realignment of functions within the team. A change in process to move to daily
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UPDATE ON ACTIONS FROM INTERNAL AUDIT REVIEWS

Updated 20 November 2019

Action No.	Audit Recommendation	Action Required	Actioned By	Due Date	Status	Comments
						reconciliation has been considered as the optimum solution going forward. The element of this action outstanding relates to reconciling historical information.

External Audit Recommendations – EY

2	Non-Profit Distribution Model The NPD model, and assumptions contained therein, does not factor in a contingent rent element which we would expect in such an arrangement. Furthermore, the model has the effect of smoothing lifecycle costs over the term of the agreement. Consequently, there is a risk future accounting recognition may not fully reflect the substance of the transaction in accordance with FRS 102.	In the prior year, we made a recommendation to management to review the model and accounting treatment to ensure it continues to meet the requirements of FRS 102. This has not yet been implemented.	Director of Finance	July 2019 2019	Incomplete	We have committed to reviewing the model although it should be understood that this will not necessarily result in any changes. There is no capacity to undertake an effective review internally therefore internal audit have been requested to consider the scope of work required to address this recommendation. We have been advised by internal audit that further discussion with EY is required to clarify their requirement here.
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Board of Management

Subject/Title:	Value for Money and Procurement Annual Report – 2018/19
Authors: [Name and Job title]	Swarna Bhargava, Contracts and Procurement Coordinator Derek Cowie, APUC Supply Chain Manager Amanda Mackenzie, APUC UHI Shared Service
Meeting:	Audit Committee – November 2019
Meeting Date:	26 November 2019
Date Paper prepared:	19/11/2019
Brief Summary of the paper:	This paper details the College outcomes against objectives set in 2016/17 audit committee value for money report. It also provides 2018/19 tendering activity and sets 2019/20 procurement objectives.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Linked to Strategic Plan: The procurement strategy is supporting the vision set out in strategic plan on two key sections namely - opportunity and growth in organisation development, opportunity and growth in sustainability benefits, these are linked to specific KPI's
Resource implications:	Yes If yes, please specify reducing costs and creating efficiencies
Risk implications:	Yes If yes, please specify: Operational: budgetary implications Organisational: sustainability
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status [Confidential/Non confidential]	–	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 (S28)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S29)		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

Board of Management

Subject/Title:	Risk Management
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Audit Committee
Meeting Date:	22 December 2019
Date Paper prepared:	26 December 2019
Brief Summary of the paper:	Update on risk management.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk Management – demonstrates our understanding of the key risks facing Inverness College UHI and the steps taken to address these risks.
Resource implications:	
Risk implications:	Yes If yes, please specify: Operational: Organisational: Ineffective management of significant risks leading to adverse financial impacts
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

Board of Management

Subject/Title:	Business Continuity
Author: [Name and Job title]	Martin Kerr, Estates and Campus Services Manager
Meeting:	Audit Committee
Meeting Date:	
Date Paper prepared:	15 th Nov 2019
Brief Summary of the paper:	Set out developments since the last meeting regarding Business Continuity
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • 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]	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)		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

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

Board of Management

Subject/Title:	Health and Safety Annual Report 2019-20
Author: [Name and Job title]	Martin Kerr Campus & Estates Manager
Meeting:	Audit
Meeting Date:	26 November 2019
Date Paper prepared:	18 November 2019
Brief Summary of the paper:	To provide the Audit Committee with the annual report 2018/19 on matters pertaining to health and safety
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> compliance partnership services risk management strategic plan new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	Health and Safety Committee, comprising a cross section of the college including management, staff and trade union reps.

Status – [Confidential/Non confidential]			
Freedom of Information Can this paper be included in “open” business* [Yes/No]			
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (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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Executive Summary

There has been no reportable incident from last Audit meeting.

Full Fire Evacuation Main Campus - 25/09/2019. Hair & Beauty Electrical Store auto-clave steam activated smoke alarm.

H&S Manager resignation 30/08/19

Summary of Incidents

Accident/Incident/Near Miss Reporting Summary Sheet			
		Q1 2018-19	Q1 2019-20
No. of reports		87	98
2019-20 YTD Incident Severity	Minor	Moderate	Major
	89	8	0
Incidents by Locality	Total		
Inverness Campus	57		
SSOF	3		
Nursery	37		
Others	1		
Who was involved	2018-19		2019-20 YTD
Student	88		33
Staff Member	32		13
Member of the public	-		-
Child	111		33
Not Set	45		20
Contractor	1		
Other	3		2
Type of Incident		Total	
UE (Undesired Event/Near Miss)		45	
Property Damage		-	
Theft		-	
Dangerous Occurrence		12	
First Aid Case		29	
MTC (medical treatment Case)		4	
Specified injury		4	
Dangerous Occurrence		12	
Definitions:			
● First Aid case - An injury for which an injured person requires treatment by a First Aider and returns to full duties			
● Medical treatment case - is an injured or sick person who requires treatment (more than First Aid) and is advised to seek professional medical treatment or an ambulance is called.			

- **Undesirable Event/Near miss** – An event during which injury, ill health, loss of equipment/asset or death could have occurred, but didn't actually occur.
- **Specified Injury** – Injuries specified by HSE which are reportable

HAND & FINGER INJURIES, 3 Year Analysis

Between August 2018 and July 2019 hand and finger injuries accounted for 8% of the colleges recorded accidents and incidents. This academic year 1st Quarter 2019-20 we have had 11 hand injuries recorded. Of which 3 were not college related.

Unable to update for Q1 2019.



Analysis of Incidents

On review of incidents there are three main concern areas.

Biting in ELCCC	16
Joinery extraction. Struck against extraction pipework	10
Slip, Trips and falls. Campus wide.	15

Academic Year	No. of reports	Percentage increase/decrease
August 2018- July 2019	280	-18%
August 2017- July 2018	340	94%
August 2016 –July 2017	175	73%
August 2015 - July 2016	101	—

H&S Management System (HASMAP) On Hold until placement of new H&S Manager.

Utilising the HASMAP audit standard, audits have continued over the year focussing on risk assessment and risk control. Of the Audits carried out this year, reports have been submitted to the department along with actions to close out any observations made. There were no issues subjecting the organisation to material risk which would require the attention of management and the H&S Committee. They were matters which if addressed would enhance efficiency and effectiveness. As we progress through the year we will be looking at other audit areas such as Leadership, Competence and Communication.

Audits Completed thus far include:

- Forestry
- Welding and Fabrication
- Hospitality/Professional Cookery
- Construction – Machine shop
- Electrical Installation

PUWER Audit On Hold until placement of new H&S Manager.

PUWER questionnaire forms have been distributed to the following heads of schools for completion;

- Paul Moody - Construction
- Iain King - Engineering
- Amanda Bryan - Forestry

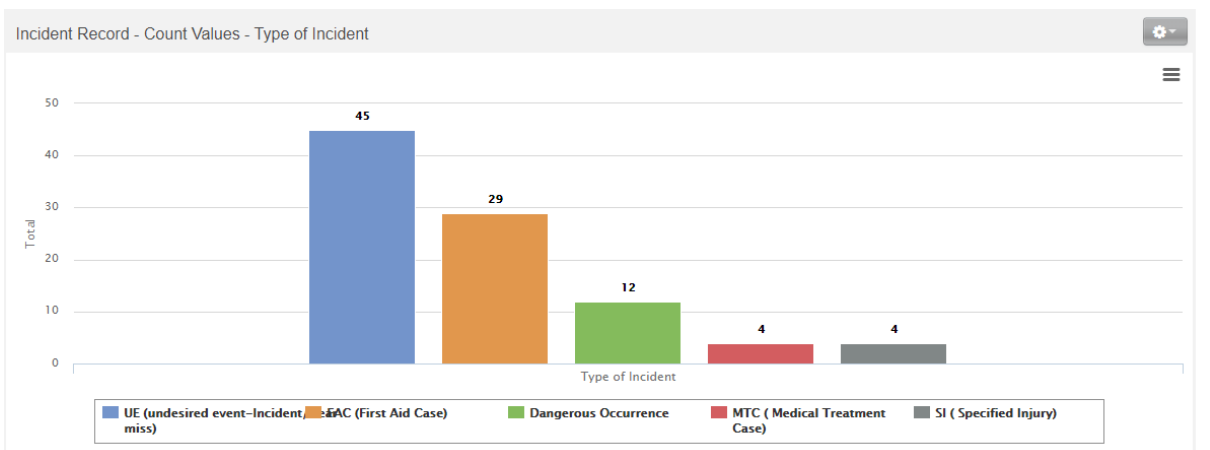
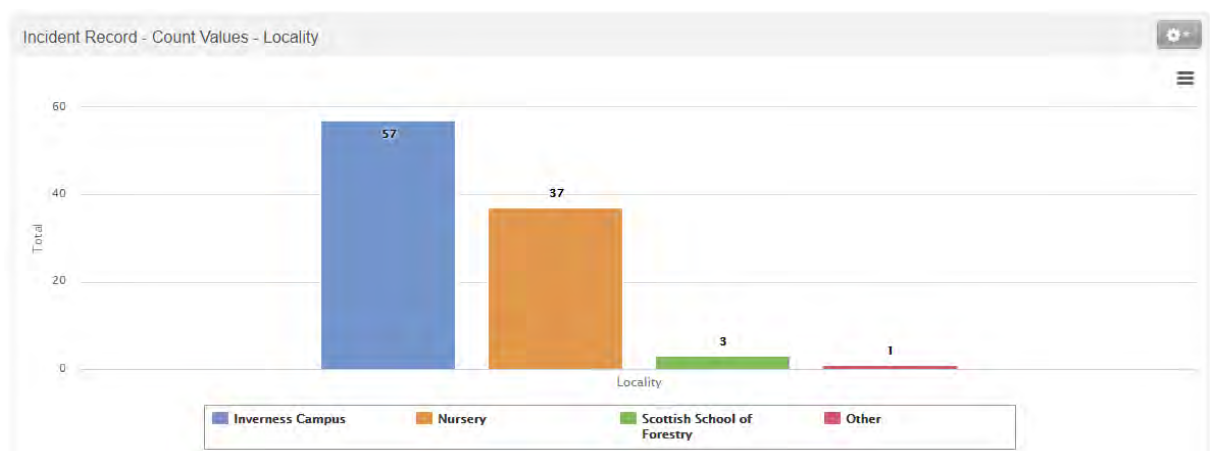
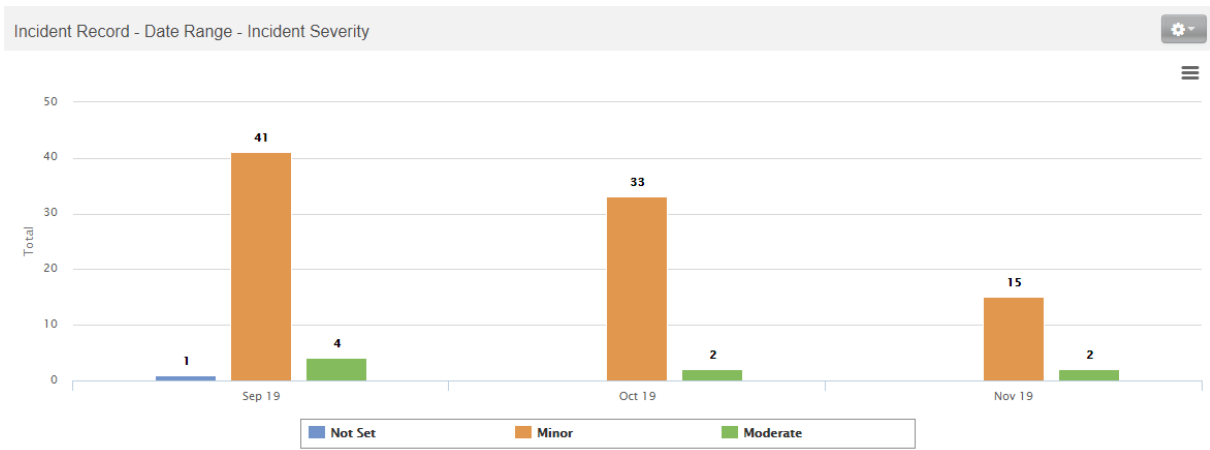
The purpose of this work is for these departments to establish whether they have appropriate management arrangements in place for their workshop and other equipment as defined under PUWER and the Management of Health and Safety at Work Regulations.

Summary

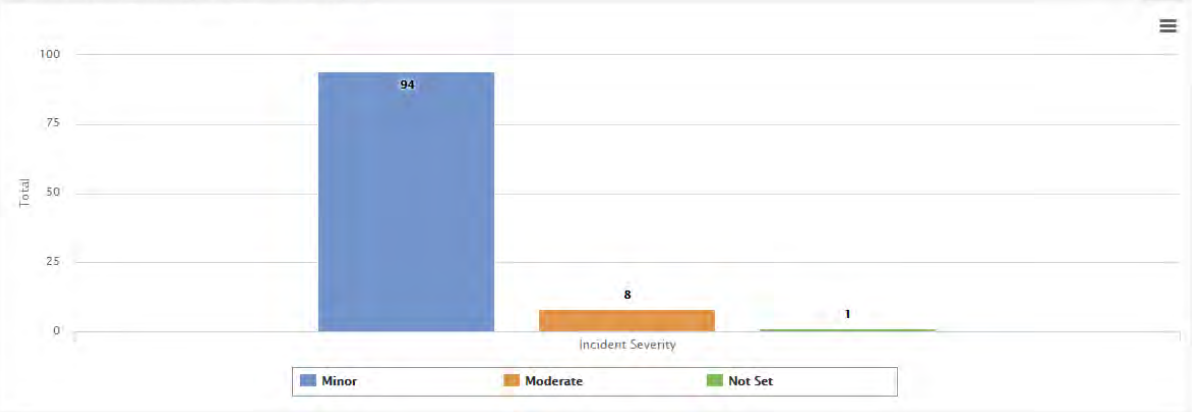
Within the three months that I have been supporting the H&S managers role. I have seen good engagement on incident investigation and staff's desire to look further than the initial incident. A prime example has been shown with the fabrication lecturing team who identified the cause of a minor fire incident that could have develop into a more serious scenario. By applying the principles of Environment, Task and Individual on assessing the Fabrication area in G9. It became clear that the current arrangement made it difficult to work for the student to undertake basic cutting operations. A number of low cost changes have been undertaken by shortening oxy/acetylene hoses and modifications to workbenches. This has remove trailing hoses and hot materials coming into contact with equipment. Further developments are being reviewed to improve the workspace further.

Appendix 1

Type	Sep 19	Oct 19	Nov 19	Dec 19
Not Set				
Contact With Hot Surface				
Contact With Sharp Object	4		1	
Lifting and handling injuries				
Slip,trip fall on same level	8	5	2	
Struck against	4	3	3	
Struck by moving,flying or falling object	2			
Contact with hand tool				
Overexertion/strain	3	1		
Contact with machinery				
Dangerous Occurrence			2	
Exposed to harmful substance		1		
Fall from height				
Fume inhalation				
Personal items				
Damage to college equipment				
Damage to college property		1		
Damage to personal items				
General sickness		1		
Medical issue				
Bitten	1	14	1	
Object in eye	1			
Fire alarm activation	1			
Other	7	1	2	
Contact with hot liquid/vapour				
Dangerous driving	2		1	
Diabetic Incident				



Incident Record - Count Values - Incident Severity



Audit Committee

Subject/Title:	Complaints Report (YTD)
Author: [Name and Job title]	Liz Cook, Quality Manager
Meeting:	Audit Committee
Meeting Date:	26 th November 2019
Date Paper prepared:	
Brief Summary of the paper:	Analysis of complaints year to date, covering Quarter 1
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Paper assists with compliance as the College are required to monitor complaints as per SPSO requirements.
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	None

Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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Summary Report: Complaints 2019 – 20 year to date (YTD)

Introduction

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

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

- Quarter 1 (Q1): August – end of October,
- Quarter 2 (Q2): November – end of January,
- Quarter 3 (Q3): February – end of April,
- Quarter 4 (Q4): May – end of July.

This report provides an overview of the complaint categories and outcomes across academic year 2019 – 20 for Quarter 1.

Complaints by Category

21 complaints have been received in Quarter 1. This represents a decrease of 4 from the same time last year.

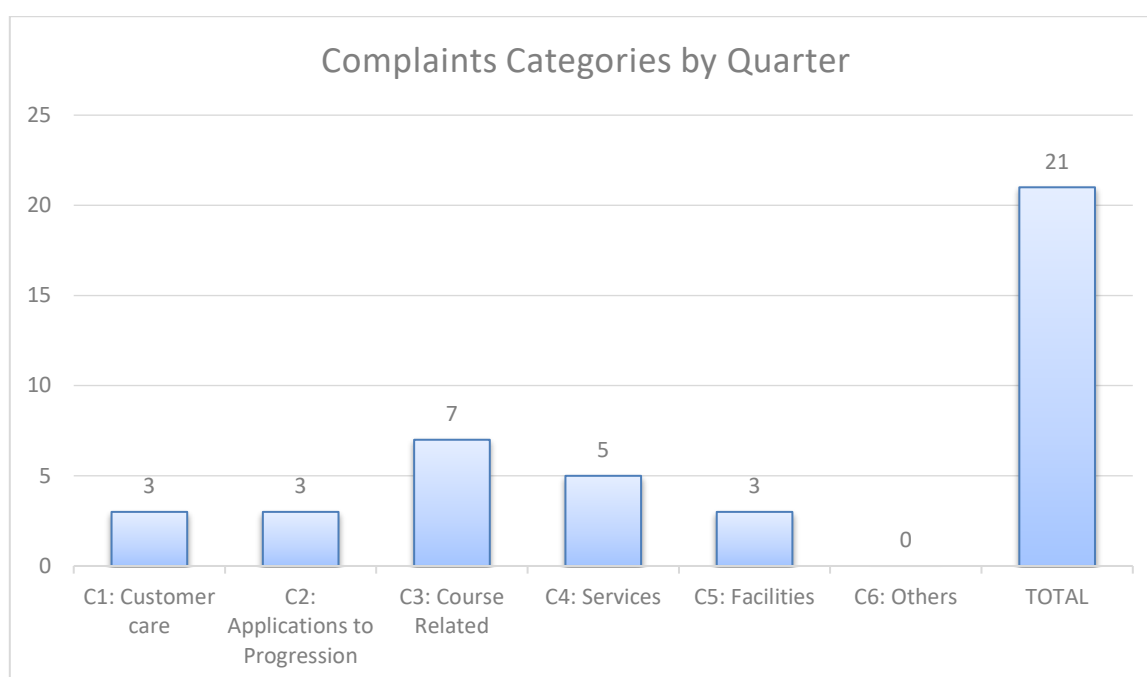
The category of Course Related remains the highest occurring category of complaint, and is at a comparable level to the previous academic year.

There has been an increase in the Services category from 2 in the previous academic year, to 5 in Quarter 1.

Customer Category: Current Year (Quarter)	YTD CY	Q1,CY	Q2,CY	Q3,CY	Q4,CY
C1: Customer Care	3	3	0	0	0
C2: Applications to Progression	3	3	0	0	0
C3: Course Related	7	7	0	0	0
C4: Services	5	5	0	0	0
C5: Facilities	3	3	0	0	0
C6: Others	0	0	0	0	0

TOTAL	21	21	0	0	0
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Customer Category: Previous Year	YTD PY	Q1, PY	Q2, PY	Q3, PY	Q4, PY
C1: Customer Care	30	4	9	9	8
C2: Applications to Progression	8	7	0	0	1
C3: Course Related	35	8	11	9	7
C4: Services	12	2	5	1	4
C5: Facilities	14	4	7	1	2
C6: Others	6	0	0	1	5
TOTAL	105	25	32	21	27



In relation to mode of delivery, 33.3% of complaints received in Quarter 1 relate to HE programmes, 38% relate to FE programmes and 28.6% complaints came from members of the public.

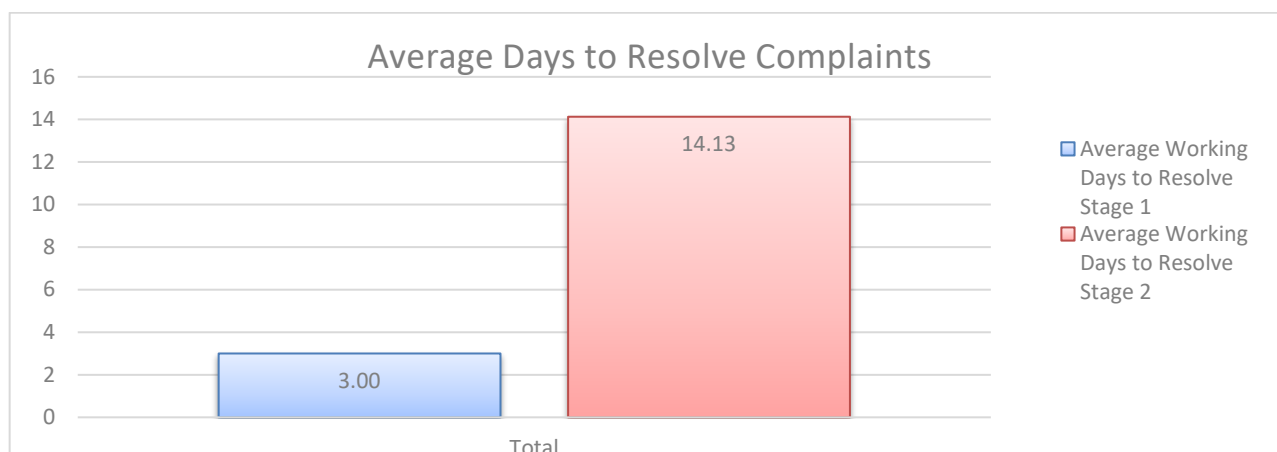
The 6 members of public complaints included 2 customer care, 2 services, and 1 each for facilities and course related. 3 were received from relatives of students and 1 each from an employer, a student and a job applicant.

Complaint Outcomes

It can be seen that 38.1% of the resolved complaints in Qu 1 have been upheld, compared to 50% for the same quarter in 2018/19. 19.0% of complaints have been partially upheld representing a marginal increase from the same time last year. 38.1% were not upheld and 4.8% were escalated to stage 2.

Outcome	Stage 1	Stage 2	Total
Not upheld	6	2	8
Partially upheld	2	2	4
Upheld	4	4	8
Still under investigation	0	0	0
Escalated to Stage 2	1		1

Complaint Timescales



The chart above displays the average number of days taken to resolve complaints in this quarter.

The range of days taken to resolve Stage 1 complaints in Q1 is between 1 – 6 days. The range of days taken to resolve Stage 2 complaints in Q2 is between 4 – 32 days.

SPSO guidelines state pre-defined timescales of a 5 day turnaround for Stage 1, and 20 days for Stage 2. As part of the Stage 2 process, updates are provided to complainants where the complaint is complex and may take longer than 20 working days.

Learning from Complaints

Complaints often result in reviews of processes and procedures and they also allow us to identify opportunities for staff development. The Quality team continues to identify any learning points from each complaint in order to identify themes emerging. Programme

and support teams use complaints as part of their evidence bank to inform their evaluative activities aimed at improving the student experience.

Below are some examples of improvements made as a result of complaints received during Q1 2019 - 20:

- The payment plan process has been reviewed and students cannot now receive a payment plan until they have enrolled on their course.
- To clarify the process for providing feedback to job applicants, a new recruitment portal is in the process of being rolled out and this shall give clear and direct information on what Inverness College UHI will/will not do as part of the recruitment process.
- Temporary signage regarding car park closure has been placed at the car park entrance/exit until permanent signage installed
- Additional tables have been ordered to increase LRC study space.
- Course & support staff involved with Highers and National 5 information (information/application /interview/ delivery) need to provide applicants and students with the same information to avoid confusion. A new process is to be put in place for Admissions dealing with course applications to minimise human error.