

Board of Management

Meeting	Audit Committee
Date and time	Tuesday 10 March 2020 at 8.30 a.m.
Location	Boardroom, 1 Inverness Campus

Secretary to the Board of Management
3 March 2019

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Minutes of Meeting of the Audit Committee held on 26 November 2019
2. **OUTSTANDING ACTIONS**
Action List

ITEMS FOR DISCUSSION

3. **UPDATE ON THE FINANCIAL PLANNING RECOVERY PLAN PROGRESS**
- **confidential** Report by Interim Director of Finance
4. **FINANCE SYSTEM STATUS UPDATE**
Report by Interim Director of Finance
5. **UPDATE ON THE FINANCE DEPARTMENT STAFFING STRUCTURE**
Report by Interim Director of Finance

Please note – Items 3, 4 and 5 will be presented together in a single report.

6. **INTERNAL AUDIT REPORTS**
Audit report by BDO:
Business Planning and Performance Management
Internal Audit Progress
7. **OUTSTANDING AUDIT RECOMMENDATIONS**
Report by Director of Finance

- 8. RISK REGISTER**
Report by Director of Finance
 - 9. HEALTH AND SAFETY Q2 REPORT -
CONFIDENTIAL**
Report by Health and Safety Manager
 - 10. GDPR 6 MONTH REPORT**
Report by Information Development Manager
 - 11. PUBLIC BODIES CLIMATE CHANGE REPORT**
Report on Climate Change
 - 12. NEW FRAUD INITIATIVE**
Report by the Interim Director of Finance
-

ITEMS FOR NOTING

- 13. AOCB**
- 14. DATE OF NEXT MEETING**
Tuesday 2 June 2020

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

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 26th November 2019

PRESENT: Hazel Allen, Sarah Burton, Jaci Douglas, Chris O'Neil, Innis Montgomery

CHAIR: Hazel Allen

APOLOGIES: Fiona Neilson, Steve Walsh

ATTENDING: Director of Organisational Development
Director of Finance
Steven Reid, EY
Tony Barrie, BDO LLP, Internal Auditors
PA to the SMT and Principal (clerk)

1. MINUTES

The Minutes of the Meeting of the Audit Committee held on 17th September 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. ANNUAL BOARD REVIEW OF RISK MANAGEMENT POLICY

The Colleges Risk Management Policy was presented for annual review. The Committee **AGREED** that this policy would move to a minimum 3 year review cycle from this point forward.

4. INTERNAL AUDIT REPORTS

BDO LLP internal Auditor presented the following reports:-

- BDO Management Letter FES Return Audit 2018-19 October 2019
- SSF Management Letter 2018-19
- EMA Management Letter 2018-19
- Research Governance Report
- Follow Up Review 2018-19
- Internal Audit Terms of Reference Estates Management 2019-20
- Internal Audit Terms of Reference Health and Safety 2019-20
- Internal Audit Terms of Reference Marketing and Communications 2019-20

BDO were asked to clarify a statement within the FES return regarding fundable student numbers and agreed to do that.

The Director of Finance advised that the Scottish Funding Council (SFC) had subsequently adjusted the total actual credits to 29,211.

5. OUTSTANDING INTERNAL AUDIT RECOMENDATIONS

A report provided by the Finance Director was presented to provide 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.

The Principal advised that an additional member of staff would be employed in the Finance Department. This role would be agreed by the interim Director of Finance and the Finance Manager.

6. VALUE FOR MONEY AND PROCUREMENT ANNUAL REPORT 2018/19 - CONFIDENTIAL

A report provided by the Contracts and Procurement Coordinator, APUC Supply Chain Manager and APUC UHI Shared Service detailed 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. The committee **noted** their thanks for the report.

7. RISK REGISTER - CONFIDENTIAL

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 current full risk register had been provided to the Committee for review.

8. JOINT AUDIT CHAIRS MEETING

The Chair advised that she did not attend the meeting.

9. FINANCE SYSTEM STATUS UPDATE (CONFIDENTIAL)

The Finance Director provided a verbal update in terms of the UHI finance system.

10. BUSINESS CONTINUTITY (CONFIDENTIAL)

A report had been prepared by the Estates and Campus Services Manager which sets out developments since the last meeting regarding Business Continuity.

11. HEALTH AND SAFETY

A report had been prepared by the Estates and Campus Services Manager which provided the Committee with the annual report 2018/19 on matters pertaining to health and safety. The Director of Organisational Development provided a verbal update in relation to the work undertaken in relation to mental health support for staff and students. The Principal advised that a request to UHI Executive Office to hold a UHI wide symposium on mental health/safe campus had been made.

The Chair suggested that information in relation to mental health was included in the Health and Safety report and a structural process such as the physical health and safety process, was put in place for mental health.

12. COMPLAINTS – QUARTERLY REPORT

A report had been prepared by the Quality Manager which provided an analysis of complaints year to date, covering Quarter 1. The committee noted the report.

13. AOCB

No items raised.

14. DATE OF NEXT MEETING – TUESDAY 10TH MARCH 2020 @ 8.30 A.M.

Signed by the Chair: _____

Date: _____

Outstanding Actions - Audit Committee

Item	Action	Responsibility	Time Line	ACTIONED
27 November 2018				
Risk Register/ Risk	Further reflection on the mitigating actions as they are very mechanistic	SMT	ongoing	Proposal for risk action plan to be included to support the risk register for the next Audit committee
	Consider how to embed the process of enhancing mitigating actions at partnership level.	SMT	ongoing	The principal to raise with the chair of the Partnership council
26 February 2019				
Audit report Business Continuity management	Actions arising from the next test exercise be reported back to committee	D of Org Dev	Sept 2019	Complete
Risk register	Full risk register to be provided on an annual basis	D of F	Sept 2019	Complete
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	Under review as strategy is being reset to reflect financial recovery actions

26 November 2019

Risk Register/ Risk	Risk 26 - additional information may be required to cascade to the relevant teams Risk 09 - that additional information regarding the work undertaken with UHI	D o F		
Health & Safety	Information in relation to mental health was included in the Health and Safety report and a structural process such as the physical health and safety process, was put in place for mental health	D of Org Dev		Speak to Lindsay

Audit Committee

Subject/Title:	Financial Update
Author: [Name and Job title]	Helen Simpson, Interim Director of Finance
Meeting:	Audit Committee
Meeting Date:	10 March 2020
Date Paper prepared:	4 March 2020
Brief Summary of the paper:	Progress with Financial Recovery Plan, Financial Ledger Upgrade and capacity within the Finance Team
Action requested: [Approval, recommendation, discussion, noting]	The Audit Committee are asked to consider the contents of this report, recognising the deterioration in the financial position, steps to finalise the in-year position and forecast and progress with the production of a financial recovery plan. Progress is underway on the financial ledger upgrade, support and changes to improve financial systems and processes.
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 	Compliance – adherence to the Financial Memorandum with UHI as RSB, compliance with various accounting requirements.
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / 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]	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.)	Until the Scottish Parliament have approved the annual accounts.		

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

INVERNESS COLLEGE

INTERNAL AUDIT REPORT

BUSINESS PLANNING AND PERFORMANCE MANAGEMENT
NOVEMBER 2019

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate



INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

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DISTRIBUTION

Chris O'Neil	Principal
Fiona Mustarde	Director of Finance
Roddy Henry	Depute Principal
Audit Committee	Members


REPORT STATUS LIST


Auditors:	Sean Morrison
Dates work performed:	09 - 21 October 2019
Draft report issued:	18 November 2019
Final report issued:	3 March 2020

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT




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		1

TOTAL NUMBER OF RECOMMENDATIONS: 2

BACKGROUND:

It was agreed with management and the Audit Committee within the 2019-20 Internal Audit Plan that Internal Audit would review the key controls in place within Inverness College in relation to business planning and performance management. The purpose of our review is to provide independent assurance to management and the Audit Committee that the controls in place in relation to business planning and performance management are well designed and operating effectively.

The College have begun the process for developing the new five year Corporate Plan for 2020-2025, which will outline the vision, aims and objectives for the College, as well as the underpinning strategies and departmental plans. The process for developing the strategic plan has involved the Senior Management Team (SMT) reviewing the performance against prior strategic aims, conducting environmental scanning, deciding on the areas to be carried on from the prior plan, and then developing a draft purpose, vision and plan. This resulted in six themes being identified, which the SMT members will be developing further narrative on in the coming months.

The current Strategic Plan (2017-2020) details the purpose, values and vision. The purpose is to be a centre of excellence, working with partners, and delivering excellent quality in response to industry demand. The documented values include respect, integrity and accountability. Underpinning the Strategic Plan are supporting strategies, such as the Finance Strategy, and Business Development Strategy. The strategic documents are made available to staff and the public via the College website.

Each department creates an annual enhancement plan, detailing departmental actions, KPIs and objectives that contribute towards the College strategic aims and objectives, which are reviewed and approved by the Senior Management Team.

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

The performance measures contained within the strategic documents, and the enhancement plans are specific, measurable (where possible), achievable, relevant to the College and have planned timescales for completion.

Performance reports are regularly presented to the College Committees and Groups, such as the Audit Committee, the Board, and the SMT, with information on areas such as student recruitment and retention, College financial information, and business development. The reports are appropriately reviewed prior to being presented, and the information is created by key departmental staff using appropriate, reliable systems, such as information gathered from the student information system (SITS).

Departmental performance for curriculum teams is monitored by the Heads of Schools on an ongoing basis, and formally at monthly team meetings. Across the college, performance is monitored on a quarterly basis in the 'Stop and Review' meetings. This group includes members of the SMT, the Quality Manager, Student Officer, class reps and other stakeholders as required.

SCOPE AND APPROACH:

The scope of our review was to assess whether the:

- The College has set clear goals, targets and outcomes which are aligned to the requirements of the Regional Outcome Agreement and the College Strategic Plan.
- College goals, targets and outcomes are effectively filtered down to operational departmental and individual plans and targets.
- Performance measures are SMART.
- Robust management information is available which supports performance management.
- The processes to compile management information on performance are efficient and effective.
- Regular, robust performance reporting is in place within the College.

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 the organisation in relation to the business planning and performance management processes. These included:

- The College have agreed clear goals, targets and outcomes within the Strategic Plan, which are aligned to the key areas of the Regional Outcome Agreement.
- Departmental goals, KPIs and targets have been detailed within enhancement plans, which are aligned to the objectives and aims of the Strategic Plan.
- Performance targets within the enhancement plans are SMART.
- Regular robust management information is provided to the Committees within the College.
- Management information is generated in an efficient manner, through the use of the College systems, such as SITS.

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we have noted an area where further improvement can be made to the business planning and performance management process, summarised below:

- **Enhancement Plan Reporting** - The Board did not receive an annual KPI report for 2018-19's performance against the Strategic Plan. There is no reporting to SMT on Enhancement Plan Performance; and
- **Enhancement Plan Review and Approval** - The College enhancement plans are prepared by senior managers, however none of the four plans sampled had the review and approval section completed.

CONCLUSION:

We are able to provide moderate assurance over the design and operational effectiveness of the controls in place relating to business planning and performance management.

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT


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

- ✓ The College may not have agreed clear goals, targets and outcomes which are aligned to the requirements of the Regional Outcome Agreements, and the College Strategic Plan.
- ✓ College goals, targets and outcomes may not be filtered down to operational departmental and individual plans and targets.
- ✓ Performance targets may not be SMART.
- ✓ There may not be robust management information available to support reporting on the achievement of goals, targets and desired outcomes.
- ✓ The compilation of management information may be inefficient or ineffective.

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

DETAILED FINDINGS

RISK: THERE MAY NOT BE REGULAR ROBUST PERFORMANCE REPORTING IN PLACE THROUGHOUT THE COLLEGE.

Ref	Sig.	Finding
1		<p>Enhancement Plan reporting</p> <p>Board and senior management team oversight of Strategic Plan and Enhancement Plan performance ensures that scrutiny and challenge is provided when there is unsatisfactory performance.</p> <p>The Board did not receive an annual KPI report for 2018-19's performance against the Strategic Plan.</p> <p>Enhancement Plans are monitored by the relevant manager and senior manager. However there is no reporting to SMT on Enhancement Plan Performance.</p> <p>There is a risk that the Board and SMT are not aware of performance against the Strategic plan and Enhancement Plan performance.</p>

RECOMMENDATION:

We recommend that the Board is provided with an annual performance report on the Strategic Plan and associated KPIs covering the preceding academic year.

We recommend that progress on departmental enhancement plans is summarised and reported quarterly at SMT meetings, with exceptions highlighted.

MANAGEMENT RESPONSE:

1. The college will ensure that annual reporting on KPIs is included in the October Board meeting, and will discuss with the Board the possibility of introducing interim reporting throughout the year.
2. Quarterly reporting, by summary and exception, on departmental Enhancement Plans will be implemented for the June 2020 SMT meeting

Responsible Officer: Depute Principal – P&SE


INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

Implementation Date:

1. implemented by October 2020 or as directed by the Board
2. June 2020

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

RISK: COLLEGE GOALS, TARGETS AND OUTCOMES MAY NOT BE FILTERED DOWN TO OPERATIONAL DEPARTMENTAL AND INDIVIDUAL PLANS AND TARGETS.

Ref	Sig.	Finding
2		<p>Enhancement Plan Review & Approval</p> <p>Departmental plans should be reviewed and approved by a senior group or member of senior management, to provide assurance that the content is appropriate, and in alignment with the Strategic Plan.</p> <p>The College enhancement plans are prepared by senior managers, however none of the four plans sampled had the review and approval section completed.</p> <p>There is a risk that the enhancement plans have not been appropriately reviewed and approved, and therefore may not contain appropriate targets and objectives in alignment with the Strategic Plan.</p>

RECOMMENDATION:

We recommend that to align with best practice that the departmental enhancement plans review and approval section is completed, preferably by either a senior College group or a senior member of staff, such as the Depute Principal.

MANAGEMENT RESPONSE:

The college will ensure that all departmental enhancement plans are signed off by the relevant senior manager.

Responsible Officer: Depute Principal - Panning and Student Experience

Implementation Date: June 2020

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

OBSERVATIONS

CURRICULUM REVIEW TIMESCALES

In the last year the student recruitment numbers have slightly reduced, following years of growth. This has resulted in the College considering the need to refine the speed in which it takes to make course changes and additions, as it currently takes a number of years to introduce a new course. Once improved, this will allow the College to effectively adapt to external information, such as sector trends, and industry demands.

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

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.

Chris O'Neil
Roddy Henry




Principal
Depute Principal

INVERNESS COLLEGE, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

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, BUSINESS PLANNING AND PERFORMANCE MANAGEMENT

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

The purpose of this review will be to assess whether the College has effective systems and controls in place to measure and manage the achievement of strategic and operational goals, targets and outcomes. This will include an examination of the robustness of the information presented and the efficiency and effectiveness of the systems and processes in place to collate it.

KEY RISKS:

- The College may not have agreed clear goals, targets and outcomes which are aligned to the requirements of the Regional Outcome Agreements, and the College Strategic Plan.
- College goals, targets and outcomes may not be filtered down to operational departmental and individual plans and targets.
- Performance targets may not be SMART.
- There may not be robust management information available to support reporting on the achievement of goals, targets and desired outcomes.
- The compilation of management information may be inefficient or ineffective.
- There may not be regular robust performance reporting in place throughout the College.

SCOPE AND APPROACH:

The scope of this review will be to assess whether:

- The College has set clear goals, targets and outcomes which are aligned to the requirements of the Regional Outcome Agreement and the College Strategic Plan.
- College goals, targets and outcomes are effectively filtered down to operational departmental and individual plans and targets.
- Performance measures are SMART.
- Robust management information is available which supports performance management.
- The processes to compile management information on performance are efficient and effective.
- Regular, robust performance reporting is in place within the College.

FOR MORE INFORMATION:

RUTH IRELAND

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Inverness College

INTERNAL AUDIT PROGRESS REPORT 2019-20

3 March 2020



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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

Introduction

The purpose of this report is to *advise* the Audit and Risk Committee of the progress of the Internal Audit Plan for 2019-20. This paper together with progress and assignment updates are discussed with management and the Audit and Risk Committee throughout the year. These reports will form the basis of information to support our Annual Internal Audit Report for 2019-20.

Internal Audit Plan 2019-20

Since the last Audit Committee meeting, the following internal audit report has been finalised, and is presented under separate cover:




- Business Planning and Performance Management

We have started the Cash Handling review.

Conclusion

The Audit Committee is asked to *note* this report.

WORK COMPLETED

Reports Issued	Overall Report Conclusions - see appendix I				
				Design	Operational Effectiveness
Business Planning & Performance Management	0	1	1	Moderate	Moderate





PERFORMANCE AGAINST OPERATIONAL PLAN




Visit	Date of visit	Proposed Audit	Planned Days	Actual Days	Status
1	October 2019	Business Planning & Performance Management	5	5	Completed
2		Cash Handling	6		In progress
3		Marketing & Communications	5		Scheduled for March 2020
4		Health & Safety	5		Scheduled for March 2020
5		Estates Management	6		Scheduled for April 2020
6		Follow Up	3		Scheduled for July 2020
TOTAL			30	5	

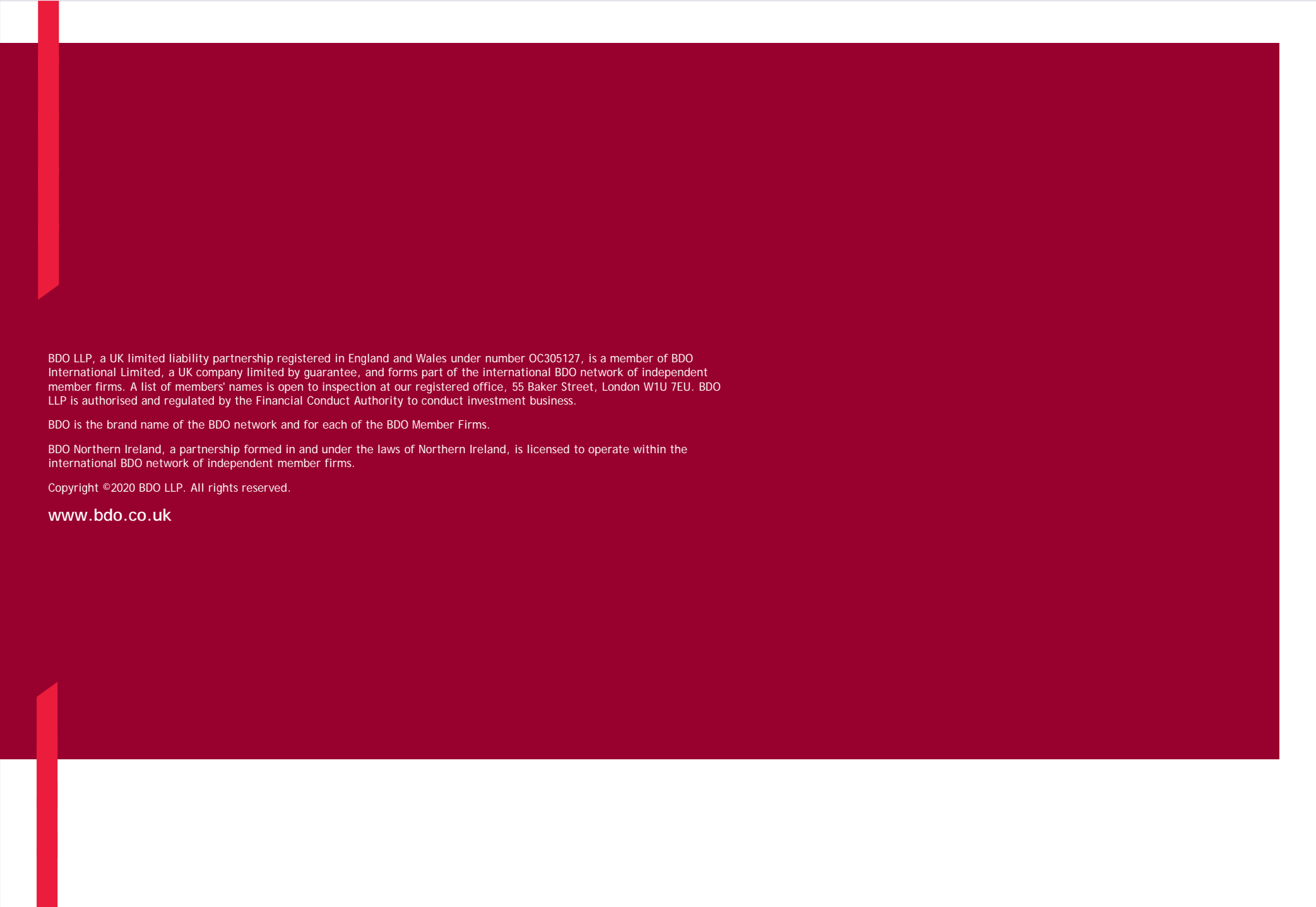
AUDIT PERFORMANCE

AUDIT	COMPLETION OF FIELDWORK	DRAFT REPORT	FINAL MANAGEMENT RESPONSES	FINAL REPORT
Business Planning & Performance Management	21 October 2019	18 November 2020	2 March 2020	3 March 2020

APPENDIX I - DEFINITIONS

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

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



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Audit Committee

Subject/Title:	Outstanding External Audit Recommendations
Author: [Name and Job title]	Helen Simpson, Interim Director of Finance
Meeting:	Audit Committee
Meeting Date:	10 March 2020
Date Paper prepared:	4 March 2020
Brief Summary of the paper:	Update on progress against external audit recommendations resulting from external audits 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.)			

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Update on Outstanding External Audit Recommendations

1.0 Introduction

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

2.0 Background

The Institution is committed to following up on all 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.

3.0 Outstanding External Audit Recommendations 2018/19 Audit

Following the external audit review of the financial statements undertaken by Ernst & Young, there were a number of recommendations made. Also included are follow up actions from the External Audit for 2017/18. Further detail is provided in the attached recommendations from Ernst & Young as previously presented to the Audit Committee, together with a management update for the current and future actions.

4.0 Recommendation

The Audit Committee are requested to consider the recommendations from Ernst & Young as previously reported to the Audit Committee and the update for the March Audit Committee. The Audit recommendations are attached to this report with the management update incorporated as highlighted within the attached.

Appendix D: Action Plan

This action plan summarises specific recommendations included elsewhere within this Annual Audit Report. We have graded these findings according to our consideration of their priority for the College or management to action.

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.		Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	
Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.			
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
1	<p>Management provided draft financial statements on 11 November, subsequent to the initially agreed timetable for audit of 7 October. A number of areas of the financial statements, including the Annual Governance Statement, were updated subsequent to the initial onsite audit.</p> <p>In line with previous years, the draft financial statements required a number of updates to reflect the requirements as outlined in the SFC's 2018/19 Accounts Direction. There needs to be an increased focus by management to ensure the draft financial statements presented for audit are subject updating for changes in requirements.</p> <p>We note that all three of the finance responsible recommendations from our 2017/18 Annual Audit Report remained outstanding at the time of the audit.</p>	<p>In line with previous years, the College should continue to focus on enhancement to its financial management arrangements, in particular with regards to a robust financial statement preparation and quality assurance process. Management should ensure the prior year recommendations in Appendix E to this report are actioned on a timely basis.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>The Board of Management have committed to investing in additional resource capacity within the Finance team.</p> <p>Responsible officer: Director of Finance.</p> <p>Implementation date: 31 January 2020.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>A number of actions have been implemented, this includes additional interim member of staff and joint working arrangements with NHC under current consideration by the Boards of IC and NHC.</i></p>

Appendix D: Action Plan

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.		Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
2	<p>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.</p> <p>We made a recommendation to management to review the model and accounting treatment to ensure it continues to meet the requirements of FRS 102 during the previous audits. This has not yet been implemented.</p>	<p>Management should ensure it annually reviews the accounting model to consider the key assumptions, and in particular whether the model should incorporate contingent rent.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Agreed.</p> <p>Responsible officer: Director of Finance</p> <p>Implementation date: 31 July 2020.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>Although the action date is not due until July a formal request has been made by the Interim Director of Finance to the audit manager of BDO to provide advice on the model and accounting treatment based on previous offer from BDO with reference to their experience on this issue with another college.</i></p>

Inverness College Annual Audit Report 2018/19

Appendix D: Action Plan

Classification of recommendations		
<p>Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.</p> <p>Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.</p> <p>Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.</p>		
3	<p>The triennial review was published by the Financial Reporting Council in December 2017. The majority of amendments were editorial in nature and clarified rather than changed accounting treatment. The amendments to the SORP follow a similar basis and it is not therefore anticipated that the College will be required to adopt substantive changes to accounting treatments. We do, however, anticipate that the College will be required to adopt a number of changes to disclosure requirements.</p> <p>We will work with management during 2019/20 to ensure the correct application of the new requirements.</p>	<p>The College should conduct a formal impact assessment on the implementation of the revised SORP.</p> <p style="text-align: right;"><i>Grade 3</i></p> <p>Agreed. Responsible officer: Finance Manager. Implementation date: 31 July 2020.</p> <p>Update for March Audit Committee:</p> <p>Finance Manager and relevant staff to receive appropriate training prior to implementation date of July for this action. This is to ensure that IC adopts the required changes and makes the relevant disclosure requirements.</p>

Classification of recommendations

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.		Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	
Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.			
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
4	<p>Good practice in respect of ensuring financial sustainability for the College would dictate that management identifies how it intends to address the savings gap across the five year period, in the form of a medium term financial plan. We noted in our 2017/18 Annual Audit Report the risk around financial savings actions impacting strategic and operational delivery without a robust link between the College's financial plans and strategic plans.</p> <p>No specific action has been taken in the year to align the strategic and operational plans to financial plans. Given the scale of the savings requirements and the impact on the College these could have there remains a significant risk of operational impact from ongoing financial savings activity.</p>	<p>The College should continue to regularly monitor its forecast position, including delivery of its required savings, and its cash position and future forecast.</p> <p>The impact that planned cost reductions and other savings could have on operational and strategic delivery should be subject to ongoing review in conjunction with UHI, as RSB, and SFC, through a robust financial plan aligned to the College's strategy.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>The Board of Management will meet with the Senior Management team on 31 January 2020 to agree a forward financial plan focusing on sustainability and workforce planning.</p> <p>Responsible officer: Director of Finance.</p> <p>Implementation date: 28 February 2020.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>The financial strategy workforce and financial recovery plans have all been reset in recognition of the financial position of IC. Following a number of reports to the Board during January and February 2020 an updated plan will be presented to a meeting of all committee chairs on 5th March 2020.</i></p>

Classification of recommendations			
Grade 1: Key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently.		Grade 2: Risks or potential weaknesses which impact on individual objectives, or impact the operation of a single process, and so require prompt but not immediate action by management.	
Grade 3: Less significant issues and / or areas for improvement which we consider merit attention but do not require to be prioritised by management.			
No.	Findings and / or risk	Recommendation / grading	Management response / Implementation timeframe
5	<p>Management has noted that that short term unforeseen resource constraints at the year prevented the development of good practice around a number of governance arrangements, and it will seek to ensure these are implemented once the relevant resource gaps are addressed in 2019/20.</p>	<p>Management should ensure that they formalise their assessment around governance statement compliance and ensuring required information is published on a timely basis on the College website.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>Agreed.</p> <p>Responsible officer: Board Secretary.</p> <p>Implementation date: to be confirmed.</p> <p>Update for March Audit Committee:</p> <p>Work is underway (starting 28 Feb 20) to ensure the relevant current information is published on the website and this process will be tightened up once our permanent Board Secretary is in position in early April.</p>
6	<p>We submitted an assessment of the College's participation in the NFI exercise to Audit Scotland in June 2019, updating our assessment as part of the year end audit. We noted that the College has only investigate one match to date identified through the process, and did not respond to messages or matches identified by other bodies.</p> <p>We have concluded that the College has significant work to do to embed good practice around NFI arrangements.</p>	<p>The College should ensure it takes steps to participate in full in future NFI exercises, and ensures it considers the outputs and recommendations from this year's exercise to improve its own internal control arrangements.</p> <p style="text-align: right;"><i>Grade 2</i></p>	<p>The current financial system is unable to produce the data required for NFI participation. This should be rectified by the update taking place. Additional staff will be given access to ensure that matches and messages are dealt with timeously.</p> <p>Responsible officer: Finance Manager.</p> <p>Implementation date: 31 March 2020.</p> <p>Update for March Audit Committee:</p> <p>An action plan to improve NFI processes will be presented to the Audit Committee meeting on 10th March 2020.</p>

Appendix E: Follow up of prior year recommendations

This section of our report summarises our assessment of the College's progress against the recommendations that we identified during our 2017/18 audit.

Prior year recommendations			
No.	Recommendation / grading	Management response/ Implementation timeframe	Our assessment of progress
1	<p>Financial process improvements</p> <p>Throughout the course of our audit, we identified a number of areas where supporting documentation could be improved or where balances in the financial statements had no supporting documentation. While progress has been made, further improvements are required to financial processes, in particular in relation to the analysis of yearend debtors and creditors, as well as more general SAM and SIT system processes.</p> <p>Management recognises the need for ongoing improvement, and a restructuring of the finance team is being implemented to provide support in these areas.</p> <p style="text-align: right;">Grade two</p>	<p>Agreed.</p> <p>Recruitment to the vacant posts within the revised structure is underway. In addition, support is being provided by the UHI Business Improvement team to identify potential process changes.</p>	<p>We have outlined our consideration of progress earlier.</p> <p>All posts in the revised finance team structure were filled and work undertaken by the UHI Business Improvement team was completed. However, since then there have been further changes which has impacted on progressing with improvements.</p> <p>We note as part of the consideration that not all finance related recommendations below have been actioned, and that the College Finance Director is due to leave post in the new year with an interim solution identified.</p> <p>See recommendation one in Appendix D.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>Please refer to our update for recommendation 1 in Appendix D.</i></p>

2	<p>Non-Profit Distribution model</p> <p>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.</p> <p>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.</p> <p style="text-align: right;">Grade two</p>	<p>Agreed. The exercise will be completed in 2018/19 as a priority and considered by management and the Board accordingly.</p>	<p>This action remains outstanding. Management intends to implement its review in 2019/20 on appointment of a new finance director.</p> <p>See recommendation one and two in Appendix D.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>Please refer to our update for recommendations 1 and 2 in Appendix D.</i></p> <p><i>Arrangements are being made to appoint a substantive Finance Director. The process for this appointment is under current consideration by both the IC and NHC Boards of Management.</i></p> <p><i>Both boards are considering the potential for partnership arrangements, initially for the Finance Director role.</i></p>
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Prior year recommendations

N O .	Recommendation / grading	Management response/ Implementation timeframe	Our assessment of progress
3	<p>Medium term financial plan</p> <p>The College is currently forecasting a significant underlying deficit across the five year period through 2022/23. Good practice in respect of ensuring financial sustainability for the College would dictate that management has identified how it intends to address this gap across the five year period, in the form of a medium term financial plan.</p> <p>Management is aware of the financial shortfalls being forecast and is in the process of developing a finance strategy through to 2023. This has been initially reviewed by the Board and is being updated to reflect feedback, including the incorporation of scenario planning into the strategy. This will be further updated at scheduled Board away days and management aims to finalise the revised strategy early in 2019.</p> <p style="text-align: right;"><i>Grade 1</i></p>	<p>Agreed.</p> <p>The Senior Management Team are working to prepare a detailed financial plan to support a new Finance Strategy. This process has commenced with a view to completion in March 2019.</p>	<p>We have outlined our assessment of the College's progress in this area in our wider scope - financial sustainability - reporting.</p> <p><i>Update for March Audit Committee:</i></p> <p><i>As reported in Appendix D recommendation 4 our current plans are being reset to address the current financial position and the financial shortfalls being forecast next year, and in the medium term.</i></p>

Board of Management

Subject/Title:	Risk Management
Author: [Name and Job title]	Helen Simpson, Interim Director of Finance
Meeting:	Audit Committee
Meeting Date:	10 March 2020
Date Paper prepared:	4 March 2020
Brief Summary of the paper:	Update on risk register.
Action requested: [Approval, recommendation, discussion, noting]	Discussion and approval
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.
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/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

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

Board of Management

Subject/Title:	Health and Safety Q2 Report (2019-20)
Author: [Name and Job title]	Allan Kerr – Health & Safety Manager
Meeting:	Audit Committee
Meeting Date:	10 March 2020
Date Paper prepared:	28 Feb 2020
Brief Summary of the paper:	To provide the Audit Committee with the Quarter 2 report, 1 November 2019 – 31 January 2020 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]	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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Board of Management

Subject/Title:	Health and Safety Policy and Statement quarterly review
Author: [Name and Job title]	Director of Organisational Development
Meeting:	Audit Committee
Meeting Date:	10/03/2020
Date Paper prepared:	28/02/2020
Brief Summary of the paper:	<p>The Health and Safety Policy and Health and Safety Policy Statement are reviewed annually. The current policy and statement were approved by the Board of Management in March 2019.</p> <p>Both have been reviewed with minor changes made to the roles and responsibilities within the policy, whereby it now explicitly references Heads of School along with Managers. There are also minor alterations to the legislation, with Work at Height Regulations referenced and the expectation to conduct assessments of machinery according to PUWER, where required.</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to recommend the health and safety policy and statement, including the minor amends, to the Board of Management for approval.
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 	The law requires us as employers to monitor and review arrangements on how we are managing occupational safety and health (OSH).
Resource implications:	No.
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:	N/A

ITEM 4

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

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HEALTH SAFETY AND WELLBEING POLICY

REFERENCE: PL/HR/2019/001

Policy Owner	Director of Organisational Development
Lead Officer	Health and Safety Manager
Review Officer	Health and Safety Manager
Date first approved by BoM	9 March 2009
First Review Date	7 March 2010
Date review approved by BoM	21 March 2019
Next Review Date	March 2020
Equality impact assessment	25 February 2016
Further information (where relevant)	Previous EIA 24.02.12

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

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1. Policy Statement

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

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

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

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

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

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

Principal:

Date:

Chairman of Board:

Date:

2. Legislative Framework/Related Policies

- 2.1. The Health and Safety at Work *etc.* Act 1974.
- 2.2. Management of Health and Safety at Work (Amendment) Regs 2006
- 2.3. Provision and Use of Work Equipment Regulations 1998
- 2.4. Manual Handling Operations 1992
- 2.5. The Workplace (Health, Safety and Welfare) Regulations 1992
- 2.6. The Personal Protective Equipment Regulations 2002
- 2.7. Health and Safety (First Aid) Regulations 1981
- 2.8. Electricity at Work Regulations 1989
- 2.9. The Control of Noise at Work Regulations 2005
- 2.10. The Employers' Liability (Compulsory Insurance) (Amendment) Regs 2011
- 2.11. Fire Safety (Scotland) Amendment Regulations 2010
- 2.12. Reporting of Injuries, Diseases and Dangerous Occurrences Regs 2013
- 2.13. The Control of Substances Hazardous to Health (Amendment) Regs 2004
- 2.14. The Health and Safety Information for Employees (Amendment) Regs 2009
- 2.15. Health and Safety (Display Screen Equipment) Regulations 1992 (As amended 2002)
- 2.16. Corporate Manslaughter and Corporate Homicide Act 2007
- 2.17. Counter-Terrorism and Security Act 2015
- 2.18. The Lifting Operations and Lifting Equipment Regulations 1998
- 2.18-2.19. The Work at Height Regulations 2005

3. Scope

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

4. Organisation and Responsibilities

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

4.1. Board of Management

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

4.2. Principal and Chief Executive

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

4.2.2 The Principal will:

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

4.3. Senior Management Team

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

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

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

4.4. Managers and Heads of Schools

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

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

- Ensure risk assessments, including assessments of plant, machinery and equipment (i.e. PUWER Assessments) are carried out where necessary and regularly reviewed in line with the requirements of health and safety legislation and the college health safety and wellbeing management policy and procedures.
- Set clear measurable objectives to ensure progressive improvement.
- Provide all personnel with, so far as reasonably practicable;
 - Safe place of work
 - Safe plant and machinery
 - Safe working environment
 - Safe system of work
 - Safe handling, storing and transportation
 - Sufficient and competent information, instruction, training and supervision

4.4.3 Managers and Heads of Schools will be responsible for:

- Ensuring that Inverness College UHI's health safety and wellbeing policy is explained to employees and they are made aware of their health safety and wellbeing duties and responsibilities and that tutors equally convey this to students under their control.
- The training needs of employees are assessed and addressed to include the requirement for role specific induction training for new employees.
- Ensuring that the activities of college employees and contractors do not expose employees, students, contractors or others to risk.

4.5. Health and Safety Manager

4.5.1 The Health and Safety Manager reports to the Director of Organisational Development and has responsibility for:

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

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

4.6. Estates and Campus Services Manager

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

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

4.7. Union Appointed Health and Safety Representatives

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

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

4.8. Fire Marshalls

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

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

4.9. First Aiders

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

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

4.10 Technicians

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

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

4.11 Employees

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

- To take reasonable care for the health and safety of themselves and other persons who may be affected by their acts or omissions at work.
- To co-operate with the employer, so far as is reasonably necessary to enable them to meet their statutory health and safety duties.
- No-one may intentionally or recklessly interfere with or misuse anything provided in the interests of health, safety or welfare.
- Any employee who is required to operate machinery, equipment, dangerous substances, transport, safety devices or a means of production is to do so in accordance with training or instructions provided by the employer.
- Employees must make the employer aware of any serious imminent dangers to health and safety.

4.12 Students

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

4.12.2 A student shall exercise reasonable care:

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

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

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

5. Compliance

5.1. This policy must be complied with and it will be audited regularly with reports going to the appropriate committee.

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

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

6. Objectives and Targets

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

7. Communication

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

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

8. Monitoring

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

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

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

9. Audit

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

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

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

10. Review

10.1. This policy and supporting arrangements will be reviewed annually to ensure currency of content, arrangements, new legislative requirements and to provide a framework for the setting and reviewing of health and safety improvement objectives.

10.2. This policy may also be updated outside of the stated annual timeframe (i.e. changes to legislation, or as the result of review).

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

Board of Management

Subject/Title:	General Data Protection Regulation (GDPR) – compliance report
Author: [Name and Job title]	Suzanne Stewart, Information Development Manager
Meeting:	Audit Committee
Meeting Date:	March 2020
Date Paper prepared:	25/2/20
Brief Summary of the paper:	To update the committee on the GDPR points of compliance
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 	To ensure that our practice is aligned with national, sector and/or industry recognised standards, that the college is legally compliant and continues to ensure that the systems and processes in place mitigate risk.
Resource implications:	No
Risk implications:	Yes, significant for organisation that do not comply with the regulations. ICO regulatory authority and enforcement authority with increased powers to fine those in serious breach. Financial and reputational.
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	No		
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

Background

In May 2018, data protection legislation was updated resulting in the EU General Data Protection Regulation (GDPR) and the UK Data Protection Act 2018 coming into effect.

The legislation outlines the need for large organisations (over 250 employees) and those that process significant personal data to have a nominated Data Protection Officer (DPO).

The role of the DPO is defined by law and includes the responsibility to audit compliance with the regulation.

“To monitor compliance with this Regulation, with other Union or Member State data protection provisions and with the policies of the controller or processor in relation to the protection of personal data, including the assignment of responsibilities, awareness-raising and training of staff involved in processing operations, and the related audits”

During 2018/19, significant effort was put in to ensuring data sharing agreements were in place. It is recognised that whilst the number of agreements has increased, there is still work to be undertaken at departmental level to ensure all relevant activities are governed by such a document.

2019/2020

Again, significant effort has been directed towards updating data sharing agreements. Other agencies are becoming more knowledgeable about the change in the law and are now sending their agreements to the college. In some circumstances, this has caused delays in partnership working whilst the Data Protection Officer (DPO) ensures due diligence is undertaken in order to avert an information risk.

Compliance Audits

Compliance auditing commenced in December when 2 audits were undertaken. One relating to the DYW Schools activity and the other related to the activities of the School Transition Officer.

Audit findings in both areas were similar. There were no major problems, but records management was a bit of a concern. A good chunk of the audit time was spent advising on records management and ensuring out of date records were deleted (in both areas).

One department had changed and there was a cross over with some of the records. There had also been some change in the wider team (new staff still getting to grips with their job roles), so it was difficult to ascertain how things were organised. It was noted to re-visit both areas in the New Year.

The data registers did not appear to be as up to date as they should be. On both occasions, the staff involved did not understand how long the personal data should be retained for any of the data processing they were undertaking. It is suspected this will be a similar picture across the college.

An audit plan has been agreed and audits will progress in the period April – June.

Data Registers

Article 30 of the GDPR requires organisations to hold a current register of all personal data processing activity. Basically, if organisations don't know what data they've got where, how can it be demonstrated that adequate controls measures are in place to protect the data, keep it secure and manage it?

In advance of the legislation becoming live in May 2018, the college DPO provided a template data register and departments were asked to complete it for their own area. The registers were collated centrally to provide a college overview. Since they were produced, there have been some organisational changes. Academic subjects have been re-grouped, and there has been staff turnover in some support areas which may have involved changes in job focus. All of these things are likely to have an impact on departmental records and the content of the departmental data registers.

A request has recently been sent to managers asking them to submit their up to date data register by the end of March 2020.

It is anticipated that further support will be required for managers to better understand how the register can and should be used to manage data on a departmental basis. This will be a significant piece of work for some managers but its crucial that time is allocated to getting it right.

Organisationally, we need to decide how best this is managed on an on-going basis, so it becomes business as usual. The register needs to be tied into the management of records to ensure we destroy personal data as soon as there is no longer a legal basis for retaining it.

Incident Reporting

Incidents reported are slightly down compared to a similar period for the last year.

2018/19 (Aug-Jan) = 27

2019/20 (Aug-Jan) = 19

2019/2020 Breakdown to date

Month	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total
Volume	0	7	1	1	2	8	5	24

Categories & Causes

The following categories show a breakdown of cause of each breach/incident.

CATEGORY	Total Incidents
Disclosed in Error	1
Technical/Procedural Failure	16
Lost in transit	
Non secure disposal	
Lost data/hardware	2
Stolen data/hardware	
Unauthorised access	4

Other	1
TOTAL	24

Disclosed in Error

- ICT team were copied into an email by mistake.

Technical/Procedural Error

- 4 disclosed in error emails were caused by staff having the “auto complete, send to” function turned on in Outlook. This results in the computer automatically completing the recipient’s name when you start typing.
- 2 incidents were information security matters, not data breaches. A spreadsheet containing staff personal data was sent between 2 departments without being protected by a password. There is a shared folder in place which negates the need to send the data by email.
- 2 incidents related to staff members handing their ID Badge to a student. 1 to collect something from the printer and the other to borrow a laptop from the Lapsafe. The ID badge provides access to areas of the college that are not readily available to students. Also, if other documents are in the staff member’s print queue, there is a risk that inappropriate information will be shared. If the laptop had been damaged or not returned the staff member would’ve been liable.
- An email was sent to an individual to confirm their personal email address and a mailing list of 200 people were Bcc’d into the message in error.
- 1 incident involved the use of an electronic portfolio system where a staff member sent a personal document to the wrong student
- Staff member left an unencrypted USB stick in a computer and it contained personal data.
- 1 involved a whole student group receiving an email that was meant for just a couple of students.
- 1 related to a technical problem that involved a video clip becoming visible to a 3rd party who should not have had sight of it.
- Sensitive personal data became visible to a small group of individuals who should not have had access to it. This was both a records management and an access control issue.
- Email sent to a company regarding student college attendance, but information was sent about the wrong student.
- College application form was left unattended in a classroom following candidate interviews.

Lost Data/Hardware

- 2 incidents related to lost hardware (USB stick and portable hard drive).

Unauthorised Access

- On 3 separate occasions, staff have shared their personal log-in and password with a 3rd party to enable them to gain access to a system controlled.
- On 1 occasion, a staff member logged on to the UHI network and left the system open for a 3rd party to use for teaching purposes.

Other

- I related to an occupational health appointment letter being sent to the wrong address (This was an NHS Highland incident).

Lessons Learned

Data breaches are not negative, they help us learn how and why things occasionally go wrong. In the main, investigations into these breaches are largely due to staff not taking due care and attention and trying to undertake work too quickly. These examples are used during staff training as case studies which makes the training realistic and memorable.

Often, it's not the breach that is the issue, it is usually the circumstances that led to the breach that create actions for the college to address.

Many of the reported incidents could have been prevented by staff taking time to check the email addressee box prior to pressing the "send" key.

Mandatory staff briefings were organised at the start of Semester 2 (Jan/Feb 2020) and staff were made aware of recent breaches reported and how they can be prevented e.g.

- Turn off the "auto complete, send to" function on email
- Do not share your ID badge/security pass with students
- Never share personal log-in and password details to a 3rd party

2 incidents were subject to internal staff disciplinary procedures.

1 incident was reported to the ICO and is currently on going. It was a UHI breach but affected an Inverness College student. Whilst the data became available, it wasn't actually viewed by anyone and the situation was contained very quickly following the incident report. It was the impact on the data subject that warranted the report to the ICO. There are a number of lessons to be learnt from this particular breach which will be taken forward with the UHI learning technology department. At the point of writing this report, the outcomes of the investigation (lessons to be taken forward) are still being pulled together as the report to the ICO has taken priority.

Staff Training

The 2 mandatory staff training modules were updated during 2019 and both were moved on to Brightspace during the summer of 2019. It is only recently (within the last month) that Inverness College have been provided with access to the Brightspace system reports to enable monitoring of uptake.

A firm procedure isn't yet in place to provide the Professional Development team with a monthly report of activity, but this is currently in hand with UHI.

The DPO has adopted a different approach to staff training this academic year by directing some time to work directly with curriculum staff. The subject areas within the creative industries group process a lot of personal images and film footage for curriculum purposes. A Subject Access Request during the summer period highlighted a records management concern that required further and wider exploration. Some draft guidance was produced for staff that could be easily adapted for use with students in the art, media, drama, hair and beauty departments to ensure we are teaching our students how to manage personal data effectively. There is still on-going work required here and it's not

all straightforward. Some of the awarding body assessments haven't yet caught up with the legislative change which does pose a few challenges.

Staff are definitely more aware than they have ever been regarding data protection law and there has been significant increase in staff seeking advice and support.

Board of Management

Subject/Title:	Public Bodies Climate Change Report
Author:	Martin Kerr Estates Manager
Meeting	Audit Committee
Meeting and date:	10 th March 2020
Date Paper prepared:	27 th Feb 2020
Brief Summary of the paper:	Set out developments since the last meeting.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
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	

Background

The UK government has identified the public sector as key to delivering carbon reduction across the UK in line with its Kyoto commitments and the Public Sector Carbon Management programme is Designed in response to this. It assists organisations in saving money on energy and putting it to good use in other areas, whilst making a positive contribution to the environment by lowering their carbon emissions. The Carbon Trust are very proud to support Inverness College in our on-going implementation of Carbon Management Plan.

Energy Strategy 2019/20

Topic area	Name of document	Time period covered	Comments
Business travel	Car Share	Ongoing	Policy Document
Staff Travel	Car Share, Cycle friendly campus	3 year	Focus on active transport
Energy efficiency	Summer / Winter loading initiative.	5 year	Facility system management
Fleet transport	Mini bus / fleet cars transferee to Electric	2 year	Fleet due to change 2020
Information and communication technology	Video Conference	Ongoing	Well established within academic structure.
Renewable energy	Generation systems		No generation systems planned.
Sustainable/renewable heat	Biomass / Ground source pump	Ongoing	Asset management system
Waste management	Waste Reduction Initiative	2 year	10% reduction & 95% recycling of waste by 2020
Water and sewerage	Rain capture nursery	3 year	Productive Garden Project
Compressed Air Management	Summer switch off	2 year	System management and system survey
Land Use	Productive Garden	5 year	Community project
Other (state topic area covered in comments)	UHI Environmental & Sustainability group	2 year	UHI wide directive – 2018 focus on paper use reduction

Current projects

Energy Management Plan.

Energy management team made up of a partnership between the College Estates team and the campus facility management contractor, GTFM, was implemented to monitor, review and report on current College operations.

The objective of team was to identify current loadings in the buildings and possible actions that could be implemented to reduce our carbon footprint. The following actions were identified and are monitored through the monthly Campus Technical Meeting.

Actions:

- Gas loading - review gas use within all facilities. On review it was identified that our largest gas user was the main campus BMS system.
 - Frost protection system override of BMS system – System reconfigured to reduce override on cold mornings implemented.
 - Draft Management
 - Closing of second doors in goods inwards implemented.
 - Door closer fixed to goods inward double door and switch made to SALTO locks.
 - Signage review – new signage implemented at external doors.
 - Workshop doors jammed open - audits implemented and corrective action in place.
 - Review of building use, atrium underfloor heating switch off during summer months and set point reduction during low occupancy periods.
 - Atrium rotary door maintained in winter mode all year to support further draft reduction.
 - Room management – Blind being closed/open to prevent/encourage heat build-up in south facing rooms depending on external temperatures.
- Biomass loading Scottish Scholl of Forestry. Biomass system switch off during summer outage to reduce energy and chip consumption.
 - New supplier sourced. Improved quality of chips and more local location to SSF to reduce transport carbon footprint.
- Review of college heating management systems within SSF outbuildings
 - 3 port valve and flow and return monitoring. To be installed as part of biomass upgrade under life cycle management.
- Compressed air management
 - Compressed air system in main campus – fixed speed screw compressor. System timer set up to auto switch off in evenings and weekends. Site accumulators are used to support activity during low occupancy periods.
 - Compressor loading data log undertaken to identify other low usage periods.
 - SSF boot clean compressor switch off, at night and summer.
 - Campus main compressor planned switch off during summer outages.
 - System pressure reduction review. Undertaken.
- Lighting LED replacement campaign.
 - Main campus carpark.
 - Good yard lighting changed to LED.
- Joinery extraction speed reduction.
 - Officer to audit switch off inspection.
- Lighting management switch off policy
 - IC routine checks every night
 - External lights – Pods switch off
 - Atrium lighting to be reviewed – GTFM

The Campus Estates and FM provider undertake a weekly site audit to monitor compliance and other opportunities. All actions are added to estates FM HelpDesk or Campus Technical meeting.

Transport Plan

The CMP team have reviewed our current transport plan with Finance and procurement departments to ensure we are assessing the full impact of all our transport options.

Actions:

- All vehicles to be managed and maintained by the Estates and Campus services team.
- Implementation of Transport Policy
- Review of electric vehicles.
- Green travel plan – hire, pool car, Car sharing use of public transport.
- Implement electrical charging point at both Campuses.
- Cycle Friendly Campus Project. Cycling intern employed to promote active travel and manage campus hire bikes.
- Campus travel officer to support full campus active travel systems being developed in partnership with HIE, NHS highland council and local community. HIE to employ and manage on behalf of ICOA.

Waste Management

In July of 2018 a new waste reduction initiative was launched to improve our waste management. Our target by the end of 2020, is to reduce waste by 10% as well as achieving 95% waste recycling.

Actions:

- Procurement of waste management provider in 2018 to actively work with us on waste reduction initiative
- Green week waste awareness
- Waste stream mapping within facilities.
- New segregation equipment and new Waste Recycling Stations at all canteens.
- Working with local campaign groups to look at alternative waste management systems.
- Developing awareness within the campus through initiatives such as Recycle art, poster competitions, Love Food Hate Waste workshops.
- UHI Environmental & Sustainability Group – Student led working group who aim to support in improving sustainability and lessening the environmental impact of the University and its Academic Partners. It will serve as a forum to help develop understanding of the environmental impacts that are made, identify opportunities for improvement and explore how best to engage students and staff to promote more sustainable behaviours and practice. Current focus of this group is paper reduction within UHI.

Construction Project

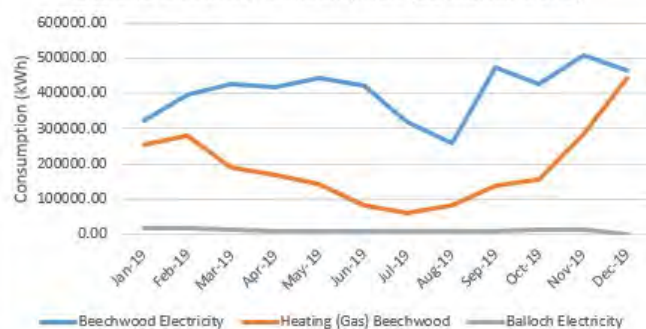
Within 2019/20 academic year we have undertaken several small energy management projects:

- 100% in bike storage facilities. To encourage active travel.
- Installation of electrical car charging systems within goods yards for college pool cars and staff/ student electric car charging points.

Statistics

Inverness College - Utility Consumption		Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Electricity (kWh)	Beechwood Electricity	419,340.0	443,030.0	424,160.0	319,940.0	259,430.0	472,210.0	424,760.0	508,900.0	463,840.0			
	Balloch Electricity												
Heat (kWh)	Balloch Electricity	11,335.0	11,270.0	9,471.0	7,378.0	7,854.0	10,725.0	13,615.0	15,150.0	1,005.0			
	Heating (Gas) Beechwood												
Water (m3)	Heating (Gas) Beechwood	167,464.1	141,329.7	81,771.1	60,057.1	83,399.7	137,230.6	157,264.1	282,944.1	442,069.4			
	Beechwood Water (m3)	280.0	581.0	314.0	130.0	201.0	727.0	701.4	657.6	748.0			
	Balloch Water (m3)	6.0	13.0	7.0	1.0	3.0	13.0	14.0	19.0	4.0			

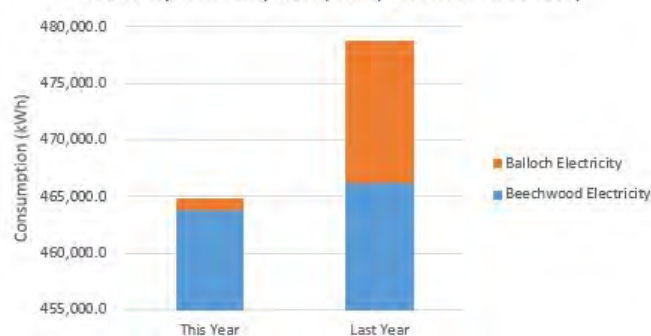
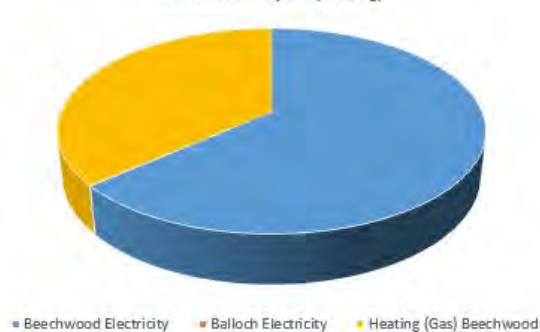
Gas and Electricity Consumption (12 month trend)



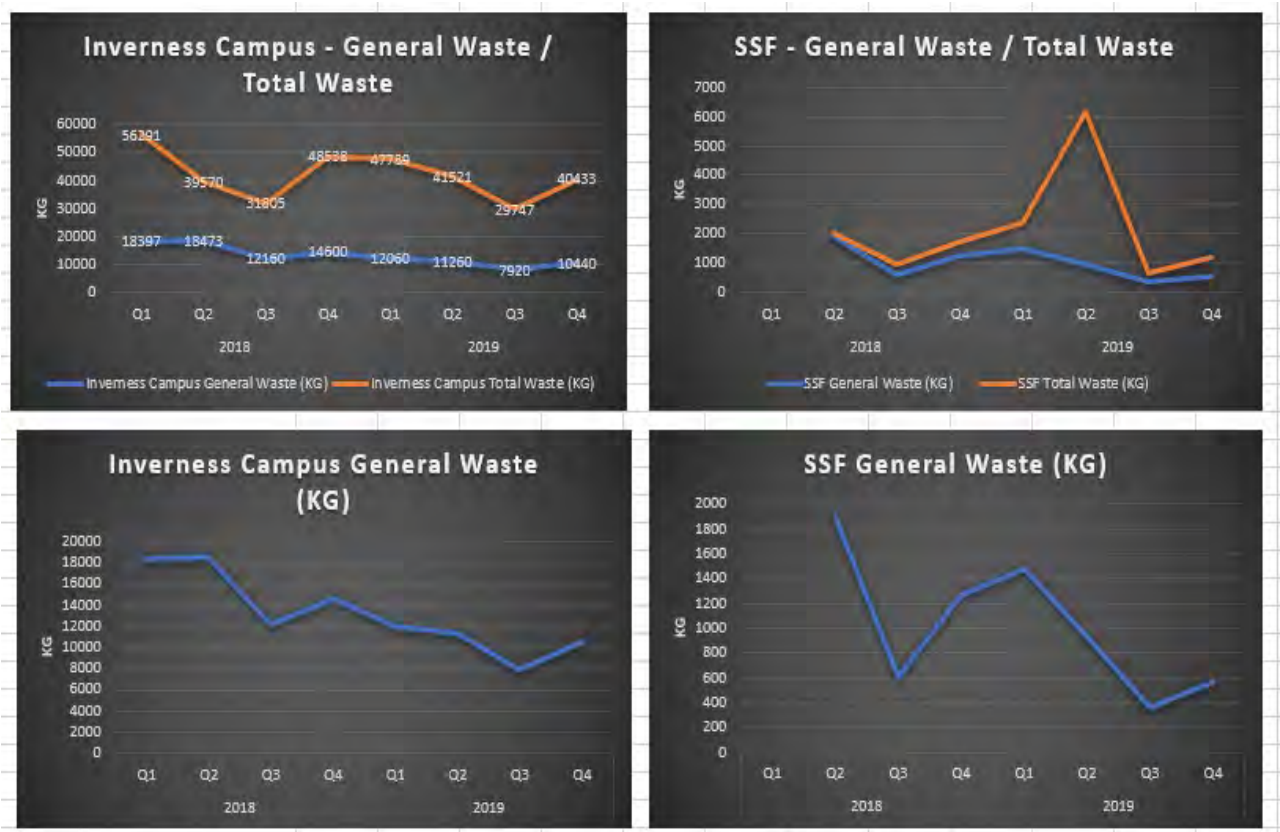
Water Consumption



Electricity Consumption (Comparison to Last Year)

Emissions Split (tCO₂e)

Waste Management



Audit Committee

Subject/Title:	National Fraud Initiative Exercise 2019/20
Author: [Name and Job title]	Helen Simpson, Interim Director of Finance
Meeting:	Audit Committee
Meeting Date:	4 March 2020
Date Paper prepared:	10 March 2020
Brief Summary of the paper:	This paper outlines the purposes and requirements of the National Fraud Initiative (NFI) exercise that took place in 2018/19, 2019/20 and also an action plan to improve our processes in this area.
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 	Compliance – participation in the exercise is required and not optional. Risk Management – data matching could identify potential fraud instances.
Resource implications:	Yes – time consuming to extract data and submit in required format. Onerous commitment on checking matches identified.
Risk implications:	Yes If yes, please specify: Operational: identifies potential fraud risks for investigation Organisational: participation required
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.)			

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

National Fraud Initiative Exercise

Report to Audit Committee 10 March 2020

1.0 Introduction

This report is intended to provide the Audit Committee with an oversight of the National Fraud Initiative (NFI) exercise and how it relates to Inverness College UHI and proposes an action plan to improve our processes in this area.

2.0 Background

The NFI is a UK wide data matching exercise whose primary purpose is to help public sector bodies to prevent and detect fraud and error in their financial systems.

Audit Scotland carries out data matching under part 2A of the Public Finance and Accountability (Scotland) Act 2000. This legislation provides that Audit Scotland may carry out data matching exercises, or arrange for them to be carried out on its behalf. The legislation enables Audit Scotland to require any body which comes under the remit of the Auditor General for Scotland to submit data for matching.

The Cabinet Office processes the data for NFI in Scotland on behalf of Audit Scotland, and provides its secure website and NFI application for participating bodies and auditors in Scotland to use. Audit Scotland prepares a report on the results.

The Cabinet Office website includes a section on fees for NFI participants. Scottish bodies do not have to pay separate fees for the main NFI - the costs of participating in the two yearly NFI exercise are met through annual funding to Audit Scotland from the Scottish Parliament.

3.0 Exercise Requirements

The NFI exercise for this Institution is focused on payroll and creditors. The Director of Finance was requested to confirm their position as Senior Responsible Officer and to advise Audit Scotland of Key Contact details. The Key Contact for Inverness College is the Finance Manager with the responsibility to set up appropriate users to carry out the data upload and subsequent investigation of matches, and coordinate the investigations. Data should be submitted, via the NFI web application, in accordance with the timetable in the instructions for participants.

The instructions for participants include a list of mandatory data sets for this exercise. Privacy notices are required for all datasets containing personal information. Organisations need to complete the on-line compliance form within the NFI web application to confirm that privacy notices have been issued where appropriate.

T

4.0 Response from Audit Scotland to Inverness College

Audit Scotland wrote to the College in August 2019 highlighting that “overall engagement in the initiative requires improvement”. As staffing issues have been a continuing issue and training not provided the NFI checklist attached at Appendix B shows that progress was not made. Significant reliance was placed on the Finance Manager as the key contact and it is recommended that expertise on the NFI should not sit solely with one member of staff.

5.0 Action Plan

Subsequent review by the Interim Director of Finance resolved identified that training and awareness of the relevant staff is required. A high turnover of staff over the last 18 months and recruitment challenges have resulted in delays in the participation in this Initiative.

Changes are currently being made to support the finance team with additional resources and training and together with the action plan presented to this Committee good progress should be made and it is recommended that the Audit Committee review progress in this important area on a regular basis. The action plan is attached to this report as Appendix C.

6.0 Recommendations

The Audit Committee are requested to consider the following two recommendations:

6.1 The Audit Committee are requested to consider this report, including the action plan going forward.

6.2 The Audit Committee are also requested to consider tendering for counter fraud & NFI expertise from other parts of the public sector. The tender could be issued on a collective basis if other partners were supportive of this approach or by Inverness College in its own right. Alternatively an investment in staff training is required as highlighted within the action plan.

7.0 Attachments to this report:

Attachment A NFI Checklist for 2018/19.attached for ease of reference

Attachment B NFI Checklist for 2019/20

Attachment C NFI Action Plan

National Fraud Initiative

Self-appraisal checklist



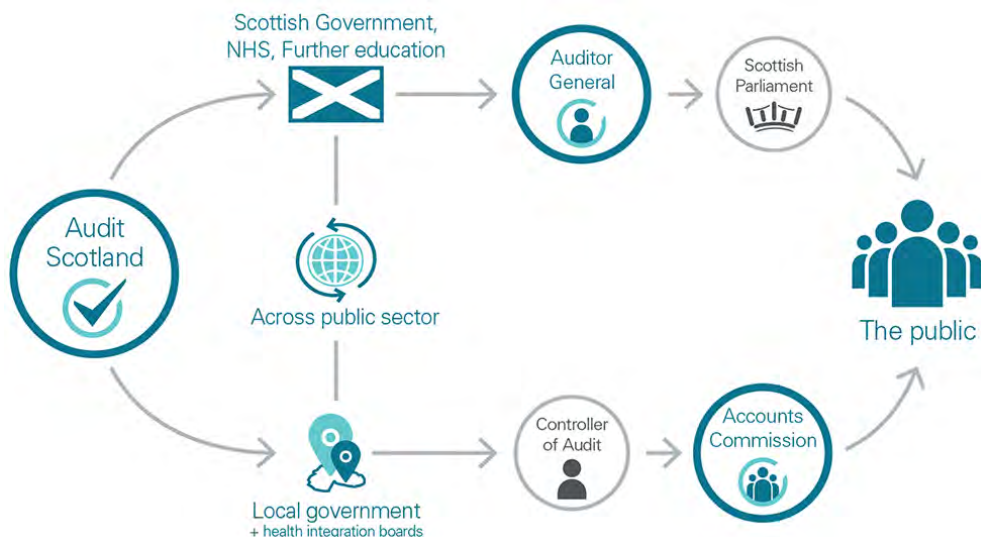
 AUDIT SCOTLAND

March 2018

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non – executive board chair, and two non – executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world – class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
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Background

1. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, and overseen by the Cabinet Office for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.
2. It means that public bodies can take action if any fraud or error has taken place, and it allows auditors to assess fraud prevention arrangements which those bodies have.

Self-appraisal checklist

3. Appendix 1 includes a two-part checklist that we encourage all participating bodies to use to self-appraise their involvement in the NFI prior to and during the NFI exercises.
4. Part A is designed to assist audit committee members when reviewing, seeking assurance over or challenging the effectiveness of their body's participation in the NFI.
5. Part B is for officers involved in planning and managing the NFI exercise.

How to work more efficiently

6. Audit Scotland continues to encourage organisations to review and investigate NFI matches efficiently and effectively. This enables them to make better use of their limited resources. Some suggestions for improving efficiency and effectiveness are included at appendix 2.

Appendix 1 – self appraisal checklist

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
1. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Partly. Yes, senior management has supported the need to participate. Information has yet to be provided to the College Board of Management.	Yes, report to Board.	Director of Finance to the September 2019 Audit Committee.
2. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	No as this is the first year of participation.		
3. Have we considered using the real-time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	Not yet considered	Yes	Finance Manager, December 2019
4. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	Will be reported to the Audit Committee in September 2019	Yes, report to Board	Director of Finance to the September 2019 Audit Committee
5. Where we have not submitted data or used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Current checks rely on vigilance of staff to identify any concerns and flag these to the appropriate managers or external organisations where relevant and permitted		
6. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Not applicable as this is the first year of participation		

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
7. Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes but no recent instances to evidence		
8. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Nothing to report		

Part B: for the NFI key contacts and users	Yes/No/Partly	Is action required?	Who by and when?
Planning and preparation			
1. Are we investing sufficient resources in the NFI exercise?	Partly, we are investing what can		
2. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Not having done this before we had little understanding of our system limitations to provide the data required	Yes	Finance Manager will plan for future exercises
3. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes, this was our Finance Manager who had prior experience of NFI	Yes due to staff turnover	New Finance Manager to gain knowledge
4. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	No to time, yes to authority		
5. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Not applicable		
6. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	No this was delayed		
7. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	See response to 2		

Part B: for the NFI key contacts and users	Yes/No/Partly	Is action required?	Who by and when?
8. Do we adequately consider the submission of any 'risk-based' data-sets in conjunction with our auditors?	No, first year of participation		
9. Have we considered using the real-time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	Not yet	Yes	Finance Manager, March 2020
Effective follow up of matches			
10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?	No, first year of participating		
11. Do we give priority to following up recommended matches, high-quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes		
12. Do we recognise that NFI is no longer predominantly about preventing and detecting benefit fraud? Have we recognised the wider scope of NFI and are we ensuring that all types of matches are followed up?	Yes		
13. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	First year of participation		
14. (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter Fraud Services?	N/A		
15. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	N/A		

Part B: for the NFI key contacts and users	Yes/No/Partly	Is action required?	Who by and when?
16. Do we avoid deploying excessive resources on match reports where early work (eg, on recommended matches) has not found any fraud or error?	first year of participating, still determining process for working on match reports		
17. Where the number of recommended matches is very low, are we adequately considering the related 'all matches' report before we cease our follow-up work?	See 16		
18. Overall, are we deploying appropriate resources on managing the NFI exercise?	Deploying the resources available		
Recording and reporting			
19. Are we recording outcomes properly in the secure website and keeping it up to date?	See 16		
20. Do staff use the online training modules and guidance on the secure website and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)?	See 16		
21. If, out of preference, we record some or all outcomes outside the secure website have we made arrangements to inform the NFI team about these outcomes?	See 16		

Appendix 2 – How to work more efficiently

Concerns	How to work more efficiently
Many participants are not using the latest time-saving enhancements to the NFI software.	Ensure staff within the organisations that take part in the NFI keep up to date with new features of the web application and good practice by reading the guidance notes and watching the online training modules before they begin work on the matches.
Matches that are time critical and could identify an overpayment are not acted on first.	Key contacts should schedule staff resources so that time-critical matches, such as housing benefit to students and payroll to immigration, can be dealt with as soon as they are received.
Investigations across internal departments are not coordinated resulting in duplication of effort or delays in identifying overpayments.	Key contacts should coordinate investigations across internal departments and, for example, organise joint investigation of single person discount matches involving housing benefit, to ensure all relevant issues are actioned.
Disproportionate time is spent looking into every match in every report.	Use the tools within the web application, such as the filter and sort options or data analysis software, to help prioritise matches that are the highest risk. This will save time and free up staff for the most important investigations.
Enquiries from other organisations that take part in the NFI are not always responded to promptly.	Prioritise responses to enquiries from other organisations so investigations can be progressed.
Data quality issues that are highlighted within the web application are not addressed before the next NFI exercise.	Review the quality of the data supplied before the next exercise as external providers normally have to phase in changes to extraction processes. Better data quality will improve the quality of resulting matches.

Source: Cabinet Office NFI team

The National Fraud Initiative

Self-appraisal checklist

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National Fraud Initiative

Self-appraisal checklist



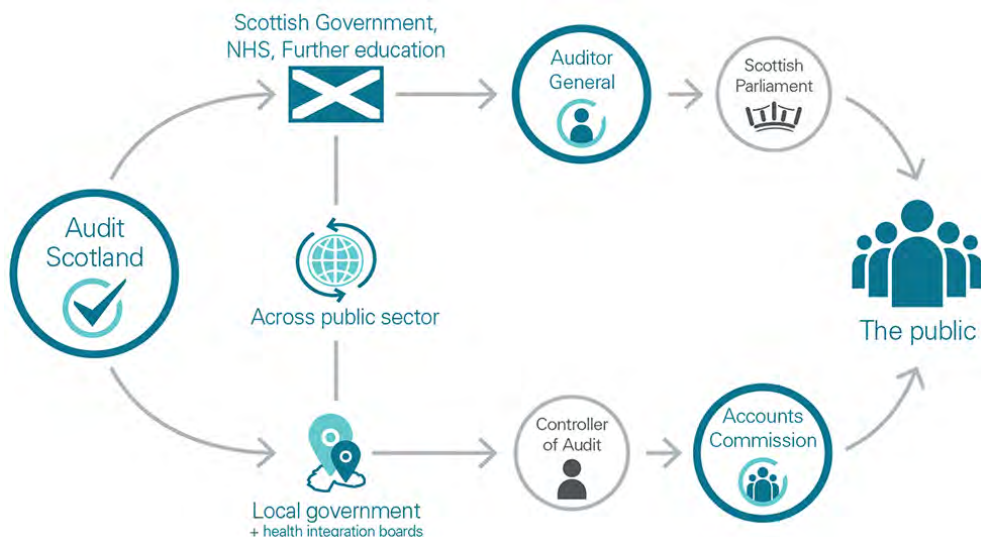
 AUDIT SCOTLAND

March 2018

Who we are

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Background

1. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, and overseen by the Cabinet Office for the UK as a whole. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems that might suggest the existence of fraud or error.
2. It means that public bodies can take action if any fraud or error has taken place, and it allows auditors to assess fraud prevention arrangements which those bodies have.

Self-appraisal checklist

3. Appendix 1 includes a two-part checklist that we encourage all participating bodies to use to self-appraise their involvement in the NFI prior to and during the NFI exercises.
4. Part A is designed to assist audit committee members when reviewing, seeking assurance over or challenging the effectiveness of their body's participation in the NFI.
5. Part B is for officers involved in planning and managing the NFI exercise.

How to work more efficiently

6. Audit Scotland continues to encourage organisations to review and investigate NFI matches efficiently and effectively. This enables them to make better use of their limited resources. Some suggestions for improving efficiency and effectiveness are included at appendix 2.

Appendix 1 – self appraisal checklist

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
1. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes, senior management are supportive and the Audit Committee. A separate report on NFI was presented to the Audit Committee in September 2019.	Yes, report to the Board in March and communication with all staff.	Interim Director of Finance to the Board in March 2020 with update to the Audit Committee in March 2020. In particular the importance of NFI and the requirement to embed NFI as part of the systems and processes throughout the institution.
2. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Partly, as all staff need to have greater awareness with regular communication and updates being arranged.	Yes, although there is a fraud policy in place greater awareness and a more structured approach is required.	Action plan to be produced by Finance Manager and presented to the SMT and subsequent Board Meeting & Audit Committee.
3. Have we considered using the real-time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	No, however as the recently appointed interim SRO for NFI I will be recommending to the Audit Committee and the Board to consider the Flexible matching service to improve our risk management in this area.	Yes, further action is required.	Finance Manager April 2020
4. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	An update was considered at the September 2019 meeting of the Audit Committee.	Yes, report to Board and regular updates required to SMT and the Audit Committee.	Finance Manager April 2020

5. Where we have not submitted data or used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Current checks rely on the existing systems and processes (some of which are currently under review). Current checks also rely on the vigilance of staff to identify any concerns and flag these to the appropriate managers or external organisations where relevant.	Yes, completion of review of relevant systems and processes and staff training, including move from quarterly to monthly management accounts.	Director of Finance
6. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Will be monitored by the Audit Committee. The external auditor has requested a copy of the checklist.	Yes, this action is required, and recommendation will be the Interim Finance Director to the Audit Committee that Internal Audit review progress and compliance as part of the Internal Audit plan.	The Interim Finance Director will make this recommendation to the March 2020 meeting of the Audit Committee.
7. Do we review how frauds and errors arose and use this information to improve our internal controls?	Partly.	Evidence that this is now being reviewed and training being arranged for the relevant staff. There was a delay which is now being addressed and the relevant staff briefed on the importance of NFI checks.	The NFI action plan will also cover the importance of timely checks and arrangements for staff cover.
8. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Not to date, no recent frauds.	Yes, fraud procedure to be updated to publish where appropriate frauds and successful prosecutions as a deterrent both internally and externally	To be incorporated in NFI action plan to be presented to the March 2020 meeting of the Audit Committee.

Part B: for the NFI key contacts and users	Yes/No/Partly	Is action required?	Who by and when?
Planning and preparation			
1. Are we investing sufficient resources in the NFI exercise?	There has not been any investment in NFI training.	Yes, specific training for relevant staff is required. Awareness sessions for all staff on the NFI and awareness of fraud and how to report concerns about fraud to be confirmed	To be incorporated in NFI action plan to be presented to the March meeting of the Audit Committee
2. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Further improvement is required and will be taken forward as part of NFI action plan.	Yes	To be part of NFI planned programme, as part of NFI action plan to be presented to the March meeting of the Audit Committee.
3. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	The NFI key contact is the Finance Manager and is the appropriate contact.	Yes, due to staff turnover and sickness absence of key staff.	Finance Manager and other senior members of the finance team to receive relevant training.
4. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Designated time to be identified and prioritised by the Finance Manager, supported by the Finance Director.	Yes, will be part of key objectives for this role and will be supported through PDR process.	Finance Manager
5. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Yes, there is the recognition that robust systems and controls, fraud awareness as a deterrent, training and communication are important to mitigate risks. It is understood that the situation can change quickly and risk mitigation is also important.	Yes, will be part of key objectives for this role and will be supported through PDR process.	Finance Manager

<p>6. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?</p>	<p>No and we are taking steps to rectify this position.</p>	<p>We have recently reviewed our processes for accessing the new on-line facility and are taking steps to improve this.</p>	<p>Interim Finance Director will present NFI Action Plan to March Audit Committee meeting.</p> <p>NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.</p>
<p>7. Do we plan to provide all NFI data on time using the secure data file upload facility properly?</p>	<p>Yes, from we plan to comply with this and recognise its importance.</p>	<p>We have recently reviewed our processes for accessing the new on-line facility and are taking steps to improve this.</p>	<p>Interim Finance Director will present NFI Action Plan to March 2020 Audit Committee meeting.</p> <p>NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.</p>

Part B: for the NFI key contacts and users	Yes/No/Partly	Is action required?	Who by and when?
8. Do we adequately consider the submission of any 'risk-based' data-sets in conjunction with our auditors?	This has not happened to date; we will raise this with our auditors requesting how to best apply this approach for this Institution.	Yes, discussion with auditors.	Interim Finance Director March 2020.
9. Have we considered using the real- time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	No, however we are currently considering this option and have enquired directly to NFI staff.	Yes, option under consideration.	Interim Finance Director March 2020
Effective follow up of matches			
10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?	Yes		
11. Do we give priority to following up recommended matches, high-quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes		
12. Do we recognise that NFI is no longer predominantly about preventing and detecting benefit fraud? Have we recognised the wider scope of NFI and are we ensuring that all types of matches are followed up?	Yes		
13. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes		
14. (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter Fraud Services?	Not applicable		

15. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	There have not been recent cases. Where there are allegations or evidence of fraud there will be investigated, and action taken including disciplinary and recovery of funds as appropriated.		
16. Do we avoid deploying excessive resources on match reports where early work (eg, on recommended matches) has not found any fraud or error?	Yes, however we are have reviewed this and will be updating our procedures in this area.		
17. Where the number of recommended matches is very low, are we adequately considering the related 'all matches' report before we cease our follow-up work?	We are making improvements to ensure the relevant staff undertake this task.	Yes	Staff training to be completed by May 2020
18. Overall, are we deploying appropriate resources on managing the NFI exercise?	Dedicated, trained resources need to be deployed. Due to staff turnover and sickness we have reviewed our procedures.	We have recently reviewed our processes in this area.	Interim Finance Director will present NFI Action Plan to March Audit Committee meeting. NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.
Recording and reporting			
19. Are we recording outcomes properly in the secure website and keeping it up to date?	Please refer to section 16	Please refer to section 16	Please refer to section 16
20. Do staff use the online training modules and guidance on the secure website and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)?	Please refer to section 16	Please refer to section 16	Please refer to section 16
21. If, out of preference, we record some or all outcomes outside the secure website have we made arrangements to inform the NFI team about these outcomes?	Please refer to section 16	Please refer to section 16	Please refer to section 16

Appendix 2 – How to work more efficiently

Concerns	How to work more efficiently
Many participants are not using the latest time-saving enhancements to the NFI software.	Ensure staff within the organisations that take part in the NFI keep up to date with new features of the web application and good practice by reading the guidance notes and watching the online training modules before they begin work on the matches.
Matches that are time critical and could identify an overpayment are not acted on first.	Key contacts should schedule staff resources so that time-critical matches, such as housing benefit to students and payroll to immigration, can be dealt with as soon as they are received.
Investigations across internal departments are not coordinated resulting in duplication of effort or delays in identifying overpayments.	Key contacts should coordinate investigations across internal departments and, for example, organise joint investigation of single person discount matches involving housing benefit, to ensure all relevant issues are actioned.
Disproportionate time is spent looking into every match in every report.	Use the tools within the web application, such as the filter and sort options or data analysis software, to help prioritise matches that are the highest risk. This will save time and free up staff for the most important investigations.
Enquiries from other organisations that take part in the NFI are not always responded to promptly.	Prioritise responses to enquiries from other organisations so investigations can be progressed.
Data quality issues that are highlighted within the web application are not addressed before the next NFI exercise.	Review the quality of the data supplied before the next exercise as external providers normally have to phase in changes to extraction processes. Better data quality will improve the quality of resulting matches.

Source: Cabinet Office NFI team

The National Fraud Initiative

Self-appraisal checklist

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Leadership, commitment and communication		
Action	Commentary	Implementation Date
1. Commitment from Board of Management, Audit Committee and SMT for the NFI exercise and communication to relevant staff.	Update to the Board & Audit Committee in March and arrange communication with all staff.	Interim Director of Finance update to the Board in March 2020 with update to the Audit Committee in March 2020. In particular the importance of NFI and the requirement to embed NFI as part of the systems and processes throughout the institution.
2. NFI to be an integral part of corporate policies and strategies for preventing and detecting fraud and error.	Although there is a fraud policy in place greater awareness and a more structured approach is required.	Revised policies to be considered and approved by Scrutiny Panel. 30 June 2020.
3. Consideration of the real-time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management.	Review the benefits and how best to adopt if agreed to incorporate in our processes.	Finance Manager April 2020
4. NFI progress and outcomes to be reported regularly to SMT and the Audit Committee.	Frequency of reporting to be agreed and embedded within corporate governance timetables..	Finance Manager April 2020
5. Where we have not submitted data or used the matches returned to us, ensure are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Yes, completion of review of relevant systems and processes and staff training.	Director of Finance 30 June 2020
6. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	This action is required, and recommendation will be made by the Interim Finance Director to the Audit Committee.	The Interim Finance Director will make this recommendation to the March 2020 meeting of the Audit Committee.

<p>7. Review how frauds and errors arose and use this information to improve our internal controls.</p>	<p>There was a delay which is now being addressed and the relevant staff briefed on the importance of NFI checks.</p>	<p>Follow ups to be included within the action plan including the importance of timely checks and arrangements for staff cover.</p>
<p>8. Publish, as a deterrent, internally and externally the achievements of our fraud investigations including successful prosecutions.</p>	<p>Not published to date as no evidence of recent frauds.</p>	<p>Fraud procedure to be updated to ensure we publish where appropriate frauds and successful prosecutions as a deterrent both internally and externally.</p>

Planning and preparation		
Action	Commentary	Implementation Date
1. Review resources in the NFI exercise and consider shared resource or outsourcing for expertise in training and data matching.	Skills and training gap to be evaluated and options appraisal of options	To be considered as part of the March meeting of the Audit Committee with further consideration with UHI partners.
2. Improve planning for NFI exercises, both before submitting data and prior to matches becoming available. This includes considering the quality of data.	Planning to include assurance on the quality of the data.	To be part of NFI planned programme, of actions be presented to the March meeting of the Audit Committee.
3. Consider our NFI Key Contact and if they are the appropriate officer for that role and if they oversee the exercise properly.	The NFI key contact is the Finance Manager and is the appropriate contact.	Finance Manager and other senior members of the finance team to receive relevant training.
4. Review the amount of time the key contact has to devote to the exercise and sufficient authority to seek action across the organization.	There has not been sufficient time allocated for this role to undertake this responsibility	Finance Manager with support from Finance Director
5. Confirm promptly (using the online facility on the secure website) that fair processing notice requirements have been met	We have recently reviewed our processes for accessing the new on-line facility and are taking steps to improve this.	NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.
6. Plan to provide all NFI data on time using the secure data file upload facility properly.	We have recently reviewed our processes for accessing the new on-line facility and are taking steps to improve this.	NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.

7. Consider the submission of any 'risk-based' data- sets in conjunction with our auditors.	Make arrangement to discuss with auditors.	Interim Finance Director March 2020.
8. Consider using the real- time matching (Flexible Matching Service) facility and the point of application data matching service offered by the NFI team.	Options under consideration.	Interim Finance Director March 2020
Effective follow up of matches		
9. Departments involved in NFI start the follow-up of matches promptly after they become available.	It is recognised that we need to make improvements in this area	Ensure policies and procedures are reviewed and complied with. Substantive Director of Finance
10. Give priority to following up recommended matches, high- quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly.	It is recognised that we need to make improvements in this area	Ensure policies and procedures are reviewed and complied with. Substantive Director of Finance
11. Recognise the wider scope of NFI and that we are ensuring that all types of matches are followed up.	It is recognised that we need to make improvements in this area	Ensure policies and procedures are reviewed and complied with. Substantive Director of Finance
12. Investigate the circumstances of matches adequately before reaching a 'no issue' outcome, in particular.	It is recognised that we need to make improvements in this area	Ensure policies and procedures are reviewed and complied with. Substantive Director of Finance

13. Take appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal). Ensure we are recovering funds effectively.	Although there have not been recent cases, where there are allegations or evidence of fraud these will be thoroughly investigated, and action taken including disciplinary and recovery of funds as appropriated.	Ensure policies and procedures are reviewed and complied with. Substantive Director of Finance. 30 June 2020.
14. Where the number of recommended matches is very low, ensure that we consider the related 'all matches' report before we cease our follow-up work.	We are making improvements to ensure the relevant staff undertake this task.	Staff training to be completed by May 2020
15. Ensure we are deploying appropriate resources on managing the NFI exercise.	We have recently reviewed our processes in this area.	NFI responsibilities to be reflected as key objectives for relevant staff. Interim Finance Director to action March 2020.
Recording and reporting		
16. Ensure that outcomes are recorded properly in the secure website and kept up to date.	We have recently reviewed our processes in this area.	Staff training to be completed by May 2020
20. Ensure staff use the online training modules and guidance on the secure website and do they consult the NFI team if they are unsure about how to record outcomes.	We have recently reviewed our processes in this area.	Staff training to be completed by May 2020