ITEM 00

University of the Highlands and Islands
Inverness College

Board of Management

Meeting	Audit Committee
Date and time	Tuesday 15 September 2020 at 8.30 a.m.
Location	Via Microsoft Teams, Calendar Link

Board Secretary
8 September 2020

AGENDA

Welcome and Apologies

Declarations of Interest

The timings on this agenda are indicative only and the meeting may extend beyond the anticipated finish time.

ITEMS FOR DECISION

1. MINUTES *[08.30 a.m. (05)]*
Meeting of the Audit Committee held on 2 June 2020

2. OUTSTANDING ACTIONS *[08.35 a.m. (10)]*
Action List

3. INTERNAL AUDIT *[08.45 a.m. (10)]*
a) Cyber Security TOR
b) EMA TOR
c) FES TOR
d) SSF TOR
e) Workforce Planning TOR

4. **EXTERNAL AUDIT –** Verbal Update from E&Y *[08.55 a.m. (10)]*

ITEMS FOR DISCUSSION

5. AUDIT REPORTS *[09.05 a.m. (20)]*
a) Internal Audit Follow Up Review Report – August 2020
b) Internal Audit – Report by Director of Finance
c) Health and Safety Audit Report
d) Estates Management Audit Report

ITEM 00

6. FINANCIAL RECOVERY PLAN – CONFIDENTIAL *[09.25 a.m. (30)]*
Report by Principal

7. **RISK MANAGEMENT – CONFIDENTIAL** *[09.55 a.m. (20)]*
Update from Director of Finance

8. **BUSINESS CONTINUITY** *[10.15 a.m. (15)]*
Report by Depute Principal – Academic Planning

9. HEALTH AND SAFETY REPORT *[10.30 a.m. (10)]*

10. ANNUAL REPORT – COMPLAINTS 2019-20 – Report by Quality Manager *[10.40 a.m. (05)]*

11. FEEDBACK FROM COMMITTEE AND CHAIR EVALUATION
Report by Board Secretary *[10.45 a.m. (10)]*

ITEMS FOR NOTING

12. AOCB *[10.55 a.m. (05)]*

13. DATE OF NEXT MEETING – 10th November 2020 *[11.00 a.m.]*

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 beconsidered for inclusion in the agenda in advance of and at the start of the meeting.

Monitoring of Financial Recovery Plan

Item	Agenda Item
• Oversight of risks specific to the FRP in the context of our overall risk profile.	Item 6
• Consideration of internal and external audit and any modification to the scope or timing of those programmes.	Item 3
• Scrutiny of high-level financial performance and forecasts and consequential impacts on audit processes and Board governance obligations.	Item 6
• Scrutiny of FRP application within the SPFM constraints.	Item 6
• Oversight of FRP risks in the context of risks introduced by Covid-19/post-	Item 6

Covid19 contexts.	

ITEM 01

University of the Highlands and Islands Inverness College

Board of Management

MINUTES of the MEETING of the AUDIT COMMITTEE held via Skype on Tuesday 2 June 2020

PRESENT:	Hazel Allen, Chris O'Neil, Innis Montgomery, Fiona Neilson, Samantha Cribb, Sally Blyth.
CHAIR:	Hazel Allen
APOLOGIES:	Steven Reid, EY, External Auditors
ATTENDING:	Director of Organisational Development Director of Finance Olga Potapova, EY, External Auditors Claire Robertson, BDO LLP, Internal Auditors Board Secretary

The Chair expressed her thanks to Jaci Douglas, Vice Chair for all her work as part of the Committee. As the Vice Chair has now stepped down from the Board of Management it was noted that the Chair will be liaising with committee members with regards the Vice Chair position.

1. MINUTES

The Minutes of the Meeting of the Audit Committee held on 10th March 2020 require one update. Within item 8 it refers to water damage – this will be amended to say water claim. Pending this change being made the minutes were **AGREED** as a correct record and were **APPROVED**.

2. OUTSTANDING ACTIONS

- **Risk Register** – Embedding mitigating actions at partnership level - the Principal advised that this remains an ongoing action.
- **Health and Safety** – this action has been completed and it was **AGREED** that it could be removed from the list.
- **Internal Audit Reports –** The Chair advised that she, the Director of Finance and the Interim Director of Finance had met with BDO out with this meeting. As such it was **AGREED** that this item could be removed from the list.
- **NFI Exercise Training** – It was reported that this remains an ongoing action and that we are continuing to assess how the Sun Account System works.
- **GDPR Training –** There remains 4 Board Members who require to complete this training. The entire suite of training for Board Members will be reviewed by the Board Secretary prior to the next meeting.

- **Sustainable Procurement Policy –** It was noted that this policy is going to the F&GP Committee Meeting on 11 June 2020 for approval. It was therefore **AGREED** that it can be removed from the list.

All other outstanding actions will be discussed as part of the agenda.

3. INTERAL AUDIT - ANNUAL AUDIT PLAN FOR THE YEAR ENDED JULY 2021 AND DRAFT TERMS OF REFERENCE

The Chair advised the Committee that the Internal Auditors, BDO's 3 year contract was due to expire this year, however due to recent circumstances we have not been able to carry out a procurement exercise so we will be seeking approval for a one year extension to their contract *(this extension is to be discussed within item 13 of the agenda).*

As the proposed new contract is for one year only the plan for the year ended July 2021 will fall slightly out with the usual format and the Committee require to agree areas for the proposed audits. It was highlighted that some of these audits will be regulatory and must be carried out and that proposed areas for audit were discussed as part of the Chairs Committee on 28 May 2020 and the Chairs Committee were content with the plan.

Report by Internal Auditors
Claire Robertson, BDO took the Committee through the proposed plan advising that they had reviewed our risk profile in order to reflect our current risks and to ensure that it was relevant in terms of finance and Covid-19.

Follow Up 20-21 – Terms of Reference
The Committee had no comments on the terms of reference which were **APPROVED.**

Financial System Upgrade – Terms of Reference
A discussion ensued with the Committee noting that an audit on the Financial System Upgrade will be useful in order to gauge the efficiency of the new system. It was **AGREED** that this audit should be carried out at the beginning of 2021 to allow time for the system to become embedded and for the Auditors to see whether the new system is delivering what is required. The Committee **AGREED** the terms of reference for the Financial System Upgrade.

Covid-19 Health and Safety – Terms of Reference
The Committee noted that as the Health and Safety Audit is still outstanding, Covid-19 is a necessary addition to the audit due to the different scope of risk surrounding it. A lengthy discussion surrounding when this audit should be carried out took place and whilst the scope of the terms of reference for the Covid-19 Health and Safety Audit were **AGREED** it was also **NOTED** that the dates for carrying this out would be discussed out with this meeting and a revised set of dates would be brought to the next meeting for final approval.

Covid-19 Quality and Assurance – Terms of Reference
It was **AGREED** that the terms of reference for Quality and Assurance – Covid-19 would be taken to the LT&R Committee to gain input from them before the

Committee can approve them. They will therefore be taken to the September Audit Committee for final approval.

Cyber Security – Terms of Reference

The Committee felt that these terms of reference were not clear and it was suggested that we liaise with UHI to see if they have any similar audits which they could share. Claire Robertson advised that any input from UHI would only be useful if they have similar controls in place as ourselves as they as auditors can only focus on what we at Inverness College manage and control. It was felt that there was not enough background information available to the Committee to approve these Terms of Reference and that they will be revised by BDO and updated to ensure that they include a threat analysis. It was **AGREED** that the Director of Operational Development would provide BDO with a copy of our ICT Strategy to assist them to make these revisions.

EMA Terms of Reference

Claire Robertson advised that these are our standard terms of reference for this audit which is a regulatory return. BDO have yet to be issued guidance on what auditors should cover but it is expected that this will be largely the same as last year's audit. The Committee discussed the timing of the returns for this audit and Claire reported that the dates provided are only guidelines until we receive final confirmation from the Funding Council.

Workforce Planning Terms of Reference

The Committee raised the issue of staff capacity and it was **AGREED** that the Workforce Planning Terms of Reference would be reviewed in line with the Operational Plan for the year to ensure that the dates for carrying out the audit do not adversely impact on staff.

FES Terms of Reference

Claire Robertson advised that this was a regulatory return and the Committee had no comments on the terms of reference which were **APPROVED.**

Student Support Funds Terms of Reference

Claire Robertson advised that this too was a regulatory return. The Committee had no comments on the terms of reference which were **APPROVED**.

4. EXTERNAL AUDIT - ANNUAL AUDIT PLAN FOR THE YEAR ENDED JULY 2020

Olga Potapova, EY took the Committee through her plan. Olga highlighted the importance of looking at the impact of Covid-19 and advised that plans are in place to ascertain the current impact with regard our finances so that we can continue to monitor the impact from Covid-19 in the future. The plan has been drawn up based on information known at this stage but it was reiterated that it may be affected by the ongoing issues surrounding Covid-19.

5. AUDIT REPORTS – FINANCIAL PLANNING AND AUDIT REPORTS BY INTERNAL AUDITORS, BDO

The Director of Finance updated the Committee with regards the new Sun System. The system is now live with all data extracts to be finalised next week. Top level reports are expected to be seen in the next few weeks with base budgets being set within the system. The system should allow for data analysis of all budgets. It was highlighted that BDO have encouraged robust scenario planning with regards our finances and this has proved a useful framework. The MicroRAM is at 4% and is currently sustaining itself. Reporting structures and how reports were followed up and implemented was discussed by the Committee.

6. FINANCIAL RECOVERY PLAN

It was reiterated to the Committee that the Financial Recovery Plan is being monitored at monthly Chairs meetings. The Committee were advised that we have received verbal approval from the SFC with regards the VSS.

7. RISK MANAGEMENT - CONFIDENTIAL

The Committee discussed the risk register and were in agreement that our highest risks are due to Covid-19, the Financial Recovery Plan and changes to the ledger system. Where risk levels have changed the mitigation actions have been updated to reflect why this change was needed.

A confidential discussion took place where other issues were highlighted.

The Committee felt that risk register captured and would monitor all our concerns. It was felt that there would be enough assurances from both internal and external audits on all risks. The Committee acknowledged that we were not alone in our risks and this was a sector wide picture however it was felt that it would be useful to know where we stand within the sector. Both EY and BDO feel that although there are shared challenges it would be difficult to assess exactly where we are although we are not considered any worse or better than other organisations.

The Committee **AGREED** the risk register although noted it was a continually moving position.

8. BUSINESS CONTINUITY - CONFIDENTIAL

The Principal took the Committee through the report which had been prepared by the Depute Principal – Academic Development.

This report charts the changing and evolving plans for re-opening the College. This is a live document and will continually be updated. The Committed noted that all timings remain uncertain due to the moving position.

The issue of how social distancing would work within an opened College was discussed along with possible ways that this could be maintained and monitored.

It was noted that the Depute Principal – Academic Development was part of a Central UHI Group and is taking feedback from other organisations and learning from other sectors.

9. POLICIES FOR APPROVAL

- Food Safety and Allergens Management Policy – **APPROVED**
- Secure Handling, Use, Storage and Retention of Disclosure Information Policy – **APPROVED.**
- Data Protection Policy – **APPROVED**

10. HEALTH AND SAFETY

The Director of Organisational Development took the Committee through the Quarter 3 report and advised that the Health and Safety Manager is working closely with the Depute Principal – Academic Planning with regards Covid-19.

Items discussed and highlighted were:

- New Students – inductions, phased/blended delivery, how to provide supervision at a safe distance.
- The continuation of auditing quality outcomes.
- Near Miss Reporting.
- HSG65 – Review of all Risk Assessments.

A discussion took place around the SHE system. The contract for the system has reached its final year with no further options to extend. The matter is being looked at collaboratively within the UHI network to consider how we best move forward. Currently we are working with NHC with a view to having a possible single management system for health and safety.

11. GDPR ANNUAL REPORT

The contents of the report were **NOTED** by the Committee. It was highlighted that the Information Development Manager is part of the Covid-19 Steering Group as the current working environment does pose a risk in terms of personal information and data protection. The Committee were advised that we are continuing to monitor how we manage this issue with staff having access to folders and their network online which should alleviate any need to store information on their home or personal computers/devices.

12. DATA PROTECTION AND FREEDOM OF INFORMATION REPORT

The contents of the report were **NOTED** by the Committee.

Claire Robertson and Olga Potapova left the meeting at this point.

13. PROCUREMENT OF INTERNAL AUDITORS

The Chair of the Committee reiterated that our Internal Auditors, BDO's 3 year contract was due to expire this year but that we have not been able to carry out a procurement exercise and we are therefore seeking approval for a one year extension to their contract. The Committee **APPROVED** this extension with a view to the procurement process beginning in early 2021.

The Director of Organisational Development left the meeting at this point.

14. ANNUAL REVIEW OF INTERNAL AUDITORS PERFORMANCE

It was noted that the Annual Review of the Internal Auditors performance is usually completed with the Finance Director. As our recently departed Interim Finance Director has had the most involvement with BDO it was **AGREED** that the chair would arrange to meet with her to complete the annual review out with the meeting with the results being brought to the next meeting for discussion.

15. COMMITTEE AND CHAIR EVALUATION

Due to time constraints the Committee **AGREED** that the Committee and Chair Evaluations would be completed out with this meeting. Anonymised results from these evaluations will be brought back to the September meeting.

16. AOCB

No items raised.

17. DATE OF NEXT MEETING – TUESDAY 15 SEPTEMBER 2020 @ 8.30 A.M.

Signed by the Chair: _____

Date: _____

Outstanding Actions - Audit Committee

ITEM 02

Item	Action	Responsibility	Time Line	ACTIONED
27 November 2018				
Risk Register/ Risk	Consider how to embed the process of enhancing mitigating actions at partnership level.	Principal	ongoing	Risks considered at PC need to be deeper and looked at report back to next Audit Committee (Sept 20)
10 March 2020				
Audit Recommendations	A small contract with NHS or Highland Council for 1-2 days a year of NFI exercise training to be sought. Ideally this to be completed alongside other academic partners too.		Ongoing	Has not progressed to tender stage yet – to be discussed at September 20 meeting
2nd June 2020				
Internal Audits	Dates for Covid-19 Health and Safety Internal Audit to be revised.	Chair and BDO		Revised set of dates to be taken to the September Meeting.
	Terms of References for Quality & Assurance – Covid-19 to be taken to June LT&R Meeting for their input prior to approval.			To be taken to September meeting for approval.

Outstanding Actions - Audit Committee

ITEM 02

	Cyber Security Terms of Reference These to be updated and revised by BDO and will include a threat analysis relevant to IC. A copy of our ICT Strategy to be given to BDO	BDO DoOD		For September Meeting
	EMA Terms of Reference Confirmation of timescales to be given once guidance has been issued by the Funding Council.	BOD		
	Workforce Planning Terms of Reference To be reviewed in line with our Operational Plan.	BDO/DoOD		
Procurement of Internal Auditors	The procurement process for Internal Auditors to begin in early 2021	Procurement Dept		
Committee and Chair Evaluation	To be completed by all Board Members.	Board Secretary		Anonymised results to be discussed at September Meeting.

Item 03a

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

CYBER SECURITY

2020-21

BDO

BACKGROUND

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

PURPOSE OF REVIEW

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

KEY RISKS

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

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

SCOPE OF REVIEW

The scope of our review is to assess whether:

- Network security policy and acceptable usage guidance has been developed and published;
- Acceptable usage and awareness of cyber and broader IT security threats is actively promoted to staff;
- Powerful access to the network is controlled;
- There is effective user access and authorisation controls in place for staff and third parties, including the management of new starts, movers and leavers;
- Network password settings are in line with policy requirements and best practice recommendations;
- There is regular security vulnerability scanning and network perimeter testing;
- Network devices are patched in line with supplier recommendations;

- Firewalls and other security appliances have been deployed and their configuration is securely administered and maintained;
- There are physical and environmental security controls in place for data hosting facilities;
- There is network security monitoring and filtering including: anti-virus, mail scanning and internet content filtering;
- Effective IT disaster recovery arrangements have been implemented; and
- Effective network security monitoring, logging and incident response procedures have been implemented.

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

APPROACH

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

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

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

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

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at Inverness College, Main Campus.

EXCLUSIONS

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

REQUIREMENTS

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- IT and information security policies; - A system extract of all security settings including password policy; - CSV extract of all system accounts; - Physical and logical network topology diagrams; - Latest network penetration test report and results of any vulnerability scanning; - Any relevant third party agreements; - Copy of any IT Risk Assessment; and - IT disaster recovery plan and output from last test	Martin Robinson	22/03/2021 (2 weeks prior to fieldwork)

Access to information/staff
Any unreasonable delay in gaining access to required information or key members of staff will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.
Timing changes and cancellation:
In accepting this Terms of Reference document you are agreeing to the timing of this audit (specified on p.5). We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees

being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no charge.

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Assistant Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
INVERNESS COLLEGE		
Martin Robinson	ICT Manager	E: Martin.Robinson.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	06/04/2021
Number of audit days planned	7
Planned date for closing meeting	14/04/2021
Planned date for issue of the draft report	28/04/2021
Planned date for receipt of management responses	12/05/2021
Planned date for issue of proposed final report	13/05/2021
Planned Audit Committee date for presentation of report	TBC

Item 03a

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

Item 03b

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

EDUCATION MAINTENANCE ALLOWANCE

2020-21

INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE Item 03b

PURPOSE OF REVIEW

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

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

In order to comply with the SFC's requirements set out in 'Education Maintenance Allowance AY 2019-20', we have been requested by Inverness College to carry out an EMA Audit for the year ended 31 July 2020 with the purpose being to provide an audit certificate giving an opinion on whether:

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

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

LOCATIONS

Fieldwork will be performed at Inverness College, Main Campus.

REQUIREMENTS

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Roddy Ferrier	24/08/2020 (2 weeks ahead of fieldwork)

INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE

Item 03b

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

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

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Sean Morrison	Internal Auditor Senior	T:0141 249 8493 E: sean.morrison@bdo.co.uk
Gemma Rickman	Internal Auditor	T:0141 249 5240 E: gemma.x.rickman@bdo.co.uk
INVERNESS COLLEGE		
Roddy Ferrier	Director of Finance	E: Roddy.ferrier.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	14/09/2020
Number of audit days planned	3
Planned date for closing meeting	16/09/2020
Planned date for issue of the draft certificate	23/09/2020
Planned date for issue of draft audit report	23/09/2020
Planned date for provision of final FES return to BDO LLP	01/10/2020
Planned date for submission of audit certificate to SFC	02/10/2020
Planned date for submission of audit report to SFC	02/10/2020

INVERNESS COLLEGE, EDUCATION MAINTENANCE ALLOWANCE

Item 03b

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

Item 03c

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

FES RETURN AUDIT

2020-21

BDO

INVERNESS COLLEGE, FES RETURN

Item 03c

PURPOSE OF REVIEW

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

In order to comply with the SFC's requirements set out in '2019-20 data return for funding purposes (FES return) and audit guidance for colleges', we have been requested by Inverness College to carry out an audit for the year ended 31 July 2020 with the purpose being to provide an audit certificate giving an opinion on whether:

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

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

LOCATIONS

Fieldwork will be performed at Inverness College, Main Campus.

REQUIREMENTS

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Roddy Ferrier	24/08/2020 (2 weeks ahead of fieldwork)

INVERNESS COLLEGE, FES RETURN

Item 03c

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

Timing changes and cancellation:
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KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Sean Morrison	Internal Audit Senior	T: 0141 249 8493 E: sean.morrison@bdo.co.uk
Gemma Rickman	Internal Auditor	T: 0141 249 5240 E: gemma.x.rickman@bdo.co.uk
INVERNESS COLLEGE		
Roddy Ferrier	Director of Finance	E: Roddy.ferrier.ic@uhi.ac.uk

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	09/09/2020
Number of audit days planned	5
Planned date for closing meeting	13/09/2020
Planned date for issue of the draft certificate	25/09/2020
Planned date for issue of draft audit report	25/09/2020
Planned date for provision of final FES return to BDO LLP	01/10/2020
Planned date for submission of audit certificate to SFC	02/10/2020
Planned date for submission of audit report to SFC	02/10/2020

INVERNESS COLLEGE, FES RETURN

Item 03c

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

Item 03d

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

STUDENT SUPPORT FUND

2020-21

BDO

INVERNESS COLLEGE, STUDENT SUPPORT FUND

Item 03d

PURPOSE OF REVIEW

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

In order to comply with the SFC's requirements set out in '2019-20 National policy: childcare funds for further and higher education students in Scotland's colleges', we have been requested by Inverness College to carry out an SSF Audit for the year ended 31 July 2020 with the purpose being to provide an audit certificate giving an opinion on whether:

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

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

LOCATIONS

Fieldwork will be performed at Inverness College, Main Campus.

REQUIREMENTS

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- A list of information required for audit purposes will be provided to the College in advance of the audit visit.	Roddy Ferrier	24/08/2020 (2 weeks ahead of fieldwork)

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

INVERNESS COLLEGE, STUDENT SUPPORT FUND

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

KEY CONTACTS

BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Sean Morrison	Internal Audit Senior	T: 0141 249 8493 E: sean.morrison@bdo.co.uk
Gemma Rickman	Internal Auditor	T: 0141 249 5240 E: gemma.x.rickman@bdo.co.uk
INVERNESS COLLEGE		
Roddy Ferrier	Director of Finance	T: 0131 669 4400 E: Roddy.ferrier.ic@uhi.ac.uk

PROPOSED TIMELINE

AUDIT STAGE	DATE
Commence fieldwork	14/09/2020
Number of audit days planned	3
Planned date for closing meeting	18/09/2020
Planned date for issue of the draft certificate	25/09/2020
Planned date for issue of draft audit report	25/09/2020
Planned date for provision of final FES return to BDO LLP	01/10/2020
Planned date for submission of audit certificate to SFC	02/10/2020
Planned date for submission of audit report to SFC	02/10/2020

INVERNESS COLLEGE, STUDENT SUPPORT FUND

Item 03d

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

Item 03e

INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

WORKFORCE PLANNING

2020-21

BDO

INVERNESS COLLEGE, WORKFORCE PLANNING

Item 03e

BACKGROUND

It was agreed with management and the Audit Committee within the 2020-21 internal audit plan that Internal Audit would carry out a review of the workforce planning arrangements in place within Inverness College.

PURPOSE OF REVIEW

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

KEY RISKS

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

- Inverness College does not have an effective workforce plan and a resourcing strategy which aligns with the Corporate/Strategic Plan objectives;
- Inverness College has not effectively evaluated the skills and teams required to deliver its priorities;
- There is insufficient capacity and capability within Inverness College to deliver its immediate operational and strategic priorities;
- Inverness College does not accurately predict and efficiently source requirements for agency staff and specialist input;
- Inverness College does not have robust development plans in place to address skills/resource gaps; and
- Inverness has not taken a structured approach to identifying key (critical) roles within the College.

SCOPE OF REVIEW

The scope of the review will be to assess whether:

- Inverness College has an effective workforce plan and a resourcing strategy which aligns with the Corporate/Strategic Plan objectives;
- Inverness College has effectively evaluated the skills and teams required to deliver its priorities;
- There is sufficient capacity and capability within Inverness College to deliver its immediate operational and strategic priorities;
- Inverness College accurately predicts and efficiently sources requirements for agency staff and specialist input;
- Inverness College has robust development plans in place to address skills/resource gaps; and
- Inverness College has taken a structured approach to identifying key (critical) roles within the College.

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

APPROACH

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

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

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

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

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at Inverness College, Main Campus.

EXCLUSIONS

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

REQUIREMENTS

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

INVERNESS COLLEGE, WORKFORCE PLANNING

Item 03e

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

REQUIREMENT	DETAILS	RESPONSIBLE PERSON	REQUIRED BY
Documentation	- Workforce Plan; - Resourcing Strategies; - Skills and critical role evaluations; - Example development plans.	Nicola Quinn	05/10/2020 (2 weeks prior to fieldwork)

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

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

KEY CONTACTS		
BDO LLP		
Claire Robertson	Director	T: 0141 249 5206 E: claire.robertson@bdo.co.uk
Chloe Ridley	Internal Audit Assistant Manager	T: 0131 347 0358 E: chloe.ridley@bdo.co.uk
Abigail McGurn	Internal Auditor	T: 0141 249 5267 E: abigail.mcgurn@bdo.co.uk
INVERNESS COLLEGE		
Nicola Quinn	HR Manager	E: Nicola.Quinn.ic@uhi.ac.uk

INVERNESS COLLEGE, WORKFORCE PLANNING

Item 03e

PROPOSED TIMELINE	
AUDIT STAGE	DATE
Commence fieldwork	12/10/2020
Number of audit days planned	5
Planned date for closing meeting	16/10/2020
Planned date for issue of the draft report	30/10/2020
Planned date for receipt of management responses	13/11/2020
Planned date for issue of proposed final report	16/11/2020
Planned Audit Committee date for presentation of report	TBC

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

ITEM 5a

INVERNESS COLLEGE

INTERNAL AUDIT ANNUAL REPORT 2019-20

AUGUST 2020

BDO

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EXECUTIVE SUMMARY

Background

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

Internal Audit Plan 2019-20

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

- Risk Management;
- Corporate Governance; and
- Internal Control.

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

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

EXECUTIVE SUMMARY

Audit Approach

We have reviewed the control policies and procedures employed by Inverness College to manage risks in business areas identified by management set out in the 2019-20 Annual Internal Audit Plan approved by the Audit Committee. This report is made solely in relation to those business areas and risks reviewed in the year and does not relate to any of the other operations of the organisation.

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

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

- Considering the risks that have been identified by management as being associated with the processes under review
- Reviewing the written policies and procedures and holding discussions with management to identify process controls
- Evaluating the risk management activities and controls established by management to address the risks it is seeking to manage
- Performing walkthrough tests to determine whether the expected risk management activities and controls are in place
- Performing compliance tests (where appropriate) to determine whether the risk management activities and controls are operating as expected.

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

Coverage

During 2019-20 BDO LLP has reviewed and evaluated Inverness College's processes in the following areas:

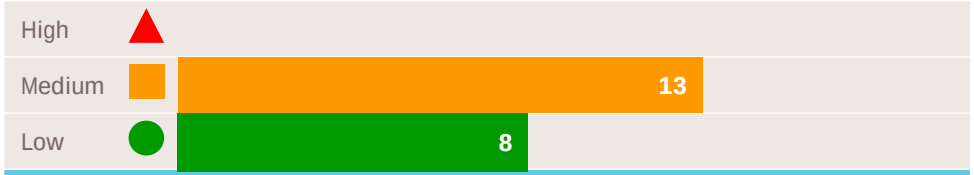
- Student Support Funds
- Education Maintenance Allowance
- FES Return
- Business Planning & Performance Management
- Cash Handling
- Health & Safety
- Estates Management
- Marketing & Communications
- Follow up

EXECUTIVE SUMMARY

Recommendations

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

Summary of Recommendations (SEE APPENDIX I)



Total number of recommendations: 21

Reporting mechanisms and practices

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

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

Management action on our recommendations

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

EXECUTIVE SUMMARY

Relationship with external audit

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

Follow up

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

Implementation of recommendations is a key determinant of our annual opinion. If recommendations are not implemented on a timely basis then weaknesses in control and governance frameworks will remain in place. Furthermore, an unwillingness or inability to implement recommendations reflects poorly on management's commitment to the maintenance of a robust control environment. Of the 18 recommendations due to be implemented, 1 recommendation (5%) has been categorised as fully implemented, 5 (28%) have been categorised as partially implemented, and 12 (67%) as not implemented. Information was not provided from management to evidence the implementation of findings previously agreed. Details of the partially implemented, and not implemented recommendations are included on the pages which follow. 18 recommendations are not yet due for implementation.

The implementation rate is much lower than average, and renewed focus is necessary to ensure the remaining outstanding recommendations are implemented within a reasonable timeframe.

Summary of work performed

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

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

REVIEW OF 2019-20 WORK

Reports Issued	Overall Report Conclusions - see appendix I				
	▲	■	●	Design	Operational Effectiveness
Student Support Funds	0	0	0	n/a	n/a
Education Maintenance Allowance	0	0	0	n/a	n/a
FES Return	0	0	1	n/a	n/a
Business Planning & Performance Management	0	1	1	Moderate	Moderate
Cash Handling	0	2	2	Moderate	Moderate
Health & Safety	0	6	1	Limited	Limited
Estates Management	0	2	1	Moderate	Moderate
Marketing & Communications	0	2	2	Moderate	Moderate
Follow Up	n/a	n/a	n/a	n/a	n/a

ANNUAL STATEMENT OF ASSURANCE

Report by BDO LLP to Inverness College

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

In giving our view it should be noted that assurance can never be absolute. The internal audit service provides Inverness College with reasonable assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2019-20. The statement of assurance is not a guarantee that all aspects of the internal control system are adequate and effective. The statement of assurance should confirm that, based on the evidence of the audits conducted, there are no signs of material weakness in the framework of control.

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

- All internal audit reviews undertaken by BDO LLP during 2019-20;
- Any follow-up action taken in respect of audits from previous periods for these audit areas;
- Whether any significant recommendations have not been accepted by management and the consequent risks;
- The effects of any significant changes in the organisation's objectives or systems;
- The requirements of the Public Sector Internal Audit Standards; and
- Any limitations which may have been placed on the scope of internal audit (no restrictions were placed on our work).

Conclusion

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

- In four of the five assurance audits performed, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on our verification reviews and sample testing, the risk management, control and governance arrangements in these four areas were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review.
- However, our review of Health & Safety identified that further work was required to ensure robust processes. As such, we are not able to provide reasonable assurance based on our verification review and sample testing, that risk management, control and governance arrangements were designed and operating with sufficient effectiveness in this area to provide reasonable assurance that the related risk management, control and governance objectives were achieved for the period under review.
- In addition, we were not able to gain assurance that management were taking sufficient action to implement previously agreed recommendations and make improvements to the control environment.

PERFORMANCE AGAINST OPERATIONAL PLAN

Visit	Date of visit	Proposed Audit	Planned Days	Actual Days	Status
1	September 2019	Student Support Funds	3	3	Complete
2	September 2019	Education Maintenance Allowance	3	3	Complete
3	September 2019	FES Return	5	5	Complete
4	October 2019	Business Planning & Performance Management	5	5	Complete
5	January 2020	Cash Handling	6	6	Complete
6	March 2020	Health & Safety	5	5	Complete
7	April 2020	Estates Management	6	6	Complete
8	May 2020	Marketing & Communications	5	5	Complete
9	July 2020	Follow up	3	3	Complete

AUDIT PERFORMANCE

AUDIT	COMPLETION OF FIELDWORK/DEBRIEF MEETING	DRAFT REPORT	FINAL MANAGEMENT RESPONSES	FINAL REPORT
Student Support Funds	27 September 2019	11 October 2019	17 October 2019	21 October 2019
Education Maintenance Allowance	27 September 2019	11 October 2019	17 October 2019	21 October 2019
FES Return	27 September 2019	11 October 2019	17 October 2019	21 October 2019
Business Planning & Performance Management	21 October 2019	18 November 2019	2 March 2020	3 March 2020
Cash Handling	10 March 2020	11 March 2020	22 May 2020	22 May 2020
Health & Safety	6 May 2020	7 May 2020	7 July 2020	14 July 2020
Estates Management	1 May 2020	15 May 2020	15 July 2020	17 July 2020
Marketing & Communications	22 May 2020	3 June 2020	13 July 2020	14 July 2020
Follow Up	25 August 2020	26 August 2020	2 September 2020	4 September 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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Inverness College UHI

INTERNAL AUDIT REPORT

Follow up review

August 2020

IDEAS | PEOPLE | TRUST

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REPORT STATUS	
Auditor:	Sean Morrison
Dates work performed:	6 July 2020 – 25 August 2020
Draft report issued:	26 August 2020
Final report issued:	4 September 2020

DISTRIBUTION LIST	
Roddy Ferrier	Director of Finance
Audit Committee	Members

EXECUTIVE SUMMARY

Scope and Work Undertaken

Background

As part of the provision of continual assurance with regard to internal control arrangements, a review of the degree of implementation of previously agreed Internal Audit recommendations was conducted in July/August 2020. In accordance with the Internal Audit Annual Plan 2019-20, we have considered the implementation status of all recommendations raised from the Internal Audit work carried out which were due to be implemented at the time of this review.

A total of 36 audit recommendations were followed up. These relate to 12 separate internal audit reports, as shown below:

- Student Fees and Contracts (2016/17) (1 recommendation)
- Data Protection (2017/18) (1 recommendation)
- Partnership Working (2017/18) (1 recommendation)
- Business Continuity Management (2018/19) (3 recommendations)
- Financial Planning (2018/19) (6 recommendations)
- Curriculum Planning (2018/19) (1 recommendation)
- Research Governance (2018/19) (3 recommendations)
- Business Planning & Performance Management (2019/20) (2 recommendations)
- Cash Handling (2019/20) (4 recommendations)
- Health & Safety (2019/20) (7 recommendations)
- Estates Management (2019/20) (3 recommendations)
- Marketing & Communications (2019/20) (4 recommendations)

Methodology

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

Acknowledgement

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

EXECUTIVE SUMMARY

Status of recommendations due for implementation as at August 2020

The summary below and overleaf provides a simple overview of the status of each recommendation. Of the 18 recommendations due to be implemented, 1 recommendation (5%) has been categorised as fully implemented, 5 (28%) have been categorised as partially implemented, and 12 (67%) as not implemented. Details of the partially implemented, and not implemented recommendations are included on the pages which follow. 18 recommendations are not yet due for implementation.

The implementation rate is lower than average, and continued focus is necessary to ensure the remaining outstanding recommendations are implemented within a reasonable timeframe.

Audit	Status at August 2020					Total
	Fully Implemented	Partially Implemented	Not Implemented	Superseded	Not yet due for Implementation	
Student Fees and Contracts	-	1	-	-	-	1
Data Protection	-	-	1	-	-	1
Partnership Working	-	1	-	-	-	1
Business Continuity Management	-	1	2	-	-	3
Financial Planning	1	1	4	-	-	6
Curriculum Planning	-	-	1	-	-	1
Research Governance	-	-	3	-	-	3
Business Planning & Performance Management	-	-	1	-	1	2
Cash Handling	-	-	-	-	4	4
Health & Safety	-	-	-	-	7	7
Estates Management	-	1	-	-	2	3
Marketing & Communications	-	-	-	-	4	4
TOTAL	**1**	**5**	**12**	**-**	**18**	**36**

RECOMMENDATION STATUS – STUDENT FEES AND CONTRACTS 2016/17

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
1	Amounts transferred between SITS and SUN should be reconciled regularly and explanations for any variances documented and corrections made if necessary. Such reconciliations should be reviewed and agreed by a second member of staff; with both the preparer and reviewer signing the reconciliations as evidence this is being done.		Original This task has been reallocated and reconciliations will be brought fully up-to-date. Thereafter this reconciliation is to be embedded into month end procedures. October 2019 Monthly reconciliations have proven to be problematic due to the level of data transferred between the systems. New approach is to implement a daily reconciliation of data transferred between SITS and SUN. Target completion date December 2019.	***Responsible Officer: Finance Manager*** ***Implementation Date: 31 August 2016***
Status at August 2020 & Revised Recommendation				
Partially Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this. The recommendation therefore remains as 'partially implemented' from our October 2019 follow up review.				
Management Response – August 2020				

RECOMMENDATION STATUS – DATA PROTECTION 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
2	We recommend that it should be ensured that the data protection policy or a supplementary policy contains information relating to how to respond to a 'right to be forgotten'.		Original AGREED: A formal records management policy and retention schedule has been revised and will be tabled at the Audit Committee for approval and thereafter implemented. The DPO will monitor compliance with the personal data aspect of the schedule. October 2019 The records management policy does not have information on the right to be forgotten. Due to be added to the data protection committee agenda on the 21st of October for the information to be recorded within the data protection policy.	***Responsible Officer: Information Development Manager*** ***Implementation Date: 31 May 2018***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit has not received a progress update or evidence to confirm implementation of this recommendation.				
Management Response – August 2020				

RECOMMENDATION STATUS – PARTNERSHIP WORKING 2017/18

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
3	We recommend that the College should seek a partnership agreement with the Highland Council which clearly defines roles and responsibilities.		Original AGREED: The college, along with the two other Academic Partners in Highland Region, has formed a Strategic Group with Highland Council education department. The development of a partnership agreement has been agreed as one of the key activities of the group. As such the recommendation has been completed. October 2019 In terms of action that the College can control, this action has now been completed. The College can do nothing further other than continue to prompt for a response from Highland Council.	***Responsible Officer: Depute Principal*** ***Implementation Date: Completed***
Status at August 2020 & Revised Recommendation				
Partially Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this. The recommendation therefore remains as 'partially implemented' from our October 2019 follow up review.				
Management Response – August 2020				

RECOMMENDATION STATUS – BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
4	We recommend that, as planned, the College implements business continuity training for all staff. Regular refresher training should be provided going forward, and the College should ensure it records all training for each staff member, and obtains sufficient evidence of attendance/completion.		Original Agreed. October 2019 This will be looked at once the new Health and Safety Manager commences in post in November 2019.	***Responsible Officer: Martin Kerr and Richie Hart*** ***Implementation Date: May 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit has not received a progress update or evidence to confirm implementation of this recommendation.				
Management Response – August 2020				

RECOMMENDATION STATUS – BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
5	We recommend that the College develops a testing plan/schedule for BCP which should be reviewed on an annual basis to ensure a strategic approach to testing is achieved. This plan should ensure that varying categories of events are scheduled to be tested on an annual basis based upon likelihood and overall risk. A formal testing schedule should also be developed for IT/Disaster recovery. In addition, we recommend that the outcomes, lessons learned and required actions are formally documented within the plan for each test.		Original Agreed. Implemented for the next induction in June 2019 October 2019 Business continuity testing schedule has been developed, and is in place for 2019/20.	***Responsible Officer: Martin Kerr*** ***Implementation Date: June 2019***

Status at August 2020 & Revised Recommendation
Partially Implemented Internal Audit has not received a progress update or evidence to confirm implementation of this recommendation. The recommendation therefore remains as 'partially implemented' from our October 2019 follow up review.
Management Response – August 2020

RECOMMENDATION STATUS – BUSINESS CONTINUITY MANAGEMENT 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
6	We recommend that the College reviews the BCP Contact List to ensure that full contact details are provided for external parties. Any external contacts which are not necessary should be removed from the BCP.		Original Agreed. October 2019 This task will be delegated to an appropriate team member to ensure all contact details are updated and relevant.	***Responsible Officer: Martin Kerr*** ***Implementation Date: March 2019***
Status at August 2020 & Revised Recommendation				
Partially Implemented Internal Audit has not received a progress update or evidence to confirm implementation of this recommendation. The recommendation therefore remains as 'partially implemented' from our October 2019 follow up review.				
Management Response – August 2020				

RECOMMENDATION STATUS – FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
7	We recommend the outcome of the Budget & Resource Planning submissions is communicated to budget holders. A scoring mechanism is put in place to grade projects, and projects are prioritised and selected based on this.		Original Agreed. SMT will be asked to review and prioritise requests and budget holders will be notified. A transparent scoring mechanism will be agreed and applied to ensure consistency. October 2019 The scoring methodology is still to be agreed by SMT. The first quarterly review meetings are due to take place late November and enhancement plans will form part of this review.	***Responsible Officer: Director of Finance*** ***Implementation Date: July 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this. The recommendation therefore remains as 'not implemented' from our October 2019 follow up review.				
Management Response – August 2020				

RECOMMENDATION STATUS – FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
8	We recommend Budget profiling is performed on an annual basis, taking into consideration expected expenditure each month.		Original Agreed. This is an area of focus for the Management Accounting team. October 2019 No further progress has been made due to the inability to date to recruit to the vacant Management Accounting Assistant. This task will not be progressed until that post has been filled.	***Responsible Officer: Management Accountants*** ***Implementation Date: June 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this. The recommendation therefore remains as 'not implemented' from our October 2019 follow up review.				
Management Response – August 2020				

RECOMMENDATION STATUS – FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
9	Meetings should be scheduled with budget holders on a quarterly basis. Budget holders are assigned a first point of contact within Finance.		Original Agreed. Budget holders have already been assigned named contact points within the Finance team. In addition, quarterly financial review meetings will be in place for 2019/20 and these meetings will also include the Principal and Director of Finance. October 2019 First quarterly review meetings taking place in late November and December 2019.	***Responsible Officer: Finance Manager*** ***Implementation Date: August 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this. The recommendation therefore remains as 'not implemented' from our October 2019 follow up review.				
Management Response - August 2020				

RECOMMENDATION STATUS – FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
10	We recommend the budget timetable assigns responsibility for completion of each task. The budget timetable should include the following steps: 1. communication of the budget timetable to the Senior Management Team and budget holder 2. update the budget when funding is confirmed from the UHI 3. submission deadline of Enhancement Plans and Budget and Resource Planning Templates; and 4. review of the Enhancement Plans and communication of the results. We recommend the budget timetable is communicated to budget holders. Budget holders expected involvement is communicated in advance of the budget setting process.		Original Agreed that the budget timetable should have assigned responsibility for tasks and be clearly communicated. Updating the budget for final UHI allocations will be incorporated if the timing of the final confirmation enables this. The Enhancement Plan process is not specifically about budgeting. Additional resource requirements can be identified through this process. Agreed that the outcome of this process needs to be clearly communicated to budget holders on completion. October 2019 The budget setting process will not commence until late January / February 2020. A timetable will be developed for this and communicated to SMT and all budget holders.	***Responsible Officer: Director of Finance*** ***Implementation Date: July 2019***

Status at August 2020 & Revised Recommendation
Partially Implemented Budget holders were consulted throughout the budget setting for 2020-21 and had input in the preparation of the budgets. However, a timetable as recommended has not been provided to allow for this recommendation to be considered as fully implemented.
Management Response - August 2020

RECOMMENDATION STATUS – FINANCIAL PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
11	We recommend Financial Regulations are updated to reflect that SMT are required to consider the budget prior to the F&GP Committee.		This will be considered when the Financial Regulations are next reviewed.	***Responsible Officer: Finance Manager*** ***Implementation Date: December 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this.				
Management Response – August 2020				

RECOMMENDATION STATUS – CURRICULUM PLANNING 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
12	We recommend that the college produce more regular utilisation reports for its estate and staff, and that these reports are monitored and scrutinised by an appropriate group within the college.		Agreed - The college recognises the need to re-establish regular room utilisation audits, and the enhanced functionality of Celcat should improve the information available through these audits. The audits were reported previously via the Academic management Group, which is no longer in existence. The college will ensure that room utilisation audits are re-instated and reported regularly through an appropriate group.	***Responsible Officer: Depute Principal - Planning and Student Experience*** ***Implementation Date: Academic Year 2019-20***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now partially implemented, however we have been unable to obtain evidence to support this.				
Management Response – August 2020				

RECOMMENDATION STATUS – RESEARCH GOVERNANCE 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
13	We recommend that management consider implementing detailed documented procedures and protocols for all key areas in the research governance process, including the applications and approvals process, and the documents relating to the monitoring, managing and closure of a research project, such as lessons learnt reports and consistent monitoring templates. These should then be completed on a consistent basis for all research projects.		Agreed. Clear project initiation has been developed and will be fully implemented in the coming months for all projects.	***Responsible Officer: Melanie Smith*** ***Implementation Date: October 2019***

Status at August 2020 & Revised Recommendation
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this.

Management Response – August 2020

RECOMMENDATION STATUS – RESEARCH GOVERNANCE 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
14	We recommend that management consider developing a more robust project tracker for the research projects in place. Containing information such as responsible individuals, key timescales and milestones, progress summaries and project size. We also recommend that the project tracker should be included as a standing agenda appendix item at appropriate research group meetings, such as the Research Committee meetings.		Agreed but we view this as part and parcel of the project initiation process and procedure as per recommendation 1 and not as a separate requirement. The project tracker will be presented to the Research Operational Group which meets bi-monthly.	***Responsible Officer: Melanie Smith*** ***Implementation Date: October 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this.				
Management Response – August 2020				

RECOMMENDATION STATUS – RESEARCH GOVERNANCE 2018/19

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
15	We recommend that the process for completing the activity planners be improved through mandatory completion of the research activity planner. We would also suggest that once completed on a regular basis that these planners are subject to periodic review to assess how effective and efficient research staff have been in carrying out their research activities.		Agreed. This has already been implemented and is monitored by our Research Development Facilitator.	***Responsible Officer: Research Development Facilitator*** ***Implementation Date: July 2019***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this.				
Management Response – August 2020				

RECOMMENDATION STATUS – BUSINESS PLANNING & PERFORMANCE MANAGEMENT 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
16	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.		The college will ensure that all departmental enhancement plans are signed off by the relevant senior manager.	***Responsible Officer: Depute Principal – Planning and Student Experience*** ***Implementation Date: June 2020***
Status at August 2020 & Revised Recommendation				
Not Implemented Internal Audit have been advised that this recommendation is now fully implemented, however we have been unable to obtain evidence to support this.				
Management Response – August 2020				

RECOMMENDATION STATUS – ESTATES MANAGEMENT 2019/20

Ref.	Original Recommendation	Sig.	Management Response	Responsibility & Implementation Date
17	It is our recommendation that the Estates team have greater ownership of their budget. We recommend that the team create a draft budget based on the activities outlined in their operational plan. The draft budget should then be reviewed by Finance and undergo the usual approval process.		Contracts for services make up the non-staff estates budget, the unitary charge being the biggest item making up a significant proportion, the focus on GTFM performance is therefore a significant focus as reflected in the rest of the audit report. Other contracts for service including the Soft FM are also managed and monitored closely by the estates team alongside their procurement contract in the finance team. Monthly meetings of the relevant staff ensure that these contracts are closely managed and monitored and reflect best value. The budget setting process has been reviewed and refreshed, all budget managers are now directly involved in the budget setting process. This process has started for 2020/2021 and for the estates function will be led by the Estates and Campus Services Manager alongside the Finance Team to ensure budgets accurately reflect the anticipated spend.	***Responsible Officer: Estates and Campus Service Manager and Management Accountant*** ***Implementation Date: Implemented, budget setting process initiated.***

Status at August 2020 & Revised Recommendation
Partially Implemented Management have advised that there was involvement from estates in the new budget setting process, which was noted in the narrative documents for the budget setting. However further evidence is required to support this findings as being implemented
Management Response – August 2020

APPENDIX I – STAFF INTERVIEWED/CONSULTED

NAME	JOB TITLE
Roddy Ferrier	Director of Finance

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

APPENDIX II – DEFINITIONS

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

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

APPENDIX III – TERMS OF REFERENCE

BACKGROUND	As part of the 2019-20 Internal Audit plan for Inverness College, we will follow up on previously agreed recommendations made in Internal Audit reports in previous years, and where relevant during the current year.
PURPOSE OF REVIEW	The purpose of the review is to provide assurance to management and the Audit Committee that previous internal audit recommendations have been implemented effectively and within targeted timescales.
KEY RISKS	The key risk associated with the area under review is: • Action is not taken to implement recommendations resulting in weaknesses in control and subsequent loss, fraud or error.
DOCUMENT REQUEST	Reports on progress on implementing recommendations / recommendation tracker.
SCOPE OF REVIEW	We will review management's action taken to implement internal audit recommendations. This will involve the review of recommendations made in each of the internal audit reports issued during 2019/20, and a follow up of outstanding recommendations from previous years.

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Item 05b

University of the Highlands and Islands
Inverness College

Subject/Title:	Internal Audit Follow Up
Author: [Name and Job title]	Roderick M Ferrier Director of Finance (Shared)
Meeting:	Audit Committee
Meeting Date:	15 September 20
Date Paper prepared:	5 September 20
Brief Summary of the paper:	Address issues on Internal Audit Follow Up.
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with:: • compliance • partnership services • risk management • strategic plan • new opportunity/change	Compliance / Risk Management
Resource implications:	Alluded to, but none additional requested
Risk implications:	Yes / No **If yes, please specify:** Operational: None Organisational: None
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information	No

Item 05b

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.)			

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

Purpose of report
To address issues of internal Follow-Up.

Background
The College has a Follow Up Action Tracker. There has been work done by Internal Audit on Budgeting and Monitoring. I have issues with their recommendations and have sought to close down this area, otherwise it keeps dragging on. The auditors have refused to accept this - which I have not come across and has surprised me to put it mildly.

Current Situation
Members of the Committee will note the Auditor's Report on Follow-Up. I enclose a spreadsheet which they provided to me and which showed the responses I put in as Director responsible for Financial Planning. I sought to put in narrative that would show this area as being closed down, but the Committee will note the reaction from the Internal Auditor which has annoyed me. See e-mail trail below. What I am saying to them and to the Audit Committee is that I do not intend to implement them and am looking to the Committee to approve my approach.

The Committee will note that the Internal Auditor talks about *best practice*. I challenge anyone who deals with public sector finances – the reality is that best practice cannot be delivered by any Directors. Resources are getting more and more stretched and scarce, and I do not have the resources to deliver what the Internal Auditor recommends. And this applies throughout the College, not just Finance. This is exacerbated when working within an inefficient UHI partnership. I am used to working in this environment and still deliver a robust budget preparation and monitoring service which may not comply with what the auditor recommends, but which works robustly. However, the budget process should be considered only as one part of a wider issue.

Inverness College's External Auditors criticised the process of preparing the Statutory Accounts for the year ended 31 July 2019. The performance of the Finance Department is on the College's Risk Register. Thus there are a lot of issues to address and I have advised the Board Chair and the Chair of the Finance Committee that it will be two years to get the department and service functioning more solidly.

What has been done to date is the following:

1. Budget preparation – as advised to the Finance Committee, this whole process was delivered in two months. Budget holders were involved and Directors. I was advised by some that it was the first time they were involved in the budget setting process. The SMT was involved in key areas of the budget for review, and the whole budget was given to them for review prior for submission to Committee for approval. A lot of work is going on regarding budget reporting, reports needed to manage the college

finances and information review. Reports produced by Project Manager guided by North Highland College Finance Manager. Overall top modelling done by me.

2. Statutory Accounts preparation – this is in process and I expect this to be delivered on time for auditors. I am having regular meetings with the senior staff involved on progress and doing top-level review of the year-end Management Accounts position. I expect the Management Account position to be complete by mid-late September, and the conversion to statutory format and final narrative to be complete by mid-October and well in time for the auditors.
3. VAT Return – I have reviewed this together with North Highland College Finance Manager. I will be looking for her assistance to automate its preparation. It is too labour intensive. I have also reviewed the Partial Exemption Recovery %age which is a lot less than North Highland College. I have been in touch with the VAT Consultants which assist both colleges to review this whole area for Inverness College.
4. Monthly ONS Cash Flow and Draw-down – I am working with Inverness staff on how to get this done as quickly as possible, and not get bogged down with it. Apart from March and July, the figures can be guesstimated. The Sun Accounts system does not produce cash figures, and again this is an area of judgement about the resources put in and the importance (or lack of it) of the work involved.
5. Debtors – this was identified by Helen Simpson, Interim Finance Director, and resources rightly directed towards this. Generally, this has seen a good improvement. One area of debtors identified is that the SITS debtor does not tie into the Control Account. The list of balances is higher – which in accounting terms s good. However, the list of balances may not be solid. This needs resources and knowledge to address this. From discussion with North Highland College Finance Manager I intend to use one of the team based in Thurso to review this and look at the most recent one-two years and see if we can make progress on reconciling some of this. It will be a demanding and difficult job and needs a member of staff who has detailed knowledge of the systems involved.
6. Led by the North Highland College Finance Manager we are changing the fee generation process in Inverness. Previously all students were met face to face, and there was an inefficiency in fees generation. We are changing this to a factory process and assume that what is on the Registry system is sound and raise the fees more speedily. If students have issues regarding wrong courses being on the Registry system and hence fees being wrong, then they can raise this with their PATS who will report to Finance, and credit notes raised if required. This has been discussed with Students Services so we are aligned on the new approach.
7. Review of PECOS and its flow-through into the ledger system Sun Accounts. Involves liaison with consultant. Led by the North Highland College Finance Manager and Project Manager.
8. Led by the North Highland College Finance Manager discussion with Student Services Manager and Student Services Funding Officer regarding PPE and its accounting in Support Services budget. Also review of budget monitoring.

There is more also going on, but this gives a flavour of the issues we are having to address.

In terms of the issue on budget preparation and monitoring that the auditor has listed below:

- Evidence of quarterly budget holder meetings taking place, such as minutes, action points, email correspondence
  The Finance Service will not do this. Monthly monitoring will be sent out (August excepted since there is hardly any information in the ledger). Report writing is well progressed about looking at cost centres at a top level and identify at top level review the cost centres that are most at risk. Where an area of budget is not going well, it will be addressed including meetings if required with budget holder and if sufficiently serious with Director. If a formal memo is required it will be done. But this area of work will be on an exception basis.
- Current financial regulations document, reflecting that SMT are required to consider the budget prior to the F&GP Committee
  The Principal and any SMT member can verify that they were given the opportunity to be involved in the budget process and review.
- Evidence that the budget timetable had been developed for the last budget process or that one is in place for next year
  I delivered this 2020-21 budget in two months. I intend starting the Inverness budget in February, three months earlier. I do not need a plan!
- Evidence of the project scoring mechanism, I believe this is relating to enhancement plans, and the original finding made is in the spreadsheet for context.
  I do not know what work this refers to.
- Evidence of budget profiling, e.g. if done monthly or quarterly (recommendation suggested monthly profiling to be completed for the upcoming year) the most recent example to evidence this for the 20/21 financial year
  This is over-rated and not important. The key issue for cost centre holders is Annual Budget less Spend to Date = Budget Remaining. This is included in the new report writing that has been done.

The key issue in terms of budget preparation still to be addressed is:

- To align the College's Curriculum Plan with the budget process. A key factor is payroll trend analysis which is being undertaken, and also looking at the budget preparation to ensure that hours from the curriculum side are tying into the budget. You will recall from the budget process that I was not confident of the staff budget and increased the final figure in the budget. I am keen that more effort is put into looking at the employee's budget in a cost centre and what is actually coming through the payroll thus having a more informed knowledge of what is happening on the ground in terms of staffing. This is where I will be prioritising resources in terms of budget monitoring.

From: Chloe Ridley <Chloe.Ridley@bdo.co.uk>
Sent: 04 September 2020 12:47
To: Roddy Ferrier <Roddy.Ferrier@uhi.ac.uk>; Lisa Ross <Lisa.Ross.ic@uhi.ac.uk>

Cc: Sean Morrison <Sean.Morrison@bdo.co.uk>
Subject: Audit Reports [BDO-UK.FID6652840]

Hi Roddy,

Please see attached proposed final version of the follow-up report showing the status of all previously agreed recommendations. Whilst we appreciate that you have indicated that in some areas, e.g. finance, you consider you have more pressing priorities, we consider that these recommendations are still valid in moving the college towards best practice. We would be open to discussion on revised timescales at the next Audit Committee, and hope that for the next follow up review, we can work together to ensure we have earlier and more robust engagement from management to ensure that evidence is provided, and a fuller discussion is held to ensure that the follow up process is conducted smoothly. Given the very low implementation rate, we would suggest an additional follow up review is included in the plans for next year, to ensure the outstanding recommendations are given due attention.

Please also see attached internal audit annual report.

Best Wishes,

Chloe Ridley
Assistant Manager
Mobile: 0758 3060 591
chloe.ridley@bdo.co.uk

From: Sean Morrison <Sean.Morrison@bdo.co.uk>
Sent: 02 September 2020 15:54
To: Roddy Ferrier <Roddy.Ferrier@uhi.ac.uk>
Cc: Lisa Ross <Lisa.Ross.ic@uhi.ac.uk>; Claire Robertson <Claire.Robertson@bdo.co.uk>; Chloe Ridley <Chloe.Ridley@bdo.co.uk>
Subject: RE: Follow-up audit [BDO-dms_live.FID5996675]

Hello Roddy,

I hope that all is well.

As previously noted, unfortunately until we see evidence to show that recommendations have been implemented we are unable to report the status as implemented to the Audit Committee. To make things easier I have noted the expected evidence that we'd need, to be able sign off on the five finance recommendations (other evidence may be sufficient), this expected evidence correlates to the request in the spreadsheet/tracker:

- Evidence of quarterly budget holder meetings taking place, such as minutes, action points, email correspondence
- Current financial regulations document, reflecting that SMT are required to consider the budget prior to the F&GP Committee
- Evidence that the budget timetable had been developed for the last budget process or that one is in place for next year
- Evidence of the project scoring mechanism, I believe this is relating to enhancement plans, and the original finding made is in the spreadsheet for context
- Evidence of budget profiling, e.g. if done monthly or quarterly (recommendation suggested monthly profiling to be completed for the upcoming year) the most recent example to evidence this for the 20/21 financial year

My apologies for any inconvenience caused, and I hope that the above helps.

Kind regards
Sean

Sean Morrison
Internal Audit Senior / Scotland Risk Advisory Services
+44(0)141 249 8493 (DDI)
+44(0)7812 463 131 (Mobile)

For and on behalf of BDO LLP

From: Roddy Ferrier <Roddy.Ferrier@uhi.ac.uk>
Sent: 02 September 2020 13:21
To: Chloe Ridley <Chloe.Ridley@bdo.co.uk>
Cc: Sean Morrison <Sean.Morrison@bdo.co.uk>; Lisa Ross <Lisa.Ross.ic@uhi.ac.uk>
Subject: FW: Follow-up audit [BDO-UK.FID6652840]

Chloe - my only comments are that the Finance and Budget ones – I have reduced most of the recommendations and you should amend this in light on my comments on the spreadsheet I provided to you. I am surprised that this document does not reflect this.

I only picked this up looking at this for a Finance Committee report

Many thanks

Roddy

Recommendation

That the Committee approves that recommendations of Internal Audit in terms of Budget Preparation can be acknowledged, but closed off in terms of not being required given what is actually being delivered and resources available.

#	Reporting Year	Audit	Finding Reference (per report)	Finding	Recommendation	Recommendation Significance	Management Response	Implementation Date	Responsible Officer	BDO status at June 2019	Client status as at July 2020 (Fully Implemented/ Partially Implemented/ Not Implemented/ Superseded/ Not Due For Implementation)	Client Comments	BDO status as at july 2020 (Fully Implemented/ Partially Implemented/ Not Implemented/ Superseded/ Not Due For Implementation)	BDO Summary of testing / Comments	BDO Evidence Reference (on file)	Expected Evidence (IF NOT DUE FOR IMPLEMENTATION THEN MAY NOT BE IN PLACE YET)
2016/17																
7	2018/19	Financial Planning	1	Scenario Planning Scenario planning and sensitivity analysis ought to be performed to ensure financial plans are flexible and robust enough to meet organisational requirements and respond to funding changes. Limited scenario planning and sensitivity analysis is performed, despite the Financial Forecast Return (FFR) showing a deficit of £5.5m, over a five year period. There is no consideration of events that may happen and could impact the College drastically over the medium term, such as reduced or increased funding from SFC, varying outputs of National Pay Bargaining, reduced commercial income. Some scenarios were presented at the Board away day, including savings from reduced campus opening hours and increased income generation. There is a risk that financial plans are not robust enough to respond to changing circumstances.	We recommend scenario planning and sensitivity analysis is incorporated in plans to achieve the Finance Strategy. Factors with the most uncertainty should be considered, such as: - salary uplifts - funding - other income	**Medium**	For the 2020-21 budget, there were three scenarios presented for pay inflation. There was also a budget for Non-Covid 19 and a bugdet for Covid 19 - the latter is simply a guess-timate as best we can. The main priority for the College is delivering on the current Financial Recovery Plan, and also working with UHI partners to deliver the College's business more efficiently	June 2020	Director of Finance	Partially Implemented	Completed	This should be closed				Financial plans.
8	2018/19	Financial Planning	3	Budget Holder Meetings Regular meetings with Finance and budget holders provide an opportunity for Finance to offer support, challenge any variances and forecast the year-end position. Finance do not hold meetings with budget holders. Budget holders do not have a first point of contact within the Finance Team. There is a risk financial plans are not subject to effective consultation. There is a risk budget management is not sound.	Meetings should be scheduled with budget holders on a quarterly basis. Budget holders are assigned a first point of contact within Finance.	**Low**	In 2019-20 monthly monitoring to budget holders was slow, and perhaps not as frequent as would be liked. There have been discussions about 2020-21, and it is aimed to provide monthly information from September. Only cost centres that give rise to concerns in terms of financial delivery will be subject to detailed review and meetings with budget holders. A lot depends on resources and pressures in the department and how much additional work Finance can deliver.	September 2020	Management Accounts Assistant supported by senior Finance staff	Not Implemented	Complete	This should be closed				Evidence of quarterly budget meetings.
9	2018/19	Financial Planning	4	Budget Review It is good practice for Senior Management to consider papers before they are presented to the Board, to allow them to evaluate the consolidated budget position. The Financial Regulations do not include the requirement that financial plans should be considered by the SMT prior to consideration by the F&GP Committee. (However we note that the 2019/20 budget timetable included Senior Management Team preapproval). There is a risk of uncertainty around the expected budget approval process	We recommend Financial Regulations are updated to reflect that SMT are required to consider the budget prior to the F&GP Committee	**Low**	For the 2020-21 budget, the SMT had input into the budget, both as managers of budget holders, and also having the opportunity of reviewing the budget in its entirety and inputting into reviewing and discussing some key budget assumptions	June 2020	Director of Finance	Not due for implementation	Complete	This should be closed				Updated Financial Regulations.
10	2018/19	Financial Planning	5	Budget Timetable & Communication A clearly defined budget timetable includes all necessary steps and ensures the budget is prepared in a timely manner. It is good practice to communicate the budget timetable to relevant parties to ensure they are aware of expectations and deadlines There was no formal budget timetable in place for the 2018/19 budget setting process due to staffing shortages. The budget timetable was not formally communicated to budget holders as part of the 2019/20 budget setting process. The 2019/20 budget timetable did not assign responsibility for tasks. Additionally the following tasks were not included: 1. communicating the timetable and budget process to the Senior Management Team and budget holders; 2. updating the budget when funding is confirmed by the UHI; 3. submission deadline of Enhancement Plans and Budget and Resource Planning Templates; and 4. reviewing the Enhancement Plans, communicating the results and updating of the budget. There is a risk that there is not a clearly defined timetable in place which could lead to late budget submissions. There is a risk the budget setting process is not carried out in a timely manner in accordance with the budget timetable.	We recommend the budget timetable assigns responsibility for completion of each task. The budget timetable should include the following steps: 1. communication of the budget timetable to the Senior Management Team and budget holder 2. update the budget when funding is confirmed from the UHI 3. submission deadline of Enhancement Plans and Budget and Resource Planning Templates; and 4. review of the Enhancement Plans and communication of the results. We recommend the budget timetable is communicated to budget holders. Budget holders expected involvement is communicated in advance of the budget setting process.	**Low**	The Interim Finance Director finished at the end of April, once the Board approved the College's Financial Recovery Plan. The current Director of Finance (Shared) commenced formally at the beginning of May. This was later than usual, but resources and focus at a senior level was on the FRP. Budget holders were involved in budget preparation, and e-mail communication (approved by SMT) on time limits and work expected was given to them. Once information was received, budget data was loaded up into software, and then reviewed in detail by senior Finance staff. SMT were included in review of budget before submission to Committee. Finance Committee and Board approved budget by the end of June 2020. The budget was completed on time. Consideration may be given to have a more formal plan for next year, but covering two colleges budget processes requires not so much a plan, but the necesary flexibility to utilise resources as and when required. but in terms of delivery of work on the ground, this was done over a two month period in a focused and targetted way.vit is intedned to commence the budget in February/March next year, so there will be much more time to complete. Recommend closure.	N/A	Director of Finance	Not Implemented	Complete	This should be closed				Budget Timetable.
11	2018/19	Financial Planning	6	Enhancement Plan Communication Where adjustments are made to the budget, it is good practice to communicate this to the relevant budget holders so they are aware of their budgetary limits. In 2018/19 budget holders were asked to submit Enhancement Plans. Budget holders were required to include detail of any additional resource requests. The Depute Principal and Director of Finance review the submissions, prioritise and decide what resource requests can be met. There was no communication to budget holders about the outcome of the submissions. There is no scoring mechanism in place, therefore it was not clear which projects were prioritised and why. There is a risk budget holders are not aware of their budgetary limits. There is a risk that the budget decision-making process is not transparent.	We recommend the outcome of the Budget & Resource Planning submissions is communicated to budget holders. A scoring mechanism is put in place to grade projects, and projects are prioritised and selected based on this.	**Medium**	Not accepted. Only if there was a really major item that would affect the overall budget, would the revenue budget approved by the Board be adjusted. The monitoring of actual income and costs will be the key, and Estimated Outturn monitoring will be focused on comparing quarterly changes on the outturns.	N/A	None	Not Implemented	Complete	This should be closed				Project scoring template. Communication to budget holders.
12	2018/19	Financial Planning	8	Budget Profiling The budget is profiled throughout the year to reflect expected expenditure, to ensure a fair comparison against actual expenditure month to month. The budget is not profiled to accurately reflect expected spend each month. Finance spent some time as part of the 2018/19 budget setting process profiling the budget, but further work is still required. There is a risk budget monitoring is not providing meaningful analysis.	We recommend Budget profiling is performed on an annual basis, taking into consideration expected expenditure each month.	**Medium**	The recommendation is not accepted. Profiling is over-rated. The budget is simply a help to monitor actual costs and income on the ground, and therefore profiling has its limitations. The staff costs which is the largest area of spend will be subject to detailed monthly trend analysis, with a view to assisting in estimated outturn analysis. Some UHI RAM income may be profiled. The key issue is to monitor estimated outturns, and for any subjectives that are not heading for budget to be investiaged and reasons sought for diffiierences. A lot of work has gone into budget matrices, and more work is being done re reports for quarterly reporting.	N/A	None	Not Implemented	Complete	This should be closed				Evidence of annual budget profiling.

ITEM 05C

INVERNESS COLLEGE

INTERNAL AUDIT REPORT – DRAFT

HEALTH & SAFETY
MAY 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Limited	Limited

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DISTRIBUTION	
Roddy Ferrier	Director of Finance
Lindsay Ferries	Director of Organisational Development
Allan Kerr	Health & Safety Manager
Members of the	Audit Committee

REPORT STATUS LIST	
Auditors:	Chloe Ridley
Dates work performed:	09 March - 6 May 2020
Draft report issued:	7 May 2020
Final report issued:	14 July 2020

INVERNESS COLLEGE, HEALTH & SAFETY

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX I FOR DEFINITIONS)

Design		System of internal controls is weakened with system objectives at risk of not being achieved.
Effectiveness		Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF RECOMMENDATIONS: (SEE APPENDIX I)

High		0
Medium		6
Low		1

TOTAL NUMBER OF RECOMMENDATIONS: 8

BACKGROUND:

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

The Health and Safety Policy is reviewed on an annual basis by the Audit Committee and is signed by the Principal and the Chair. The College has a detailed Health & Safety Manual, which is the overarching document for health & safety procedures at the College. The Manual details health and safety legislation, health and safety responsibilities and expected practices to work safely at the College. There is also guidance for staff for when a risk assessment should be completed.

The Health and Safety Policy documents responsibilities of key roles, including: the Board of Management, the Senior Management Team (SMT), Managers, First Aiders, Technicians, staff and students. The Health & Safety Manager reports directly to the Director of Organisational Development and is responsible for monitoring compliance with H&S Policies, co-ordinating risk assessments, developing performance standards and reporting, and recording and reporting incidents.

The Health, Safety and Wellbeing Committee is responsible for ensuring the development and implementation of effective Health and Safety practices and advising the Principal and Board of Management on Health and Safety matters. The Committee meets at least four times a year and the minutes are reviewed by the Audit Committee. Membership includes the Principal, Director of Organisational Development, Director of Curriculum and the various Health & Safety leads from across the college.

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The College uses SHE, a health and safety reporting system which all staff can access via the intranet. SHE is used to log accidents, incidents and risk assessments. The system sends automated reminders when actions or risk assessments are due.

The Health & Safety Manager completes health & safety audits. A plan has been agreed for 2020 with higher risk schools being prioritised first. The University Health & Safety (USHA) Health & Safety Management Profile (HASMAP) auditing tool is used. Findings are reported to the Health, Safety & Wellbeing Committee.

GTFM manage Inverness College Campus, the Nursery and the School of Forestry main building facilities per the contractual agreement. GTFM are responsible for 'fixed' installations throughout the College which includes power supplies, distribution, and connection of hard-wired installations including machinery and electrical equipment. No one may work on the fixed installation without permission from GTFM. The College are responsible for servicing appliances and equipment which is owned by the College.

Building Fire Risk Assessments (FRAs) are undertaken by an external fire safety consultant. FRAs were completed for the three campuses in February 2020, which includes a RAG rated listing of actions to follow-up on. An Action Tracker has been created to assign and monitor implementation of these actions. Temperature checks for legionella are completed on a monthly basis and flushing is carried out whenever campuses are closed.

Statutory inspections on College owned equipment are carried out by British Engineering through the insurance provider. The frequency of the checks is dependent upon the statutory requirements. GTFM owned equipment is inspected through their own insurance providers.

A Health & Safety Performance Report is presented at each Audit Committee meeting. The report summarises any RIDDOR reportable events, any notable events, gives a report on the number of incidents and analyses the severity of the incidents.

New staff receive an induction to the workplace, covering fire safety, emergency procedures, local rules, and information about risks in the workplace.

SCOPE AND APPROACH:

The scope of our review assessed whether:

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

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We evaluated these controls to identify whether they adequately address the risks and gained evidence of the satisfactory operation of the controls to verify the effectiveness of the control.

A de-brief meeting was undertaken before completing the review to discuss findings and initial recommendations.

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GOOD PRACTICE:

During our review we noted a number of areas of good practice as follows:

- The Health and Safety Policy is reviewed by the Audit Committee on an annual basis
- The Health & Safety Manual is available on the staff intranet and details expected practices and procedures and references legislation
- There is a Health, Safety & Wellbeing Committee with representatives from appropriate areas of the organisation. The Committee meets atleast 4 times a year to review and inform policies and procedures, review incidents and promote effective training and best practice;
- The College have a Health & Safety reporting system to capture completed risk assessments and reporting of incidents; and
- Quarterly health and safety reports are presented to the Audit Committee.

KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we also identified some areas where there is opportunity for improvement as follows:

- **Documentation of safety checks:** Lecturers and Technicians complete checks of their workshops for any hazards or safety issues on a daily basis. This check is not documented. Additionally there is no checklist which outlines what should be checked on a daily basis; and
- **Display Screen Equipment (DSE) Assessment Documentation:** There are inconsistent practices across the College for retaining DSE workstation assessments and questionnaires. Some are kept locally and some are kept on SHE. The Health & Safety Manual is not clear about how the assessments should be retained. The College does not have a central log of staff DSE workstation assessments and questionnaires. The Staff Development Procedure includes no requirement to have a DSE assessment completed as part of the induction.
- **Risk Assessment Review:** Current practice at Inverness College is for the Health & Safety Manager to review all risk assessments which have been completed on SHE, there is no requirement for Heads of Departments to have oversight. This is a temporary measure due to a staff re-structure;
- **COSHH Assessment Documentation:** The Health & Safety Manual does not clearly document where COSHH Assessments should be retained i.e. locally or on SHE. Our review found many COSHH Activity Assessment reports which have not been completed appropriately on SHE and on locally kept hard copies. Many of the assessments were outdated, with completion dates between 2015 and 2017;
- **Health & Safety Learning:** The College has a series of mandatory health and safety e-learning courses for staff to complete. There are many staff who have not completed these courses. The Health & Safety Manager has since created a Health & Safety Training Matrix which documents the courses a member of staff is to complete dependent upon their role;
- **Induction Checklist:** The College has a New Staff Induction Checklist, which outlines in the document that the individual's line manager must complete and return the checklist to HR. There have been no completed checklists sent to HR in the last 14 months; and
- **Health & Safety Manual Review:** The Health & Safety Manual was due for review in September 2019 and has not been reviewed. There are instances where the Manual does not reflect current practice and is not clear about expected practice; and

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CONCLUSION:

At this time, we are can offer limited assurance around the design and operational effectiveness of the controls surrounding health & safety arrangements at Inverness College. We have made some recommendations primarily around documentation which will serve to improve the overall health & safety control environment further.

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

- ✓ Roles and responsibilities in relation to health & safety may not be well understood.
- ✓ There may not be adequate, timely or sufficient management and Board reporting in place in relation to health & safety management to allow for appropriate escalation and resolution of health & safety risks.
- ✓ Risk assessments may not have been undertaken for the building.

INVERNESS COLLEGE, HEALTH & SAFETY

DETAILED FINDINGS

RISK: the health & safety policy, strategy and procedures may not effectively address identified health & safety risks or meet statutory requirements

Ref	Sig.	Finding
1		**Documentation of safety checks** It is good practice to document completion of any health and safety checks performed to evidence them taking place. Lecturers and Technicians complete checks of their workshops for any hazards of safety issues on a daily basis. This check is not documented. Additionally there is no checklist which outlines what should be checked on a daily basis. There is a risk the College cannot evidence the daily checks which are made of workshops.

RECOMMENDATION:

We recommend lecturers and/or technicians are required to complete a daily health & safety check on practical classrooms and workshops, and this check is evidenced.

We recommend a standardised checklist of what a daily check is expected to include is created.

MANAGEMENT RESPONSE:

The requirement and responsibility to perform daily checklists of workshop/practical learning areas will be included as a responsibility of individual schools in the reviewed Health & Safety Manual.

Responsible Officer:	Health & Safety Manager
Implementation Date:	January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

RISK: health & safety policy, strategy and procedures may not be consistently applied		
Ref	Sig.	Finding
2		**Display Screen Equipment Assessment Documentation** The College requires staff to complete a Display Screen Equipment (DSE) questionnaire and workstation assessment to ensure compliance with Health and Safety (Display Screen Equipment) Regulations 2002. There are inconsistent practices across the College for retaining DSE workstation assessments and questionnaires. Some are kept locally and some are kept on SHE. The Health & Safety Manual is not clear about how the assessments should be retained. The College does not have a central log of staff DSE workstation assessments and questionnaires. The Staff Development Procedure includes no requirement to have a DSE assessment completed as part of the induction. There is a risk the College cannot evidence staff are completing DSE questionnaires and assessments.

RECOMMENDATION:

We recommend staff are required to log DSE Assessments and questionnaires in a way that allows completion to be monitored centrally.

We recommend the Health & Safety Manual is updated and clearly documents where completed assessments should be retained.

We recommend staff are required to refresh their assessments and questionnaires on a regular basis for example every three years, or whenever they move desks.

We recommend new staff are required to complete a DSE Assessment and questionnaire as part of their induction.

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MANAGEMENT RESPONSE:

A comprehensive programme of DSE assessments were undertaken during the transition from the Longman building to the Beechwood campus. Unfortunately, for unknown reasons, the record of these records is unavailable. As circumstances have changed due to the COVID-19 pandemic, a new programme of DSE Assessments will take place during the return to working within College buildings, which will consider both office working and, where applicable, home working arrangements.

The Health & Safety Manual is in the process of being reviewed and instruction on the administration of records will be included.

The requirements for DSE assessments (including reviews will be stipulated in the Health & Safety Manual

DSE training and self-assessment will be included in the staff induction process and included in the Health & Safety Manual

Responsible Officer:	Health & Safety Manager
Implementation Date:	January 2021

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RISK: health & safety policy, strategy and procedures may not be consistently applied		
Ref	Sig.	Finding
3		**Risk Assessment Review** It is good practice for a Head of Department to review risk assessments completed within their department, to allow them to take ownership and actively monitor risks. Current practice at Inverness College is for the Health & Safety Manager to review all risk assessments which have been completed on SHE, there is no requirement for Heads of Departments to have oversight. This is a temporary measure due to a staff re-structure. There is a risk Heads of Departments are not aware of the health and safety risks within their remit.

RECOMMENDATION:

We recommend completed risk assessments are reviewed by the relevant Head of Department to ensure they have oversight of health & safety risks. This review should be evidenced.

We also recommend the College considers how the Health & Safety manager will oversee the completion of Risk Assessments.

MANAGEMENT RESPONSE:

The responsibility for Risk Assessment completion and review will be updated within the Health & Safety Manual during the wider review.

The overseeing of completion of Risk Assessments is the responsibility of individual departments. The completion and subsequent reviewing of Risk Assessments by departments will be monitored through the HASMAP audit process.

Responsible Officer:	Health & Safety Manager
Implementation Date:	January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

RISK: health & safety policy, strategy and procedures may not be consistently applied		
Ref	Sig.	Finding
4		**COSHH Assessment Documentation** To ensure compliance with legislation a COSHH risk assessment is required to be completed before any hazardous substances are used. The Health & Safety Manual does not clearly document where COSHH Assessments should be retained i.e. locally or on SHE. Our review found many COSHH Activity Assessment reports which have not been completed appropriately on SHE and locally kept hard copies, including non-completion of: · assessor name and date · authoriser name and date · frequency and duration of use · type of people exposed · circumstances of use. Many of the assessments were outdated, with completion dates between 2015 and 2017. There is a risk staff are not considering the risks of the substances appropriately and their assessments are not being retained adequately.

RECOMMENDATION:

We recommend the Health & Safety Manual clearly documents where COSHH Assessments are expected to be retained. This update in practice should be communicated to relevant staff.

We recommend COSHH assessments are actively monitored and reviewed to ensure they are completed appropriately.

MANAGEMENT RESPONSE:

As with other Risk Assessments, the requirements surrounding completion, administration and review of COSHH Assessments will be included in the reviewed Health & Safety Manual.

The requirement to monitor COSHH Assessments at School/Department level will be stipulated within the reviewed Health & Safety Manual. This will also be subject to monitoring during the HASMAP audit process.

Responsible Officer:	Health & Safety Manager
Implementation Date:	January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

RISK: there may be inadequate training of staff in relation to health & safety		
Ref	Sig.	Finding
5		**Health & Safety Learning** Health and safety training helps reduce the number of accidents and incidents. The College has a series of mandatory health and safety e-learning courses for staff to complete. There are many staff who have not completed these courses. The Health & Safety Manager has since created a Health & Safety Training Matrix which documents the courses a member of staff is to complete dependent upon their role. There is an increased risk of accidents and incidents occurring at the College.

RECOMMENDATION:
We recommend line managers are reminded to actively monitor their staff's completion of Health & Safety learning.

MANAGEMENT RESPONSE:
The completion of training will be monitored at School/Department level and a monthly report will be provided by the software to show completions against the set curriculum. This will be included in the reviewed Health & Safety Manual. A report on completion of training will also be provided to SMT on a 6 monthly basis.

Responsible Officer:	Health & Safety Manager
Implementation Date:	January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

RISK: there may be inadequate training of staff in relation to health & safety		
Ref	Sig.	Finding
6		**Induction Checklist** The College has a New Staff Induction Checklist, which outlines in the document that the individual's line manager must complete and return the checklist to HR. There have been no completed checklists sent to HR in the last 14 months. There is a risk new starters are not being inducted appropriately.
RECOMMENDATION:		
We recommend HR Monitors the completion and return of New Staff Induction Checklists by line managers		
MANAGEMENT RESPONSE:		
HR to monitor the completion and return of checklists by line managers.		
Responsible Officer:		HR Manager
Implementation Date:		January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

RISK: the health & safety policy, strategy and procedures may not effectively address identified health & safety risks or meet statutory requirements		
Ref	Sig.	Finding
7		**Health & Safety Manual Review** It is good practice for policies to be reviewed on a regular basis to ensure they are relevant and reflect current expected practice. The Health & Safety Manual was due for review in September 2019 and has not been reviewed. This was delayed due to the appointment of the new Health & Safety Manager. There are instances where the Manual does not reflect current practice and is not clear about expected practice for example where COSHH assessments are expected to be retained. There is a risk staff do not follow expected practice.
RECOMMENDATION:		
We recommend the Health & Safety manual is reviewed and updated to reflect current expected practice.		
MANAGEMENT RESPONSE:		
The Health & Safety Manual is currently being reviewed and updated.		
Responsible Officer:		Health & Safety Manager
Implementation Date:		January 2021

INVERNESS COLLEGE, HEALTH & SAFETY

OBSERVATIONS

HEALTH & SAFETY REPORTING SYSTEM

Inverness College use SHE, a health and safety reporting system. The contract with SHE has reached its final year, with no option to extend. The contract ends at the end of 2020. This matter has been taken up by the UHI Health & Safety Practitioners Group to assess options available.

Going forward it is likely the process for reporting accidents and completing risk assessments may change.

INCOMPLETE TESTING

The College was closed due to the coronavirus part way through the audit. Therefore there were some aspects of the audit which could not be completed as electronic records are not kept and hard copy records were held at the College. The following testing could not be completed:

- Temperature checks for legionella for buildings the college is responsible for
- Daily rosters by the estates team
- Radiation testing
- Work placement health & safety checklists

INVERNESS COLLEGE, HEALTH & SAFETY

STAFF INTERVIEWED

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

Lindsay Ferries	Director of Organisational Development
Allan Kerr	Health & Safety Manager
Greg Drummond	GTFM- Contracts Manager
John Newson	Estates Supervisor
Duncan MacIntosh	Motor Vehicle Technician

INVERNESS COLLEGE, HEALTH & SAFETY

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, HEALTH & SAFETY

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

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

KEY RISKS:

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

SCOPE OF REVIEW:

The scope of our review assessed whether:

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

APPROACH:

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We evaluated these controls to identify whether they adequately

INVERNESS COLLEGE, HEALTH & SAFETY

address the risks and gained evidence of the satisfactory operation of the controls to verify the effectiveness of the control.

A de-brief meeting was undertaken before completing the review to discuss findings and initial recommendations.

FOR MORE INFORMATION:

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INVERNESS COLLEGE

INTERNAL AUDIT REPORT

ESTATES MANAGEMENT
MAY 2020

LEVEL OF ASSURANCE	
Design	Operational Effectiveness
Moderate	Moderate

Item 05d

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DISTRIBUTION	
Martin Kerr	Estates and Campus Services Manager
Lindsay Ferries	Director of HR and Organisational Development
Audit & Risk Committee	Members

REPORT STATUS LIST	
Auditors:	Gemma Macdonald
Dates work performed:	20 April 2020 - 1 May 2020
Draft report issued:	15 May 2020
Final report issued:	17 June 2020

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	■	2
Low	●	1

TOTAL NUMBER OF RECOMMENDATIONS: 3

BACKGROUND:

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

The College have an Estates Team comprising of the Estates and Campus Services Manager, who has direct responsibility for the property and estates management of the College and its buildings; four Estates and Campus Services Officers, who are responsible for maintaining the building and grounds and ensuring the accommodation is fit for purpose; the Estates and Campus Services Administrator, who provides support services to the Estates department; and an Estates and Campus Contract Officer, who provides contract management and administrative services in relation to the contract between the College and their building provider. There is an organisational chart which shows the structure of the Team, and job descriptions for each role which outline the responsibilities and required skills and experience for the role.

Inverness College have an agreement in place with their building provider Galliford Try Facilities Management (GTFM). This contract was agreed in 2013 and runs for a period of 25 years. The roles and responsibilities attributed to each party under the contract are outlined in the Helpdesk Protocol which was developed through a joint workshop held by the College and GTFM. The Protocol is owned by GTFM and must be agreed by the College on an annual basis. Further details of the roles and responsibilities of GTFM are outlined in the Service Level Specification found in Schedule 12 of the Agreement which notes the scope of services to be achieved by GTFM and the performance standards required of GTFM.

Any incidents or faults are reported by College staff to the Estates Team. The incident will be logged on the Unidesk helpdesk which is run by the Estates and Campus Services Administrator. The Administrator reviews the fault to determine what it entails and therefore whether the event will be handled by the College or GTFM. Anything attached to the building such as a broken window is attributed to GTFM whilst anything else such as cleaning or servicing appliances and equipment is attributed to the College Estates Team. If the job is to be handled by GTFM, it will be logged on the GTFM Helpdesk by the Estates Team; the GTFM Helpdesk is manned by their Customer Support Centre (CSC) Team. GTFM will provide the College with a reference number for tracking progress and a completion note will be issued when the task is carried out. All tasks, whether completed by the College or GTFM, are logged on Concept by the Estates Team.

The protocol provides guidance through a decision tree on the priority ratings to be attributed to tasks and hence determines the required response time. Events are classified as either Urgent, Important, Routine or Availability events, and the classification determines the attend location time and the rectification time. There is a Consultation Process outlined for any disputed Service Events wherein issues are discussed by the “Partnership Circle” and if no resolution is reached they are escalated to the “Partnership Forum”, to discuss any disputes. Membership of these groups is outlined in the Protocol.

Staff have been made aware of the process for reporting faults through posts on the intranet and a presentation at the Staff Development Day in August 2018. Staff are also able to drop in to the Estates office to receive a walkthrough of the system. The person reporting an incident will receive an email acknowledging that the incident has been logged. They will receive further communication when the task has been assigned and when it has been completed.

Estates development is planned based on needs identified through school and department’s annual operational plans. The Estates and Campus Services Manager and the Director of Operations review each individual operational plan and compile the Estates Operational Plan which identifies the required resources for each objective and the overall impact level. The planning process begins in August and is later refined in October when the budget is known with more certainty. The Estates budget is prepared by the Finance Team based on the spend in previous years with consideration given to any contracts in place. A Capex tracker is maintained to monitor the capital expenditure and is monitored by the Estates and Campus Services Manager and Director of Operations.

Any modification to the building require an Authority Change Notice (ACN) to be completed, accompanied by an ACN Justification Form with SMT support. The ACN is sent to GTFM to be costed. GTFM will then provide a quotation to the College Estates Team for scrutiny. When satisfied, the Estates and Campus Services Manager signs off on the cost. The works are also signed off by the Director of Facilities before they are added to an ACN tracker. Works will be viewed by the Estates Team and signed off before completion. There is a weekly meeting attended by both the College and GTFM which monitors progress on ACN activity. Estates also have quarterly budget review meetings with the Finance Team to monitor forecast expenditure for the year.

The College uses Celcat for their timetabling process. Celcat is integrated with the Student Records (SITS) System. All Heads of Schools have an input into space utilisation by drawing up their draft curriculum each year. There is a Timetabling Protocol in place to provide guidance on this process. A skeleton utilisation report is drawn down from Celcat before the academic year to give planned utilisation figures as a comparison to be used throughout the year. A monthly report is then drawn down through the year to show the actual utilisation compared to the planned utilisation. This report is reviewed by SMT.

Every member of staff has access to Celcat and can view the availability of all rooms on campus. All rooms, common areas and foyers on campus are available on Celcat and must be booked prior to use. Staff members are to check Celcat daily to determine whether there are any changes to their room which will be added as a note. Celcat is populated with equipment lists for each room to ensure the room includes suitable facilities for staff and student requirements.

The timetabling process begins each January for the upcoming academic year. There is a six week review period between April and May in which meetings are held to resolve any initial issues. The College undertakes a physical audit of room utilisation for the first three weeks of the semester which allows them to identify and rectify issues.

There is a monthly meeting held between GTFM and the College which is chaired by the Director of Organisational Development. At this meeting, GTFM present a report which includes deductions, ACNs, PPM and Helpdesk performance. The College also provides an update on maintenance works under their responsibility. These meetings are an opportunity to discuss any issues arising, perform cause analysis on repeat failures and discuss any health & safety issues.

On a monthly basis, SLA Paymech meetings take place between the College Contract Officer and GTFM's Contract Manager. At these meetings, all work orders are reviewed to ensure that the correct category and prioritisation have been allocated, and any variations are discussed and resultant deductions are agreed. A deductions spreadsheets is maintained and forwarded with a confirmation email to the College and GTFM each month.

The Service Level Specification requires that an annual service report is produced for the relationship with GTFM which report on contractual Performance Standards. The most recent of these pertains to the period July 2018 – June 2019.

SCOPE AND APPROACH:

The scope of our review was to assess whether:

- Roles and responsibilities of the College and the building provider are clearly documented and understood.
- Procedures for reporting faults are clear and understood.
- Planning and prioritisation of estates developments is linked to current and anticipated needs of the College. Users are consulted with.
- Space utilisation is monitored. Appropriate action is taken where issues are identified.
- There is adequate review and evaluation arrangements in place of the building provider.

This review was carried out remotely due to the campus being closed as a result of Covid-19.

Our approach was to conduct interviews to establish the controls in operation for each of our areas of audit work. We evaluated these controls to identify whether they adequately address the risks. We sought to gain evidence of the satisfactory operation of the controls to verify the effectiveness of the control through use of a range of tools and techniques.

During the course of the review we kept management informed of any issues which arose as a result of our testing.

A de-brief meeting was undertaken site to discuss findings and initial recommendations.

GOOD PRACTICE:

During our review we identified a number of areas of good practice as follows:

- Roles and responsibilities of both parties are clearly outlined in the Helpdesk Protocol and Service Level Specification;
- The process for reporting faults is clearly documented in the Helpdesk Protocol and was communicated to staff at their Development Day in August 2018;
- There is a decision tree to help guide allocation of priorities and there is a clear process for addressing any disputes in priorities;
- Estates development needs are identified from each school and department through their operational plans;
- There is ongoing monitoring of space utilisation through Celcat reports; and
- There are monthly meetings to monitor the performance of GTFM supplemented by an annual report.

KEY FINDINGS:

Notwithstanding the areas of good practice noted above, we also identified some areas where there is an opportunity to improve the process as follows;

- **Budget ownership:** The Estates team do not have a strong input into their budget;
- **Planning timetable:** The operational planning process begins in August but the budget is not communicated until October; and
- **Workorder sign off:** The Unidesk workorder reports have a section to be signed off by the operator and recipient which is not used.

CONCLUSION:

At this time we are able to offer moderate assurance over the design and effectiveness of the controls surrounding estates management at Inverness College.

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

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

DETAILED FINDINGS

RISK: PLANNING AND PRIORITISATION OF ESTATES DEVELOPMENTS MAY NOT BE LINKED TO CURRENT AND ANTICIPATED NEEDS OF THE COLLEGE. USERS MAY NOT BE CONSULTED WITH.

Ref	Sig.	Finding
1		Budget Ownership It is important that the estates budgeting and planning process is linked to the anticipated needs of the College. During our testing we found that the Estates team do not have a strong input into the budgeting process which is undertaken by the Finance team. The budget is based on the previous year figures and any contracts in place. There is a risk that the budget may not accurately reflect the planned works of the estates team or the needs of the College.

RECOMMENDATION:

It is our recommendation that the Estates team have greater ownership of their budget. We recommend that the team create a draft budget based on the activities outlined in their operational plan. The draft budget should then be reviewed by Finance and undergo the usual approval process.

MANAGEMENT RESPONSE:

Already implemented. Contracts for services make up the non-staff estates budget, the unitary charge being the biggest item making up a significant proportion, the focus on GTFM performance is therefore a significant focus as reflected in the rest of the audit report. Other contracts for service including the Soft FM are also managed and monitored closely by the estates team alongside their procurement contract in the finance team. Monthly meetings of the relevant staff ensure that these contracts are closely managed and monitored and reflect best value.

The budget setting process has been reviewed and refreshed, all budget managers are now directly involved in the budget setting process. This process has started for 2020/2021 and for the estates function will be led by the Estates and Campus Services Manager alongside the Finance Team to ensure budgets accurately reflect the anticipated spend.

Responsible Officer:	Estates and Campus Service Manager and Management Accountant
Implementation Date:	Implemented, budget setting process initiated

RISK: PLANNING AND PRIORITISATION OF ESTATES DEVELOPMENTS MAY NOT BE LINKED TO CURRENT AND ANTICIPATED NEEDS OF THE COLLEGE. USERS MAY NOT BE CONSULTED WITH.		
Ref	Sig.	Finding
2		Planning Timetable It is important that there is a plan in place for Estates development which reflects the needs of the College. We found that the current timetable means that whilst the financial year begins on 1 September, the Estates Team do not find out what their budget is until October meaning that the operational plan runs for three months of the year without confirmation of the budget. There is a risk that the operational plan is not based on an accurate budget for the first three months of the year and may then require extensive adjustment part way through the year.

RECOMMENDATION:
We recommend that the planning timetable is amended so that there is a budget and operational plan in place for the coming year before it begins.

MANAGEMENT RESPONSE:
Agreed. Building capital grants are released by the funding council in year. Since ONS and reclassification of colleges these grants have been time barred and do not take account of delays or projects that might straddle financial years. This is a particular issue with COVID - 19 which we are still to receive SFC clarification. Given the capital funding mechanism aligned to condition surveys undertaken not long after the completion of the new campus facilities this funding is significantly reduced. The capital expenditure plan, subject to funding, therefore reflects this reduced allocation and is designed to be flexible in response to potential other funding streams.

Responsible Officer:	Estates and Campus Services Manager and Management Accountant
Implementation Date:	30 September 2020

RISK: PROCEDURES FOR REPORTING FAULTS ARE UNCLEAR AND ILL-DEFINED OR NOT UNDERSTOOD.		
Ref	Sig.	Finding
3		Workorder Sign Off It is important that the procedure for reporting faults is clear and efficient. During our review we found that the Unidesk reports for individual work orders contain a section for signature of operator and recipient which is not used. There is a risk that having redundant sections included in forms may lead to inefficiencies or confusion of staff as to what is required of them.

RECOMMENDATION:
It is our recommendation that the signature section of the Unidesk report is removed.

MANAGEMENT RESPONSE:
Agreed. Management will discuss with UHI EO whether the recommendation by auditors can be delivered.

Responsible Officer:	Estates and Campus Services Manager and UHI ICT.
Implementation Date:	30 September 2020

OBSERVATIONS

OPERATIONAL PLAN APPROVAL

During our testing, we were unable to obtain a copy of the Estates Operational Plan which had been signed off by the Director of Operations as required. Due to Covid-19, staff were unable to obtain a copy of the plan with evidence of approval.

STAFF INTERVIEWED

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

Martin Kerr	Estates and Campus Services Manager
Heather Firth	Contracts Officer
Sue Walker	Estates and Campus Services Administrator
John Newsom	Estates and Campus Services Supervising Officer
Mairei McEwan	College Support Administrator
Gill Berkeley	Director of Curriculum

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.

APPENDIX II - TERMS OF REFERENCE

PURPOSE OF REVIEW:

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

KEY RISKS:

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

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

SCOPE OF REVIEW:

The scope of our review is to assess whether:

- Roles and responsibilities of the College and the building provider are clearly documented and understood.
- Procedures for reporting faults are clear and understood.
- Planning and prioritisation of estates developments is linked to current and anticipated needs of the College. Users are consulted with.
- Space utilisation is monitored. Appropriate action is taken where issues are identified.
- There is adequate review and evaluation arrangements in place of the building provider.

APPROACH:

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

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

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

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

FOR MORE INFORMATION:

CLAIRE ROBERTSON

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ITEM 06

University of the Highlands and Islands Inverness College

Board of Management

Subject/Title:	Financial Recovery Plan – Update
Author: [Name and Job title]	Professor Chris O'Neil, Principal & Chief Executive
Meeting:	Audit Committee
Meeting Date:	15 September 2020
Date Paper prepared:	2 September 2020
Brief Summary of the paper:	To provide the Audit Committee with an update on the progress of the FRP.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: • compliance • partnership services • risk management • strategic plan • new opportunity/change	
Resource implications:	Yes / No **If yes, please specify**:
Risk implications:	Yes / No **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes/No **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	

ITEM 06

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)	X
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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

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

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

ITEM 7

University of the Highlands and Islands
Inverness College

0

Subject/Title:	Risk Management
Author:	Roddy Ferrier
Presented by:	Roddy Ferrier
Meeting:	Audit Committee
Meeting Date:	15 September 2020
Date Paper prepared:	21 August 2020
Brief Summary of the paper:	Update on risk register.
Action requested: [Approval, recommendation, discussion, noting]	Discussion and consideration of 6 key risks.
Link to Strategy: Please highlight how the paper links to, or assists with:: • 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

ITEM 7

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.)			

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

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

University of the Highlands and Islands
Inverness College

Audit Committee

Subject/Title:	COVID-19 & Business Continuity Update Report
Author: [Name and Job title]	Ken Russell, Depute Principal Academic Development and Allan Kerr, Health and Safety Manager
Meeting:	Audit Committee
Meeting Date:	15th September 2020
Date Paper prepared:	6th September 2020
Brief Summary of the paper:	The purpose of this narrative is to provide the Audit Committee with an update to the June Audit Committee paper on the governance, risk management, communications, and high-level Covid-19 related financial impact analysis. A separate paper will go to the Learning, Teaching and Research Committee to examine impact and progress made in these areas.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: • compliance • partnership services • risk management • strategic plan • new opportunity/change	• Ongoing compliance with ICUHI policies/procedures and Scottish Government COVID-19 guidance • Risk assessment – health and wellbeing; delivery; cost management • Maintenance of student numbers and credits • Exploration of opportunities to create a "new normal" for delivery and operations
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	Active consultation has been undertaken with line managers, the three recognised trades unions and also with representatives of HISA in developing our responses to COVID-19
Status – [Confidential/Non confidential]	Non confidential

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

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

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

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

Executive Summary

This report is intended to provide the Audit Committee with an update on the current situation with regards to how Inverness College is managing the transition from lockdown to running prioritised/authorised activities in our buildings (Main Campus at Beechwood and Scottish School of Forestry at Balloch) during phase 3 of the Scottish Government Route Map. We were able to commence using our laboratories in An Lochran earlier and have also followed Scottish Government Guidance to facilitate this reopening. A separate report on the impact of Covid-19 will be presented to the Learning, Teaching and Research Committee (22nd September 20) and a further update will be provided to the full Board of Management meeting (6th October 20). The authors would welcome feedback on this paper to assist with informing the October BoM paper.

Introduction

This paper is split into 4 main sections covering:

1. Our governance mechanisms
2. Our risk Management and mitigation
3. Our Covid-19 communications strategy/campaign
4. An overview of our Covid-19 related financial implications

1. Governance Mechanisms – operating with Covid-19

Our key sources of guidance have and will continue to be the extant legal and statutory requirements including those of Health and Safety Executive and that from the Scottish Government (including the Route Map). The Covid-19 Team at the Scottish Funding Council provides regular policy updates (the most recent relates to purpose-built student accommodation, issued 1st September) as well as seeking input from Colleges and Universities on a range of Covid-19 related issues. Other bodies such as NHS Scotland, Universities Scotland, Colleges Scotland, and the College Development Network have been active in formulating guidance, consulting with members, lobbying Scottish Government, and running webinars.

Within UHI, much of the external Covid-19 information flows via Principals and other nominated individuals (including the Depute Principal - Academic Development (DPAD) for IC). There are twice weekly Crisis Management Team (CMT) meetings chaired usually by the Vice Chancellor or the Chief Operating Officer. This group determines key priorities, shares best practices, commissions work and monitors progress. For example, each partner has to provide a weekly campus readiness assessment that is linked to the Scottish Government Route Map. Covid-19 related matters also are discussed at Partnership Council and have been addressed in terms of delivery by the Senior Management Team at EO (mainly for HE), The Senior Management College Team (mainly for FE) and also the Tertiary Reference Group (both HE and FE).

Another key co-ordinating mechanism, at the Partnership level, is the Extended Health and Safety Practitioners' Group. This Group includes both the IC Health and Safety Manager and the DPAD. This group has been instrumental in developing UHI Policy which is then subsequently endorsed (possibly following some revisions) by the CMT.

An example of this would be the policy related to Personal Protective Equipment (PPE) including the use of face coverings. The most recent meeting (2nd September) included a discussion on the Health and Safety implications of Student Placements and Fieldtrips during the pandemic. This item had already been endorsed by CMT and both Heather Keyes (Head of Health, Care and Wellbeing) at IC and the DPAD were members of the Short Life Working Group that developed the policy.

At the Inverness College level, the Principal and Chief Executive has ultimate responsibility for Health and Safety. Covid-19 matters form part of the agenda at SMT, the Health, Safety, and Wellbeing Committee (next meeting 9th September), Curriculum Management Team meetings etc. The most recent College Management Team meeting (held on 2nd February) devoted over an hour to obtaining feedback and ideas for how we continue to enhance our management of activities whilst still operating under the pandemic.

The June report to Audit Committee provided an account of the role and remit of the Covid-19 Transition Management Group (Chair is DPAD and co-Chair is The Director of Research and Innovation (Melanie Smith). This group meets every Friday to co-ordinate developments and focusses mainly on matters such as developing and maintaining protocols to ensure safe access to the buildings for authorised: staff, student, and contractors. The group also maintains appropriate communications (see section 3 of this report), ensuring that track and trace mechanisms are in place that comply with GDPR requirements. Another key role is in coordinating Covid-19 related procurement including the cleaning contract (please refer to section 4 for more details). A subgroup of this Transition Management Group also meets weekly on Tuesday mornings to review the requests from line managers for staff to be working in the buildings for the following week. This gives enough leeway to resolve any queries before staff attend campus.

The DPAD has also been responsible for providing returns to the Scottish Government/SFC on requests for information. Most recently there was a request from Richard Lochhead to provide information from across the sector on the state of readiness of Universities and Colleges. This has been followed up with online workshops to share best practice on mitigation (2nd September) and duties should an outbreak occur (scheduled for 9th September). The DPAD will attend both of these workshops.

Staff with a declared health condition or who share a household with someone who does have been asked to complete a Scottish Government “Covid age” questionnaire. The Government policy is that anyone with a “very high” assessment should not return to work but continue to do so remotely. Returns that have come back in the “high” category will be invited to undertake an OH assessment prior to any decision being made about returning to campus. This process is managed by the HR Team to comply with GDPR.

At this juncture, we are focussed on clearing the backlog of students with deferred units from Academic Year 19/20. This enables us to minimise the number of staff and students on campus. The vast majority of HE delivery is online apart from some practical activities in Forestry.

2. Risk management and mitigation

One of the major pieces of work conducted during lockdown was the creation of an Inverness College Covid-19 Risk Management Plan led by the Health and Safety Manager. This activity was supported by the use of the Return to Work Alcumus Risk Management Checklist, Plan and Tracker. The relevant risks were discussed widely at the Covid-19 Transition Management Group and with key stakeholders including the Senior Management Team, and TU Health and Safety representatives. This risk assessment has formed the basis for all of our decisions in reopening activity on site. The main mitigation against Covid-19 is the maintenance of 2m social (physical) separation as far as possible. This is backed up by the use of hand sanitisation and regular hand washing, the wearing of face coverings whilst transiting around the buildings, avoidance of crowding (e.g. limiting the numbers in classes and in the building overall) etc. At the moment we have strongly recommended that students were face coverings in class. The risk management plan and mitigation has formed the basis of our communications (refer to section 3). It should be noted that where PPE was previously required (i.e. pre Covid-19) to support teaching and learning that this would still be the case. In addition, Perspex screens have been installed in a number of areas to protect staff where there would be high levels of interaction with, say, students seeking advice and guidance. The Return to College Protocol was invaluable in formulating our approach.

Specific risk assessments have had to be undertaken to consider how we could support (or not) activities that require close proximity working. Examples of these specific assessments include professional cookery, hairdressing, and beauty (informed by Government Guidance and the Hair and Beauty Industry Authority (HABIA)), Supported Education, Forest Machinery Operations (supported by the industry body Forest Industry Safety Accord (FISA)) etc. The Estates and Campus Services Manager (Martin Kerr) and his team have also been extremely helpful in providing advice and guidance, ensuring that safety measures are in place and he is an integral part of the Covid-19 Transition Management Team. The Health and Safety Manager is currently conducting an audit of the risk assessments for all on campus delivery.

A revised Fire Risk Plan has also been developed by the Health and Safety Manager and implemented prior to the building reopening on the 24th August.

An on-campus duty manager system has been implemented and will be kept under review. In addition, there are nominated members of SMT available for remote back-up support.

The Covid19 Transitional Management Group actively keeps the situation under review and responds to external changes, learning from experience and SMT guidance.

3. Covid-19 Communications Strategy/Campaign at Inverness College

The development of our communications has been a real team effort with the whole

Covid-19 Transition Management Team being involved. The efforts have been coordinated by our Marketing and Communications Manager (Carol Sutherland) and our Marketing and PR Officer (Helen Aird) with considerable support from our Director of Research and Innovation (Melanie Smith) and the Health and Safety Manager, Our Information Development Manager/Data Protection Officer (Suzanne Stewart) and HR Manager (Nicola Quinn) have provided invaluable advice. The ICT Services Manager (Martin Robinson) and his team have also assisted in developing technical solutions. The Director of Curriculum (Gill Berkeley) and Director of Student Experience (Lindsay Snodgrass) have also provided guidance on targeting of the communications messages to staff and students.

The key channels for communication have included:

a. Use of IConnect to alert staff to key changes and including posting update videos from the Principal and DPAD. This includes email alerts on key updates.
b. Weekly WeeConnect bulletins for staff
c. Development of protocols – see separate list below
d. Guidance notes for line managers, staff, and students
e. Briefings for all staff via email and Principal online presentations with Q&A
f. Use of SharePoint site to provide access to key information and FAQs
g. Use of MS Teams to support management meetings and cascade key information/answer queries.
h. Regular communications to students e.g. regarding enrolment process and tailored depending on whether their course is being delivered on campus or remotely
i. Production of videos for staff and students to be displayed on monitors in the atrium.

Protocols have been developed to cover:
a. Line manager requests for staff to work in the building either for timetabled delivery to students or providing support services. The overarching guidance here is that if staff can continue to work from home they should continue to do so. Having said this, we are sensitive to the needs of staff who are finding working from home challenging.
b. Ad hoc requests for staff to work in the building for short periods to fulfil statutory or business critical requirements
c. Permission to access the building to deliver or pick up items (but not to work)
d. Access for students who are non-timetabled to be in the building to access the Learning Resource Centre e.g. digital poverty
e. Access for students to clear lockers etc.
f. Duty Manager Protocol (including remote backup support from SMT) (this is, at the time of writing, awaiting approval).

There are certain categories of individuals who are exempt from wearing face coverings and we have supported them with the use of a discreet identifier. We are also developing a script to support staff to interact with those students who are “flouting our protocols” and to do so in an encouraging manner to obtain compliance.

4. An overview of our Covid-19 related financial implications

Our contracts and procurement staff (Derek Cowie and Swarna Bhargava) have provided excellent support to the Covid-19 Transition Management Group and we receive a weekly update on the Cleaning Contract (Pristine) and a Covid-19 related procurement report. The following information has been provided by Derek Cowie to give the Audit Committee an overview.

NB: the figures below relate to the period from the commencement of lockdown on 20th March 2020 until 31st August 2020.

Covid-19 PPE, Signage & Miscellaneous Products
42 PO's have been issued through PECOS for Covid-19 related activities with the majority being PPE related products.
Overall value £25,197.12 (Mostly VAT Exempt)
Estimated VAT Saving = £4,238.12

The above excludes products as provided by Pristine (hand sanitiser gel and wipes)
Pristine provided PPE Products £1,896.85

NB: These figures do not include any normal PPE costs that would have been incurred in the absence of Covid-19

Cleaning Services Contract Update

Throughout the College lockdown period we have kept in close contact with Pristine including regular emails, phone calls and MS Teams meetings. This included the estates dept, procurement and the Pristine focal points all being involved. We successfully negotiated a contract variation with a temporary service agreement resulting in significantly reduced costs for the college.

Covid-19 Cost Avoidance (20th March – 31st August 2020)

Cleaning Services Contract £65,441.20 + VAT
Waste Management Contract £8,634.80 + VAT
Off-Hire of Lease Vehicles £14,993.49 + VAT [estimated]

Total cost avoidance is just over £89k + VAT

Conclusions

Everyone has worked really hard to minimise the number of people in the college so as to keep students and staff safe. The focus has been primarily on supporting students with deferred work for the 2019/20 academic session. We are now in our second week of operations and we continue to monitor how well our systems are working in the light of experience and be vigilant in terms of any changes to the Scottish Government guidance as well as any local outbreaks.

ITEM 09

University of the Highlands and Islands Inverness College

Board of Management

Subject/Title:	Health and Safety Q4 Report (2019-20)
Author: [Name and Job title]	Allan Kerr – Health & Safety Manager
Meeting:	**Audit Committee**
Meeting Date:	15 Sep 2020
Date Paper prepared:	08 Sep 2020
Brief Summary of the paper:	To provide the Audit Committee with the Quarter 4 report, 1 May 2020 – 30 July 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:: • compliance • partnership services • risk management • strategic plan • new opportunity/change	
Resource implications:	No **If yes, please specify**:
Risk implications:	No **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	No **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	Health and Safety Committee, comprising a cross section of the college including management, staff and trade union reps.

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

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

Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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Executive Summary

There have been no RIDDOR reportable events in Q4 2019-2020, with the last reportable incident occurring in June 2019. The reporting quarter occurred during the closure of the College estate, though the College has since opened on a limited basis as of 24 Aug 20 for limited curriculum delivery. Essential maintenance operations by IC Estates and GTFM, along with statutory inspections, continued throughout the closure of the College estate.

The chair of the COVID-19 Contingency Management Team and Health & Safety Manager will provide a paper to the Audit Committee with further detail regarding the impact and management of COVID-19 to date. This report will primarily cover the overall Health & Safety Management arrangements for the reporting period, with findings both from the recent BDO audit (accompanying this paper) and observations of the Health & Safety Manager on issues that have been highlighted during the College's operations leading up to and during the COVID-19 pandemic.

The report from the BDO audit in February has been received and accompanies this paper. The report has highlighted several known issues as findings, though there is a sense that the audit hasn't necessarily provided a full picture on the true status of issues regarding the Health & Safety Management system.

Incidents & Events

The incidents recorded for the quarter are significantly lower than previous reporting periods prior to the closure of the College, where there had been a sustained upward trend of incident reporting. The reduction in reporting was anticipated due to the absence of regular College operations across the estate and it is not believed to be due to a regression of participation in incident reporting. Overall, there were 2 incidents recorded during the reporting period – both reported incidents were security related rather than having direct occupational health and safety implications.

The first incident occurred during the closure of the College, where the gate leading to the goods-in yard was observed to have been left open out of hours. This was reported to the Estates team though it was unclear how this occurred – there hasn't been reoccurrence of this event. There was no damage or loss of property resulting from this event.

The second incident involved a contractor gaining unauthorised/unaccounted for access to the Beechwood Campus building through the disabled door which had been left closed but unlocked – the cause of this was found to be so that members of the IC Estates/GTFM teams would have ready access in and out of the building. Corrective actions were taken to ensure the door would remain closed and locked while unattended to prevent recurrence. There was no damage or loss of property resulting from this event.

BDO Audit

The College underwent the scheduled BDO Audit in February 2020 and has now been provided with the finalised report with management responses (accompanying this paper). The audit identified several areas that require improvement, of particular note management and administration of Risk Assessments. To date there are multiple areas where Risk Assessments are not being recorded, reviewed and administered, which creates a potentially significant compliance gap.

The requirement to review and update activity Risk Assessments for compliance with COVID-19 mitigations has presented an opportunity to address this directly across all College activities and department managers have been tasked to ensure that reviews and updates are taking place. This issue has been highlighted in particular regarding off-site activity, such as assessors visiting sites and for delivery within schools. The Health & Safety Manager will be conducting snap audits in the coming weeks to sample for compliance across the College's functions.

The conducting and recording of H&S training was raised as a finding within the audit, though this had previously been identified as an issue by the Health & Safety Manager and a curriculum has been developed for roll out using the 'Safetyhub' training software in the coming months, though this will be prioritised and sensitive to the situation and workloads of respective departments and functions.

A causal factor in the issues surrounding Risk Assessments has been the utilisation of the SHE software system, where despite being in place for over 4 years, there is still a lack of awareness of the system's operation and functions. This can likely be traced back to the period of initial implementation, however there doesn't appear to have been any ongoing support or information, or crucially, an underpinning procedure that has been widely disseminated or understood and adhered to.

The requirement to update and review the Health & Safety Manual, which had previously been identified as an ongoing requirement by the Health & Safety Manager, was identified as a finding during the audit – there is a significant volume of work to be done regarding this finding, including the awareness and adherence to the manual by staff, in addition to bringing the information up to date with current practices and legislation. Consideration is being given on how best to manage this document in terms of ongoing quality assurance and review.

The issue of the DSE Assessments for the transition to the new College building at Beechwood was also identified due to the records for these being unavailable during the audit and they have not been located since. Given the anticipated change of office settings as the College emerges from the COVID-19 situation, there is an opportunity to review and conduct new assessments for DSE arrangements throughout the College estate.

The remainder of findings are primarily administrative in nature, such as the conducting and maintaining records for equipment checks within some functions as well as those of staff induction record keeping. While these matters may not present significant legislative compliance issues, nor do they place individuals in immediate danger, it presents an opportunity for assessing the workload and determining whether this necessitates extra assistance.

In general, there were concerns shared between the Director of Organisational Development and the Health & Safety Manager regarding the robustness and conduct of the audit itself. There was a sense that the audit didn't fully highlight specific issues within the overall Health & Safety Management system, in particular the extent of the Risk Assessment issue at hand. There were also concerns regarding the conduct of the audit, where it appeared that more time was spent gathering and providing information post-audit than during. Of particular note was the absence of a post-audit meeting with the auditor and College stakeholders.

Prior to the next audit, the Audit Committee is requested to review arrangements with BDO for their suitability, and if necessary, explore options for another organisation to perform the audit function in future – the Health & Safety Manager is available to discuss further and advise if necessary. It is also recommended that future audits include key H&S stakeholders from both support and curriculum functions (i.e. Managers/Heads of School), as well as a suitable member of SMT to represent the College as the 'auditee'/'audit client'. This inclusion and direct involvement of an SMT member would demonstrate a positive H&S culture at the highest levels of the organisation as well as providing an objective voice outside of the H&S department during discussions with the auditor/audit team.

H&S Management System

The college has made a commitment to and is adopting the Health & Safety Executive's HSG65 model as the framework for the College's Health & Safety Management System. To assist in the implementation of this framework, the intention is to utilise guidance provided by the University Safety and Health Association (USHA) which aligns with the HSG65 model of 'Plan, Do, Check, Act'.

The key component of the USHA guidance involves devolved ownership and responsibility for Health and Safety at all organisational and functional levels. The means of measuring the status of compliance with the USHA guidance is via the USHA 'HASMAP' auditing system. However, the HASMAP audits that were scheduled to take place during both this and the previous quarter have been postponed and it is unlikely a realistic alternative schedule can be provided at this time, given the current circumstances surrounding COVID-19. As the situation becomes clearer and appropriate resource available, a new and revised audit plan will be developed.

H&S Management System Software Platform

The College, along with other UHI partners, utilises the 'SHE' software platform to facilitate the recording of Incidents, however, this contract has reached its final year with no further options to extend. The matter had been taken up as an agenda item at the UHI Health and Safety Practitioner's Group, resulting in the establishment of a sub-group to explore and identify the options available to assist in managing Health and Safety information.

The sub-group had identified and provided a specification of system requirements to APUC, however, at the time of writing the likelihood of a partnership wide procurement of H&S software looks unlikely due to several factors, with one being the associated cost. With this being the case, the Inverness College Health & Safety Manager is looking into options for a Health & Safety software system to be introduced locally within the College. The options as they currently stand are:

- **Extension of the current contract with SHE Software**. This could prove problematic in terms of procurement legislation given that the College has already exercised the +2 year option on the initial 3 year contract.
- **Enter into new contract with SHE Software**. The advantage to this is there would be little to no disruption to service provision for end users as all records would be rolled over into the new contract. A disadvantage would be that there is a significant piece of work to be done at local administrator level to reconfigure the organisational structure of the system and there is a 3 year minimum contract. Another disadvantage is that the SHE system has generally not been well received by end users and isn't particularly user friendly in some functions; both for local administration and end user functions.
- **Enter into a contract with a new software provider**. There are multiple providers available on the market which offer competitive pricing models and arguably, better functionality and user interface. The disadvantage to this option is the procurement process that would be involved to identify a suitable provider, though consultation is being taken with the College APUC representatives to establish what would be required and associated timeframes.
- **Revert to a contingency approach based upon MS Office documents** This would involve the use of Excel databases and Word documents. The advantage to this is that it would be inexpensive to implement, but the ongoing operation would involve a significant volume of administration.

The procurement of a new Health and Safety software system, or procurement of SHE software on a new contract, presents an opportunity to improve the organisational structure criteria and data settings within the incident management function (as well as other aspects provided by the software). At this stage, it is anticipated that a solution can be obtained for a comparable fee to the existing SHE arrangement – the process of reviewing the market is currently underway, utilising much of the information gathered during the collaborative software implementation project in addition to the work that had been done in ensuring GDPR compliance.

The implementation of a reinvigorated SHE package or the introduction of a new package will greatly improve not only the accuracy and ability to meaningfully

manipulate and interpret data, but it will also provide an opportunity to promote use of the system, improving engagement in Health and Safety across the College.

The caveat to the above options is that there has to be a structured process for the implementation, focussing on information, instruction and training in the use of the system. This should provide assurance that a new iteration of SHE software, or a new provider altogether will be a more practical and effective solution to assist in the development of the Health & Safety Management System as well as the overall Health & Safety culture within the College.

Business Continuity Plan

During the preparations for COVID-19 mitigation, several areas within the Business Continuity Plan (BCP) were found to be unsuitable or insufficient, not only for the situation at hand but also in a broader context. The review and update of the BCP would best be undertaken through a working group, and to ensure there is suitable oversight and direction of the process, such a group should be chaired by a member of the Senior Management Team (SMT) with a suitable SMT depute. As BCP has wider implications than COVID-19, it is recommended that the group be a separate entity from the COVID-19 Contingency Management Group.

Summary

As the building has been unoccupied for a significant part of the quarter, it is natural that there has been a marked decrease in incident reporting. Prior to the College closure, the trend in incident reporting was continuing to show an increase on the previous year, which is an indication of some cultural improvement, however, there are still several cultural issues which require addressing, particularly the ownership and accountability of Health & Safety within departments.

This quarter has taken place during unprecedented times due to the COVID-19 pandemic and it is highly likely this will cause several ongoing health and safety challenges, not least the returning to operations within campus buildings. The planning for returning to work inside buildings is already underway, with multiple procedural and physical control measures being considered.

University of the Highlands and Islands Inverness College

Board of Management

Subject/Title:	Complaints Annual Report 2019-20
Author: [Name and Job title]	Liz Cook, Quality Manager
Meeting:	**Audit Committee**
Meeting Date:	15 September 2020
Date Paper prepared:	04 September 2020
Brief Summary of the paper:	The report provides an analysis of the complaints received during the academic year 2019 – 20.
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:**:** • compliance • partnership services • risk management • strategic plan • new opportunity/change	The report assists with a number of strategies' including Quality Assurance and Enhancement, Learning and Teaching, and Student Engagement
Resource implications:	Yes / **No** **If yes, please specify**:
Risk implications:	Yes / **No** **If yes, please specify:** Operational: Organisational:
Equality and Diversity implications:	Yes / **No** **If yes, please specify:**
Consultation: [staff, students, UHI & Partners, External] and provide detail	None

Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes		
*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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Annual Report: Complaints 2019 – 20

Introduction

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

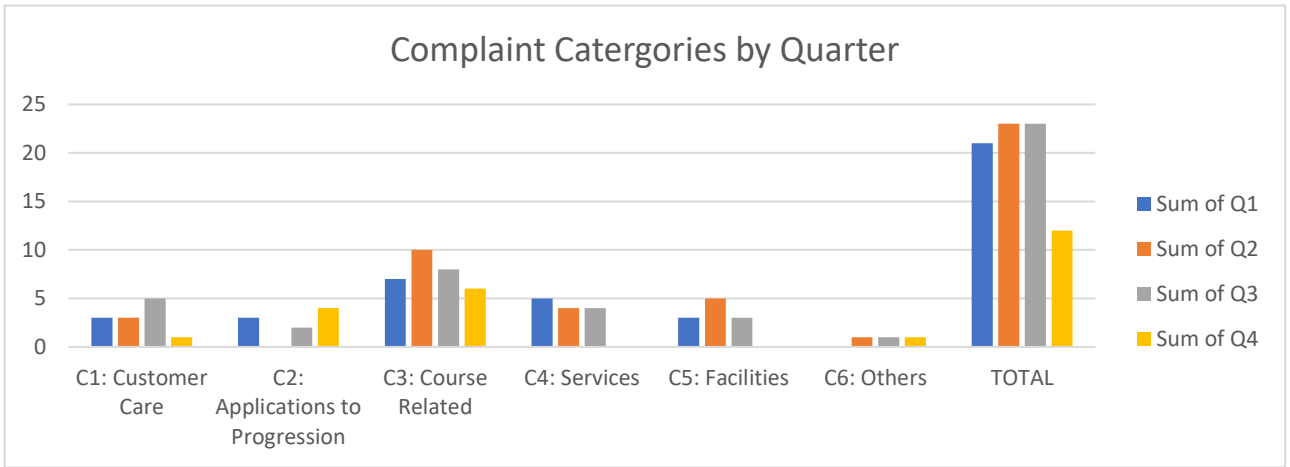
Complaints are grouped into quarters depending on the time of year in which they are received. The quarter dates are detailed below:

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

This report provides an overview of the complaint categories and outcomes across academic year 2019-20 (Q1-Q4) including Q4 statistics and outcomes.

Complaints by Category

The graph below displays the sum of quarterly complaints each category received.



Customer Category: Current Year (Quarter) 2019/20	YTD CY	Q1,CY	Q2,CY	Q3,CY	Q4,CY
C1: Customer Care	12	3	3	5	1
C2: Applications to Progression	9	3	0	2	4
C3: Course Related	31	7	10	8	6
C4: Services	13	5	4	4	0
C5: Facilities	11	3	5	3	0
C6: Others	3	0	1	1	1
TOTAL	79	21	23	23	12

Customer Category: Previous Year (Quarter) 2018/19	YTD PY	Q1, PY	Q2,PY	Q3, PY	Q4, PY
C1: Customer Care	53	10	11	18	14
C2: Applications to Progression	11	4	0	1	6
C3: Course Related	21	3	7	9	2
C4: Services	4	1	2	0	1
C5: Facilities	17	6	2	7	2
C6: Others	3	0	0	2	1
TOTAL	109	24	22	37	26

A total of 12 complaints were received in Q4 of 2019-20. Overall, there was a 35% reduction in complaints from 109 in 2018/19 to 79 in 2019/20. There were significant decreases of 37% in Q3 and 53% in Q4, both periods affected by the Covid 19 pandemic. There is anecdotal evidence to suggest this reduction in complaints has been replicated across the college sector. (CHAG 03.09.2020).

The category of *Course Related* received the most complaints for each quarter of 2019/20, accounting for 39% of the total complaints received this year. This represented an increase of 20% (10) from the previous year. 17 of these complaints related to HE provision, 7 to FE, 7 were received from externals. In 2018/19 there were 17 HE and 4 FE complaints.
The sub-category of Learning & Teaching received 9 complaints, primarily relating to issues of poor communication by lecturing staff but not focussed in any curriculum area.
Two other subcategories: Course Management, and Assessment, Exams & Certification received 5 and 4 complaints respectively but there were no trends identified within such small numbers.

There has been a significant drop in *Customer Care* complaints with only 1 received in Q4 this year compared to 14 received in Q4 2018-19. The data shows a 77% reduction from 53 received in 2018-19 to 12 received in 2019-20. The decline in complaints in this category was evident before the outbreak of COVID 19. In 2018/19 the subcategory Staff Conduct accounted for 28 complaints, this has reduced to 11 in the current year and these were recorded in both teaching and support departments.

Applications to Progression category received 4 complaints in Q4, a reduction of 2 compared to Q4 in 2018-19, there was an overall declined from 11 in 2018/19 to 9 this year, 5 were from FE students and 4 from externals.

There were no *Service complaints* in Q4 of 2019-20. The data for the year shows the complaints in this area have increased from 4 last academic year to 13 in 2019/20. The

complaints received are spread across five different departments with no significant trend observed.

There were no *Facilities complaints* in Q4 of 2019/20. Overall, there is a reduction in complaints from 17 YTD 2018-19 to 11 YTD 2019-20. This trend was evident before the Covid 19 pandemic. Catering and Estates departments received 8 of these complaints between them, however there were no repeat complaints.

The remaining category of *Other* received 1 complaint in Q4, the same as Q4 of 2018-19. 3 complaints were received this year, the same as last year.

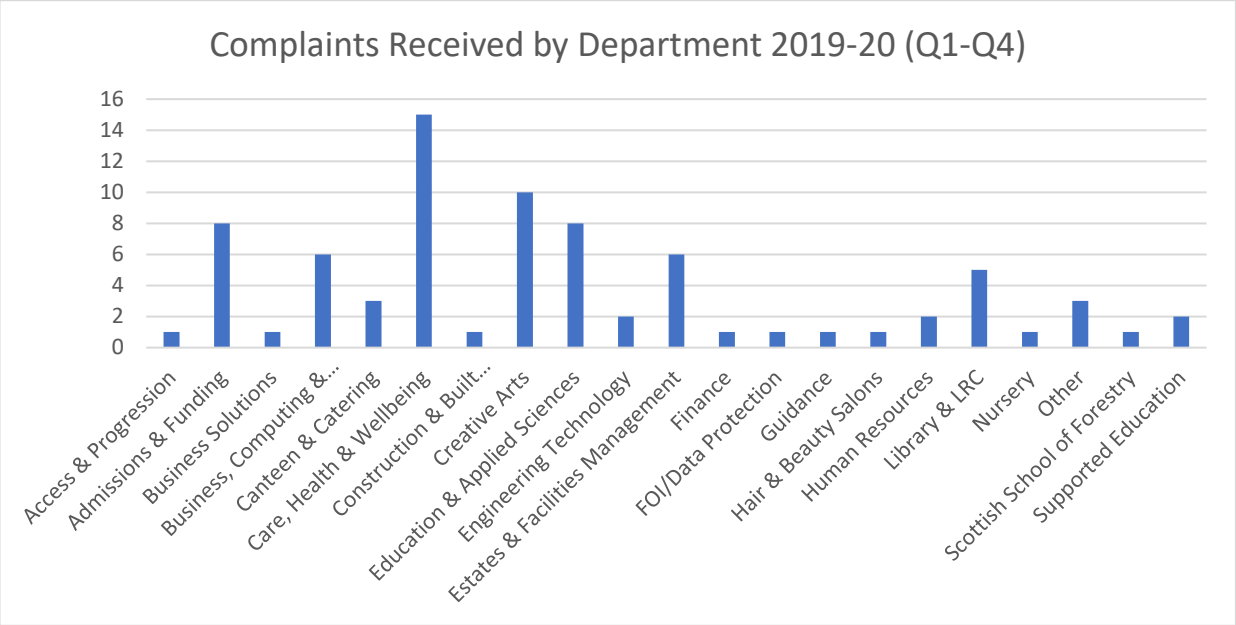
The table below shows the full breakdown of complaint categories and sub categories, including the year to year shift.

Category	2018-19	2019-20	Change
C1: Customer Care	2018-19	2019-20	Change
C1S01: Health & Safety	1	2	1
C1S02: Security	0	0	0
C1S03: Diversity & Equality	0	0	0
C1S04: Data Protection	1	0	-1
C1S05: Environmental	0	0	0
C1S06: Staff Conduct	28	7	-21
C1S07: Student Conduct	12	1	-11
C1S99: Other	12	0	-12
C4S02: Funding/Bursary	0	2	2
C2: Applications to Progression	2018-19	2019-20	Change
C2S01: Marketing	2	0	-2
C2S02: Application, Admission, Interview, Enrolment, Induction	4	8	4
C2S03: Progression, Articulation, Withdrawal	3	1	-2
C2S99: Other	1	0	-1
C3S05: Assessment	1	0	-1
C3: Course Related	2018-19	2019-20	Change
C3S01: Learning & Teaching	9	9	0
C3S02: Environment/Resources	2	1	-1
C3S03: Course Management	2	7	5
C3S04: Facilitated Learning & Support	1	1	0
C3S05: Assessment, Exams & Certification	7	6	-1
C1S06: Staff Conduct	0	4	4
C1S07: Student Conduct	0	1	1
C3S99: Other	1	1	0

C4: Services	2018-19	2019-20	Change
C4S01: Finance	1	3	2
C4S02: Funding / Bursary	1	3	1
C4S03: Student Records	0	0	0
C4S04: Providing Learning Support	1	0	-1
C4S05: Library / Learning Technology	1	4	3
C4S06: Quality etc.	0	0	0
C4S99: Other	0	2	2
C5: Facilities	**2018-19**	**2019-20**	**Change**
C5S01: Catering	2	3	1
C5S02: Student Accommodation	0	1	1
C5S03: Maintenance, Lifts, Car Parking	4	2	-2
C1S05: Environmental	0	1	1
C5S99: Other	11	4	-7
C6: Others	**2018-19**	**2019-20**	**Change**
C6S01: Others	3	0	-3
C1S04: Data Protection	0	1	1
C1S07: Student Conduct	0	1	1
C1S99: Other	0	1	1
C6S99:	0	0	0
TOTAL	109	79	-40

Complaints by Department

The graph below displays the number of complaints received by department throughout academic year 2019-20. Care, Health and Wellbeing received the highest number of complaints overall (15 complaints). Creative Arts had the next highest number of complaints with 10. Admissions and Funding had the highest number of complaints within the support departments with 8 complaints. Estates received the most complaints in 2018-19 with 14, which has reduced to 6 this year.



Complaints by Mode of Delivery

In relation to mode of delivery in Q4 only, 30% of complaints received relate to HE programmes, 30% relate to FE programmes and 40% complaints came from Members of Public. The four complaints from Members of Public were from parents, two were application to progression related and the other two were course related.

In 2019-20 (Q1-Q4), 30.5% of complaints received related to FE programmes, 38% related to HE programmes and 31.5% were received from Members of Public, Stakeholders and Others.

The table below provides a breakdown for 2019-20 and 2018-19.

FE / HE	No. Received 19/20	No. Received 18/19
FE	25	36
HE	30	49
Other	24	24
Total	**79**	**109**

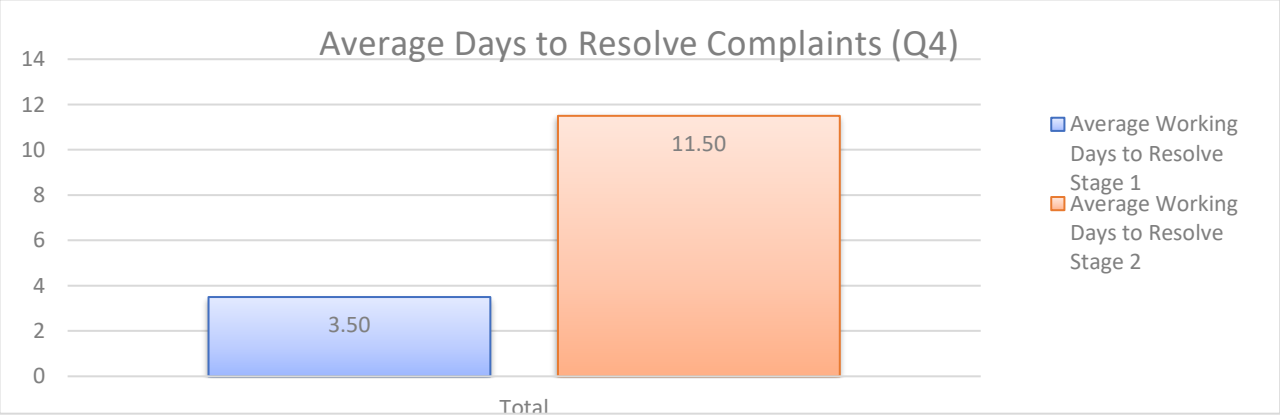
Complaint Outcomes

The table below shows the breakdown in stage 1 and stage 2 complaints and whether they have been upheld, partially upheld, or not upheld.

- Not upheld – 43%
- Partially upheld – 29%
- Upheld – 28%

Outcome	Stage 1	Stage 2	Total
Not upheld	**26** *FE: 8, HE: 9, Other: 9.*	**8** *FE: 1, HE: 4, Other: 3.*	**34** *FE: 9, HE:13, Other: 12.*
Partially upheld	**13** *FE: 4, HE: 5, Other: 4.*	**10** *FE: 3, HE: 4, Other: 3.*	**23** *FE: 7, HE: 9, Other: 7.*
Upheld	**15** *FE: 8, HE: 5, Other: 2.*	**7** *FE: 1, HE: 3, Other: 3.*	**22** *FE: 9, HE: 8, Other: 5.*
Still under investigation	**0** *FE: 0, HE: 0, Other, 0.*	**0** *FE: 0, HE: 0, Other: 0.*	**0** *FE: 0, HE: 0, Other: 0.*
Total	**54**	**25**	**79**

Complaint Timescales



The chart above displays the average number of days taken to resolve complaints in Q4.

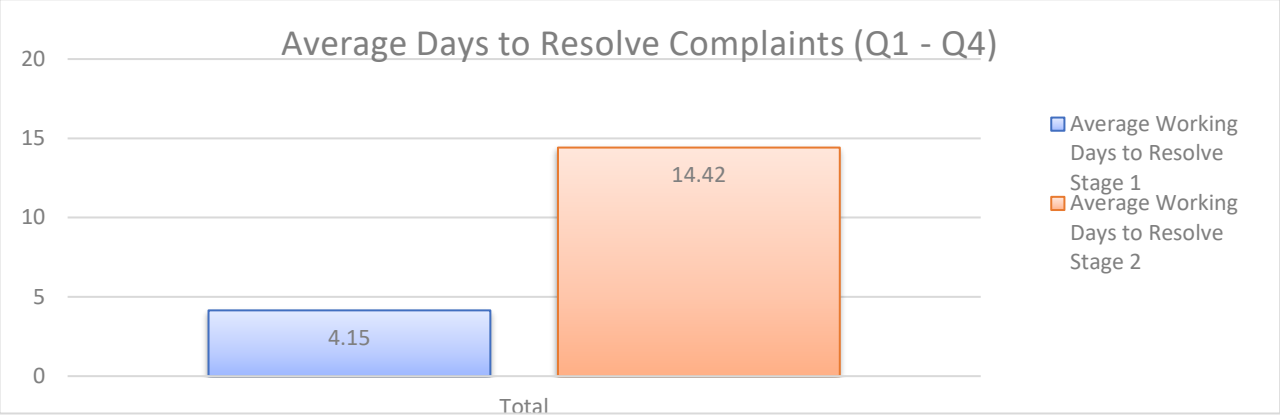
The range of days taken to resolve Stage 1 complaints in Q4 is between 1 – 6 days.
The range of days taken to resolve Stage 2 complaints in Q4 is between 3 – 20 days.

Across academic year 2019-20 the timescales to resolve complaints are detailed below:

Stage 1 complaints 2019-20 (Q1-Q4): 1 – 16 days.

Stage 2 complaints 2019-20 (Q1-Q4): 1 – 32 days.

The chart below shows the average number of days taken to resolve complaints across academic year 2019-20.



SPSO guidelines state pre-defined timescales of a 5 day turnaround for Stage 1, and 20 days for Stage 2. As part of the Stage 2 process, updates are provided to complainants where the complaint is complex and may take longer than 20 working days. 79% of complaints were dealt with within the SPSO timescales, 14 Stage 1 complaints exceeded the 5 day limit, 3 Stage 2 complaints exceeded the 20 day limit. Stage 1 complaints related to timing issues or delays in the receipt of requested information, the Stage 2 complaints due to the complexity of the complaints involved.

Within the academic year 2019-20, no complaints were escalated to SPSO.

Learning from Complaints

Complaints often result in reviews of processes and procedures and they also allow us to identify opportunities for staff development. The Quality team continues to identify any learning points from each complaint in order to identify themes emerging. Curriculum and support teams use complaints as part of their evidence bank to inform their evaluative activities aimed at improving the student experience.

Below is an example of improvements made as a result of complaints received during Q4 2019 - 20:

- Debt collection should be triggered earlier to prevent the accrual of debt. This is an ongoing discussion to identify procedural improvements.

Below are example of improvements made as a result of complaints received during 2019 - 20:

- Induction and pre-course information has been reviewed for currency and accuracy, corrections made and reissued to appropriate cohort.
- Communication etiquette is to be included in course induction and introduce holding emails where the student's queries are complex.
- Funding criteria has been reissued to all PDAs, with a focus on new staff.

- The payment plan process has been reviewed and students cannot now receive a payment plan until they have enrolled on their course.
- Instructions have been added to Celcat not to use the VC suite adjacent to the Library (243a) for 'noisy' i.e. music classes, as the sound proofing is inadequate.
- Out of office messages for part time staff has been amended to direct student enquiries to another nominated staff member in their absence.
- To clarify the process for providing feedback to job applicants, a new recruitment portal is to be rolled out
- Additional tables have been ordered to increase LRC study space.
- New soap dispensers are being trialled in the college.

Themes of emerging from complaints through the academic year 2019-20:

It is difficult to draw themes from the small number of complaints received, spread across the range of complaint categories.

There has been a significant decline in customer care complaints year on year, which was evident before the Covid 19 pandemic and the resulting college closure. In particular the areas of staff and student conduct have reduced significantly. The scope of the complaints procedure was refined for 2019/20, and this reduction may be, in part, as a result of this further clarity.

One common issue appearing through several complaints this year are instances of incomplete, inaccurate or inconsistent communication. This has been both verbal and written. Teams are aware of the need for clear communication and strive to ensure all communications meet the needs of all users.

ITEM 11

University of the Highlands and Islands Inverness College

Board of Management

Subject/Title:	Audit Committee Evaluation Feedback and Implementation Plan
Author: [Name and Job title]	Lisa Ross, Board Secretary
Meeting:	Audit Committee
Meeting Date:	15 September 2020
Date Paper prepared:	03 September 2020
Brief Summary of the paper:	Feedback on the Audit Committee Evaluation along with an implementation plan which has been developed following this evaluation.
Action requested: [Approval, recommendation, discussion, noting]	It is recommended that the committee discuss the suggested actions and timescales set out in the implementation plan.
Link to Strategy: Please highlight how the paper links to, or assists with:**:** • compliance • partnership services • risk management • strategic plan • new opportunity/change	Compliance with Code of Good Governance for Scotland's Colleges. Providing assurance to the Board on the effectiveness of the audit committee's key responsibilities and thus mitigating risk.
Resource implications:	Cost of Internal Audit services
Risk implications:	Yes/No Operational: to ensure that the internal audit function is appropriate and effective
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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

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

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

Background

The Audit Committee Evaluations for both Chair and the Committee were carried out offline during June-August 2020. Of the 5 Board of Management Members who were requested to complete these evaluations 4 members completed them and from their responses an aggregated evaluation form was completed by the Board Secretary.

Chair Feedback

As the Chair of the Audit Committee has stepped down the completed evaluation documentation has been passed to the Chair of the Board of Management for the feedback to be delivered to them.

Whilst the Committee praised the outgoing Chair the following issue was highlighted:

There were reservations expressed that the Committee had at times been inclined to be overly reliant on the outgoing Chair's professional expertise and experience with regards Audit.

Going forward the Committee felt that whilst we would wish to fill the post with a further Chair who comes with a strong audit background along with financial experience we would also seek during our forthcoming Board Member Recruitment Campaign to recruit additional Committee members to strengthen the Committee membership.

The Committee feel that the loss of the Chair coupled with the loss of the Committee's Vice-Chair leaves us in a weakened position and there were recommendations that we reach out to our partners in the short term with a view to sharing an Audit Committee Chair until such time as we are able to fill the gap with a suitable candidate who is bedded following some knowledge transfer.

This was also highlighted within the Committee Evaluation.

Committee Feedback

A copy of the aggregated feedback from the Committee is attached as Appendix 1. The Committee have highlighted a number of issues within this feedback.

Implementation Plan

Following the feedback received from Committee members an implementation plan has been drawn up – see Appendix 2.

Recommendations

It is recommended that the Committee discuss the suggested actions and timescales set out in the implantation plan including the following:

- Determine and agree the skills gap required within the Audit Committee to ensure that these are met by the upcoming recruitment campaign.

- Discussion to take place regarding mechanisms, other than Internal Audit, which are in place to ensure the Committee are aware of all legal and regularly issues.
- Discussion and agreement of a procedure to ensure that the Committee obtains the level of detail, information and evidence which they require with regards to planning.
- Discussion around the current timing of Audit Meetings and whether they should be moved to late afternoons instead.

University of the Highlands and Islands Inverness College

Appendix 1

Audit Committee Evaluation (to be completed by the Audit committee collectively) - August 2020

Good Practice	Yes	No	N/A	Comments/Action
Composition, Establishment and Duties of the Committee				
Does the Committee meet regularly in accordance with the Board Standing Orders?	**Y**			
Does the Committee consistently have a quorum?	**Y**			
Do all Committee members attend meetings regularly?	**Y**			Tends to be well attended however unavoidably, one or two are often absent due to other commitments.
Does the Committee have enough members?	**Y**			Yes, provided most can attend each meeting
Does at least one of the Committee members have a background relevant to the remit of the Committee?	**Y**			The outgoing Chair of the Audit Committee provided this which did become something which the Committee was reliant upon. There is a concern going forward now that the Chair has stepped down regarding relevant background and as such from a succession planning perspective it would be useful to have at least one other member with audit and financial/accounting expertise.
Have new Committee members received all necessary training?		**N**		It was highlighted that longer serving members of the Audit Committee were in the past able to attend an Audit Committee training course which they found very helpful. No recent training has been offered in the last couple of years and it was felt that training for **all** members of the Audit Committee should be compulsory - especially given the Chair of the Committee standing down.
Does the Committee report	**Y**			

regularly to the Board?				

Good Practice	Yes	No	N/A	Comments/Action
Terms of Reference				
Does the Committee have written terms of reference?	**Y**			
Do the terms of reference include all aspects of the Committee's role?	**Y**			
Does the membership of the Committee need to be changed?	**Y (1)**	**N (3)**		The Committee felt that the composition of the Committee has changed with the introduction of new members fairly recently. However it is felt that new members and a Chair require to be appointed as both the Chair and Vice Chair have stepped down. It was strongly recommended that we reach out to our partners in the short term with a view to sharing an Audit Committee Chair until such time as we are able to fill the gap with a suitable candidate who is bedded following some knowledge transfer.
Are the terms of reference adopted by the full Board and reviewed annually?	**Y**			

Good Practice	Yes	No	N/A	Comments/Action
Compliance with the Law and Regulations				
Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues?	**Y**			The Committee felt that this was true however it was requested that reassurance and evidence of this is shown to ensure there is a formal mechanism other than only the internal audit process and reporting from the SMT.

Good Practice	Yes	No	N/A	Comments/Action
Internal Control				
Does the Committee monitor to ensure that risk is controlled?	**Y**			The Committee noted the regular review of Risk Register (or specific risks appearing on it) in conjunction with SMT
Does the Committee regularly review relevant strategic plans?	**Y**			The Committee advised that they have struggled to obtain evidence requested that would provide assurances which has been a source of frustration over the past year. However that financial planning/report has been lacking or insufficient (for various reasons) has become apparent within the last year which has meant the need for an urgent financial recovery plan.
Does the Committee consider the level of detail and information it receives appropriate?	**Y (3)**	**N (1)**		The Committee felt that generally we did have the level of detail and were sometimes provided very detailed papers on key topics. However the Committee felt that there has been a lack of detail/reporting/focus on certain key financial issues/risks over the last year as the need for an urgency recovery plan and close monitoring demonstrates.
Are appropriate internal performance measures monitored by the Committee?	**Y (3)**	**N (1)**		The Committee broadly agreed with this but highlighted that the need for the urgent Financial Recovery Plan might suggest otherwise. However the fact that there is a plan and a monitoring process in place does provide some reassurance and the Committee noted that there appears to be an improvement as the Financial Recovery Plan matures. The Committee remains cognizant that there remains room for improvement and that the financial recovery plan will continue to merit discussion/consideration at the Audit Committee Meetings.
Is the Committee addressing all matters delegated to it by the	**Y**			The Committee were in agreement that all matters are

Board and under its terms of reference?				addressed within the time limits available to the Committee.

Good Practice	Yes	No	N/A	Comments/Action
Administrative Arrangements				
Does the Committee have an independent secretary?	**Y**			
Are Committee papers distributed in sufficient time for members to give them due consideration?	**Y**			The Committee felt that some members may benefit from earlier delivery of the papers especially given the volume of papers and members other commitments. All papers should be out a week before the meeting.
Are Committee meetings scheduled prior to important decisions on specific matters being made?	**Y**			
Is the timing of Committee meetings discussed with all involved?	**Y**			The Committee noted that the timing of meetings are well understood by all but there was a preference for these meetings to be moved to afternoons (from 4.30 p.m.) if possible. The Committee highlighted that the duration of the meetings always run over typically by at least 30 minutes. This becomes frustrating for members of the Committee with regards their diaries and some members reported to compensating for this by adding additional time to the meeting within their calendars. As the meeting slots have already lengthened the Committee pondered whether additional meetings may be required especially when looking at the Financial Recovery Plan and Covid-19.

APPENDIX 2

University of the Highlands and Islands
Inverness College

AUDIT COMMITTEE SELF- EVALUATION – ACTION PLAN

	Issue	Action required	Responsible person	Timescale/ Comments
1	Does at least one of the Committee members have a background relevant to the remit of the Committee? *It has been highlighted that the outgoing Chair of the Audit Committee provided this and it was felt that the Committee had become reliant on their expertise, support and guidance. Due to the Chair having stepped down it is felt that further members with Audit and Financial/Accounting Expertise is required.*	Recruitment is beginning for both new Board Members and a new Chair of the Audit Committee. Recruitment will focus on skills required following an updated skills matrix being carried out: • Accountancy; • Legal; • School/Higher/Further Education • Risk Management • Audit • Entrepreneurial • ICT • Marketing/Media/PR The Recruitment Plan will be taken to the S&N Committee for approval on 10 September 2020.	Board Secretary	End of 2020 for recruitment campaign to take place, interviews and new Chair to be in place.
2	Have new Committee Members received all necessary training? *Members of the Audit Committee in the past were able to attend an Audit Committee Training Course which was found to be very helpful. No training has been offered to new members and the Committee feels that training for all members of the Committee should be compulsory.*	Audit Committee Training will be sourced for all members to attend.	Board Secretary	November Audit committee – for discussion and approval of training course found.
3	Does the Membership of the Committee need to be changed? *The Committee felt that the composition of the Committee has changed with the introduction of new members and the loss of the Chair and Vice Chair. Procedures for how to fill the loss of these outgoing members to be discussed.*	As noted above a recruitment campaign is due to start to recruit new Board Members and a Chair of the Audit Committee. In the meantime steps have been taken to ensure that an Interim Audit Chair is in place. As such Fiona Neilson has taken on this position for the remainder of the year with the hope that the new Chair will be available for the next cycle of meetings in 2021. Fiona will be active in setting the agenda and chairing the meetings in the meantime. Fiona has also been added to the Audit Chair mailing list for UHI.	Interim Chair of Audit Committee & Board Secretary	Ongoing
4	Does the Committee have a mechanism to keep it aware of topical legal and regulatory issues? *The Committee felt that this was true however reassurance and evidence of this to be shown to ensure that there is a formal mechanism in place other than the internal audit process and*	Issue to be discussed at Audit Meeting on 15 September and if required steps will be put in place to ensure that this is done.	Audit Committee & Board Secretary	September 2020 Audit Committee Meeting.

	Issue	Action required	Responsible person	Timescale/ Comments
	reporting.			
5	Does the Committee regularly review relevant strategic plans? *The Committee highlighted that they have struggled to obtain evidence that would provide assurances of this which has proved a source of frustration. The Committee noted that financial planning/reporting has been lacking or insufficient and has resulted in the Financial Recovery Plan.*	Committee to discuss and agree a procedure for obtaining evidence and financial planning.	Audit Committee	Audit Committee – September 2020
6	Does the Committee consider the level of detail and information it receives appropriate? *Again the Committee felt that there had been a lack of detailed reporting/focus on certain key financial issues/risks over the last year.*	As previously noted the Committee will discuss and agree a procedure for obtaining evidence and financial planning.	Audit Committee	Audit Committee – September 2020
7.	Are appropriate internal performance measures monitored by the Committee? *The Committee highlighted that the need for a Financial Recovery Plan may suggest that there is not appropriate internal performance measures being monitored by the Committee.*	As previously noted the Committee will discuss and agree a procedure for obtaining evidence and financial planning. The Financial Recovery Plan will be reviewed at each Audit Committee Meeting.	Audit Committee	Audit Committee – September 2020
8.	Are Committee papers distributed in sufficient time for members to give them due consideration? *The Committee felt that some members may benefit from earlier delivery of papers.*	All papers will be circulated one week prior to the meeting. The Board Secretary is currently getting AdminControl set up for all Committee Meetings and papers will appear within AdminControl as they are received. This way members will be able to read the papers as they are received and there will be no delay in receiving the papers.	Board Secretary	Admin Control to be in place by November 2020 Audit Committee Meeting.
9.	Is the timing of Committee meetings discussed with all involved? *The Committee felt that the timing of meetings are understood by all but it was noted that the meetings tend to run over and the possibility of moving them to afternoon was highlighted.*	The Committee to discuss whether they would prefer the meetings to be moved to late afternoon or remain at the time they are currently set for. The Board Secretary will ensure that timings are noted on each agenda to assist the Chair with keeping the meeting on time.	Audit Committee & Board Secretary	September 2020 Audit Committee