

Meeting	Joint Meeting of the Audit and Finance and General Purposes Committees
Date and time	Monday 09 th December 2024 at 3p.m.
Location	Via Microsoft Teams

Governance Officer
03 December 2024

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
 - a.) Minutes of the Joint Audit and FGP Committee held on 10 September 2024
2. **OUTSTANDING ACTIONS – none**
3. **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024 (CONFIDENTIAL)**
Report by Director of Finance and Estates
4. **DRAFT EXTERNAL AUDITORS REPORT – 31 JULY 2024**
Report by Deloitte
5. **LETTER OF REPRESENTATIONS – to follow**
Provided by Deloitte
6. **SFC ANNUAL ACCOUNTS RETURN FOR THE YEAR ENDED 31 JULY 2024 – to follow**
Report by Director of Finance and Estates
7. **POLICIES FOR APPROVAL**
Report by Vice Principal Curriculum, Operations & External Relations

a) Marketing & Communications Policy – FGP

b) Information Transfer Policy - Audit

8. ANNUAL PROCUREMENT REPORT FY 23-24

Report by Director of Finance and Estates

9. HARBOUR ROAD LEASE (CONFIDENTIAL)

Report by Vice Principal Curriculum, Operations and External Relations

10. REVISED RISK REGISTER (CONFIDENTIAL)

Report by Director of Finance and Estates

ITEMS FOR DISCUSSION

ITEMS FOR NOTING

11. BUDGET MONITORING 24/25

Report by Director of Finance and Estates

12. AOCB

13. DATE OF NEXT MEETING – tbc

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

Outstanding Actions from Joint Audit & FGP Committee Meetings

Item	Action	Responsibility	Timeline	ACTIONED

Joint Audit and Finance and General Purposes Committee

Subject/Title:	Draft External Auditor's Annual Report for 2023/24
Author:	Niall McArthur – Director of Finance and Estates
Meeting:	Joint Audit and Finance and General Purposes Committee
Meeting Date:	9 December 2024
Date Paper prepared:	6 December 2024
Brief Summary of the paper:	The College's External Auditors prepare an annual report on their audit of the financial statements for the year-ended 31 July 2024. A copy of their draft report is attached.
Action requested: [Approval, recommendation, discussion, noting]	Approval

Link to Strategy: Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	N/A
Resource implications:	N/A If yes, please specify:
Risk implications:	If yes, please specify: Financial – Yes Operational – Yes Organisational - Yes
Equality and Diversity implications:	N/A
Student Experience Impact:	None
Consultation: [staff, students, UHI & Partners, External] and provide detail	None
Status – [Confidential/Non confidential]	Non-Confidential
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should not be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)	Its disclosure would constitute a breach of confident actionable in court (s36)
Its disclosure would constitute a breach of the Data Protection Act (s38)	Other (Please give further details)

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

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

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

Recommendation

That the audit and finance & general purposes committee approve the external auditor's draft annual report on the financial statements for the year-ended 31 July 2024.

Purpose of report

To provide the joint committee with the external auditors draft report on the annual audit of the college for the year ended 31 July 2024.

External Audit Annual Report

The college external auditors, Deloitte, produce a report on the audit of the College's financial statements and other areas that are reviewed under their audit, for the year ended 31 July 2024.

The key sections of their report and what they contain are noted below:

- Annual Report and Accounts – highlights the quality indicators which Deloitte consider in assessing the reliability of our financial reporting and provide context for other messages in this report, a summary of the audit work carried out, highlights the significant risks, reviews the control environment and the findings, highlights the overall audit report and the college annual report and accounts.
- Wider scope audit – provides details of the work carried out in a number of areas.
- Included in the appendices are details of the control findings, the audit adjustments, Deloitte's other responsibilities and the statement on independence and audit fees.



Inverness College

Update report to the Audit Committee on the 2023/24 audit
6 December 2024

Contents

ITEM 4.a

01 Update report

Partner introduction [3](#)

Annual Report and Accounts

Quality indicators [6](#)

Our audit explained [7](#)

Significant risks [8](#)

Other significant findings [14](#)

Our audit report [15](#)

Your Annual Report and Accounts [16](#)

Wider scope audit

Wider scope requirements [18](#)

Purpose of our report and responsibility statement [19](#)

03 Appendices

Control findings [21](#)

Audit adjustments [22](#)

Our other responsibilities explained [24](#)

Independence and fees [25](#)

Partner introduction

ITEM 4.a

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our update report to the Audit Committee (“the Committee”) of Inverness College (“the College”) for the 2023/24 audit. The report summarises our findings and conclusions made to date in relation to the audit of the Annual Report and Accounts and the wider scope requirements, the scope of which was set out within our planning report presented to the Committee in September 2024.

I would like to draw your attention to the key messages of this paper:

Conclusions from our testing

Based on our audit work completed to date, and the satisfactory resolution of the outstanding matters noted on page 4 of this report, we expect to issue an unmodified audit report.

We are in the process of reviewing the updated draft Annual Report and Accounts and providing comments to management based on this review.

A summary of our work on the significant risks is provided in the dashboard on page 8.

We have identified two immaterial adjustments to date in excess of our reporting threshold of 28k. Details of these are included in the appendix to this report.

Partner introduction (continued)

ITEM 4.a

The key messages in this report (continued)

Status of the Annual Report and Accounts audit

Outstanding matters to conclude the audit include

- Documentation of journals sample once support received;
- Review and confirmation of Job Evaluation Scheme adjustment;
- Review and confirmation of the clawback provision on the Longman site sale proceeds;
- Receipt of final pension report from Deloitte pension team;
- Receipt of pension assurances from Highland Pension Fund auditor;
- Finalisation of payroll IPE samples;
- Finalisation of remuneration report testing;
- Review of updated Annual Report and Accounts;
- Completion of internal quality review procedures;
- Receipt of signed management representation letter; and
- Our review of events since 31 July 2024.

Conclusions from wider scope audit work

We are in the process of finalising our wider scope audit work and will include our conclusions in our final report to the Audit Committee.

Control Findings

Control findings and recommendations are included on page 22 of this report.

Added value

Our aim is to add value to the College by providing insight into, and offering foresight on, financial sustainability, risk and performance by identifying areas for improvement and recommending and encouraging good practice. In so doing, we aim to help the College promote improved standards of governance, better management and decision making, and more effective use of resources. This is provided throughout the report.

Nicola Wright
Audit partner

Annual Report and Accounts Audit

ITEM 4.a



Quality indicators

ITEM 4.a

Impact on the execution of our audit

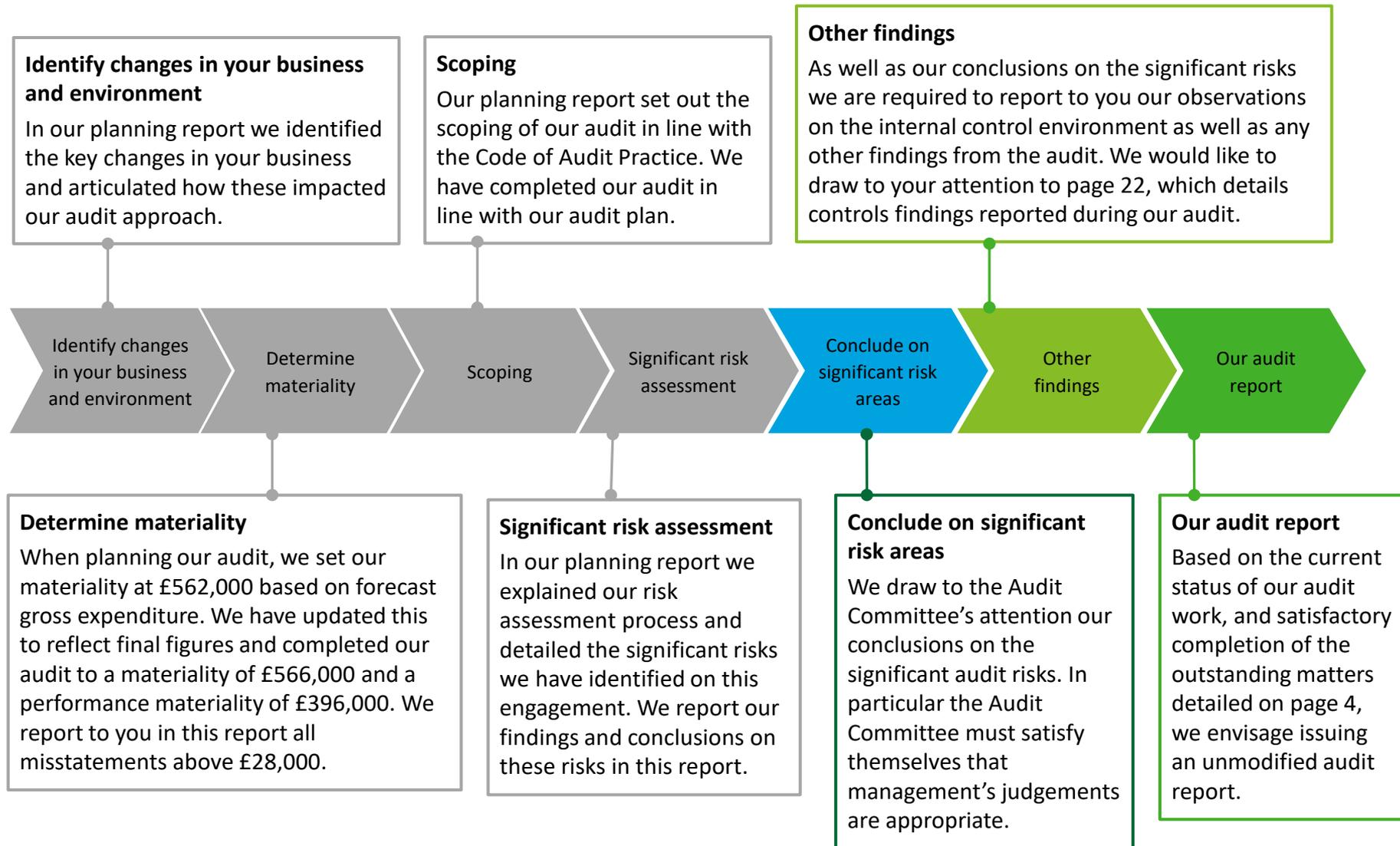
Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit. This page summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading	Reason	Further detail
Timing of key accounting judgements	●	Prompt delivery of working papers regarding management judgements.	N/A
Adherence to deliverables timetable	●	No issues to raise regarding adherence to deliverables timetable.	N/A
Access to finance team and other key personnel	●	Active involvement of the finance team throughout the course of the audit process.	N/A
Quality and accuracy of management accounting papers	●	Management accounting papers prepared to the expected quality and accuracy.	N/A
Quality of draft Annual Report and Accounts	●	Review of updated Annual Report and Accounts still to take place, as noted on page 4.	N/A
Response to control deficiencies identified	●	Two control deficiencies identified; further details can be found on page 15.	Page 22
Volume and magnitude of identified errors	●	Two unadjusted misstatements identified during the audit, both immaterial.	Page 23

Our audit explained

ITEM 4.a

We tailor our audit to your business and your strategy



Significant risks

Significant risk dashboard

ITEM 4.a

Risk	Fraud risk	Planned approach to controls	Controls conclusion	Consistency of judgements with Deloitte's expectations
Management override of controls			Satisfactory	
Property valuations			Findings raised, see page 22	
Operating within the funding provided			Satisfactory	
Completeness of Income			Satisfactory	

Consistency of judgements with Deloitte's expectations

-  Inconsistent
-  Improvement required
-  Consistent

Controls approach adopted

-  Assess design & implementation

Significant risks (continued)

ITEM 4.a

Risk 1 – Management override of controls

Risk identified	<p>In accordance with ISA (UK) 240 management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the Report and Financial Statements as well as the potential to override the College’s controls for specific transactions.</p> <p>The key judgments in the Report and Financial Statements are those which we have selected to be the significant audit risks – income recognition and operating within the funding provided. These are inherently the areas in which management has the potential to use their judgment to influence the Report and Financial Statements.</p>
Our response	<p>In considering the risk of management override, we have performed the following audit procedures that directly address this risk:</p> <ul style="list-style-type: none">• We have considered the overall control environment and ‘tone at the top’;• We have tested the design and implementation of controls relating to journals and accounting estimates;• We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;• We are testing the appropriateness of journals and adjustments made in the preparation of the Report and Financial Statements. We are using Spotlight data analytics tools to select journals for testing, based upon identification of items of potential audit interest;• We have reviewed accounting estimates for biases that could result in material misstatements due to fraud and perform testing on key accounting estimates as discussed above;• We will obtain an understanding of the business rationale of significant transactions that we become aware of that are outside of the normal course of business for the entity, or that otherwise appear to be unusual, given our understanding of the entity and its environment.
Conclusion	<p>Our audit work to address this risk is ongoing. As noted on page 4, we are awaiting the supporting evidence for our journals sample. We have no control findings to raise in relation to this significant risk.</p>

Significant risks (continued)

ITEM 4.a

Risk 2 – Property Valuation

Risk identified The College held £56.23m of property assets (land and buildings) at 31 July 2023 which increased to £57.87m as at 31 July 2024. In 2023/24 the College has performed a full independent valuation of its estate as at 31 July 2024.

The College is required to hold property assets within Property, Plant and Equipment at existing use value provided that an active market for the asset exists. Where there is no active market, because of the specialist nature of the asset, a depreciated replacement cost approach may be needed which provides the current cost of replacing an asset with its modern equivalent asset. The valuations are by nature significant estimates which are based on specialist and management assumptions, and which can be subject to material changes in value.

The College's land and buildings are revalued every 5 years for the purposes of the financial statements with an interim valuation after 3 years. Land and buildings have been valued as at 31 July 2024 (full valuation) on the basis of depreciated replacement cost by the Colleges appointed external valuer.

Our response

- We have tested the design and implementation of key controls in place around the property valuation;
- We have engaged early with the College, using our valuation specialists to challenge the assumptions applied by management in the valuations;
- We have tested the inputs to the valuation and the key asset information provided by the College to the valuer back to supporting documentation; and
- We have used our valuation specialists, Deloitte Real Asset Advisory, to review and challenge the appropriateness of the assumptions used in the year-end valuation of the College's Land and Buildings.

Conclusion Our work on this significant risk is undergoing the final stages of quality review. Based on our work performed, we have identified two control findings which we report to Committee. Details of both of these findings are included on page 22.

Significant risks (continued)

ITEM 4.a

Risk 3 – Operating within the funding provided

Risk identified In accordance with Practice Note 10 (Audit of Annual Accounts of public sector bodies in the United Kingdom), in addition to the presumed risk of fraud in revenue recognition set out in ISA (UK) 240, auditors of public sector bodies should also consider the risk of fraud and error on expenditure. This is on basis that most public bodies are net spending bodies, therefore the risk of material misstatement due to fraud related expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition.

We consider this fraud risk to be focused on how management operate within the funding available. The risk is that Inverness College could materially misstate expenditure in relation to year end transactions, in an attempt to align with its tolerance target or achieve a breakeven position.

The significant risk is therefore pinpointed to the completeness of accruals and the existence of prepayments made by management at the year end and invoices processed around the year end as this is the area where there is scope to manipulate the final results. Given the financial pressures across the whole of the public sector, there is an inherent fraud risk associated with the recording of accruals and prepayments around year end.

Our response We have evaluated the results of our audit testing in the context of the achievement of the limits set by the Scottish Funding Council (SFC). Our work in this area has included the following:

- We evaluated the design and implementation of controls around monthly monitoring of financial performance and the estimated accruals and prepayments made at the year-end;
- We obtained independent confirmation of the funding allocated to the College by the SFC and UHI;
- We performed focused testing of a sample of accruals and prepayments made at the year-end; and
- We performed focused testing of a sample of invoices received and paid around the year end.

Conclusion Our work on this significant risk is undergoing the final stages of quality review. Based on our work performed, we have no findings to report to the Audit Committee on this risk.

Significant risks (continued)

ITEM 4.a

Risk 4 – Completeness of income

Risk identified ISA (UK) 240 states that when identifying and assessing the risks of material misstatements due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks.

We have assessed the income streams for the College and concluded that the risk of a material misstatement due to fraud can be pinpointed to the non-recurrent funding as there is no judgement in respect of the recurrent grants from the SFC and UHI. We have pinpointed the non-recurrent funding risk to be in relation to:

- Incorrect recognition applied to grant income with conditions attached; and
- Incorrect recognition where performance conditions are in place.

Our response We have performed the following procedures:

- We tested the design and implementation of key controls in place around the recognition of non-recurrent funding;
- We tested a sample of grants for any evidence of clawback of income where conditions of entitlement have not been met; and
- We tested a sample of grants with performance conditions to ensure income is recognised correctly in line with the outlined requirements.

Conclusion Our work on this significant risk is ongoing. We have performed our substantive audit procedures and are awaiting support for a number of follow up requests from management. We have no control findings to report to the Audit Committee on this significant risk.

2.5 Other areas of audit focus

ITEM 4.a

We have identified the below areas of audit interest, although do not consider these to be significant risks

Risk identified	Pension Liability
Summary	<p>Retirement benefits to employees of the College are provided by the Highland Council Pension Fund (HCPF), which administers the Local Government Pension Scheme (LGPS) and managed by Highland Council, and the Scottish Teachers Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPA). The pension balance has remained in an asset position between financial years 2022/23 and 2023/24.</p> <p>Hymans Robertson LLP are the College's appointed actuary, who produce a detailed report outlining the estimated liability at the year-end along with the associated disclosure requirements. The pension liability valuation is an area of audit focus due to the material value and significant assumptions used in the calculation of the liability. The valuations are prepared by a reputable actuary using standard methodologies and no significant changes in the membership of the scheme or accrued benefits are expected in the current year. As a result, we have not identified this as a significant risk.</p>
Deloitte response	<p>We have performed the following procedures to address the risk:</p> <ul style="list-style-type: none">• Engaged with the Pension Fund Auditor to ensure timetables are aligned to provide the required assurances;• Assessed the independence and expertise of the actuary supporting the basis of reliance upon their work;• Reviewed and challenged the assumptions made by Hymans Robertson;• We are obtaining assurance from the auditor of the pension fund over the controls for providing accurate data to the actuary;• We are assessing the reasonableness of the College's share of the total assets of the scheme with the Pension Fund annual accounts and the Funds estimated asset position at 31 July 2024;• Reviewed and challenged the calculation of the impact of the McCloud and Goodwin cases on pension liabilities;• Reviewed the disclosures within the accounts against the FE SORP; and• Engaged Deloitte's internal pensions experts to assist with the above procedures.
Conclusion	<p>As noted on page 4, we are awaiting the receipt of pension fund assurances from the Highland Pension Fund auditor. We are also awaiting the final report from our internal pension specialists. We have obtained their draft report and included their findings in the appendix to this report.</p>

Other significant findings

ITEM 4.a

Financial reporting findings

Below are the findings from our audit surrounding your financial reporting process.

Qualitative aspects of your accounting practices:

Inverness College's Annual Report and Accounts have been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of the Charities Accounts (Scotland) Regulations 2006(as amended). Following our audit work, we are satisfied that the accounting policies are appropriate.

Liaison with internal audit

The audit team, has completed an assessment of the independence and competence of the internal audit department and reviewed their work and findings. In response to the significant risks identified, no reliance was placed on the work of internal audit and we performed all work ourselves.

We will obtain written representations from the College on matters material to the Annual Report and Accounts when other sufficient appropriate audit evidence cannot reasonably be expected to exist. A copy of the draft representations letter will be circulated separately.

Our audit report

ITEM 4.a

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.

66
99

Our opinion on the Annual Report and Accounts

Based on the current status of our audit work, and satisfactory completion of the outstanding matters detailed on page 4, we envisage issuing an unmodified audit report.



Going concern

At the time of writing this report, we have not identified a material uncertainty related to going concern and will report that we concur with management's use of the going concern basis of accounting.

Practice Note 10 provides guidance on applying ISA (UK) 570 Going Concern to the audit of public sector bodies. The anticipated continued provision of the service is more relevant to the assessment of the continued existence of a particular body.



Emphasis of matter and other matter paragraphs

At the time of writing this report, there are no matters we judge to be of fundamental importance in the financial statements that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.



Other reporting responsibilities

The Annual Report is reviewed in its entirety for material consistency with the Annual Accounts and the audit work performance and to ensure that they are fair, balanced and reasonable.

Opinion on regularity

At the time of writing this report, we have no matters to bring to the attention of the Committee in relation to expenditure and income in the Annual Report and Account not being incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Your Annual Report and Accounts

ITEM 4.a

We are required to provide an opinion on the auditable parts of the Remuneration and Staff report, the Annual Governance Statement and whether the Performance Report is consistent with the disclosures in the accounts.

	Requirement	Deloitte response
The Performance Report	The report outlines the College's performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by the College.	<p>We are required to assess whether the Performance Report has been prepared in accordance with the Accounts Direction. We are also required to read the Performance Report and confirm that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit and is not otherwise misleading.</p> <p>We are in the process of reviewing the updated Annual Report and Accounts and will include any findings from this review in our final report to the Audit Committee.</p>
The Accountability Report	Management have ensured that the accountability report meets the requirements of the FReM, comprising the governance statement, remuneration and staff report and the parliamentary accountability report.	<p>We are required to assess whether the information given in the Annual Governance Statement is consistent with the Annual Report and Accounts and has been prepared in accordance with the Accounts Direction.</p> <p>We are also required to read the Accountability Report and confirm that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit and is not otherwise misleading.</p> <p>We are in the process of reviewing the updated Annual Report and Accounts and will include any findings from this review in our final report to the Audit Committee.</p> <p>As noted on page 4, we are in the process of finalising our testing on the auditable parts of the Remuneration and Staff Report. Upon completion, we will confirm whether the report has been prepared in accordance with the Accounts Direction.</p>

Wider scope audit

ITEM 4.a

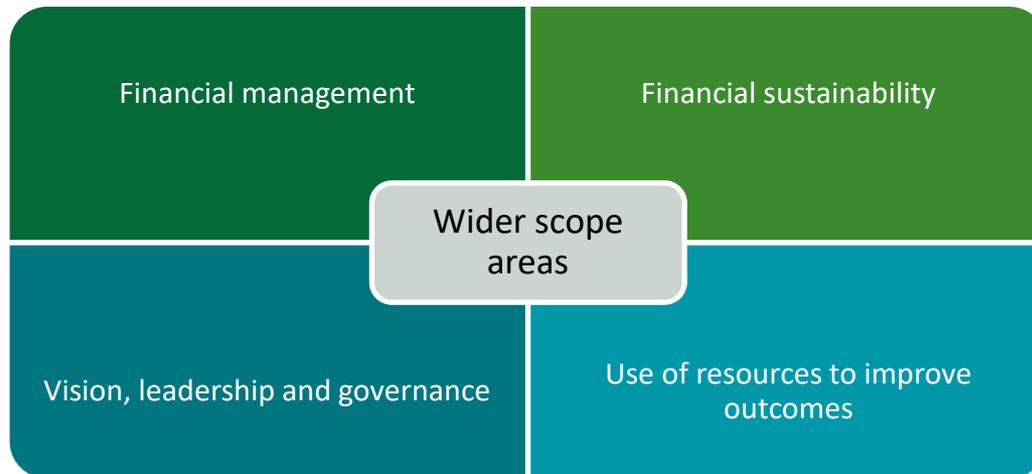


Wider scope requirements

ITEM 4.a

Overview

As set out in our audit plan, reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks in the following areas.



In its planning guidance, Audit Scotland has also highlighted climate change as a national and sectoral risks that the Auditor General and Accounts Commission wish auditors to consider at all bodies during the 2023/24 audits.

Our audit work has considered how Inverness College is addressing these risks. Our responsibilities in relation to Best Value ('BV') have all been incorporated into this audit work.

We are in the process of finalising the documentation of our audit work in relation to wider scope requirements. We will provide a verbal update to the Committee on 9 December, and report to you any findings in this area upon completion of this work.

Purpose of our report and responsibility statement

ITEM 4.a

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit Committee and the College discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report.
- Our internal control observations
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the Annual Report and Accounts.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the College, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the college.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

Deloitte LLP

Newcastle | 6 December 2024

Appendices

ITEM 4.a



Control findings

ITEM 4.a

The following recommendations have arisen from our 2022/23 audit work performed to date:

Finding	Recommendation	Priority	Management Response
<p>No fixed asset register: UHI Inverness does not hold and maintain a Fixed Asset Register. This creates a risk that College assets are not being correctly recorded or accounted for.</p>	<p>It is recommended that a fixed asset register is created and maintained going forward.</p>		<p>TBC</p>
<p>Information provided to valuer: UHI Inverness does not keep floor plans and site plans of the land and buildings that have been revalued. This prevents the audit team from verifying the inputs that are used in the revaluation calculation. UHI Inverness sent these measurements to Shepard's (external valuer) in 2019 when they were first engaged and have not maintained them since.</p>	<p>It is recommended that floor plans are maintained annually and provided to the College's external valuer ahead of each valuation per the rolling valuation cycle.</p>		<p>TBC</p>
<p>NPD creditor agreement: We noted that the College has not retained the original NPD service concession agreement.</p>	<p>It is recommended that the College seek to source a copy of the original agreement and retain this going forwards.</p>		<p>TBC</p>
<p>Retention of grant agreements for deferred capital grants: We noted that the College have not retained the original grant agreements for many of the capital grants.</p>	<p>It is recommended that the College looks to source original grant income documentation from the relevant party and moving forward, we would suggest that they retain any relevant documentation.</p>		<p>TBC</p>

Audit adjustments

ITEM 4.a

Unadjusted misstatements

The following uncorrected misstatements have been identified up to the date of this report which we request that you ask management to correct as required by ISAs (UK).

		Debit/(credit) SOCNE £'000	Debit/(credit) in net assets £'000	Debit/(credit) prior year reserves £'000	Debit/(credit) Profit & Loss £'000	If applicable, control deficiency identified
Misstatements identified in current year						
Overstatement of revaluation surplus	[1]	300	-	(300)	-	
No allowance has been made in relation to the Goodwin case.	[2]	-	(34)	-	34	N/A
Total		300	(34)	(300)	34	

[1] Deloitte note that the Longman Site was classified as held for sale in 2022/23. The site had an upwards revaluation in 2021/22 of £300,000, and in 2022/23 the asset was impaired £(1,060,000). UHI Inverness wrote off the whole amount to the I&E without debiting the Revaluation Surplus of £(300,000). In addition, the asset was sold in 2023/24 and revaluation surplus of £300,000 still remains signifying that the Revaluation Surplus is overstated by £300,000.

[2] No allowance has been made in relation to the Goodwin case in the FY24 liability value. In our view an allowance should be made, as a past service cost. Based on available information, we believe the cost of this would be £32k. We note that this is a judgemental misstatement based on assumptions used by actuarial specialists.

Disclosures

ITEM 4.a

Disclosure misstatements

The following uncorrected disclosure misstatements have been identified up to the date of this report which we request that you ask management to correct as required by ISAs (UK).

Disclosure	Summary of disclosure requirement	Quantitative or qualitative consideration
To be confirmed following review of updated Annual Report and Accounts.		

Other disclosure recommendations

Although the omission of the following disclosures does not materially impact the financial statements, we are drawing the omitted disclosures to your attention because we believe it would improve the financial statements to include them or because you could be subject to challenge from regulators or other stakeholders as to why they were not included.

Disclosure	Summary of disclosure requirement	Quantitative or qualitative consideration
To be confirmed following review of updated Annual Report and Accounts.		

Our other responsibilities explained

Fraud responsibilities and representations

ITEM 4.a



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations:

We have asked the College to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you are not aware of any fraud or suspected fraud that affects the entity.

We have also asked the College to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and their belief that they have appropriately fulfilled those responsibilities.



Audit work performed:

In our planning we identified the risk of fraud in operating within the funding provided, completeness of income and management override of controls as key audit risks.

During course of our audit, we have had discussions with management and those charged with governance.

We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

Independence and fees

ITEM 4.a

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the College and our objectivity is not compromised.

Fees The expected fee for 2023/24, as communicated by Audit Scotland in December 2022 is analysed below:

	£
Auditor remuneration	48,890
Audit Scotland fixed charges:	
• Pooled costs	(5,220)
• Sectoral cap adjustment	(11,990)
Total expected fee	31,770

There are no non-audit fees.

Non-audit services In our opinion there are no inconsistencies between the FRC's Ethical Standard and the College's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships We have no other relationships with the College, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.

This document is confidential and it is not to be copied or made available to any other party. Deloitte LLP does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in a Deloitte LLP engagement contract.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Subject/Title:	POLICIES FOR APPROVAL
Author: [Name and Job title]	Quality
Meeting:	Joint Audit and F&GP Committee
Meeting Date:	9 th December
Date Paper prepared:	3 rd December
Brief Summary of the paper:	<p>The Joint Audit and F&GP Committee are asked to approve the below policies:</p> <ul style="list-style-type: none"> - Reviewed Marketing & Communications Policy - New Information Transfer Policy <p>They were approved at Policy & Procedure Review Panel and EMT Committee.</p>
Action requested: [Approval, recommendation, discussion, noting]	Approval
Link to Strategy: Please highlight how the paper links to, or assists with::	Compliance
<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	No If yes, please specify:
Risk implications:	Yes If yes, please specify: Operational: Organisational: Policies review and development required to ensure compliance with legislation and awarding body regulations.
Equality and Diversity implications:	Yes If yes, please specify: Equality Impact Assessments included
Consultation: [staff, students, UHI & Partners, External] and provide detail	Staff

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

UHI | INVERNESS

MARKETING AND COMMUNICATIONS POLICY

REFERENCE: PL/CS/2024/XXX

Lead Officer	Vice Principal – Curriculum, Operations & External Relations
Review Officer	Marketing and Communications Manager
Date first approved by BoM	21 March 2019
First Review Date	December 2020
Date review approved by BoM	29 June 2021
Next Review Date	June 2024
Equality impact assessment	December 2020
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Marketing & Communications manager	21.03.19	New Policy created and approved by BoM.

ITEM 07.a

Marketing & Communications manager	29.06.21	<ul style="list-style-type: none">• Legislation and related policies updated• Reference to University brand embedded throughout Policy.• Updated departmental and job titles• Marketing & Communications team responsibilities updated to include training for staff• Managers responsibilities updated to included updating marketing on an changes to content in their area.• Compliance updated to include updated reporting committees.
Marketing & Communications Manager	October 2024	

Contents

1. Policy Statement	3
2. Legislative framework / related policies.....	3
3. Policy Aims	4
4. Scope.....	4
5. Implementation.....	4
6. Responsibilities	4
7. Compliance	5
8. Monitoring	5
9. Review	6

1. Policy Statement

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

2. Legislative framework / related policies

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

3. Policy Aims

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

4. Scope

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

5. Implementation

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

6. Responsibilities

- 6.1 The **Vice Principal – Curriculum, Operations & External Relations** is responsible for ensuring that:
 - 6.1.1 The Marketing and Communications policy is reviewed and any changes are approved by the Executive Management Team and Board of Management.
- 6.2 The **Marketing and Communications team** is responsible for ensuring that:

ITEM 07.a

- 6.2.1 Information provided by managers is included in the prospectus, and Inverness College UHI website and other promotional materials for all provision, including January start and evening/leisure courses.
- 6.2.2 Public relations activity promotes and enhances the profile and reputation of the college regionally, nationally and internationally.
- 6.2.3 Communication channels are utilised to engage stakeholders including staff, students and the wider community to promote the work of the college and maintain effective partnerships and relationships.
- 6.2.4 Information is kept up-to-date in a centralised repository around branding guidelines including use of the logo and consent for filming/photography.
- 6.2.5 Training and guidance is provided to staff who have been assigned responsibility to add and amend content on corporate communication channels by the Marketing and Communications Manager.

6.3 Managers are responsible for:

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

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

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

7. Compliance

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

8. Monitoring

- 8.1 The policy will be monitored and its implementation evaluated, and a monthly marketing progress report will be presented to Executive Management Team.

ITEM 07.a

- 8.2 The marketing budget is monitored on a monthly basis (or whenever budget reports are received from Finance) by the Marketing and Communications Manager and the Assistant Principal – Operations & External Relations.

9. Review

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

Policy/Procedure/Strateg Marketing and Communications
y: Policy

Author/Owner: Carol Sutherland

Signature:

Review Due: 30 July 2024

Department/Section: Marketing and Communications

Date of Assessment: 23 November 2020

Date:

Step 1

Aim of proposed activity/decision/new or revised policy or procedure:

To coordinate marketing and corporate communication activities on behalf of Inverness College UHI
To manage, improve and develop a range of printed and electronic assets, for internal and external audiences.
To manage a strong corporate identity for the college.
To communicate the work and shared objectives of the college.

- New
- Revised
- Existing

Who will be affected?	Who will be consulted?	Evidence available:
<p>All staff and external stakeholders</p>	<p>All staff UHI Marketing and Communications HISA</p>	<p>The policy is aligned to the key aims of the Marketing and Communications strategy and the Strategic Plan, which is itself highly focused on providing equality and diversity within the college staff and student body. The policy embodies these principles.</p> <p>Internally we communicate key messages that are inclusive and sensitive to the needs of various groups, whilst also taking every opportunity to promote awareness.</p> <p>The Marketing and Communications team regularly meets with HISA executive and the Student Engagement Officer.</p> <p>Curriculum teams monitor data to observe any trends emerging in the balance of the study body that may require further investigation. The curriculum teams check these trends across the year and provide periodic feedback through the Quality team. The Marketing and Communications teamwork support curriculum teams to develop marketing materials to help underrepresented groups access our provision and to attract a diverse body of students.</p> <p>Audits as part of review of the Marketing and Communications Strategy.</p>

		<p>Scrutiny Panel</p> <p>Staff survey</p> <p>Monthly report to EMT</p> <p>Monthly Marketing and Communication Snapshot available to all staff.</p>
--	--	--

Step 2

Potential Positive/Negative/Neutral Impact Identified. P, N, N/I	Age	Disability	Gender Reassignment	Marriage/Civil Partnership	Pregnancy and Maternity	Race	Religion or Belief	Sex	Sexual Orientation
Eliminating Discrimination	P	P	P	P	P	P	P	P	P
Advancing Equality of Opportunity	P	P	P	P	P	P	P	P	P
Promoting Good Relations.	P	P	P	P	P	P	P	P	P

Step 3

No Action to be taken

Actions identified and noted as part of the associated procedure review.

Summary of EIA Outcome – please tick

- No further action to be carried out
- Amendments or changes to be made
- Proceed with awareness of adverse impact
- Abandon process – Stop and Rethink

Please forward completed EIA forms to the Quality Unit

UHI | INVERNESS

Information Transfer Policy

REFERENCE: (will be inserted by Quality)

Lead Officer	ICT Services Manager
Review Officer	Information Development Manager
Date first approved by BoM	
First Review Date	
Date review approved by BoM	
Next Review Date	December 2027
Equality impact assessment	November 2024
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
ICT Services Manager	25/09/24	Initial draft.

Contents

1.	Policy Statement	3
2.	Legislative framework / related policies	3
3.	Data Principles	3
4.	Scope	3
5.	Definitions	3
6.	Responsibilities	4
7.	Methods of Information Transfer	4
8.	Guidelines and Principles	4
9.	Compliance	5
10.	Monitoring	5
11.	Review	5

DRAFT

1. Policy Statement

Information is stored and maintained in systems for specific purposes and with specific access rights. In every transfer of information, both within the College and with external parties, there is a risk information could be lost, misappropriated, or accidentally released beyond its necessary audience.

The purpose of this policy is to outline the restrictions on transferring information to ensure the security of information, particularly personal data, is maintained.

The Information Transfer policy is part of the wider UHI Inverness Information Security Management System (ISMS).

2. Legislative framework / related policies

- 2.1. UHI Inverness Information Security Policy
- 2.2. UHI Inverness Information Security Management System
- 2.3. UHI Inverness Data Protection Policy
- 2.4. UHI Inverness Records Management Policy
- 2.5. UHI Partners Acceptable Use Policy
- 2.6. UK General Data Protection Regulation (UK GDPR)
- 2.7. UK Data Protection Act 2018

3. Data Principles

- 3.1. Personal data shall be:
 - 3.1.1. processed lawfully, fairly and in a transparent manner;
 - 3.1.2. collected for specified, explicit and legitimate purposes;
 - 3.1.3. adequate, relevant and limited to what is necessary;
 - 3.1.4. accurate and where necessary kept up to date;
 - 3.1.5. kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which those data are processed;
 - 3.1.6. processed in manner that ensures appropriate security of the personal data;

4. Scope

- 4.1. The scope of this document policy is to ensure that staff are aware that any transfer of information should maintain its confidentiality, integrity, and availability. For the purpose of this policy, information includes data stored on computers (including mobile devices), transmitted across networks, printed out or written on paper, sent out by fax, stored on disk or tape, or, spoken in conversation or over the telephone, including voicemail & video recordings.

5. Definitions

- 5.1. **Information** is defined as any data, records, documents, or other forms of knowledge created, processed, stored, or transmitted within UHI Inverness.

ITEM 07.b

- 5.2. **Transfer** is defined as the movement of information from one location to another, including electronic, physical, or verbal transfer. Such as SharePoint content to an email attachment, moving a file to another Cloud storage outside UHI, printing content from the student information system and or sharing data with third party organisations (including contractors and sub-contractors).
- 5.3. **International Transfer** involves transmission of data to a country outside of the EU. Data protection and security arrangements for countries outside of the EU are not as stringent as required by the EU and UK GDPR. Therefore, we must comply with Articles 45-50 of the UK GDPR when considering international transfers.

6. Responsibilities

- 6.1. **The information owner** is responsible for the data being transferred. They must identify the sensitivity and classification of any data to be transferred, as well as ensuring the secure mode of transfer. Data should not be shared with any 3rd Party without a data sharing agreement being in place. The information owner is responsible for liaising with the Data Controller to seek advice prior to transfer of data, especially for any new processes, or unusual request for the transfer of data.
- 6.2. **All staff** should be aware that they should not transfer data, particularly sensitive data, without following a process provided by, or guidance on a one-off action, from the information owner.

7. Methods of Information Transfer

- 7.1. **Electronic transfer** – data should be transferred using encryption and specific services, such as UHI Dropbox, created for this purpose.
- 7.2. **System upload** – upload of data via a secure login to an external portal or cloud storage.
- 7.3. **System processing** – procurement of IT systems or software packages should include a GDPR assessment to assess the level of data security and the country in which the data is stored. This may involve international transfer for back up purposes.
- 7.4. **Paper transfer** – by default, personal data should not be printed. Where the information is only needed temporarily, it should be recycled in confidential waste to ensure it is shredded.
- 7.5. **Verbal transfer** – information that is processed by staff, particularly personal data is restricted. This restriction should be maintained and not discussed outside of these restrictions.

8. Guidelines and Principles

- 8.1. Staff should not assume someone is entitled to receive information just because they request it (irrespective of their position within the organisation). It is your responsibility to check the sharing of data is valid before releasing it.
- 8.2. Information must not be shared with 3rd parties without a data sharing agreement or contract being in place.
- 8.3. Information shared must be limited to what is necessary for the purpose (see data principles). Care must be taken when working with spreadsheets.

ITEM 07.b

Spreadsheets containing hidden columns or pivot tables should not be shared. Good practice is to always extract the relevant information and send in a new document.

- 8.4. Personal data shared, must be limited to the necessary data fields. Where possible, data must be anonymised.
- 8.5. If in doubt about sending personal data, escalate to your line manager or the Data Controller.
- 8.6. Personal data must not be transferred outside of the college and /or UHI network without permission of the college Data Controller. This includes emailing data, sending in written form, moving data to another system or storage method or saving to an external drive, such as USB pen drive.
- 8.7. Personal data should not be moved to another location even within current storage method, such as SharePoint, as it may not be subject to the same permission controls in place.
- 8.8. Personal data should not be disclosed over the phone without confirming the identity and authority of the recipient.
- 8.9. Personal identifiable information should not be openly discussed if you have any concerns about being overheard.

9. Compliance

- 9.1. This policy is a cross-wide college policy; and all staff must work to meet the requirements outlined within the policy. Non-compliance should be reported the Data Controller to mitigate any impact and escalate accordingly.
- 9.2. events in issuing personal data and / or confidential information to an unintended recipient must be reported to the College Data Controller to allow an Information Security Incident to be raised.

10. Monitoring

- 10.1. This college policy will be monitored, and its implementation evaluated against data loss and incidents that are a result of not following the information contained within.
- 10.2. Breaches of data or exposure of data outside intended audiences is reported by the Data Controller to the college executive team monthly, or immediately where it requires more urgent escalation e.g. being reported to the Information Commissioner's Office.

11. Review

- 11.1. This policy will be reviewed every 3 years.

Step 3

Sustainability	N/I
----------------	-----

Step 4

No Action to be taken

Summary of EIA Outcome – please tick

- No further action to be carried out
- Amendments or changes to be made
- Proceed with awareness of adverse impact
- Abandon process – Stop and Rethink

Please forward completed EIA forms to the Quality Unit

Joint Audit/ Finance and General Purposes Committee

Subject/Title:	Annual Procurement Report 2023/24
Author:	Niall McArthur, – Director of Finance & Estates
Meeting:	Joint Audit/ Finance and General Purposes Committee
Meeting Date:	9 December 2024
Date Paper prepared:	2 December 2024
Brief Summary of the paper:	To present the Annual Procurement Report for 2023/24, produced by APUC on behalf of UHI Inverness.
Action requested: [Approval, recommendation, discussion, noting]	Approval

Link to Strategy: Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Financial Sustainability
--	--------------------------

Resource implications:	Yes – monitoring of Financial Resources If yes, please specify:		
Risk implications:	Yes If yes, please specify: Financial Operational		
Equality and Diversity implications:	N/A		
Student Experience Impact:	None		
Consultation: [staff, students, UHI & Partners, External] and provide detail	None		
Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

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

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

Recommendation

For members to approve the Annual Procurement Report for 2023/2024.

Purpose of report

To present the Annual Procurement Report for 2023/24 to committee for approval and highlight the key sections of the report.

Annual Procurement Report 2023/24

The Annual Procurement Report for 2023/24 covers the period of 01 August 2023 through to 31 July 2024 and highlights performance and achievements in delivering the UHI Inverness procurement activities. It has been produced by APUC and reviewed by UHI Inverness.

The report is split into 9 sections and these are noted below, along with a summary of the key points included in each section.

1. Spend Profile – total non-pay expenditure of £9,368,295, of which £3,471,622 was deemed influential spend. The remaining non-influential £5,867,442 is split between GTFM £4,701,404 and £1,166,038 on others eg - Other public sector bodies / property leases.
2. Non-Compliance – UHI Inverness have identified 15 regulated categories that are non-compliant and will investigate these further.
3. National Framework Agreements – Against the Scottish Government target of 40% of non-pay spend being procured via National Frameworks Agreements, the College have achieved 63.7 % (2022/23 - 54.1%). UHI Inverness will maintain and try to increase opportunities to maximise the usage of Framework Agreements.
4. UHI Collaborations – In the reporting period UHI Inverness benefited from participating in 23 exercises, with a total contract value of £1,792,289.
5. Local Contracts – In the reporting period 46 contracts were completed worth an annual total of £674,951 and added to the College contracts register.
6. Non-Competitive Actions (NCA's) – The institution procurement policy recognises that there may be occasions where it is appropriate to award a contract for goods, services and works without following a competitive tendering process. This procedure is known as Non-Competitive Action (NCA) and can only be applied in **exceptional** circumstances. 8 Non-Competitive Actions were completed in this reporting period, worth an annual total of £106,270.
7. Savings – Savings are calculated and approved, using the Scottish Cross Public Sector Savings Methodology and for 2023/24, £244,909 of cash savings were made and £288,376 of non-cash savings.
8. Procurement policies & procedures – these are listed in the full report.
9. Continuous Improvements & Recommendations – there are 9 improvements & recommendations listed, which will be worked on in the coming months.

ITEM 08.

Procurement services at the College are provided via the APUC Shared Service Model, consisting of two FTEs based at the Inverness Campus. In addition, collaborative opportunities are delivered via a Shared Service Collaborative resource, which is jointly paid for by UHI Academic Partners. Strategic support is provided by the Shared Service Head of Procurement.

A copy of the full Annual Procurement Report for 2023/24 is attached to this report.

Operational Procurement Review (OPR) Report 2023/24

The colleges latest Scottish Government OPR Report for 2023/24 was carried out in October 2024 and the college received an overall score of 80%, compared to the previous score of 67% in 2021.

UHI | INVERNESS

Annual Procurement Report FY2023-24

Title	Annual Procurement Report FY2023-24
Date	September 2024
Version	0
Prepared by	Derek Cowie, Stuart Murray, and Amanda MacKenzie

UHI Inverness - Annual Procurement Report (APR)

Executive Summary

This report covers the period of 01-August-2023 to 31-July-2024 and highlights performance and achievements in delivering the UHI Inverness procurement activities.

To assist with procurement compliance under the Public Procurement Regulations (2015) UHI Inverness uses the service of APUC Advanced Procurement for Universities and Colleges.

Spend Profile

The college reported a total Non-Pay Spend of £9,368,295, of which £3,471,622 was deemed influential spend. The remaining non-influential £5,867,442 is split between GTFM £4,701,404 and £1,166,038 on others eg - other public sector bodies / property leases. These figures are consistent with the last reporting period.

UHI Inverness had 389 active suppliers with whom it procured goods and services from during the reporting period. This supports the rationalisation of the supply base with a 13% reduction in active suppliers from last reporting period.

It is to be noted that 95 suppliers were recorded with an annual spend less than £500, where possible this should be reviewed as processing costs for setting up each new supplier is circa £40. This was a 8% reduction from the last reporting period.

FY23/24 Spend Data		National Framework Agreements / Local Contracts Percentage usage
Total Finance Spend	£9,368,295	
Compliant Influential Spend Total	£2,850,875	
National	£2,178,887	63.7%
Local	£671,988	19.7%
Non-Compliant Influential Spend Total	£569,301	
Non-Contract Spend	£545,128	
Credit Card Spend	£24,173	
Non-influential Spend Total	£5,867,442	
GTFM (non-influential)	£4,701,404	
Other non-influential	£1,166,038	

Description	Number / Value
Number of Payment Request Forms received during FY23/24	143
Total Value (Ex-VAT) GBP £	£102,001
The above table denotes 143 requests for a one-off payment to non-finance system recorded suppliers of less than £1,000. It has been noted that there is misuse of this function, and the Procurement team will work with Finance and Stakeholders to reduce the impact.	

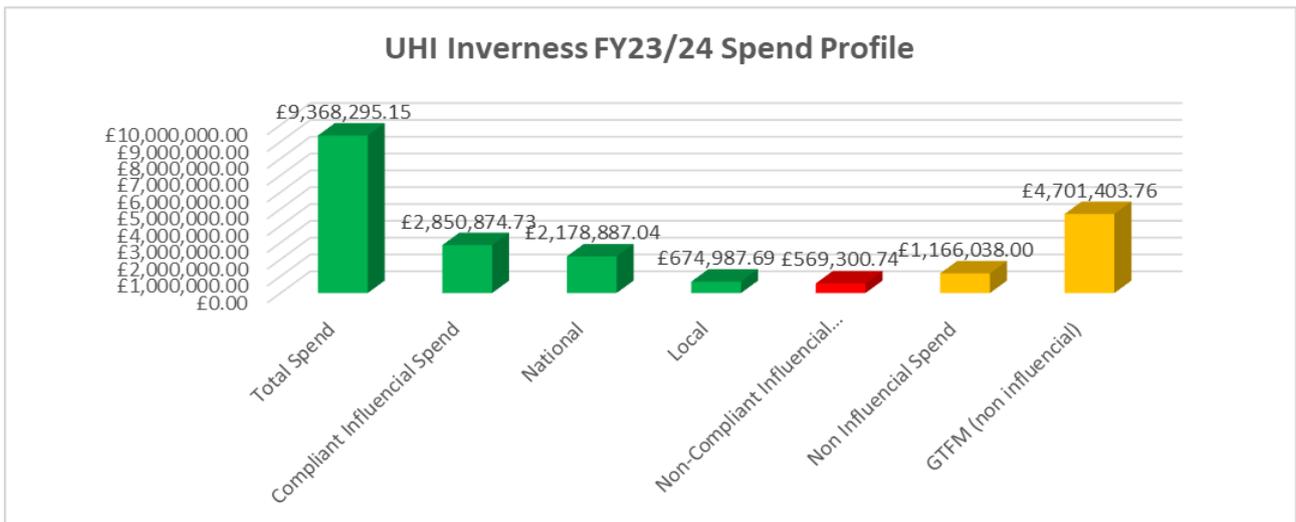
Description	Number
Number of New Supplier Request Forms received during FY23/24	23
The above table indicates the number of new suppliers added to the finance system that the College expect to have a reoccurring spend with. Unfortunately, misuse of this function has also been identified as requests are retrospective which is in breach of the College No PO - No Pay Policy in the Financial Regulations. The Procurement team will work with Finance and Stakeholders to reduce the impact.	

Description	Number / Value
Number of Retrospective Orders Directly into Finance System during FY23/24	324
Total Value (Ex-VAT) GBP £	£380,584
The above table indicates the number supplier payments that have been processed without prior authorisation. Unfortunately, as requests are retrospective this again is in breach of the College No PO - No Pay Policy in the Financial Regulations. The Procurement team will work with Finance and Stakeholders to reduce this though note some retrospective payments may be unavoidable.	

Purchase Order / Invoice Reconciliation

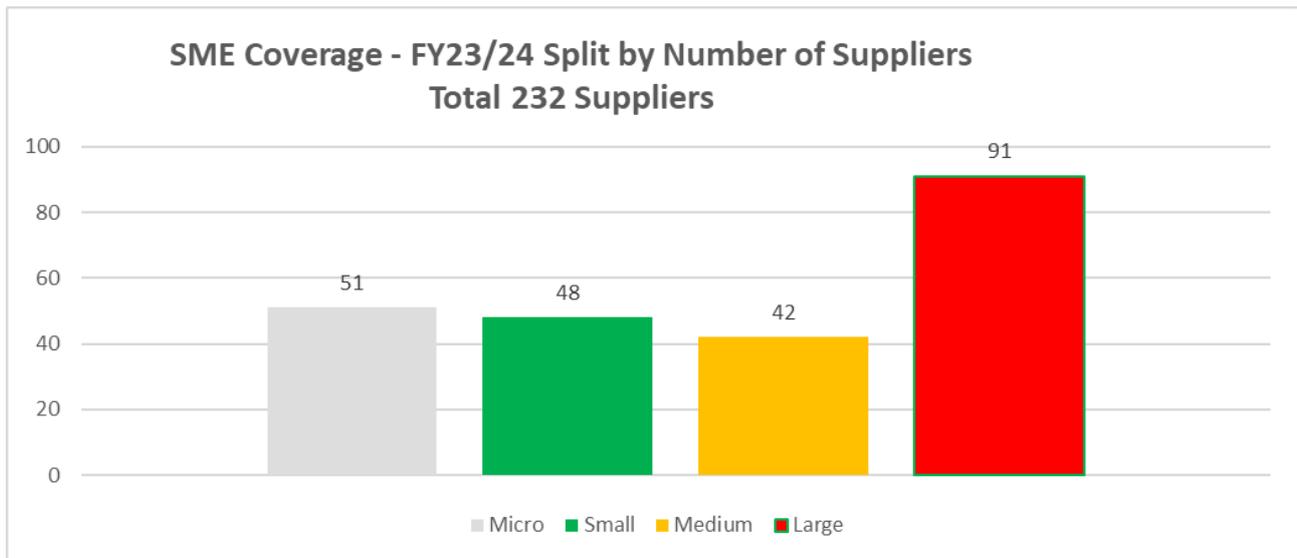
The split between invoices posted into PECOS and directly into the accounts system without an order is as follows:

Description	Total
Total number of invoices processed	5,516
Total number of PECOS order related invoices	5,192
Total number of invoices entered directly into Sun	324



To meet the obligations under the Sustainable Procurement Duty the college is committed to involving Supported businesses, SMEs, and Third Sector Suppliers. To assist us better understand the volume of spend we have with SMEs, the College has been proactively

gathering status from the supply base. 60% of suppliers utilised by the college are classified as SME. An 11% reduction from last reporting period.



***Table above is based on suppliers with an annual spend profile greater than £1250, which equates to 232 suppliers. These figures are consistent with last reporting period.**

Facilities Management

The facilities management contract is with Galliford Try Facilities Management (GTFM) with a spend profile for FY23-24 of £4,701,404. A 4% increase from last reporting period. Contract performance and value for money is directly managed by the college estates department, any contract amendments are administered through an Authority Change Notice (ACN's) process.

Non-Compliance

The £569,301 spend is calculated from suppliers used with no compliant contract in place.

UHI Inverness have identified 15 regulated categories that are non-compliant. 13 categories fall within the Procurement Reform (Scotland) 2014 Act and 2 exceeds the GPA (Government Procurement Agreement) threshold. These have been added to the Forward Contracting Plan for further investigation. A 21% increase in non-compliance from last reporting period.

Further information is available in Appendix 1 – Non-Compliant Contracts.

National Framework Agreements

Against the Scottish Government target of 40% of non-pay spend being procured via National Frameworks Agreements, the College have achieved 63.7%. A 17% increase from last reporting period. UHI Inverness will maintain and try to increase opportunities to maximise the usage of Framework Agreements.

UHI Collaborations

UHI Inverness are committed to work with other academic partners, and they do this via the collaborative procurement resource. In the reporting period UHI Inverness benefited from participating in 23 exercises, completed with a total contract value of £1,792,289. An 81% increase in contract value from last reporting period.

Further information is available in Appendix 2 – UHI Collaborative Activity Report 23/24.
Further information is available in Appendix 5c – UHI Collaborative Savings Report 23/24.

Inverness Campus Owners Association (ICOA) Collaborative Opportunities

Collaborative opportunities between UHI Inverness, Highland and Islands Enterprise (HIE), NHS Highland and the Scotland's Rural Colleges (SRUC) are ongoing.

In the Estates Category during FY23/24, the Grounds & Landscaping Services and Snow Clearing & Gritting were investigated with NHS Highland, and it was agreed to review again at a later date.

Both Responsible Procurement and Collaborative Opportunities are now a fixed agenda item at the ICOA quarterly meetings.

Local Contracts

In the reporting period 46 contracts were completed worth an annual total of £674,951 and added to the College contracts register. A 9% increase in contracts completed and a 24% increase in annual contract value from last reporting period.

Further information is available in Appendix 3 – UHI Procurement Exercises Completed

Non-Competitive Action (NCA) FY23/24

The institution procurement policy recognises that there may be occasions where appropriate to award a contract for goods, services and works without following a competitive tendering process. This procedure is known as Non-Competitive Action (NCA) and can only be applied in **exceptional** circumstances.

8 Non-Competitive Actions were recorded in this reporting period worth an annual total of £106,270. For transparency the details have been added to the College Contract Register.

Further information is available in Appendix 4 – UHI Non-Competitive Actions

Savings

The following BT1 AND BT2 Savings have been achieved in FY23/24. Savings are calculated and approved, using the Scottish Cross Public Sector Savings Methodology.

Dept	Saving Type	Cash	Non-Cash
National Collaboration	BT1	£99,410	
National Collaboration	BT2		£240,663
UHI Collaboration	BT1	£34,883	
UHI Collaboration	BT2		£47,570
Local Costs Savings	BT1	£110,616	
Local Costs Savings	BT2		£143

BT14 – Savings

BT14 – sustainability-based benefits Sustainability-based benefits where costs are not normally relevant, can be reported but will normally be described in written narrative including but not limited to the following areas:

- Reduction in waste – packaging and / or further use of residue from processes etc.
- Reduction in consumption - use of raw materials (consumables, utilities etc.)
- Recycling and/or reuse of products.
- Strengthen reputation and/or marketing opportunities.
- Community Benefits delivery.
- Carbon Reduction.
- Social, equality and / or environmental improvements.
- Staff and Student Training
- Students experience enhancement

Further information is available in Appendix 5a – 5d Savings Reports

Procurement Policies and Procedures

Procurement Strategy 2023 to 2026:

The UHI Inverness 4-Year Procurement Strategy 2023 to 2026 was approved by the Board of management in October 2023 and is published on the College website [Procurement-Strategy-2023---2026.pdf \(uhi.ac.uk\)](#)

The 4-year UHI Inverness Strategic Plan 2022 to 2026 was created by EMT and approved by the Board of Management in February 2022 and is published on the College website [UHI Inverness Strategic-Plan 2022-26-\(1\).pdf](#)

Sustainable Procurement Policy:

The UHI Inverness Sustainable Procurement Policy 2023 to 2026 was approved the Board of Management in June 2023 and is published on the College website [Sustainable-Procurement-Policy.pdf \(uhi.ac.uk\)](#)

To support the sector's Supply Chain and Ecological Emergency Strategy (SCCEES), in the coming year, procurement along with stakeholders will further develop a 10-year action plan to drive sustainable efficiencies from the supply chain (FNT2030).

This has now been endorsed by the USECEC and the CDN-CEED, and by the Universities Scotland Principals Group and the Colleges' Principals Group.

From Now To 2030 (FNT2030) Updates:

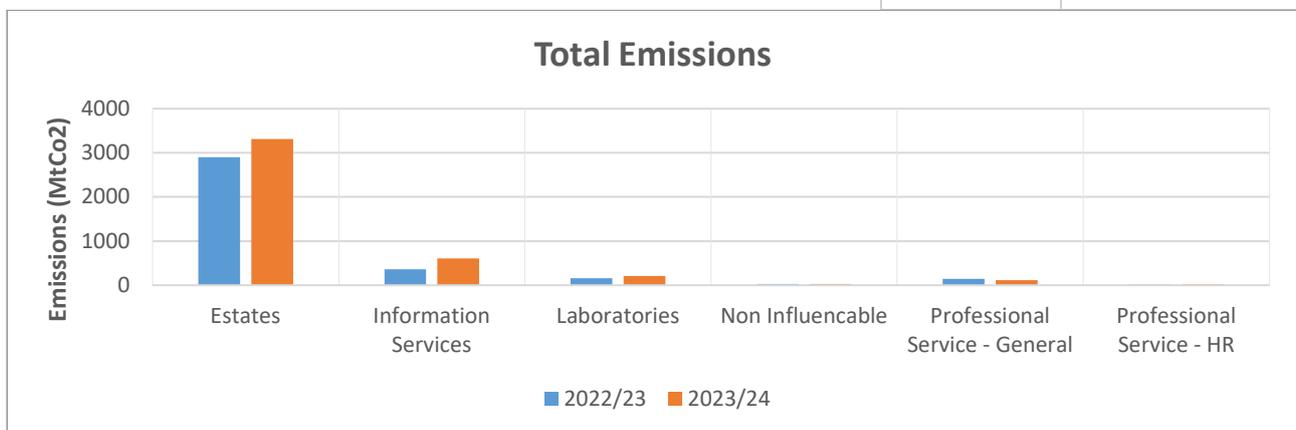
There was little progress made in FY23/24 against the following categories and for FY24/25, the Executive Management Team (EMT) and senior members of staff are requested to provide support to the procurement team in promoting and embedding climate and circular economy considerations into ITT Packages and their contracts.

Category	Department
Estates Operations & Development	Estates
Catering	Hospitality, Food & Beverages
Furniture	Estates
Information Technology / Services (IT/S)	ICT
Laboratories	Research
Travel & Transport	Finance
Transport (Vehicle Management)	Estates
Energy and Construction	Estates

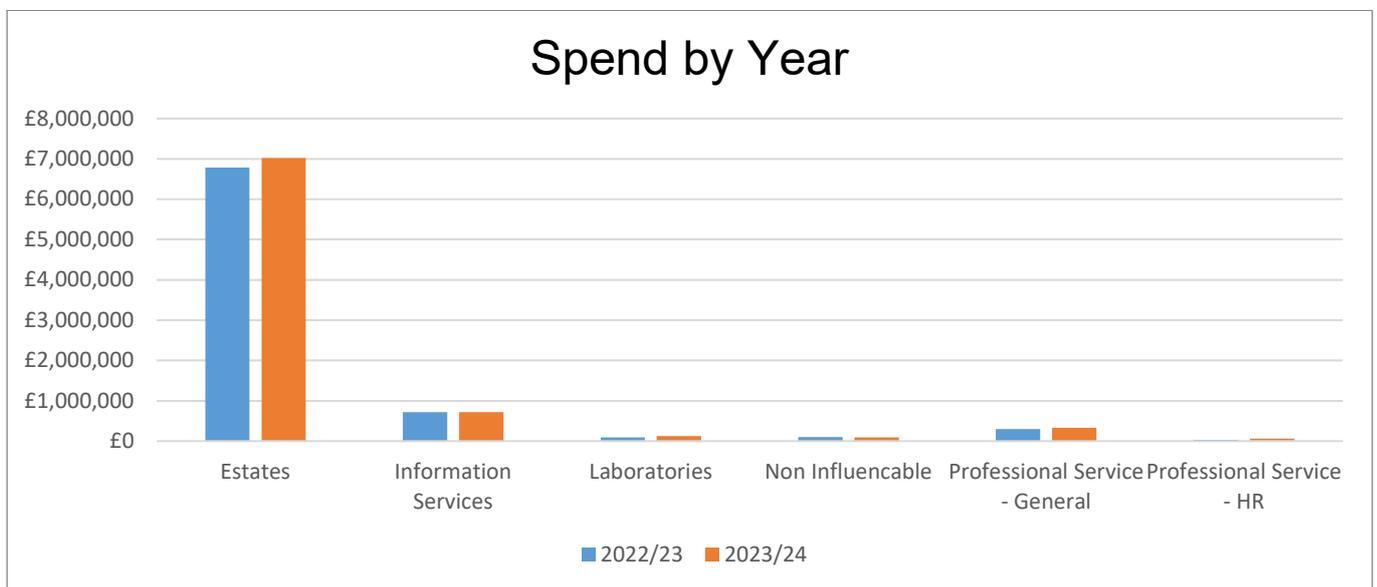
Public Bodies Climate Change Report

The Supplier Scope 3 Emissions Report for FY23/24 is now available via the Hunter Contracts Register.

Sum of MTCO2	Column Labels				
Row Labels	2022/23	2023/24	Grand Total	Difference from previous year	% Difference from previous year
Estates	2,901	3,312	6,213	▲ 411	▲ 14.1%
Information Services	360	604	964	▲ 244	▲ 67.5%
Laboratories	157	211	368	▲ 54	▲ 34.8%
Non Influenceable	31	32	63	▲ 1	▲ 2.5%
Professional Service - General	145	118	263	▼ 27	▼ 18.5%
Professional Service - HR	11	19	30	▲ 8	▲ 81.6%
Grand Total	3605	4,296	7,901	▲ 691	▲ 19.2%



Sum of Total Spend	Column Labels				
Row Labels	2022/23	2023/24	Grand Total	Difference from previous year	% Difference from previous year
Estates	£6,787,036	£7,024,342	£13,811,378	▲ £237,306	▲ 3.5%
Information Services	£722,092	£722,511	£1,444,604	▲ £419	▲ 0.1%
Laboratories	£91,339	£127,705	£219,045	▲ £36,366	▲ 39.8%
Non Influenceable	£100,871	£90,781	£191,652	▼ -£10,090	▼ -10.0%
Professional Service - General	£299,135	£328,136	£627,271	▲ £29,001	▲ 9.7%
Professional Service - HR	£28,103	£58,975	£87,078	▲ £30,872	▲ 109.9%
Grand Total	£8,028,576	£8,352,450	£16,381,027	▲ £323,874	▲ 4.0%



Continuous Improvements and Procurement Recommendations

- Define roles & responsibilities, by delivering a comprehensive procurement training programme to devolved staff during FY 23/24. Training to include end to end process.
- Review the use of current Framework suppliers, ensure that stakeholders are using them compliantly. This additional transparency will deliver more value for money to UHI Inverness.
- To maximise savings through the use of national framework agreements where appropriate.
- Further develop the use of collaboration with other public sector bodies.
- Increase the number of PECOS audits and provide a report on non-compliance.
- Review the volume of spend via the PECOS system with a view to increasing percentage from FY23/24 position.

ITEM 08.a

- Rationalise the supply base to avoid non-compliant spend being processed retrospectively via payment request function.
- Review Procurement Risk Register through formal reviews with the Director of Finance and Estates and the Head of Procurement – UHI Shared Service.
- Focus on responsible procurement duties through developing the FNT2030 action plan.

Audit & Operational Procurement Review

The Scottish Government Operational Procurement Review (OPR) was conducted in September 2024, the report to follow.

No procurement internal audits were carried out in the reporting period.

Appendices

The following appendices can be found embedded below for further information -

- Appendix 1 – Non-Compliant Contracts for UHI Inverness 2023–24
- Appendix 2 – Collab Activity for UHI Inverness 2023–24
- Appendix 3 – Procurement Exercises Completed for UHI Inverness 2023–24
- Appendix 4 – Non-Competitive Action Report for UHI Inverness 2023–24
- Appendix 5a – Local Savings Report for UHI Inverness 2023-24
- Appendix 5b – National Savings Report for UHI Inverness 2023–24
- Appendix 5c – Collaborative Savings Report 2023–24
- Appendix 5d – BT14 Savings report for UHI Inverness 2023–24
- Appendix 6 – Detailed Scope 3 Emissions Report for 2023-24



Appendices.zip

Subject/Title:	Revenue Budget Monitoring to 31 October 2024
Author:	Niall McArthur, Director of Finance & Estates
Meeting:	Joint Audit and Finance & General Purposes Committee
Meeting Date:	9 December 2024
Date Paper prepared:	2 December 2024
Brief Summary of the paper:	To present the revenue budget monitoring for the 3 months to 31 October 2024 and forecast for the year ended 31 July 2025.
Action requested: [Approval, recommendation, discussion, noting]	Discussion

Link to Strategy: Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Financial Sustainability
Resource implications:	Yes – monitoring of Financial Resources If yes, please specify:

Risk implications:	Yes If yes, please specify: Financial Operational		
Equality and Diversity implications:	N/A		
Student Experience Impact:	None		
Consultation: [staff, students, UHI & Partners, External] and provide detail	None		
Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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

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

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

Recommendation

Audit and Finance & General Purposes committee members are asked to discuss the report.

Purpose of report

To provide an update on the current forecast position at October 2024, in terms of the revenue budget monitoring for the 12 months ended 31 July 2025.

Revenue Monitoring – to 31 July 2025

This report provides an update to the committee on the forecast position of the college at the 3 month stage to October 2024, for the year to 31 July 2025.

Overall, the management accounts position is currently forecasting an operational deficit of £1.188 million, compared to the original budget deficit of £0.750 million. The breakdown of each income and expenditure line is provided in appendix 1 of the report.

The College is forecasting that it will meet the FE Credit target for 2024/25, with the actual number of credits at November 2024 currently being 24,243, compared to the target of 26,442. In terms of the HE UGT fte number for 2024/25, the current actual at November 2024 is 1,315 fte, compared to the target of 1,319 fte. The forecast for the year is 1,355 fte, which is 36 fte above the APC target and 39 fte below the budget target.

The main issues that are affecting the financial performance for the College in 2024/25 are noted below.

Income

- UHI HE grant funding (Red risk) - the UHI HE grant is forecast to be lower than the budget of £6.324 million, although the HE fte is ahead of the APC target of 1,319, but below the budget target of 1,394 HE fte. The forecast HE grant figure is £6.199 million, £125,000 below the budget figure. At this stage we do not have any information relating to the microram position for 2024/25.
 - Mitigating Actions: to maximise the January 2025 student intake for HE students.
- Research grant funding (Red risk) - is below target at present by approximately £140,000, although efforts are being made to close the gap in terms of the income target for the year. At present further work is being carried out on both income and expenditure forecasts to ascertain the forecast for the year.
 - Mitigating Actions: ongoing work to bring in additional grant income, including UKRI application, further KTP grants, and potential funding through the Green Freeport.

- Tuition fees (Amber risk) – with the HE fte being below the budget target set for the year as noted above, there is a knock-on effect on tuition fees, which is being forecast to be below target by £94,000.
 - Mitigating Actions: to maximise the January 2025 student intake for HE students.
- Refectory & restaurant income (Green risk) – based on current income levels, forecast to be £40,000 above the income target of £591,000.
- Commercial income (Amber risk) – based on current activity levels, forecast to be the same as the income target of £147,000, although the actual figure for the 3 months to October 2024 is low.
- Miscellaneous income (Green risk) – based on current income levels, forecast to be £52,000 above the income target of £560,740, mainly due to additional other income not budgeted for.

Expenditure

- Staff costs (Red risk) - are forecast to be £99,000 over budget, with the agreed cost of living increases now been paid for both academic and professional staff for 2024/25 and the 2 previous years. It also includes additional SPPA employer costs, which increased from 23% to 26% in April 2024. As per SFC guidance noted below, additional income has been forecast in 2024/25 to cover these additional costs (£220,000).

“For the purposes of preparing the FFR, institutions should assume that additional funding will be provided to cover the cost of increased employer contributions to the Scottish Teachers Superannuation Scheme which have been implemented from April 2024. Institutions should note that funding is likely but the Scottish Government has yet to finalise the Barnett consequential of the announced UK Government support for central government funded bodies”.

The recently announced increase in employer NIC's has not yet been included in the forecasts, however it is again assumed that this will be funded by the SG/ UH Government. The forecast amount for the college for April to July 2025 is £130,000.

Other staff costs and travel costs are forecast to be the same as the budget for the year to 31 July 2025.

- Mitigating Actions: to continue to review all vacancies and ascertain whether they should be replaced or not, as part of the Staff Review Panel (SRP) process. Also, continue to review any retirements and ascertain whether they should be replaced or can be replaced through further efficiency measures.

- Premises costs (Red risk) - are forecast to be £94,000 above the budget of £1.935million. This is mainly due to the forecast overspend in energy costs of £100,000.
 - Mitigating Actions: to continue to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. A review is also ongoing on energy consumption for the main campus building, with the help of GTFM and the replacement of the original lights for LED lights is forecast to reduce energy costs in future years.
- Other Operating costs (Green risk) - are forecast to be £24,000 below the budget of £7.741million. This is due to the forecast underspend in a number of different areas.
 - Mitigating Actions: to continue to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. Budget holder refresher training will also be undertaken for all budget holders, with the key focuses being on budget monitoring and on procurement. The budget review exercise has also started for 2024/25, with the first round of reviews almost completed. Further reviews will take place during the rest of the year.

As part of the ongoing improvements to the budget setting process, budget profiling will be put in place as part of the 2025/26 budgets setting process and budget holders will be given training in how to profile their budgets for next year, to improve the budget monitoring and review process.

Student Support Funding

The Student Support funding (SSF) is forecast to be overspent in 2024/25 by approximately £50,000, compared to an underspend of £605,000 in 2023/24. This is due to a decrease in the college allocation from SFC. As part of the SFC In-Year redistribution exercise being carried out currently, UHI Inverness will request additional funds of £100,000 for 2024/25.

Liquidity

The bank balance at the end of October 2024 was £7.091 million, compared to the bank balance at July 2024 of £8.619 million. The forecast bank balance at 31 July 2025 is £4.2 million, a reduction of £4.419 million compared to the previous years balance. The reduction is due to the forecast deficit position in 2024/25, as well as the back-dated pay award for 2022/23 and 2023/24, which has now been paid to staff, ALF funding of £900,000, repayment of SSF underspend of £600,000 and the Longman site sale proceeds of £800,000 included in the forecast 2024 year-end balance.

Risk Assessment

Downside Risks

- The continued unfunded cost of living increases for academic and professional staff.
- Job Evaluation was due to complete by 31 March 2023. If monies from the SG are not sufficient to cover the costs, then colleges will have to fund the additional cost themselves.
- The five-year public sector finances which was issued by the Scottish Government, which showed flat funding for revenue grants and reduced capital for five years.
- Although HE FTE numbers are increasing for UHI Inverness, across the UHI partnership they are still significantly below the SFC funded target, which increases the risk of further cuts to the UHI SFC funded number and potentially reduces the funded growth which is required across UHI.
- The UHI microRam continues to add a degree of uncertainty in projections at the year-end.

1. SFC FE Funding

The forecast figure is £10.145 million, which is in line with the budget figure. Current forecasts are that the college will exceed its credit target of 26,442 credits for 2024/25, with actual credits to the end of October 2024 being 24,229 credits.

2. UHI HE Funding

The UHI HE grant is forecast to lower than the budget of £6.324 million, although the HE fte is ahead of the APC target of 1,319, but below the budget target of 1,394 HE fte. The forecast HE grant figure is £6.199 million, £125,000 below the budget figure.

3. Tuition Fees

Overall, tuition fees income is forecast to be below the budget figure of £3.039 million by £94,000, due to HE numbers being below the budget target figure for the year.

4. Other Grant Funding - Research

Forecast to be £140,000 below budgeted income, mainly due to lower-than-expected research income. To be closely monitored for the remainder of the year.

5. Refectories

The current forecast for refectory income is ahead of the budget target of £591,000 for the year by £40,000.

6. SDS

At present, the forecast for the year is the same as the original budget figure of £2.099 million, and this will be closely monitored for the remainder of the year.

7. Commercial

Short Course and commercial income for 2024/25 is forecast to be the same as the original budget of £147,000 and this will be closely monitored for the rest of the year, as the current actual figure to October 2024 is low.

8. Miscellaneous Income

The miscellaneous income is currently forecast to be above the original budget of £560,740 by £52,000. This is due to additional other income being received which was not budgeted for.

9. NPD/ Unitary Charge Income

As previously reported, this is an area the College is reviewing. However, increasingly we are looking at income reimbursement from the SFC. The SFC also has been reviewing this in terms of Scottish Government funding and support for colleges who have NPD contracts.

10. Staff Costs

Staff costs (Red risk) - are forecast to be £99,000 over budget, with the agreed cost of living increases now paid for both academic and professional staff for 2024/25 and the 2 previous years. It also includes additional SPPA employer costs, which increased from 23% to 26% in April 2024. As per SFC guidance noted below, additional income has been forecast in 2024/25 to cover these additional costs (£220,000).

“For the purposes of preparing the FFR, institutions should assume that additional funding will be provided to cover the cost of increased employer contributions to the Scottish Teachers Superannuation Scheme which have been implemented from April 2024. Institutions should note that funding is likely but the Scottish Government has yet to finalise the Barnett consequential of the announced UK Government support for central government funded bodies”.

The recently announced increase in employer NIC's has not yet been included in the forecasts, however it is again assumed that this will be funded by the SG/ UH Government. The forecast amount for the college for April to July 2025 is £130,000.

Other staff costs and travel costs are forecast to be the same as the budget for the year to 31 July 2025.

- Mitigating Actions: to continue to review all vacancies and ascertain whether they should be replaced or not, as part of the Staff Review Panel (SRP) process. Also, continue to review any retirements and ascertain whether they should be replaced or can be replaced through further efficiency measures.

11. Premises Costs

Premises costs (Red risk) - are forecast to be £94,000 above the budget of £1.935million. This is mainly due to the forecast overspend in energy costs of £100,000.

- Mitigating Actions: to continue to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. A review is also being carried out on energy consumption for the main campus building, with the help of GTFM and the replacement of the original lights for LED lights is forecast to reduce energy costs in future years.

12. Other Operating Costs

- Other Operating costs (Green risk) - are forecast to be £24,000 below the budget of £7.741million. This is due to the forecast underspend in a number of different areas.
 - Mitigating Actions: to continue to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. Budget holder refresher training will also be undertaken for all budget holders, with the

key focuses being on budget monitoring and on procurement. The budget review exercise has also started for 2024/25, with the first round of reviews almost completed. Further reviews will take place later in the year.

INVERNESS COLLEGE

PERIOD ENDED 31-Oct-24

INCOME AND EXPENDITURE ACCOUNT

	Note	Actual 31-Oct-24 £	Budget 31-Jul-24 £	Estimated Outturn 31-Oct-24 £	Variance from Budget £	Risk
Income						
Scottish Funding Council FE Grants	1	2,835,121	10,148,000	10,145,277	(2,723)	G
UHI	2	1,687,666	6,324,280	6,199,280	(125,000)	R
Tuition Fees	3	2,144,964	3,038,940	2,945,089	(93,851)	R
Other Grants - Research	4	74,996	1,364,090	1,224,090	(140,000)	R
Refectory and Training Restaurant	5	184,653	591,000	631,000	40,000	G
SDS	6	272,836	2,099,400	2,099,400	0	A
Commercial	7	13,670	147,500	147,500	0	A
Miscellaneous	8	330,229	560,740	613,045	52,305	G
Unitary Charge	9	1,264,284	4,903,884	4,903,884	0	
		8,808,419	29,177,834	28,908,565	(269,269)	
Staff Costs						
Teaching	10	2,383,775	10,584,084	10,604,175	(20,091)	
Teaching Support		367,686	1,452,461	1,486,724	(34,263)	
Premises		74,428	307,007	304,092	2,915	
Administration and Support		1,211,744	4,979,642	4,952,542	27,100	
Hospitality		104,032	388,536	424,905	(36,369)	
Research		257,643	958,815	1,018,302	(59,487)	
Business Development		106,269	474,380	482,013	(7,633)	
Provision		17,191	54,000	25,000	29,000	
		4,522,769	19,198,925	19,297,753	(98,828)	R
Job Evaluation				0	0	
		4,522,769	19,198,925	19,297,753	(98,828)	
Other Staff Costs		47,725	352,350	352,350	0	A
		4,570,494	19,551,275	19,650,103	(98,828)	
Other Costs						
Premises	11	1,531,871	1,935,590	2,029,590	(94,000)	R
Other Costs	12	1,405,749	7,740,922	7,716,922	24,000	G
		2,937,620	9,676,512	9,746,512	(70,000)	
		7,508,114	29,227,787	29,396,615	(168,828)	
Cash Position		1,300,304	(49,953)	(488,050)	(438,097)	
NPD Capital		(236,904)	(897,592)	(897,592)	0	
Cash Position after repaying loan capital		1,063,401	(947,545)	(1,385,642)	(438,097)	
Non RDEL						
Deferred Grant Release		0	300,000	300,000	0	
Depreciation		0	1,000,000	1,000,000	0	
		0	(700,000)	(700,000)	0	
Operational Deficit		1,300,304	(749,953)	(1,188,050)	(438,097)	

INVERNESS COLLEGE
PERIOD ENDED 31-Oct-24
INCOME AND EXPENDITURE ACCOUNT

	Note	Actual 31-Oct-24 £	Budget 31-Jul-24 £	Estimated Outturn 30-Apr-24 £	Variance from Budget £	Within College Control £	Outwith College Control £	Note
Income								
Scottish Funding Council FE Grants	1	2,835,121	10,148,000	10,145,277	(2,723)	(2,723)	(2,723)	1
UHI	2	1,687,666	6,324,280	6,199,280	(125,000)	(125,000)	(125,000)	2
Tuition Fees	3	2,144,964	3,038,940	2,945,089	(93,851)	(93,851)	(93,851)	3
Other Grants - Research	4	74,996	1,364,090	1,224,090	(140,000)	(140,000)	-	4
Refectory and Training Restaurant	5	184,653	591,000	631,000	40,000	40,000	-	5
SDS	6	272,836	2,099,400	2,099,400	0	0	0	6
Commercial	7	13,670	147,500	147,500	0	0	0	7
Miscellaneous	8	330,229	560,740	613,045	52,305	52,305	0	8
Unitary Charge	9	1,264,284	4,903,884	4,903,884	0	0	0	9
		<u>8,808,419</u>	<u>29,177,834</u>	<u>28,908,565</u>	<u>(269,269)</u>			
Staff Costs	10	4,570,494	19,551,275	19,650,103	(98,828)	(98,828)	(98,828)	10
Other Costs								
Premises	11	1,531,871	1,935,590	2,029,590	(94,000)	(45,000)	(45,000)	11
Other Costs	12	1,405,749	7,740,922	7,716,922	24,000	24,000	24,000	12
		<u>2,937,620</u>	<u>9,676,512</u>	<u>9,746,512</u>	<u>(70,000)</u>			
Total Expenditure		<u>7,508,114</u>	<u>29,227,787</u>	<u>29,396,615</u>	<u>(168,828)</u>			
Cash Position		1,300,305	(49,953)	(488,050)	(438,097)			
NPD Capital		(236,904)	(897,592)	(897,592)	0			
Cash Position after repaying loan capital		<u>1,063,401</u>	<u>(947,545)</u>	<u>(1,385,642)</u>	<u>(438,097)</u>			
Non RDEL								
Deferred Grant Release		0	300,000	300,000	0			
Depreciation		0	1,000,000	1,000,000	0			
		<u>0</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>			
Operational Deficit		<u>1,300,305</u>	<u>(749,953)</u>	<u>(1,188,050)</u>	<u>(438,097)</u>			

Notes

- 1 Scottish Funding Council FE Grants - level of FE student activity within our control, value of grant outwith our control.
- 2 UHI HE grants - level of HE student activity within our control, value of grant outwith our control
- 3 Tuition Fees - level of student activity within our control, amount of FE & HE full-time fees outwith our control, set by SFC
- 4 Other Grants - Research - within our control
- 5 Refectory and Training Restaurant - within our control
- 6 SDS - number of places on contracts outwith our control, but recruiting to the contracts awarded within our control.
- 7 Commercial - within our control
- 8 Miscellaneous income - within our control
- 9 Unitary Charge - outwith our control, set by SFC
- 10 Staff costs - number of staff in the college within our control, NB cost of ling increases and employer pension contributions outwith our control.
- 11 Premises - energy prises outwith our control, although working to reduce energy use at all college sites
- 12 Other operating costs - mix of costs both within and outwith our control.