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| Meeting | Audit Committee |
| Date and time | Tuesday 28 th November 2017 at 8.30 a.m. |
| Location | Boardroom, 1 Inverness Campus |

College Secretary
22 November 2017

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Minutes of Meeting of the Audit Committee held on 19 September 2017
2. **AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD OF MANAGEMENT**
Report by Board Secretary

ITEMS FOR DISCUSSION

3. **INTERNAL AUDIT REPORTS**
 - a) Credits Audit
 - b) Student Support (Bursary, Childcare and FE Hardship) funds
 - c) Risk Management (report to follow)
 - d) Corporate Governance

Audit Reports by BDO
4. **PLANNED AUDITS – TERMS OF REFERENCE**
 - a) Financial Controls
 - b) Data Protection
 - c) Partnership Working
 - d) Student Support

Reports by BDO
5. **OUTSTANDING AUDIT RECOMMENDATIONS**
Report by Director of Finance
6. **RISK REGISTER**
Report by Depute Principal

7. **BUSINESS CONTINUITY**
Report by Director of Organisational Development
 8. **VALUE FOR MONEY AND PROCUREMENT ANNUAL REPORT 2016/17**
Joint Report by Director of Finance and APUC Supply Chain Manager
 9. **HEALTH AND SAFETY**
Report by Director of Organisational Development
 10. **NEW CAMPUS – ISSUES OF RISK**
Report by Director of Organisational Development
 11. **GDPR**
Report by Director of Organisational Development
 12. **MEETING OF UHI AUDIT CHAIRS –15 November 2017**
Verbal report by Chair
 13. **CYBER RESILIENCE**
Report by Director of Organisational Development
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ITEMS FOR NOTING

14. **COMPLAINTS - QUARTERLY REPORT**
Report by Quality Unit
15. **AOCB**
16. **DATE OF NEXT MEETING**
Tuesday 27 February 2018 at 8.30 a.m.

MINUTES of the MEETING of the AUDIT COMMITTEE held in the Boardroom, 1 Inverness Campus, on Tuesday 19th September 2017

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| PRESENT: | Hazel Allen, Sarah Burton, Innis Montgomery, Fiona Neilson, Steve Walsh |
| CHAIR: | Hazel Allen |
| APOLOGIES: | Jaci Douglas, Lindsey Mitchell |
| ATTENDING: | Principal Depute Principal Director of Organisational Development Director of Finance Stuart Inglis, Henderson Loggie (by VC items 1 – 7) David Archibald, Henderson Loggie, (by VC items 1 – 7) Claire Robertson, BDO Andrew O'Donnell, BDO Secretary to the Board of Management |

The Chair welcomed Claire Robertson and Andrew O'Donnell from BDO, the new Internal Auditors who were attending their first Audit Committee meeting and then introductions were made round the table.

1. MINUTES

The minutes of the Meeting of the Audit Committee held on 29 May 2017 were **AGREED** as a correct record, subject to the correction of a small typographical error and were approved and would be signed.

2. AUDIT COMMITTEE - TERMS OF REFERENCE

The Board Secretary referred to the suggested amendments which had been made to the Audit Committee terms of reference which had last been reviewed in June 2015.

The Committee **RECOMMENDED** to the Board of Management approval of the amended terms of reference subject to the inclusion of paragraph 7 within the remit and to the correction of two small grammatical errors.

3. DATA PROTECTION POLICY

A number of minor revisions had been made to the data protection policy and these had been discussed at Scrutiny Panel (6 June 2017) and SMT (17 August 2017).

The Committee **APPROVED** the revised data protection policy subject to the inclusion at section 3.1, Legislative Framework, of reference to the new General Data Protection Regulations and to the review date being amended to 1 year, as it was probable that changes would be required once the new legislation came into force in May 2018.

4. **AUDIT REPORTS - RECOMMENDATIONS**

a) **Staff Recruitment and Retention – Succession Planning**

Mr Archibald of Henderson Loggie referred to the review of the College's succession planning arrangements as this was an area where risk can arise. The overall level of assurance was Good. A large number of strengths had been identified and no significant weaknesses.

Although the review had the highest level of assurance, reference was made to the difficulties in recruiting to the post of Director of Corporate Services, delays to projects pending the appointment of a new Health and Safety Manager and staffing level issues in procurement / creditors. The Director of Organisational Development provided some context to the vacancies and the Chair confirmed that the Board had been kept aware of the difficulties encountered with recruitment to these posts. The Depute Principal referred to the Management Development Programme as an example of good practice which had been put in place and which gave internal staff the skills to apply for promoted posts.

The Committee **WELCOMED** the level of assurance given in the report and were content that the workforce planning by the College was robust.

b) **New Campus – Maintenance and Unitary Charge Controls**

Mr Archibald of Henderson Loggie referred to the scope of the review which had looked at the arrangements in place to monitor the performance of GT Equitix against the terms of the maintenance and unitary charge contract. The overall level of assurance was Satisfactory. A number of strengths had been identified but there were also a number of weaknesses, most of which related to operational areas where GTFM were responsible for processes and controls.

The Director of Organisational Development welcomed the findings of the review which gave strength to the issues identified by the College.

There was a detailed discussion on the risks to the college, specifically reputational risk.

The Committee **AGREED** that a meeting be held with SFT to discuss the risk and damage to the core business of the College and to set a clear roadmap for the future. A report would be submitted to the Audit Committee meeting in November setting out the next steps.

5. **FOLLOW UP REVIEWS**

Stuart Inglis of Henderson Loggie advised that they had carried out a follow-up review of the recommendations made in internal audit reports issued during 2015-16 where actions were still outstanding.

Overall, it was found that the College had made good progress in implementing the recommendations followed-up as part of the review and only two recommendations were assessed as showing "little or no progress". These recommendations had been made in the Budgetary Control/General Ledger and in the Risk Management and Business Continuity / Disaster recovery audits.

The Committee discussed the outstanding recommendations and were assured that these would be taken forward now that the new Principal and the Director of Finance were in post.

It was **AGREED** that the outstanding recommendations should be submitted to the appropriate standing committee for noting.

6. INTERNAL AUDIT ANNUAL REPORT FOR 2016/17

A report by Henderson Loggie summarised the internal audit work carried out in 2016/17. All work in 2016/17 assessed systems as Good or Satisfactory or provided an unqualified audit opinion on College returns. It was their opinion that the College had adequate and effective arrangements for risk management, control and governance. Proper arrangements were in place to secure value for money.

The Committee was pleased to **NOTE** the positive annual report.

The Chair advised that this report concluded all the work by Henderson Loggie as Internal Auditors. On behalf of the Committee and the College she thanked Henderson Loggie for all the work which they had carried out over the last 10 years.

7. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS FROM 2016/17

A report by the Depute Principal advised that there were three outstanding recommendations from the Internal Audit reports in 2016-17. These were all timetabled to be completed by December 2017.

The Committee **NOTED** the position.

8. INTERNAL AUDIT ANNUAL PLAN 2017-18

A report by the Internal Auditors, BDO set out their proposed internal audit strategy for the three year period of their appointment, namely 2017-20 as well as the proposed audit plan for 2017-18.

There was general discussion on the plan and questions were asked about which organisations were planned for benchmarking purposes.

The Committee **AGREED** that

- a. The Board Secretary should identify a suitable date for an interim meeting with BDO, with the Chair, the Director of Finance and other members of the SMT as appropriate.
- b. the first two planned audits on Governance and on Risk Management would be carried out in the coming months with the reports being submitted to the next Audit Committee at the end of November.
- c. For all other audits, the scope of the audit would be submitted to the Committee for consideration in advance of the audit work commencing.
- d. The Chairs of the other standing committees be invited to reflect of the scope of each audit under their area of responsibility and
- e. BDO should submit their proposed dates for each of the audits as soon as possible.

9. HEALTH AND SAFETY ANNUAL REPORT 2016/17

A report by the Director of Organisational Development advised that the annual report summarised the issues which had been included in the quarterly reports throughout 2016/17.

The Committee asked if there was likely to be any reputational risk to the college as a result of incidents by visitors. The Director of Organisational Development advised that she would check the nature of the incidents and report back.

Future online reporting would enable the Health and Safety Manager to pick up on any patterns and specific issues as they were reported rather than at the end of each quarter when the reports were collated and analysed.

The Committee **WELCOMED** the significant progress in health and safety over the last year.

10. RISK MANAGEMENT AND BUSINESS CONTINUITY

A report by the Depute Principal provide an update on the risk register and on the business continuity plan.

The Depute Principal **NOTED** the incorrect figure under risk 26 and confirmed that further work to eradicate duplication within the register was required following the inclusion of the generic risks which had been adopted across the UHI partnership.

Steve Walsh left the meeting during consideration of the following item.

11. GENERAL DATA PROTECTION REGULATION (GDPR) COMPLIANCE AND SYSTEM SECURITY

A joint Report by the ICT Manager and the Information Development Manager provided an update to the on-going work to adhere to the imminent legislative changes and recent best practice with regards to data protection and information security.

The Committee discussed the legislative requirements and **REQUESTED** the Director of Organisational Development to report back on the gap between what was currently in place and what was expected within the guideline document from the Scottish Government.

Claire Robertson and Andrew O'Donnell of BDO left the meeting

12. ANNUAL REVIEW OF AUDITORS PERFORMANCE

The College Secretary introduced the process for the annual review of auditors' performance.

The Committee completed the annual review of the internal and external auditors performance for 2016/7 although since Ernst and Young had only recently been appointed to the position of External Auditor, it was difficult to provide a complete review of their performance at this time.

The Committee **NOTED** that the results of the evaluations would be fed back to the auditors in writing.

The following item was included in the agenda for noting only and therefore no discussion took place at the meeting.

13. GOOD GOVERNANCE

The Committee **NOTED** the following documents, which had been considered at the meeting of the Chairs Committee on 17th August 2017

- a. Audit Committee Annual Report to the Board of Management – Model Format
- b. CIPFA Best Practice Guide – Audit Committee Evaluation

14. DATE OF NEXT MEETING

Tuesday 28th November 2017 at 8.30 a.m.

Signed by the Chair: _____

Date: _____

Board of Management

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| Subject/Title: | Annual Audit Committee report to the Board of Management |
| Author: [Name and Job title] | Fiona Ambrose, Board Secretary |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 16 November 2017 |
| Brief Summary of the paper: | The report highlights the membership of the Audit Committee, meetings held, those attending and the key reports presented during 2016-17. This includes the work carried out by Henderson Loggie, the Internal Auditors, and Scott Moncrieff the External Auditors in relation to the work carried out on the 2015-16 Audit of the Accounts. Other key areas of the work of the committee are highlighted specifically risk management, health and safety and approval of policies relevant to the terms of reference of the Committee. |
| Action requested: [Approval, recommendation, discussion, noting] | The Committee is requested to recommend the report to the Board of Management for approval |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management. The report relates to the discussions and actions in relation to risk management Linked to Opportunity and Growth in Sustainability within the strategic plan, specifically managing our risks |
| Resource implications: | Not directly, but indirectly in relation to the management of risk |
| Risk implications: | Yes Operational: as outlined in the Risk register Organisational: as outlined in the Risk register |
| Equality and Diversity implications: | N/A |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | No consultation carried out – report is a statement of work carried out by the Audit Committee throughout 2016-17 |

ITEM 2

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

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

Annual Audit Committee Annual Report to the Board of Management

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| Title | Inverness College UHI Audit Committee Annual Report 2016-17 |
| Introduction | The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management. This report covers the work of the Audit Committee during the 2016-17 Academic Year. |
| Membership | <p>The Membership of the Committee during the 2016-17 academic year was as follows:-</p> <p>Hazel Allen, Chair Jaci Douglas Lindsey Mitchell Louise James (resigned from Board 31 May 2017) Steve Walsh Sarah Burton – appointed April 2017 Fiona Neilson – co-opted April 2017 Innis Montgomery – appointed April 2017</p> <p>Board Secretary – Fiona Ambrose (Clerk to the Committee)</p> |
| Meetings | <p>4 meetings were held throughout the year and the attendance was as follows:-</p> <p>13 September 2016 Hazel Allen, Jaci Douglas, Louise James, Lindsey Mitchell, Steve Walsh</p> <p>29 November 2016 Hazel Allen, Louise James, Lindsey Mitchell, Steve Walsh</p> <p>28 February 2017 Hazel Allen, Jaci Douglas, Louise James, Lindsey Mitchell, Steve Walsh</p> <p>29 May 2017 Hazel Allen, Sarah Burton, Louise James, Lindsey Mitchell, Innis Montgomery, Fiona Neilson, Steve Walsh</p> <p>Hazel Allen chaired all meetings</p> |

| | <p>The Internal Auditors (Henderson Loggie) attended every meeting as did the Directors of Corporate Services and Organisational Development Jason Thurlbeck, Head of UHI Audit, was copied in to all papers and had an open invitation to attend</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|---------------------------|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------|---------------------|-----|-----|-----|-----|-----|---------|-------------------|---------------------|---|---|---|---|---------|-------------------------------|---------------------------|---|---|---|---|---------|-------------------------------|---------------------------|---|---|---|---|---------|-------------------------|-------------|---|---|---|---|
| <p>Terms of Reference</p> | <p>The terms of Reference were not reviewed during the 2016-17 Academic year. However, they were subsequently reviewed in September 2017 and approved by the Board of management at its meeting in October 2017. Amended wording was approved, specifically “comprehensiveness, reliability and integrity of assurances” reflecting the wording within the audit section of the Code of Good Governance for Scotland’s Colleges. Reference to the Audit committee meeting the internal and external auditors in private was included. This was one of the recommendations within the Externally facilitated review of board effectiveness carried out by Henderson Loggie.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Internal Audit</p> | <p>Henderson Loggie Audit committee assessment of performance</p> <p>The annual review of the auditor’s performance was undertaken on 19 September 2017 for the 2016-17 annual year. This was the final year of the audit contract and the overall rating from the committee on the key areas of understanding, skills and experience, communication, and performance was “very good”.</p> <p>Summary of Internal Audit reports 2016-17 (Full report attached)</p> <table border="1" data-bbox="385 847 1771 1372"> <thead> <tr> <th>Number</th> <th>Title</th> <th>Overall Grade</th> <th>Recommendations</th> <th>Priority 1 / Grade A</th> <th>Priority 2 / Grade B</th> <th>Priority 3 / Grade C</th> </tr> </thead> <tbody> <tr> <td>2017/01</td> <td>Annual Plan 2016/17</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>2017/02</td> <td>Health and Safety</td> <td>Satisfactory</td> <td>3</td> <td>-</td> <td>-</td> <td>3</td> </tr> <tr> <td>2017/03</td> <td>2015/16 Student Activity Data</td> <td>Audit opinion unqualified</td> <td>2</td> <td>-</td> <td>-</td> <td>2</td> </tr> <tr> <td>2017/04</td> <td>Student Support Funds 2015/16</td> <td>Audit opinion unqualified</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>2017/05</td> <td>IT Network Arrangements</td> <td>Good</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | Number | Title | Overall Grade | Recommendations | Priority 1 / Grade A | Priority 2 / Grade B | Priority 3 / Grade C | 2017/01 | Annual Plan 2016/17 | N/A | N/A | N/A | N/A | N/A | 2017/02 | Health and Safety | Satisfactory | 3 | - | - | 3 | 2017/03 | 2015/16 Student Activity Data | Audit opinion unqualified | 2 | - | - | 2 | 2017/04 | Student Support Funds 2015/16 | Audit opinion unqualified | - | - | - | - | 2017/05 | IT Network Arrangements | Good | - | - | - | - |
| Number | Title | Overall Grade | Recommendations | Priority 1 / Grade A | Priority 2 / Grade B | Priority 3 / Grade C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/01 | Annual Plan 2016/17 | N/A | N/A | N/A | N/A | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/02 | Health and Safety | Satisfactory | 3 | - | - | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/03 | 2015/16 Student Activity Data | Audit opinion unqualified | 2 | - | - | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/04 | Student Support Funds 2015/16 | Audit opinion unqualified | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/05 | IT Network Arrangements | Good | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|---------|---|--------------|---------------------------------|---|---|---|
| 2017/06 | Procurement and Creditors / Purchasing | Satisfactory | 2 | - | 1 | 1 |
| 2017/07 | Data Protection | Good | 2 | - | - | 2 |
| 2017/08 | Staff Recruitment and Retention – Succession Planning | Good | - | - | - | - |
| 2017/09 | New Campus – Maintenance and Unitary Charge Controls | Satisfactory | 2 | - | 1 | 1 |
| 2017/10 | Follow-Up Reviews | N/A | 5 of 19 required further action | - | 3 | 2 |

Overall gradings were defined as follows:

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| Good | System meets control objectives. |
| Satisfactory | System meets control objectives with some weaknesses present. |
| Requires improvement | System has weaknesses that could prevent it achieving control objectives. |
| Unacceptable | System cannot meet control objectives. |

Audit reports

A total of 11 recommendations were made across the 8 audit reports carried out in 2016-17. There were no Priority A/ Grade 1 recommendations. The Committee made specific comments on two of the reports as follows:-

Succession Planning

Although the review had the highest level of assurance, reference was made to the difficulties in recruiting to the post of Director of Corporate Services, delays to projects pending the appointment of a new Health and Safety Manager and staffing level issues in procurement / creditors. The Director of Organisational Development provided some context to the vacancies and the Chair confirmed that the Board had been kept aware of the difficulties encountered with recruitment to these posts.

New Campus

There was a detailed discussion on the risks to the college, specifically reputational risk. A meeting was held with SFT to discuss the risk and damage to the core business of the College and to set a clear roadmap for the future.

Review of internal audit annual plan

The plan was based on the proposed allocation of days for 2016/17 set out in the Final Audit Needs Assessment (ANA) and the Strategic Plan for 2015 to 2017, with the following exceptions:

- The Health & Safety audit was carried out in August 2016 (the first month of 2016/17 rather than in 2015/16) to enable the new H&S Manager to establish an audit plan and commence H&S audits prior to the internal audit of H&S
- The Estates and Campus audit was rescheduled for 2016/17 in order to allow time for the College to work with the SFT and GTFM to ensure GTFM complied with the NPD reporting requirements and delivered in accordance with the contract

There was no change in the time spent – Planned v budget. 43 days' work was undertaken.

Value for Money Annual Report

The College was continuing to develop a more corporate approach to procurement across its professional disciplines and support functions. A significant amount of work was being done under PECOS, Public Contracts Scotland Advertising (PS), Public Contracts Scotland Tender (PCS-T), the APUC Contracts database (Hunter). The benefits of using collaborative contracts were recognised.

The College would ensure that its strategies, policies and associated procedural guidance complied with and reflected best practice whilst being mindful of the need to ensure that whatever was put in place was workable and proportionate to the scale and complexity of the procurement operations of the college.

Risk Management

The Committee discussed each quarterly risk management report in detail. A number of recommendations were made by the Committee and Management considered these at subsequent SMT meetings. In summary, the key issues raised and agreed in 2016-17 were that –

- The Committee approved the recommendation that the arms length foundation should not be included within the register and noted that in relation to BREXIT, further discussion would take place at management level.
- The SMT proposed to change the wording of the following two risks:
 - New campus building does not operate in line with expectations
 - Outcome of national pay bargaining

- a new strategic risk should be added to the register - that the College is unable to continue to deliver locally relevant, quality, higher and further education; and that it is not directly accountable to its community for that delivery; as a result of a constitutional structure which is not fit for purpose.
- the risks within the register be numbered, that it be reordered so that significant risks were shown first and that the scoring mechanism be included in future reports.
- SMT agreed the following should be reviewed / updated:
 - Failure to meet activity targets – to be updated
 - Adapting to the new campus – risk score to be ‘reduced’
 - The college fails to maintain improvement in performance against national targets and outcomes – risk score to be ‘reduced’
- The Chair made reference to the agreed process for improvements in UHI partnership management to minimise the partnership risks. She requested that the agreement for these processes be included as a mitigating action in the risks relating to Inverness College’s financial insecurity.
- Committee endorsed the proposals of the UHI Court and that the Inverness College UHI Risk Register be adapted to include the 11 generic risks proposed
- the financial position of two of the partner colleges and the requirement for the 5 incorporated colleges to achieve a balanced budget by the end of March 2017 was discussed. Concern that a number of the 11 generic risks could not be managed on an individual partner basis and that any risks to the College as a result of the governance structure of UHI were not included.
- Reference was also made to the risks associated with the implementation of the new Finance System across the partnership and the specific risk to Inverness College UHI of the Director of Corporate Services position remaining vacant.
- the recent changes and improvements in the structure of the EO SMT, namely the establishment of the three part time Vice Principal posts and the current vacancies in the Inverness College SMT be included in the next review of the risk register.

Closed Meeting

The Audit Committee held a closed session with the Internal Auditors at the meeting held on 29 May 2017

Overall opinion of risk management, control and governance arrangements

It was the opinion of Henderson Loggie that

“The College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2016/17 and in prior years since our first appointment in 2007/08”.

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| <p>External audit</p> | <p>Scott Moncrieff Scott Moncrieff completed their audit of the accounts for the year ending 31 July 2016. This was the final report by Scott Moncrieff who had completed their term as the Colleges External Auditors. These accounts were submitted to and approved by the Board of Management on 20 December 2016. They provided unqualified audit opinions on the financial statements, the regularity of transactions and other prescribed matters. There were no matters which they were required to report by exception</p> <p>Closed Meeting The Audit Committee held a closed session with the Internal Auditors at the joint meeting held on 8 December 2016. They confirmed that the college’s audit process was very well organised and that Scott Moncrieff had confidence in the management team and a good relationship with the finance team who were committed to providing the information requested. Reference was made to the vacant position of Director of Corporate Services and the risk to the college of recruitment as well as the loss of corporate knowledge and continuity of provision. Competency and effective leadership were critical for the Finance Team going forward. It was vital that there was as was a strong working relationship between the finance and curriculum areas.</p> <p>Ernst & Young Ernst and Young were appointed by the Auditor General for Scotland as the external auditor for the financial years period 2016/17 to 2020/21 Their annual audit plan was presented to the Committee on 29 May 2017. The fee for the 2016-17 audit as per Audit Scotland’s fee letter 2016-17 was £15,930</p> <p>Audit committee assessment of performance As 2016/17 is the first year of the 5 year appointment an assessment of performance would not be carried out in full as the audit of annual accounts had not yet been completed.</p> <p>Audit of annual accounts During the Financial Year covered by this report the Auditors completed their audit of the accounts for the year ending 31st July 2017. These accounts will be submitted to the Board of Management on 19 December 2017 for approval.</p> |
| <p>Other work done</p> | <p>Health and Safety Health and Safety reports are submitted to each audit committee throughout the year.</p> <p>Riddor There was 1 Reported RIDDOR incident during the reporting year which related to tree felling activities at the Scottish School of Forestry</p> |

Accident/incident/near miss reporting

There has been a further increase in the number of reports relating to accidents/incidents and near misses in comparison to the previous year. The increase in numbers has been welcomed as this confirms the increased awareness and reporting requirements.

August 2016 –July 2017 No. of reports received 175

August 2015 - July 2016 No. of reports received 101

During the last reporting year there was some significant changes with regards to how health & safety was managed within the college. HASMAP audits were carried out, working with each department to drive continuous improvement. The new H&S software system was now in place and will be used in 2017-18, along with the recently purchased Safetyhub online training and learner management system. Both of these systems represented a significant investment by the college and would provide staff with a valuable resource for H&S

ICT and data security issues

The Committee now receive high level information on ICT issues rather than quarterly reports which included operational issues. The following key issues were submitted to the committee in November 2016

- Statement on Cybercrime
- Protocols for changing payee/vendor details
- Information Security Project

The College is progressing with the work required to ensure full compliance with GDPR which will come into force in May 2018.

Policies

The following key policies were reviewed during 2016/17

- Health and Safety
- Records Management
- Secure Handling, Use, Storage and Retention of Disclosure Information
- Information Security Policy

The Annual report on Data Protection, Freedom of Information, Complaints and Public Interest Disclosure was presented to the committee in February 2017. No major issues were reported.

Appointment of Internal Auditors

Following a robust procurement process, BDO were appointed to supply internal audit services to the college for a period of three years at a cost of £60,480 with effect from 1 August 2017 and with the option to extend by two further one year periods.

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| | <p>Business Continuity Plan Update The College’s business continuity plan was updated in August 2016 to include new contact details following the move to the new campus and also to reflect a number of changes in personnel. In addition a number of sections were completed to include contact details of additional vendors. The business continuity plan was approved by the Committee on 13 September 2016. On 18 October 2016 the updated Business Continuity Plan was distributed to all SMT members in their capacities as members of Crisis Management Team.</p> |
| Other | <p>The Board of Management in October 2017 agreed to adopt the UHI risk policy and risk appetite statements. Further review of risk and risk appetite statements in line with UHI arrangements will be undertaken in 2018.</p> |
| Opinion | <p>The Audit Committee concurs with the opinion of Henderson Loggie that the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money.</p> |
| Circulation | <p>Copy to the Auditors once approved by the Board of Management</p> |
| Conclusion | <p>The Audit Committee is pleased to report to the Board of Management that in its opinion the College has adequate internal controls, procedures and systems in place</p> <p>Signed..... Chair, Audit Committee</p> <p>Date</p> |



Inverness College UHI



**Annual Report to the Board of Management and
Principal on the Provision of Internal Audit Services for 2016/17**

Internal Audit Report No: 2017/11

Draft Issued: 5 September 2017

Final Issued: 12 September 2017



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1. Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in August 2015 as internal auditors of Inverness College UHI ('the College') for the period 1 August 2015 to 31 July 2017. This report summarises the internal audit work performed during 2016/17.
- 1.2 An updated Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2015/16 (internal audit report 2016/01, finalised September 2015). The ANA was prepared following discussion with the Director of Corporate Services and review of previous internal and external audit reports, and covered the two-year extension of our internal audit appointment from 2015/16 to 2016/17. The ANA was based on the College's own Strategic Risk Register and this was supplemented by our own assessment of the risks faced by the College. Following on from the ANA, a Strategic Plan was formulated covering the two-year extension period, and this was approved by the Audit Committee, together with the ANA, at its meeting on 15 September 2015.
- 1.3 The work undertaken in the year followed that set out in the Strategic Plan for 2016/17, with two exceptions. Five days were included in the plan for a review of the New Campus – Maintenance and Unitary Charge Controls. This assignment was originally scheduled to be undertaken during 2015/16 but was deferred to 2016/17 following further discussion with College management to allow time for controls to fully bed in. A proposed review of Asset Management was removed from the 2016/17 plan to accommodate this. Also, three days were included in the plan for a review of Health and Safety. This assignment was also deferred to 2016/17 at the request of College management as the College's previous Health and Safety Manager left in November 2015, with the post covered on an interim basis until late March 2016 when a new permanent member of staff was appointed.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (Continued)

- 1.7 Self-assessment is undertaken through:
- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist in April to confirm PSIAS compliance.
- 1.8 The results of our self-assessment are that we are able to confirm that our service is independent of the College and complies with the PSIAS.
- 1.9 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie is a member of MHA, a national association of accountancy firms. Continued membership of MHA is dependent on maintaining a good level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The MHA review in April 2014 included our internal audit service. Overall the review found the firm's policies and procedures relating to internal audit to be compliant with the PSIAS in all material respects.

Significant Issues

- 1.10 All work in 2016/17 assessed systems as 'Good' or 'Satisfactory', or provided an unqualified audit opinion on College returns, and there were therefore no significant issues identifying major internal control weaknesses arising from our internal audit work. In some cases however areas for further strengthening were identified and action plans have been agreed to address these issues.

Opinion

- 1.11 In our opinion the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2016/17 and in prior years since our first appointment in 2007/08.

2. Reports Submitted

| Number | Title | Overall Grade | Recommendations | Priority 1 / Grade A | Priority 2 / Grade B | Priority 3 / Grade C |
|---------|---|---------------------------|---------------------------------|----------------------|----------------------|----------------------|
| 2017/01 | Annual Plan 2016/17 | N/A | N/A | N/A | N/A | N/A |
| 2017/02 | Health and Safety | Satisfactory | 3 | - | - | 3 |
| 2017/03 | 2015/16 Student Activity Data | Audit opinion unqualified | 2 | - | - | 2 |
| 2017/04 | Student Support Funds 2015/16 | Audit opinion unqualified | - | - | - | - |
| 2017/05 | IT Network Arrangements | Good | - | - | - | - |
| 2017/06 | Procurement and Creditors / Purchasing | Satisfactory | 2 | - | 1 | 1 |
| 2017/07 | Data Protection | Good | 2 | - | - | 2 |
| 2017/08 | Staff Recruitment and Retention – Succession Planning | Good | - | - | - | - |
| 2017/09 | New Campus – Maintenance and Unitary Charge Controls | Satisfactory | 2 | - | 1 | 1 |
| 2017/10 | Follow-Up Reviews | N/A | 5 of 19 required further action | - | 3 | 2 |

Overall gradings are defined as follows:

| | |
|-----------------------------|---|
| Good | System meets control objectives. |
| Satisfactory | System meets control objectives with some weaknesses present. |
| Requires improvement | System has weaknesses that could prevent it achieving control objectives. |
| Unacceptable | System cannot meet control objectives. |

Recommendation grades are defined as follows:

Reports issued from 2012/13

| | |
|-------------------|---|
| Priority 1 | Issue subjecting the College to material risk and which requires to be brought to the attention management and the Audit Committee. |
| Priority 2 | Issue subjecting the College to significant risk and which should be addressed by management. |
| Priority 3 | Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness. |

Reports issued prior to 2012/13 (recommendations included in report 2017/10 – Follow-Up Reviews, refer split on page 21)

| | |
|---|--|
| A | Issues which required the consideration of the Board of Management or one of its committees. |
| B | Significant matters which could have been resolved by the Senior Management Team. |
| C | Less significant matters that did not require urgent attention but which should have been followed up within a reasonable timescale. |

3. Summary of Results and Conclusions

2017/01 – Annual Plan 2016/17

Final Issued September 2016

The purpose of this document was to present, for consideration by the Audit Committee, the annual operating plan for the year ended 31 July 2017. The plan was based on the proposed allocation of audit days for 2016/17 set out in the ANA and Strategic Plan 2015 to 2017 (although refer paragraph 1.3 above).

The outline scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Director of Corporate Services were set out in the report.

2017/02 – Health and Safety (H&S)

The scope of this audit was to review the arrangements in place within the College to deal with H&S issues.

The main objective of this audit was to review the College’s overall arrangements for dealing with H&S issues and to consider whether these are adequate.

The table opposite notes each separate objective for this review and records the results.

Strengths

- The College had a H&S Policy in place covering key areas and there was a H&S Policy Statement, which was signed by the Chair of the Board of Management and the Principal.
- The College had adopted Health and Safety Executive guidance HSG65 ‘Managing for health and safety’ as the standard by which it would manage H&S.
- Appropriate H&S induction programmes were delivered to both students and staff when they started at the College and further training was provided as required. The College was qualified to deliver British Safety Council courses and, going forward, these courses were to be available to relevant College staff who required additional H&S training in these areas.
- The H&S Manager had undertaken a wide range of thorough H&S audits making use of the Health and Safety Management Profile (HASMAMP) methodology, which mapped to HSG65, and there was an ongoing programme of audit visits.
- The H&S Manager had a wealth of knowledge and experience, including quality auditing experience, and had made a number of improvements to College processes since his appointment in March 2016 and was progressing others.
- There was regular H&S reporting to the H&S Committee, Audit Committee and the Board.

Final Issued –
November 2016

Overall grade: **Satisfactory**

| The specific objectives of this audit were to ensure that the College has: | |
|---|---------------------|
| 1. A H&S policy and documented procedures which are communicated to all staff. | Satisfactory |
| 2. A formal risk identification and assessment process, distinguishing between College and contractor responsibilities for the new campus. | Satisfactory |
| 3. A H&S training programme which includes induction training, refresher training and training for new equipment and legislation. | Good |
| 4. Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive. | Good |
| 5. An incident and accident recording system with follow-up and implementation of new controls where required. | Satisfactory |
| 6. Regular reporting of H&S to senior management and to the Board of Management. | Good |
| Overall Level of Assurance | Satisfactory |

2017/02 – Health and Safety (Continued)

Weaknesses

- The College's H&S Manual had not been updated since 2012 and procedures may not always have fully reflected working practice. This was being redrafted by the H&S Manager.
- The risk identification and assessment process was not consistent throughout the College, with different formats being used by different departments.
- Risk assessment documents were not always being reviewed on a timely basis. This had already been identified by the H&S Manager from his audit visits and a new H&S management software system was being procured to address this.
- The College incident and accident recording system did not contain the functionality which would have allowed for more accurate incident tracking, action management and statistical analysis. Again, this was to be addressed through the new H&S management software system.

2017/03 – 2015/16 Student Activity Data

Final Issued October 2016

In line with guidance issued by the Scottish Funding Council (SFC) on 12 August 2016 we considered the reasonableness of the procedures in place for the compilation of the Credits related element of the FES return submitted to the SFC.

In accordance with the Credits Audit Guidance we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was also carried out. Our testing was designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to Credits Audit Guidance and the key areas of risk identified in Annex D.

Our report to the SFC was submitted on 13 October 2016 prior to the deadline date of 14 October 2016. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance;
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material mis-statement.

Two minor recommendations were made in our internal audit report including that, for courses other than full-time, the College should ensure that the required date input into SITS is calculated as the day on which 25 per cent of the total calendar days between the course start and end have passed.

2017/04 – Student Support Funds 2015/16

Final Issued November 2016

We carried out an audit on the following fund statements for the 2015/16 academic year: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return.

The audit objectives were to ensure that:

- the College complies with the terms, conditions and guidance notes issued by SFC and the Student Awards Agency for Scotland;
- payments to students are genuine claims for hardship or bursary and have been processed and awarded in accordance with College procedures; and
- the information disclosed in the return for the year ending 31 July 2016 is in agreement with underlying records.

We were able to certify all fund statements for the year and submit these to the appropriate bodies, without reservation.

We reported last year that the College did not check that students had met the 90% attendance requirement for bursary payments for the first eight weeks of the academic year due to delays in the attendance registers being reliably set up. There was therefore a potential risk that some students may have been overpaid during that period. Although there was no major change to the system for 2015/16, attention was paid by the College to students with particularly poor attendance during this period and payments withheld from them where appropriate. This was evidenced during our sample testing of bursary payments for 2015/16 and we did not highlight the issue in our covering letter to the SFC.

2017/05 – IT Network Arrangements

ICT security is an important element of ensuring that business applications are available for use and that sensitive information cannot be accessed by unauthorised users. This audit reviewed the controls in place to ensure that ICT security is adequate.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Access to server and communication rooms was adequately controlled and appropriate environmental controls were in place to protect equipment.
- Hardware and software inventories had been created.
- Vulnerability scans of the UHI network were conducted regularly by UHI IT Services with relevant issues reported to Academic Partners, and both the College and UHI IT teams constantly monitored the health and activity on the IT network.
- Processes were in place for applying updates and patches to all devices connected to the College network.
- The IT architecture protected the College network through the use of firewalls and prevented direct connections to untrusted external services and protected internal IP addresses.
- Penetration testing of the external boundaries was conducted annually by Janet (Joint Academic Network) for UHI and any findings were acted upon by UHI IT Services to address any security weaknesses identified.
- Management of user accounts was linked to the College's Human Resources led starter, leaver and change of role procedures.
- The ICT Services Manager approved the use of all administrator accounts and also conducted periodic reviews of administrator accounts and actions.

Final Issued – April 2017

Overall grade: **Good**

| | |
|---|-------------|
| The objective of our audit was to obtain reasonable assurance that adequate systems are in place covering: | |
| 1. Physical controls over access to network servers. | Good |
| 2. Compliance with an acceptable usage policy, including mobile technology and the use of social media. | Good |
| 3. Logical access controls, including: <ul style="list-style-type: none"> ◆ checks to ensure user access and user functionality is appropriate; ◆ passwords; and ◆ procedures for setting up and revoking users. | Good |
| 4. Adequate review of change control (upgrades, patches) and emergency access. | Good |
| 5. Review of system administrator actions. | Good |
| 6. Monitoring of attempted unauthorised access. | Good |
| 7. Identifying unlicensed software. | Good |
| 8. Remote user security procedures. | Good |
| Overall Level of Assurance | Good |

2017/05 – IT Network Arrangements (Continued)

Strengths (continued)

- All mobile devices, such as smartphones and laptops that were issued to staff, were encrypted by ICT Services.
- Appropriate segregation and access controls were in place governing staff, student and guest access to the College network, databases and services.
- Network hardware was protected by an antivirus solution, which was updated daily and automatically scanned for malware.
- All ICT equipment and removable media was scanned for malware when connected to the College network or networked equipment.
- Software was deployed across the network which monitored, amongst other things, the number of approved user licences and renewal dates.
- All upgrades, patches, hardware and software configurations that affected the UHI network, and therefore the Academic Partner's local area network, were approved by the UHI Change Control Board.
- The College used a Citrix solution which allowed staff remote access to College data and applications via a virtual desktop environment without accessing the Active Directory database directly, thereby reducing the risk of compromise of data security.
- A College-wide Information Security Project was being conducted which was reviewing security practices across the College, including ICT, Data Protection and records management.

Weaknesses

No significant weaknesses were identified during our review. We noted that the ICT Services Manager had raised concerns over the access which facilities management company staff had to a server room, which jointly housed both College and UHI ICT equipment, in order to undertake routine maintenance. At the time of our audit, UHI IT Services had agreed to install CCTV within the server room on the Inverness campus, which was scheduled to be in place by the Summer of 2017.

2017/06 – Procurement and Creditors / Purchasing

This audit focused on the systems of internal control in place for the ordering of goods and services and the payment of invoices. We also considered whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

The table opposite notes each separate objective for this review and records the results.

Strengths

- We found that the College's draft Procurement Strategy was in line with the guidance produced by the Scottish Government.
- The College made use of information provided by APUC (Advanced Procurement for Universities and Colleges) to monitor areas of high spend and identify potential opportunities for pooling.
- The College made regular use of the framework agreements to which it had access. The Procurement and Contracts Co-ordinator was also involved in a Strategic Procurement Team organised by APUC which was used to identify collaborative procurement opportunities.
- From our testing of a sample of 15 invoices we found that these had been accurately entered onto the SUN finance system. Invoices could either be entered manually or could be transferred from the e-procurement system, PECOS, to SUN by journal.
- For a sample of 15 PECOS purchase orders we found that these had been appropriately authorised by staff members within their delegated limit.
- All payments were authorised by the Financial Services Manager or an Accountant. They also sample checked the invoices in each payment run to ensure these were genuine.
- All changes to supplier standing data were reviewed by the Financial Services Manager or an Accountant. A member of the Finance team also checked with the supplier to ensure that requests were genuine.

Final Issued – May 2017

Overall grade: **Satisfactory**

| The objective of this audit was to obtain reasonable assurance that: | |
|---|-----------------------------|
| 1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations'). | Satisfactory |
| 2. Procurement procedures ensure that: <ul style="list-style-type: none"> • areas of high spend across the College are monitored appropriately; • opportunities for pooling of expenditure are identified in order to achieve best value; and • collaborative procurements and frameworks available to the College are utilised where appropriate. | Satisfactory |
| 3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised. | Requires Improvement |
| 4. The College's procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with. | Good |
| 5. All liabilities are fully and accurately recorded. | Good |
| 6. All payments are properly authorised, processed and recorded. | Good |
| 7. Appropriate controls are in place over the amendment of standing supplier data on the finance system. | Good |
| Overall Level of Assurance | Satisfactory |

2017/06 – Procurement and Creditors / Purchasing (Continued)**Weaknesses**

- The College did not have a comprehensive list of the staff members with delegated purchasing authority and their authorisation limits.
- A significant amount of expenditure was not being processed through PECOS. The Procurement and Contracts Co-Ordinator had been working with College staff to try and address this. Going forward the College will be using a new finance system and this system will require all purchase orders to be processed through its e-procurement function.
- For a sample of 15 non-PECOS purchases tested we found that a purchase order requisition had only been raised in two instances. The instances where purchase order requisitions had not been raised related mainly to recurring supplies such as for utilities, cleaning, recycling, rent, leasing etc. and, from discussion with the Financial Services Manager, we were advised that it would not be expected that an order would be raised in all these instances. Only four instances were highlighted where an order should have been raised, based on annual spend. The Financial Regulations required an official College purchase order to be placed for the purchase of all goods or services and, other than in emergency circumstances, no exceptions were set out. We recommended that the College should fully document appropriate exceptions where no purchase order is required to be raised and ensure that purchase orders are raised in all other instances.
- The College BACS software only required a single authorisation for payments. Risk could be reduced by requiring two authorisations for each payment but the Financial Services Manager advised that this was not practical due to staffing levels. A similar point had been raised in previous audits.

2017/07 – Data Protection

The scope of the review was to assess the adequacy and effectiveness of the processes and procedures in place to ensure compliance with the Data Protection Act 1998, and also the College’s preparations for the implementation of the General Data Protection Regulation (GDPR) in May 2018.

The table opposite notes each separate objective for this review and records the results.

Strengths

- A member of staff had been formally appointed with overall responsibility for implementation of the Data Protection Act 1998;
- Data Protection responsibilities were documented within staff job descriptions;
- Staff induction training included Data Protection and Information Security;
- All staff had access to the Data Protection Policy on the College’s internal computer network. The Policy was reviewed every three years as part of the College’s policy review cycle;
- Detailed Data Protection procedures had been developed, which had been communicated to staff. These procedures were reviewed annually, or following any significant changes in College processes;
- The College’s IT security policy contained a reference to data protection requirements and appropriate IT security controls were in place to prevent unauthorised access to personal data that was stored electronically;
- Data protection statements were included on College forms that captured personal and sensitive data; and
- The College was undertaking a comprehensive internal information security review which included a review of current arrangements for compliance with the Data Protection Act but also preparations for compliance with the GDPR which becomes effective in May 2018.

Final Issued – May 2017

Overall grade: **Good**

| The specific objectives of the audit were to ensure that: | |
|---|---------------------|
| 1. Members of staff have been formally appointed with overall responsibility for implementation of the Data Protection Act 1998 and responsibilities for these members of staff have been clearly documented and communicated to all staff. | Good |
| 2. Data Protection policies and procedures exist within the College that comply with legislation, are revisited and revised regularly and are effectively communicated to all staff. | Good |
| 3. There are appropriate information security arrangements in place, including guidance on identification checks prior to releasing information and a Data Protection breach plan or procedure. | Satisfactory |
| 4. Where relevant, adequate Data Protection statements are included on College forms. | Good |
| 5. The College has developed an awareness and training programme for all staff, including sufficient awareness training during the induction process, and that all staff have received this training. | Satisfactory |
| Overall Level of Assurance | Good |

2017/07 – Data Protection (Continued)

Weaknesses

- The College Data Protection Policy set out the responsibilities of the Data Controller only. It would be beneficial to formalise the Data Protection roles and responsibilities of the Board of Management, Senior Management Team, departmental managers and staff, particularly the obligations of each group; and
- We noted from a review of the information request register that although there was a field available for recording confirmation that the requester's identity had been verified this field had not been completed. Discussions with the Information Development Manager determined that checks were done, however these checks had not been recorded on the register. However, we received management assurances that the checks would be recorded on the register with immediate effect.

2017/08 – Staff Recruitment and Retention – Succession Planning

This audit specifically reviewed the College’s approach to succession planning.

The table opposite notes each separate objective for this review and records the results.

Strengths

- Processes were in place which ensured that critical positions were filled to ensure that staff resources were available to meet commitments. Managers continually monitored staff numbers to ensure that sufficient resources were attached to each department to ensure curriculum and support service levels could be met. Skills gaps were filled either through redeployment of staff from other areas of the College or, where necessary, through external recruitment in line with the staff budget model. Staff profiling and staff turnover projections were performed annually and used to inform succession planning and resource decisions.
- The College had identified critical positions which were linked to key curriculum growth areas which were identified in the Strategic Plan.
- The sample of staff interviewed demonstrated that they were aware of succession issues within their teams and that plans were in place to address these and we noted evidence of long term succession planning within the College.
- A personal skills framework was in place which formed part of every staff member’s annual Professional Development and Review (PDR) process.
- Discussions with a sample of Managers identified that there was a formal means of evaluating the impact of staff learning and development on staff performance through the PDR process and informally through regular one to one meetings held with staff.
- Although we found that there was no formal succession strategy in place we did obtain evidence that confirmed that succession planning had been identified within College strategies and was being managed.

Final Issued – August 2017

Overall grade: **Good**

| The specific objectives of the audit were to obtain reasonable assurance that: | |
|--|---------------------|
| 1. Critical positions have been identified that are the focus of succession planning efforts. | Good |
| 2. There is a clear understanding of capabilities needed for successful performance in key areas and critical positions. | Good |
| 3. Succession management strategies have been developed. | Good |
| 4. Strategies have been documented in an action plan and this is being implemented. | Satisfactory |
| 5. Succession planning activities are systematically evaluated and monitored, and adjusted where necessary. | Good |
| Overall Level of Assurance | Good |

2017/08 – Staff Recruitment and Retention – Succession Planning (Continued)

Strengths (continued)

- Long term staff development and training was a key element of the College's succession arrangements, and our review identified evidence that the College provided a supportive environment for staff development in this regard.
- Knowledge transfer was also a key component of the College's succession plans. Core organisational processes were well documented and existing staff were involved helping to orient and train new staff.
- Good practice in sustainable succession planning was identified within the College's research team where the core team of researchers were supplemented by a mix of interns, supply researchers and volunteers.
- Regular reporting of Human Resources (HR) and Learning and Development activity was presented to the SMT, the Board and its sub-committees. Workforce data was regularly monitored by the Director of Organisational Development and HR and the effectiveness of training learning and development activity was monitored by the Professional Development Manager, as well as by managers through the PDR process.

Weaknesses

- No significant weaknesses were identified during our review.

2017/09 – New Campus – Maintenance and Unitary Charge Controls

Final Issued – September 2017

Overall grade: Satisfactory

This audit reviewed the arrangements in place to monitor the performance of GT Equitix against the terms of the facilities management contract.

The table opposite notes the objective for this review and records the results.

Strengths

- The responsibilities of the College and Gifford Try Facilities Management (GTFM) regarding facilities management were clearly set out in the Project Agreement, including identification of performance, availability and service quality standards.
- The College continued to receive support and advice from the Scottish Futures Trust who were responsible for developing the Project Agreement.
- The Concept system was used to record and track maintenance to be undertaken, and this was used to allocate jobs GTFM staff to rectify. The job details were sent directly to handheld Personal Digital Assistants (PDAs) used by GTFM operatives who were based on the College campus.
- Monthly reports were obtained from Concept which showed the number of maintenance jobs that had been logged and actioned and these reports were monitored by the College Contract Administrator.
- The PayMech module in Concept contained all the performance and availability standards which were included in the Project Agreement. This provided the capability for both GTFM and the College to monitor jobs and ensure that performance standards were being adhered to.
- GTFM issues monthly deductions reports from the PayMech module, which were subject to scrutiny by the College. Some issues were encountered with the reliability of the PayMech deductions reporting, for the period to January 2017, which are described in more detail in the Weaknesses below.
- A detailed report was produced monthly by the College, which allowed clarification to be sought from GTFM and set out any identified breaches of the terms of the Project Agreement and highlighted those areas where a deduction should apply.

| | |
|---|---------------------|
| The overall objective of the audit was to determine whether: | |
| 1. Appropriate controls have been put in place to ensure that the College receives value for money from the unitary charge payments made to GT Equitix. | Satisfactory |
| Overall Level of Assurance | Satisfactory |

2017/09 – New Campus – Maintenance and Unitary Charge Controls (Continued)

Strengths (continued)

- There were regular meetings between the College, GTFM and the GT Equitix Contract Manager and contract performance issues were regularly reported to the GT Equitix board.
- College staff demonstrated a suitable level of understanding of the Project Agreement and had been successful in applying the existing performance and availability standards to achieve recurring monthly deductions.

Weaknesses

- Although Monthly Service Reports were produced in accordance with the Project Agreement, which were discussed at the monthly operational meetings of the GT Equitix Board, we noted that a summary of progress made by GTFM on all 69 performance standards was previously reported to the College but that these were not reported beyond November 2016.
- Due to an error in the mapping of the inter-dependent relationships of the performance and availability standards contained in PayMech the module did not operate as intended from August 2015 to January 2017, which resulted in inaccurate identification and calculation of deductions. GTFM rectified the systems issue in February 2017 and re-ran the deductions reports based on the data held in the PayMech module which calculated that further deductions were to be applied for the period August 2015 to January 2017. At the same time, the College also identified that the amended PayMech reports failed to include additional deductions.
- The GTFM Facilities Manager post had been vacant since May 2017 and as an interim measure GTFM have reallocated the role internally in order to provide cover until a permanent replacement could be recruited. Our review found evidence that GTFM's performance standards and supervision of GTFM staff had been affected during this period.

2017/09 – New Campus – Maintenance and Unitary Charge Controls (Continued)

Weaknesses (continued)

- During our review, it was brought to our attention that as part of the monthly monitoring the College Contract Administrator had identified several instances where GTFM staff had manually amended data entries in the Concept system in contravention of the agreed procedure. These instances have been raised with GTFM by the College to prevent any incorrect reduction in potential deductions arising from the amendment of the data held in Concept and PayMech by GTFM staff.
- Under the terms of the Project Agreement the College was entitled to apply deductions to the unitary charge where performance standards have not been met. However, from the outset the College has taken a conscious decision not to apply deductions in respect of incomplete standards on the collective understanding that would provide GTFM with time to focus on rectifying underlying issues with the PayMech module. However, the PayMech deduction reporting issues were resolved in February 2017 and the College was now able to reconsider the application of deductions where GTFM standards had not been met, as stipulated in the Project Agreement.

2017/10 – Follow-Up Reviews

Final Issued – September 2017

We carried out a follow-up review of recommendations made in Internal Audit reports issued during 2015/16.

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that, where little or no progress had been made towards implementation, that plans were in place to progress them.

Our findings from each of the follow up reviews has been summarised as follows:

| From Original Reports | | | From Follow-Up Work Performed | | | |
|----------------------------|--------|--------------------|-------------------------------|-----------------------|----------------------------|--------------------------------|
| Area | Grades | Number Followed-Up | Fully Implemented | Partially Implemented | Little or No Progress Made | Considered But Not Implemented |
| Student Fees and Contracts | 1 | - | - | - | - | - |
| | 2 | 1 | - | 1 | - | - |
| | 3 | 5 | 4 | - | - | 1 |
| Total | | 6 | 4 | 1 | - | 1 |
| Business Development | 1 | - | - | - | - | - |
| | 2 | - | - | - | - | - |
| | 3 | 4 | 4 | - | - | - |
| Total | | 4 | 4 | - | - | - |
| Follow-Up Reviews | 1 | - | - | - | - | - |
| | 2 | 1 | - | 1 | - | - |
| | 3 | 5 | 3 | - | 2 | - |
| | A | - | - | - | - | - |
| | B | 3 | 2 | 1 | - | - |
| C | - | - | - | - | - | - |
| Total | | 9 | 5 | 2 | 2 | - |
| Grand Total | | 19 | 13 | 3 | 2 | 1 |

Overall, we found that the College had made good progress in implementing the recommendations followed-up as part of this review and only two recommendations had been assessed as showing 'little or no progress', one from report 2015/05 – Budgetary Control / General Ledger and one from report 2015/06 – Risk Management and Business Continuity / Disaster Recovery.

In report 2015/05, we recommended that the College should establish a formal timetable and procedure for the budget setting process and ensure that these were communicated to all budget holders. Due to the vacancy at Director level during the year, no formal timetable was prepared for the 2017/18 budget process. In report 2015/06, we recommended that the Risk Management Policy should be updated to ensure that the risk monitoring requirements of school / department Heads reflect current practice however this had not been done. Responsibility for the policy will be allocated in discussion with the new Principal.

One recommendation from report 2016/06 – Student Fees and Contracts, which related to reviewing the online application process had been 'considered but not implemented' by College management. The online enrolment process was a shared resource between the UHI Academic Partners and on an annual basis requests for updates and changes were passed to UHI MIS to update online forms / processes. The College provided support to students through the application process.

4. Time Spent – Actual v Budget

| Internal Audit | Report number | Planned days | Actual days feed | Days to fee at Sep 2017 | Days to spend at Sep 2017 | Variance |
|--|---------------|--------------|------------------|-------------------------|---------------------------|----------|
| Reputation | | | | | | |
| Health and Safety | 2017/02 | 3 | 3 | - | - | - |
| Staffing Issues | | | | | | |
| Recruitment and Retention | 2017/08 | 4 | - | 4 | - | - |
| Estates and Facilities | | | | | | |
| New Campus – maintenance and unitary charge controls | 2017/09 | 5 | - | 5 | - | - |
| Financial Issues | | | | | | |
| Procurement and Creditors / Purchasing | 2017/06 | 5 | - | 5 | - | - |
| Information and IT | | | | | | |
| IT Network Arrangements | 2017/05 | 4 | - | 4 | - | - |
| Data Protection | 2017/07 | 4 | - | 4 | - | - |
| Other Audit Activities | | | | | | |
| Credits Audit | 2017/03 | 6 | 6 | - | - | - |
| Bursary, Childcare and Hardship Funds | 2017/04 | 4 | 4 | - | - | - |
| Management and Planning) | 2017/01 | 4 | 2 | 2 | - | - |
| External audit / SFC) | N/A | | | | | |
| Attendance at audit committees) | N/A | | | | | |
| Follow-up Reviews | 2017/10 | 3 | - | 3 | - | - |
| Ad hoc review – Student Association accounts | N/A | 1 | - | 1 | - | - |
| | | _____ | _____ | _____ | _____ | _____ |
| Total | | 43 | 15 | 28 | - | - |
| | | ===== | ===== | ===== | ===== | ===== |

Inverness College

MANAGEMENT LETTER

FES Return Audit 2016-17

October 2017



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| REPORT STATUS | |
|-----------------------|---------------------------------------|
| Auditors: | Sean Morrison |
| Dates work performed: | 26 September 2017 - 29 September 2017 |
| Draft report issued: | 04 October 2017 |
| Final report issued: | 24 October 2017 |

| DISTRIBUTION LIST | |
|-------------------|------------------|
| Roddy Henry | Depute Principal |
| Fiona Mustarde | Finance Manager |
| Jane Maclennan | MIS Manager |
| Audit Committee | Members |

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

INTRODUCTION, AUDIT APPROACH AND SCOPE

Introduction

A review of the College's FES (further education statistical) data return has been carried out in accordance with the 'Credit Guidance: 2016-17 student activity data guidance for colleges' (SFC/GD/17/2016) issued in August 2016 and the audit guidance for colleges (SFC/GD/15/2017) issued on 20 July 2017.

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

Audit Approach and Scope

We assessed the overall control environment by considering whether:

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

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

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

Our review also sought to address all the risk areas outlined in Annex D of the audit guidance issued on 20 July 2017.

Our fieldwork, which took 4 days to complete, was undertaken by an experienced auditor and was reviewed by the Director responsible for the assignment. All personnel have previous experience of delivering internal audit assignments to FE Colleges.

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

AUDIT TESTS

Testing Summary

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

- We reviewed class lists for 10 courses ensuring that all students had in fact attended after the 25% required date (119 students in total);
- A sample of 10 courses, totalling 1,071 Credits (3% of total), was randomly selected based on an initial review of courses by Dominant Programme Group (DPG). The programme codes, the dominant group numbers, the number of eligible students and the number of students enrolled on class registers were checked to supporting documentation for reasonableness and accuracy. We also recalculated the individual Credits for each of the 10 courses and assessed whether the 25% required date was accurate;
- In addition to the above, the calculation of the Credits attributable to two students from each course selected in the sample above was checked to confirm that the student records system was picking up the correct credits depending on subjects studied;
- For a range of tests, we traced our sample of students to an online enrolment form or paper based form where required (or student summary record) to confirm the Credits figure attributable was for a bona fide student of the College;
- We reviewed a sample of 15 withdrawn students (who had withdrawn within two weeks after the required date) to confirm that, for each student, their withdrawal was processed correctly and in a timely manner and that the date of last attendance agreed to the class register. Our testing found that for 4 out of the 15 students the withdrawal forms were not completed and processed within a timely manner following the student withdrawing from their respective courses. We note that these withdrawals were after the 25% required date, and therefore there is no inaccuracy in the credits claimed;
- We reviewed the process in place for Programme design within the College to ensure that controls were operating to correctly classify courses as HE or FE and FT or PT. Within our sample of courses we found that SVQ level 3 awards which were SCQF level 7 have been classified as FE. This was discussed with management and it was explained that the SVQ level 3 awards have always been returned to SFC in the FE return, as part of a UHI partnership-wide agreement. We also reviewed a sample of courses to ensure that the correct superclass code had been used for each course;
- We reviewed a sample of 20 students qualifying for Extended Learning Support (ELS). Tests were carried out to confirm that none of the programmes have Dominant Group 18 status, and that Personal Learning Support Plans are maintained for all students classified as ELS. In addition, we confirmed that all students attended beyond the required date. Our testing found that the PLSP's in place for ELS students are completed electronically, however there is no electronic signatures from the staff or students on them, and there is also no date recorded on the Personal Learning Support Plan (PLSP);
- We reviewed a sample of 20 Price Group 5 students and assessed whether Personal Learning Support Plans were maintained for all students included on these courses, and assessed whether students attended beyond the required date. We found in our testing that 2 of the students did not have a disability recorded on the Colleges' system despite the PLSP in place confirming that the students had a disability. We also found that for one of the students who had a paper enrolment form that there was no college signature provided;
- We confirmed with management that the college do not have spanning courses within their course catalogue;
- We reviewed a sample of 7 ECDL students (15% of the population) to confirm whether the Credits claimed were accurate. We also reviewed the enrolment form for each student;

AUDIT TESTS (cont'd)

Testing Summary

- We reviewed a sample of 10 infill students to confirm that Credits were only claimed for students that had attended past the required date, were properly enrolled and were eligible to claim credits under infill. We found that the system in place was incorrectly reading the exam as a credit for a number of part time Scottish higher related courses as a result of the planned hours being used to calculate and not the actual hours. We can confirm that management corrected the resulting errors and that a procedure is in place for next year to prevent any recurrence;
- We reviewed a sample of 15 students to ensure that a College fee waiver form was completed and authorised and appropriately backed up by supporting documentation. We also assessed whether a student summary record and evidence of attendance existed (past the required date) and that students were enrolled on eligible courses. We also tested the Credits data to confirm that only one full-time fee is recorded per student in the academic year. Our testing found that for one of the students the fee waiver form was not accessible to us. It was thought to be stored in a member of staff's desk who at the time of the audit was on sickness leave (this was also the case for one school programmes student enrolment form);
- For a sample of 14 students with more than one enrolment (e.g. enrolled on a FT and PT course) we obtained explanations and reviewed records to confirm that Credits were not over-claimed. We note that within our sample two of the students are completing more than one full time course. We raised this point with management, who explained that the SFC have approved this provision for 2016-17. Analysing the population of students who have completed more than one full time course in the 16-17 academic year shows that 876 credits have been claimed by the college for this provision;
- We reviewed a sample of 7 ESOL courses to confirm that the credits claimed were accurate. We then selected 10 students from the courses to assess whether the students were properly enrolled in the College and attended past the required date;
- We reviewed a sample of 20 students on school based programmes to assess whether Credits claimed were accurate;
- We confirmed with management that the college no longer run any courses in collaboration with other institutions;
- We tested a sample of 18 courses and selected two students from each course, and confirmed that a mechanism was in place to track and record student participation and progress on these courses. We also confirmed credits had been correctly calculated for these courses and that a student summary record was in place for all enrolled students. We also ensured that the attendance for each student surpassed the required date of the course;
- We tested a sample of 10 open distance learning courses, and confirmed that the correct credits were claimed for each student, that the progress of the students was sufficient and that students were resident in Scotland; and
- We tested a sample of 20 courses, and confirmed that the required date for each course was correct. During our testing of the infill students we found that two of the courses had a required date which was the same as the course start date. This was corrected on the system once discovered. We then reviewed the required dates of all courses and found another 4 infill courses which had the start date and required date the same, and management corrected these on the system. We note that these courses were all created for individual students, and therefore only affected 6 student entries;
- Throughout the tests completed we found that there are a number of courses, pre-dominantly school based and work based, which had no evidence of attendance for the students on the course, we note that it may not always be possible or practicable to record attendance for these types of courses. It should also be noted that achievement/progress reports were used to confirm student progress for all tests conducted.

ANALYTICAL REVIEW

Summary

A brief summary of the analytical review work undertaken is as follows:

- We compared the student numbers per mode of attendance with the prior year, investigating any significant fluctuations with College staff; and
- We obtained the fee waiver figures per category of fee waiver and compared these with the previous year's figures, investigating any significant fluctuations with College staff.

ANALYTICAL REVIEW (cont'd)

Summary

The final 2016/17 FES return submitted to SFC by the College matched the figures we reviewed. The College's credits (excl. ELS and ESF related activity) target set by the FE Regional Board was 29,647 for funded activity and 949 for additional activity (ESF). Actual credits included within the College's FES return are 30,972 for funded activity, which is 4.47% over the target and 1,027 for ESF which is 8.25% over the target.

| Fundable Student Headcounts | | |
|-----------------------------|--------------|--------------|
| Student Numbers | 2016/17 | 2015/16 |
| Head Count: | | |
| FEFT | 1,285 | 1,339 |
| FEPT | <u>2,533</u> | <u>2,630</u> |
| | <u>3,818</u> | <u>3,969</u> |

Fundable student numbers have decreased by 151 in comparison with last year. The decrease is proportionately spread over both types of students, being 54 for full time and 97 for part time.

ANALYTICAL REVIEW (cont'd)

Summary

| All Student Enrolments | | |
|------------------------|--------------|--------------|
| Student Numbers | 2016/17 | 2015/16 |
| <i>Enrolments</i> | | |
| FEFT | 1,329 | 1,381 |
| FEPT | <u>2,764</u> | <u>2,936</u> |
| | <u>4,093</u> | <u>4,317</u> |

There has been a decrease of roughly 5.18% in the number of student enrolments during the year.

ANALYTICAL REVIEW (cont'd)

| Fee Waiver Claim | 2016/17 (£) | 2015/16 (£) |
|---|------------------|------------------|
| Full time non advanced | 1,042,272 | 1,050,336 |
| Income support | 2,707 | 1,190 |
| Low income | 2,312 | 2,645 |
| Cost borne by college | 11,330 | 3,680 |
| Housing benefit | 1,622 | 3,618 |
| Students on a DPG 18 programme | 32,289 | 46,363 |
| Carers allowance | 0 | 677 |
| Disability living allowance | 2,262 | 2,171 |
| Pension credit | 282 | 282 |
| Working tax credit | 4,174 | 5,290 |
| Old FT criteria | 45,317 | 130,489 |
| School pupils | 122,704 | 127,568 |
| Attendance allowance | 0 | 64 |
| Income based job seekers allowance | 451 | 1,878 |
| Income-related employment and support allowance | 2,130 | 2,045 |
| Contribution based employment and support allowance | 169 | 282 |
| Personal Independence Payment (PIP) | 1,500 | 0 |
| Universal Credit | 1,190 | 0 |
| | <u>1,272,712</u> | <u>1,378,579</u> |
| Total (excl. cost borne by college and over claims) | <u>1,227,947</u> | <u>1,347,051</u> |

ANALYTICAL REVIEW

Fee Waiver Summary

There has been an overall decrease in fee waiver (excluding cost borne by college and over claims) of roughly 8.8%.

There has been a decrease of 30% (£14,074) in fee waivers for special needs (DPG 18) students which is due to a decrease in DPG 18 enrolments. Fee waiver for school pupils decreased by over 3.8% (£4,864) due to a decrease in the volume of school pupil activity.

There was a increase in fee waiver claims for other categories such as 'income support' (127%, £1,517) and 'cost borne by college' (207%, £7,650).

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

CONCLUSION AND ACKNOWLEDGEMENT

Conclusion

Following our review of the College's systems and procedures for collecting and recording data in respect of the FES and Fee waiver returns, we have raised a number of findings and made recommendations that are required to improve the College's underlying systems and processes to ensure accurate reporting of student activity data to the SFC.

The following findings were identified as part of the audit:

- **Infill credits** - Our testing highlighted that for non-full time infill Highers courses the system had been incorrectly calculating an extra credit for the course exam as a result of the planned hours being more than the actual hours for the course;
- **Attendance recording** - Our testing highlighted that there are courses which are predominantly schools based and work based which do not have student attendance evidence;
- **Course required dates** - Our testing highlighted that 6 infill courses had the same required and start date. We note that the courses were all created for individual students;
- **Student disability on system** - Our testing found that for two of the price group 5 students the student record on the system had no acknowledgement of the student disability;
- **Documentation Storage** - Our testing found that in two cases we were unable to access original documentation as a result of the forms being stored in a member of staffs locked drawer who was not available at the time of the audit;
- **ELS PLSP's** - Our testing found that the PLSP's for ELS students sampled had not been electronically signed or dated by both the student and college staff; and
- **Withdrawal Forms** - Our testing found that for four out of the fifteen students sampled, the withdrawal forms had not been completed and processed in a timely manner.

Acknowledgement

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

APPENDIX I - DETAILED RECOMMENDATIONS

| Credits calculation on system is incorrect | | | |
|--|---|---|---|
| Ref. | Finding | Sig. | Recommendation |
| 1 | <p>Our audit testing found that for infill science Highers courses the system was incorrectly calculating the credits for each course, by including the exam as a credit, making planned hours 40 hours more than the actual hours.</p> <p>This issue was resolved immediately and a procedure has been written to prevent this from happening in the future.</p> <p>However, there is a risk that credits may be over claimed if robust checks are not in place to ensure that all course credits recorded on the system are accurate.</p> |  | <p>We recommend that the College ensures that checks are in place to ensure that the actual credits completed for each course are recorded and claimed on the system, and that where applicable, actual hours are input on the system, when they differ from planned hours.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>At present the Student Record System will automatically calculate the number of credits for students on Highers courses based on the number of units attached to the award, which includes the final exam. For full-time students this was reviewed and updated accordingly to reduce the credits claimed, however the same process had not been undertaken for students studying one higher on an infill basis.</p> <p>The process adopted for full-time students will be applied to students studying on an infill basis in future years.</p> | | <p><i>Responsible Officer: MIS Manager</i></p> <p><i>Implementation Date: 10th November 2017 (FES Quarter 1)</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Credits Required Date Calculations | | | |
|--|--|---|---|
| Ref. | Finding | Sig. | Recommendation |
| 2 | <p>A student becomes eligible for the College to claim credits when the student attends an eligible course past the 'required date'. This date is at the point at which 25% of the full course has been delivered. The SFC Guidance documents that Colleges should have systems to ensure that the start and end date is recorded for each programme and that the 'required date' is calculated correctly.</p> <p>Six of the college infill courses tested, which are created for individual students, had an incorrect 'required date' recorded on the college system. These errors were corrected by college staff whilst the auditors were on site.</p> <p>There is a risk that students may be incorrectly classified as eligible for claiming credits as a result of inaccurate course required dates being recorded on the system by the college as the 'required date' allocated to courses is incorrect.</p> |  | We recommend that management carry out reviews on college course dates following the start of each term to ensure that the required dates recorded are in line with SFC guidance. |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| A review of "required dates" will be built into the FES 1 pre-submission process to ensure the correct dates have been calculated. | | <p><i>Responsible Officer: MIS Manager</i></p> <p><i>Implementation Date: 10th November 2017 (FES Quarter 1)</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Student Attendance Procedures | | | |
|---|--|---|--|
| Ref. | Finding | Sig. | Recommendation |
| 3 | <p>Documenting student attendance is important in evidencing that a student attends a course beyond the SFC 25% required cut off date for claiming credits, and also for student funding purposes.</p> <p>For 15 of the 177 students tested throughout the audit there was no attendance taken for the class. These classes are pre-dominantly based in schools and work based courses. Student progress and achievement beyond the 25% required date was confirmed via achievement reports for each student.</p> <p>There is a risk the college cannot sufficiently evidence student attendance for courses which are based at schools and for work placements.</p> | ● | We recommend that management consider ways to incorporate formal attendance monitoring procedures for all of the courses provided. |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>Some courses are delivered to school pupils at their school by college staff (e.g at Kingussie High School and Tain Academy). As these courses are delivered off-site, registers are not created. However, the college, in partnership with the schools concerned, will consider how best to record attendance on these courses.</p> <p>Work based students do not attend college and, due to the nature of the courses, attendance registers are not created. However, progress and achievement are monitored and recorded to evidence attendance. No further action is required.</p> | | <p><i>Responsible Officer: Head of Student Services</i></p> <p><i>Implementation Date: 1st December 2017</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Accurate Student Records | | | |
|--|---|---|--|
| Ref. | Finding | Sig. | Recommendation |
| 4 | <p>Student records are required to accurately reflect a students circumstances for data protection purposes and to ensure that all college claims made for the student are correct. For a student to be part of a price group 5 course they are required to have a relevant need for that course.</p> <p>During our testing we found that in our sample of twenty price group 5 students two of those students did not have a disability recorded on the college system, despite having a relevant PLSP in place detailing the students disability. Both students records have now been updated.</p> <p>There is a risk that the college is not accurately maintaining student records, and that credits may be incorrectly claimed, as a result of student files not being accurate.</p> |  | <p>We recommend that the college should strengthen procedures to ensure that when a student declares a disability after enrolment, that the student's record is amended to accurately reflect the relevant disability.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>Post enrolment a review will be undertaken by the MIS Manager to ensure that the Student Records Team have correctly updated records to capture relevant needs for students within Price Group 5.</p> | | <p><i>Responsible Officer: MIS Manager</i></p> <p><i>Implementation Date: 10th November 2017 (FES Quarter 1)</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Documentation Storage | | | |
|--|--|---|--|
| Ref. | Finding | Sig. | Recommendation |
| 5 | <p>It is important to have strong documentation storage controls in place to ensure that potentially sensitive documents are stored in a secure and accessible manner.</p> <p>During our testing we were unable to gain access to two documents (an enrolment form and a fee waiver form) as there were in an employees locked drawer, and that employee was on leave due to sickness.</p> <p>There is a risk that sensitive information could be lost or inaccessible as a result of insufficient documentation management controls being in place.</p> | ● | <p>We recommend that management implement robust documentation management controls to ensure that documents are available, and securely stored. We also recommend that management store electronic copies of documents for ease of accessibility for authorised users.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>The majority of enrolments are completed online and online enrolment continues to be rolled out further on an annual basis, which allows for ease of retrieval by relevant personnel.</p> <p>Centralised document management will be addressed by the Student Records Team.</p> | | <p><i>Responsible Officer: Student Records Team Leader</i></p> <p><i>Implementation Date: 10th November 2017 (FES Quarter 1)</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Signed PLSP's | | | |
|---|--|--|---|
| Ref. | Finding | Sig. | Recommendation |
| 6 | <p>ELS students are required to have a PLSP in place to suit their individual needs. SFC guidance states that these should be signed by the student and College.</p> <p>Our audit found that the PLSPs are completed electronically, and do not contain signatures from the students or college staff.</p> <p>There is a risk that the information contained within the PLSPs may not be accurate or may not have been finalised and agreed.</p> | ● | <p>We recommend that management consider whether it is viable for the ELS PLSP's to have electronic signatures and dates recorded on them, to evidence agreement, or whether there is another way to evidence finalisation and agreement.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>In the majority of cases the student will (as a minimum) have signed an early paper copy of their PLSP, having discussed their requirements with student services staff. UHI has obtained agreement from SFC that partnership disability practitioners do not therefore need to obtain the student's physical signature on the approved version of their PLSP.</p> <p>From 2017-18, colleges are no longer required to report Extended Learning Support (ELS) activity through FES, and as such PLSPs will not form part of the audit requirements.</p> <p>No action required.</p> | | <p><i>Responsible Officer: Depute Principal</i></p> <p><i>Implementation Date: Completed</i></p> | |

APPENDIX I - DETAILED RECOMMENDATIONS

| Withdrawal Process | | | |
|--|--|--|--|
| Ref. | Finding | Sig. | Recommendation |
| 7 | <p>When a student withdraws from a course, a student withdrawal form has to be completed.</p> <p>Our audit found that for four out of the fifteen students tested, the withdrawal form was not completed and processed within a timely manner, and in fact took 3-6 months. The students had all withdrawn after the 25% cut off date and therefore there is no inaccuracy with the credits claimed for these students.</p> <p>There is a risk that course information will not accurately reflect student withdrawals in a timely manner.</p> | ● | <p>We recommend that checks are put in place to ensure that the withdrawal process for students is completed in a timely manner.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>The timely submission of withdrawals by Personal Academic Tutors (PATs) to the Student Records Team for processing is being addressed through improvements to the College's INSIGHT process and through fortnightly MIS reports.</p> <p>The College will continue to monitor the timeliness of withdrawals processing. Management reports will be provided at SMT and AMG meetings.</p> | | <p><i>Responsible Officer: Head of Curriculum</i></p> <p><i>Implementation Date: 1st November 2017</i></p> | |

Appendix II - Observations

Observations

1. SVQ3 Electrical Installation:

Within our sample of courses we found that SVQ level 3 awards which were SCQF level 7 have been classified as FE, this was discussed with management and it was explained that the SVQ level 3 awards have always been returned to SFC in the FE return, as part of a UHI partnership-wide agreement.

2. Multi Enrolment:

We note that within our sample two of the students are completing more than one full time course. We raised this point with management, who explained that the SFC have approved this provision for 2016-17. Analysing the population of students who have completed more than one full time course in the 16-17 academic year shows that 876 credits have been claimed by the college for this provision.

3. Price Group 5 Enrolment Form:

During our testing of twenty Price Group 5 students we found that for one of the students the enrolment form had not been signed by the college, due to staff oversight.

APPENDIX III - ADJUSTED AND UNADJUSTED ERRORS

The table below shows the number of Credits errors that the auditor found during the course of the audit and whether these errors were subsequently corrected in the FES return.

| Summary of Errors | Number of credits | Adjusted in FES Return |
|--------------------------------|--------------------------|-------------------------------|
| Infill Into Highers Programmes | 72 | 72 |
| Total | 72 | 72 |

APPENDIX IV - DEFINITIONS

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



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College - 5160553 - Inverness College

Report - FES1 FES2 FES3 & FES4 - SUMMARY TOTALS REPORT

| | |
|---|-------|
| ** Total FES1 Records Received COUNT ** | 454 |
| ** FES1 Soft Error Records COUNT ** | 91 |
| ** FES1 New Records COUNT ** | 454 |
| ** Total FES2 Records Received COUNT ** | 4093 |
| ** FES2 Soft Error Records COUNT ** | 29 |
| ** FES2 Soft Error Records (FES1/FES2) COUNT ** | 740 |
| ** FES2 Funding Overclaim Errors ** | 67 |
| ** FES3 Soft Error Records (FES2/FES3) COUNT ** | 574 |
| ** Total FES3 Records Received COUNT ** | 29843 |

College - 5160553 - Inverness College

Report - Error Summary Count

| | | |
|-----------------------------------|--|-------|
| FES 1 - Soft Errors | A maximum of 18 Credits can be claimed for a FE enrolment outwith Price Group 5 | 47 * |
| | The estimated hours per week is greater than 45 (Credits/students/duration*40) | 3 |
| | If Qualification Aim of Study is Non-advanced then SCQF Level of Programme should be 6 or below | 37 * |
| FES 2 - Soft Errors | Postcode is not a valid Scottish postcode | 7 |
| | Warning: Postcode is null/missing | 21 |
| | Permanent Home Location does not match postcode home location | 1 |
| FES 2 - Cross Check Errors | Scottish Candidate Number is invalid | 2 |
| | Student Credits are below 15 for a full time FE cour | 32 * |
| | Student outcome suggest course complete but student is not in final year | 45 * |
| | Warning: No Credits have been claimed for student on fundable course and Creditequivalent is blank | 106 * |
| | Warning: If the student is not in final year they cannot be coded as successful or not assessed | 45 * |
| | Student credits are above 18 for a full-time FE course | 630 * |
| FES 3 - Soft & Cross Check Errors | A student under 20 years of age on course start date must have a valid School code number | 40 * |
| | Warning: Unit has no FES3 Credits value entered | 92 * |
| | Warning: FES3 Credits too high for a single unit | 60 * |
| | Student has completed full-time FE programme but total Credits for individual units is below 15 | 17 |
| | Warning: If awarding body is SQA then SQA product codes at the unit level should be returned | 374 * |
| | Warning: Student outcome successful so at least 70% of the unit credits must be coded as successful | 4 |
| | Warning: Student has completed the course/year so unit Credits should be at least 80% of student Credi | 67 * |
| | Warning: Unit Credits should not be greater than Student Credits | 112 * |
| | Warning: No units achieved but student had completed year | 179 * |
| | FES1 includes a Work exp. element but no FES3s are Work exp. related for non-withdrawn/transfd student | 8 |
| | Warning: FES1 includes a Work exp. element but no FES3s are Work exp. related for withdrawn/transfd st | 28 |
| FES 2 - Funding Overclaim Errors | Fee Waivers exceeds the capped level of £1008 | 43 * |
| | More than one full-time claim has been claimed for this student in one academic session | 24 |

* - Details in separate error report file.

College - 5160553 - Inverness College

Report - Number of Students by Level and Type of Course and Mode of Attendance

| All Enrolments | | All students enrolled in the academic session including SFC funded courses and full cost recovery courses | | |
|---------------------------|-------|---|---------------------|--|
| Level/Type of course | Total | Mode Att. Full-Time | Mode Att. Part-Time | |
| Total | 4093 | 1329 | 2764 | |
| HE (advanced) | 0 | 0 | 0 | |
| FE (non-advanced) | 4093 | 1329 | 2764 | |
| Fundable Enrolments | | All students enrolled on courses funded by SFC. | | |
| Level/Type of course | Total | Mode Att. Full-Time | Mode Att. Part-Time | |
| Total | 3753 | 1201 | 2552 | |
| HE (advanced) | 0 | 0 | 0 | |
| FE (non-advanced) | 3753 | 1201 | 2552 | |
| Enr Withdrn Bef. Fund. Dt | | All students who withdraw from their course before reaching the funding qualifying date (therefore no Credits are claimed). | | |
| Level/Type of course | Total | Mode Att. Full-Time | Mode Att. Part-Time | |
| Total | 187 | 125 | 62 | |
| HE (advanced) | 0 | 0 | 0 | |
| FE (non-advanced) | 187 | 125 | 62 | |
| Fundable Headcounts | | Total headcount of students on fundable courses. | | |
| Level/Type of course | Total | Mode Att. Full-Time | Mode Att. Part-Time | |
| Total | 3818 | 1285 | 2533 | |
| HE (advanced) | 0 | 0 | 0 | |
| FE (non-advanced) | 3818 | 1285 | 2533 | |

.....

| Credits | Total Credits | Credits | | |
|--------------------------|---|---------|----------------------|-------------------|
| | Total Credits (excl. ELS) | 30972 | | |
| | Total ELS Credits | 3665 | | |
| | Total Credits on Price Group 5 | 1198 | | |
| | Total Credits on Open/Distance Learning (12 through 16) (excl. ELS) | 457 | | |
| Dominant Program Group | Credits | | Session Count (FE51) | |
| DPG1 | 1155 | | 152 | |
| DPG2 | 705 | | 120 | |
| DPG3 | 1233 | | 245 | |
| DPG4 | 1236 | | 159 | |
| DPG5 | 4621 | | 637 | |
| DPG6 | 1411 | | 79 | |
| DPG7 | 4466 | | 569 | |
| DPG8 | 4672 | | 611 | |
| DPG9 | 0 | | 2 | |
| DPG10 | 220 | | 33 | |
| DPG11 | 0 | | 0 | |
| DPG12 | 1962 | | 170 | |
| DPG13 | 285 | | 19 | |
| DPG14 | 4151 | | 381 | |
| DPG15 | 751 | | 275 | |
| DPG16 | 1389 | | 105 | |
| DPG17 | 1516 | | 149 | |
| DPG18 | 1198 | | 200 | |
| Price Group | Credits | | Credits % of Total | |
| 1 | 4080 | | 13.17 | |
| 2 | 9266 | | 29.92 | |
| 3 | 15273 | | 49.31 | |
| 4 | 1155 | | 3.73 | |
| 5 | 1198 | | 3.87 | |
| STEM Activity | Credits | | Credits % of Total | Credits % of STEM |
| All STEM Activity | 12434 | | 40.15 | |
| Information Technology | 1305 | | 4.21 | 10.5 |
| Sciences and Mathematics | 1962 | | 6.33 | 15.78 |
| Construction | 3533 | | 11.41 | 28.42 |
| Engineering | 5634 | | 18.19 | 45.31 |

College - S160553 - Inverness College

Report - Activity Targets

| | Credit Target | Current Year Delivery | % Against Target | | | |
|--|---------------|-----------------------|------------------|------------|----------|--|
| Funded Activity | 29647 | 30972 | 104.47 | | | |
| Additional Activity (ESF) | 949 | 1027 | 108.25 | | | |
| Associate Students (count) | | 0 | | | | |
| | | All Students | | Full Time | | |
| | Credits | % of Total | Students | % of Total | Students | |
| Age Group | | | | | | |
| Under 16 | 891 | 2.88 | 176 | 0.73 | 6 | |
| 16-17 | 8756 | 28.27 | 794 | 28.94 | 367 | |
| 18-19 | 8819 | 28.47 | 768 | 31.23 | 403 | |
| 20-24 | 5516 | 17.81 | 706 | 18.36 | 241 | |
| 25 & over | 6890 | 22.57 | 1429 | 20.74 | 277 | |
| SCQF Level | Credits | % of Total | Students | | | |
| Non-recognised quals | 38 | 0.28 | 20 | | | |
| 1 | 109 | 0.35 | 38 | | | |
| 2 | 889 | 2.87 | 114 | | | |
| 3 | 489 | 1.58 | 116 | | | |
| 4 | 4261 | 13.76 | 588 | | | |
| 5 | 11197 | 36.15 | 1229 | | | |
| 6 | 11718 | 36.22 | 1341 | | | |
| 7 | 2722 | 8.79 | 471 | | | |
| 8 | 0 | 0 | 0 | | | |
| 9 | 0 | 0 | 0 | | | |
| 10 | 0 | 0 | 0 | | | |
| 11 | 0 | 0 | 0 | | | |
| 12 | 0 | 0 | 0 | | | |
| N/A | 0 | 0 | 0 | | | |
| School College Partnerships | Credits | % of Total | Students | | | |
| S3 | 34 | 1.31 | 9 | | | |
| S4 | 594 | 22.59 | 119 | | | |
| S5 winter leavers | 256 | 9.72 | 14 | | | |
| S5 non-winter leavers | 916 | 34.87 | 193 | | | |
| S6 | 782 | 29.75 | 162 | | | |
| Other | 46 | 1.75 | 6 | | | |
| Senior Phase - DYW Studying Vocational Qualifications Activity | DYW Credits | % of Total | Students | | | |
| | 863 | 2.79 | 154 | | | |

| Council Area | Population of area | Population from 10% | No. of Students from 10% | Credits from 10% Mos | | | | | | Credits | | | | |
|-----------------------|--------------------|---------------------|--------------------------|----------------------|-------|-------|-------|-----------|----------|---------|-------|-------|-----------|----|
| | | | | Under 16 | 16-17 | 18-19 | 20-24 | 25 & over | Under 16 | 16-17 | 18-19 | 20-24 | 25 & over | |
| Aberdeen | 217120 | 7941 | 1 | 0 | 1 | 4 | 2 | 5 | 0 | 1 | 5 | 2 | 15 | |
| Aberdeenshire | 245780 | 2056 | 0 | 0 | 4 | 4 | 9 | 12 | 0 | 38 | 22 | 17 | 27 | |
| Angus | 110570 | 1769 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 2 | |
| Argyll and Bute | 89200 | 2707 | 0 | 0 | 2 | 4 | 11 | 10 | 0 | 39 | 27 | 33 | 23 | |
| Clackmannanshire | 50630 | 6268 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 4 | 0 | |
| Dumfries and Galloway | 146190 | 7241 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 9 | 0 | |
| Dundee | 144290 | 28050 | 1 | 16 | 0 | 2 | 1 | 0 | 0 | 0 | 24 | 0 | 0 | |
| East Ayrshire | 120240 | 16437 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | |
| East Dunbartonshire | 104580 | 1517 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | |
| East Lothian | 97500 | 647 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 | |
| East Renfrewshire | 89540 | 1791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Edinburgh | 486120 | 32932 | 0 | 0 | 0 | 1 | 0 | 4 | 0 | 0 | 1 | 0 | 21 | |
| Eilean Siar | 26190 | 0 | 0 | 0 | 5 | 17 | 15 | 17 | 0 | 65 | 198 | 75 | 81 | |
| Falkirk | 153280 | 6617 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 20 | |
| Fife | 365020 | 18542 | 1 | 0 | 0 | 0 | 2 | 3 | 0 | 0 | 0 | 1 | 3 | |
| Glasgow | 592820 | 195888 | 2 | 5 | 0 | 1 | 1 | 2 | 0 | 0 | 4 | 1 | 25 | |
| Highlands | 221630 | 7232 | 170 | 1740 | 755 | 671 | 604 | 1275 | 877 | 8279 | 7970 | 4991 | 6451 | |
| Inverclyde | 79770 | 23160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Midlothian | 81140 | 2301 | 0 | 0 | 1 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 3 | |
| Moray | 87720 | 0 | 0 | 0 | 1 | 20 | 36 | 56 | 7 | 306 | 359 | 251 | 161 | |
| North Ayrshire | 135180 | 22584 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 3 | |
| North Lanarkshire | 326360 | 44886 | 1 | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 13 | |
| Orkney Islands | 20110 | 0 | 0 | 0 | 1 | 5 | 4 | 3 | 0 | 10 | 71 | 29 | 11 | |
| Perth Kinross | 147780 | 1133 | 0 | 1 | 0 | 3 | 5 | 6 | 7 | 0 | 23 | 0 | 6 | |
| Renfrewshire | 170250 | 25373 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 18 | 18 | |
| Scottish Borders | 112870 | 3043 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 18 | 0 | 0 | |
| Shetland Islands | 22400 | 0 | 0 | 0 | 0 | 4 | 10 | 7 | 0 | 0 | 21 | 77 | 16 | |
| South Ayrshire | 111440 | 7731 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| South Lanarkshire | 311880 | 29163 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 19 | |
| Stirling | 89550 | 3836 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 4 | |
| West Dunbartonshire | 90570 | 16339 | 1 | 1 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 20 | |
| West Lothian | 172050 | 4020 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 | |
| No matching Scottish | | | 0 | 0 | 0 | 5 | 14 | 3 | 6 | 0 | 16 | 60 | 7 | 47 |

College - 5160553 - Inverness College

Report - Regional Area

| Region | Credits | | | | |
|-------------------------------|----------|-------|-------|-------|-----------|
| | Under 16 | 16-17 | 18-19 | 20-24 | 25 & over |
| Aberdeen and Aberdeenshire | 0 | 40 | 27 | 20 | 41 |
| Ayrshire | 0 | 0 | 18 | 0 | 3 |
| Borders | 0 | 0 | 18 | 0 | 0 |
| Central | 0 | 0 | 0 | 4 | 24 |
| Dumfries & Galloway | 0 | 0 | 0 | 9 | 0 |
| Edinburgh and Lothians | 0 | 2 | 1 | 0 | 26 |
| Fife | 0 | 0 | 0 | 1 | 3 |
| Glasgow | 0 | 0 | 4 | 1 | 25 |
| Highlands and Islands | 891 | 8660 | 8641 | 5422 | 5726 |
| Lanarkshire | 0 | 0 | 0 | 0 | 32 |
| Tayside | 0 | 0 | 24 | 0 | 2 |
| West | 0 | 0 | 0 | 18 | 37 |
| West Lothian | 0 | 0 | 0 | 0 | 2 |
| No matching Scottish Postcode | 0 | 54 | 86 | 89 | 71 |

College - 5160553 - Inverness College

Report - Student Support Funding

College Name: Inverness College

College Contact:

College Number: 5160553

Phone Number:

1st August 2016 - 31st July 2017

| Bursary Funds Expenditure | Students under 18 Headcount Expenditure (£) | Parentally Supported Headcount Expenditure (£) | Self Supporting Headcount Expenditure (£) | EMA Headcount Expenditure (£) |
|------------------------------------|--|---|--|----------------------------------|
| Maintenance Costs | | | | |
| At Parental Home | 3 5162 | 229 450609 | 4 8036 | 3 3947 |
| Away from Parental Home | 17 16730 | 45 104910 | 284 813321 | 13 17631 |
| Approved Accommodation or lodgings | 0 0 | 0 0 | 0 0 | 0 0 |
| Personal Allowance | 0 0 | 0 0 | 0 0 | 0 0 |
| Dependents Allowance | 0 0 | 0 0 | 0 0 | 0 0 |
| Study Expenses | 208 27507 | 247 29447 | 261 31957 | 107 16802 |
| Travel Expenses | 238 94858 | 260 120361 | 242 99988 | 116 52740 |
| Special Educational Needs | 2 5648 | 8 14402 | 18 20094 | 2 5400 |
| Total Bursary | 265 149906 | 315 719741 | 346 973358 | 130 96619 |
| Total Bursary Fund Spend | 924 1843045 | [ESF Students to be included in all tables] | | |

Discretionary Fund & Childcare Fund Expenditure

| | Headcount Expenditure (£) |
|-----------------------------|---------------------------|
| Total FE Discretionary Fund | 73 157018 |
| Total FE Childcare Fund | 53 144486 |
| Total HE Childcare Fund * | 32 91083 |

* UHI partner colleges to manually enter data on the CSV version of this report

| | Part-time Headcount Expenditure (£) | Full-time Headcount Expenditure (£) |
|---------------------------|--|--|
| FE childcare, lone parent | 4 11659 | 25 60067 |
| FE childcare, other | 1 820 | 25 71940 |
| HE childcare, lone parent | 0 0 | 21 49304 |
| HE childcare, other | 0 0 | 11 41779 |

We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary. On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

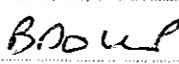
We also report that in our opinion, the college used these funds in accordance with the Scottish Funding Council conditions.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. * Delete if not applicable.

PLEASE RETURN AN ELECTRONIC AND SIGNED PAPER COPY OF THIS FORM TO THE SCOTTISH FUNDING COUNCIL.

Principal's Signature: 

Auditors Name (in printed capitals): BDO LLP

Auditors Signature: 

Date of Signature: 29.09.17

SUBJECT TO EXCEPTIONS
DETAILED IN ACCOMPANYING
AUDIT REPORT

| Ethnic Group | Credits | % of Total | Students |
|---|---------|------------|----------|
| White - Scottish | 23770 | 76.75 | 2873 |
| White - English | 2122 | 6.85 | 209 |
| White - Welsh | 104 | 0.33 | 10 |
| White - Irish | 55 | 0.18 | 9 |
| White - Other | 1880 | 6.07 | 218 |
| Any mixed background | 188 | 0.61 | 22 |
| Indian, Indian Scottish or Indian British | 42 | 0.14 | 5 |
| Pakistan, Pakistani Scottish or Pakistani British | 3 | 0.01 | 2 |
| Bangladesh, Bangladeshi Scottish or Bangladeshi British | 71 | 0.23 | 8 |
| Chinese, Chinese Scottish or Chinese British | 0 | 0 | 3 |
| Other - Asian or Asian Scottish/British | 139 | 0.45 | 16 |
| Caribbean, Caribbean Scottish or Caribbean British | 18 | 0.06 | 1 |
| African, African Scottish or African British | 48 | 0.14 | 7 |
| Other - Black background | 20 | 0.06 | 1 |
| Other | 120 | 0.39 | 17 |
| White - Northern Irish | 65 | 0.21 | 9 |
| White - British | 791 | 2.56 | 317 |
| White - Gypsy/Traveller | 5 | 0.02 | 1 |
| White - Polish | 1535 | 4.96 | 143 |
| Other - Arab | 0 | 0 | 1 |
| Black, Black Scottish or Black British | 0 | 0 | 0 |
| information refused | 0 | 0 | 0 |
| information not known | 0 | 0 | 0 |

| Disability | Credits | % of Total | Students |
|------------------------------|---------|------------|----------|
| No disability | 23320 | 75.2 | 3073 |
| Has a disability | 7652 | 24.7 | 200 |
| personal_care_support | 59 | 0.19 | 9 |
| specific_learning_difficulty | 4142 | 13.37 | 367 |
| social_impairment | 939 | 3.03 | 86 |
| long_standing_illness | 815 | 2.55 | 89 |
| mental_health_condition | 1860 | 6 | 199 |
| physical_impairment | 407 | 1.31 | 41 |
| deaf | 160 | 0.52 | 22 |
| blind | 151 | 0.49 | 16 |
| other_disability | 1307 | 4.22 | 150 |
| specific_learning_disability | 73 | 0.24 | 12 |

Students may have multiple disabilities therefore individual categories may exceed the overall total of Credits and Students

| Sex of Student | Credits | % of Total | Students |
|---------------------|---------|------------|----------|
| Male | 17331 | 55.96 | 2134 |
| Female | 13613 | 43.95 | 1735 |
| Other | 19 | 0.06 | 2 |
| information Refused | 8 | 0.03 | 2 |

College - 5160553 - Inverness College

Report - Employer Activity

| Employer Related Activity | Credits | % of Total | Students |
|---------------------------|---------|------------|----------|
| | 8798 | 28.41 | 1827 |

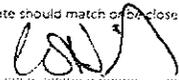
College - 5160553 - Inverness College

Report - Fee Waiver Estimates

These estimates have been produced by selecting fundable students categorized as receiving Fee waivers and multiplying the cost per credit by Credits for part time students and by the cost per enrolment for full time students

| Source of Finance of Fee for Student | Estimate (£) |
|--|--------------|
| 22 Fee Waiver - full-time non-advanced | 104227.2 |
| 23 Fee Waiver - income support | 2707.2 |
| 24 Fee Waiver - low income | 2312.4 |
| 25 Fee Waiver - Islands Authority fee waiver (excl. Orkney and Shetland) | 0 |
| 26 Fee Waiver - cost borne by college | 11930.46 |
| 28 Fee Waiver - incapacity benefit | 0 |
| 29 Fee Waiver - severe disablement allowance | 0 |
| 30 Fee Waiver - housing benefit | 1621.5 |
| 33 Fee waiver - student on a DPG 18 programme | 32299 |
| 37 Fee Waiver - carers allowance | 0 |
| 38 Fee Waiver - disability living allowance | 2261.64 |
| 39 Fee waiver - pension credit | 282 |
| 40 Fee Waiver - working tax credit | 4173.6 |
| 41 Fee waiver - old FT criteria | 45317.4 |
| 42 Fee waiver - school pupil | 122703.8 |
| 43 Fee waiver - attendance allowance | 0 |
| 44 Fee waiver - income based job seekers allowance | 451.2 |
| 47 Fee waiver - income-related employment and support allowance | 2130.36 |
| 48 Fee Waiver - student in care | 0 |
| 49 Fee Waiver - Asylum seeker or spouse or child of an asylum seeker | 0 |
| 50 Fee Waiver - contribution based employment and support allowance | 169.2 |
| 52 Fee Waiver - Personal Independence Payment (PIP) | 1500.24 |
| 53 Fee Waiver - Universal credit (UC) | 1190.04 |
| Total - including cost borne by college | 1272712 |
| Total overclaim for individual students | 33435 |
| Total - excluding cost borne by college | 1261382 |
| Total - excluding cost borne by college and overclaims | 1227947 |

This estimate should match or be close to the 2016-2017 Fee Waiver claim. Please advise of any variances between these sources.

Signed 

Format for Credits audit certificate for AY 2016-17

Auditor's report to the members of the Board of Management of Inverness College.

We have audited the FES return which has been prepared by Inverness College under the 'Credits' Guidance issued 26th August 2016 and which has been confirmed as being free from material misstatement by the college's Principal in his/her Certificate dated 29th September 2017. We conducted our audit in accordance with guidance contained in the 2016-17 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

- The student data returns have been compiled in accordance with all relevant guidance.
- Adequate procedures are in place to ensure the accurate collection and recording of the data.
- On the basis of our testing [subject to the exceptions given below] we can provide reasonable assurance that the FES return contains no material misstatement.

Signature *BOOWP*
Date *19 OCTOBER 2017*
Name of audit firm *BOOWP*
Contact name *CLAIRE ROBERTSON*
Contact telephone number *0141 248 3761*
Date FES returned:
29/09/2017

A qualified audit would require different wording and the subject matter referred to in square brackets of the third bullet point would be expanded.

Please return your completed form to:

Kenny Wilson, Senior Policy/Analysis Officer, Funding Policy, Scottish Funding Council, Apex 2, 97 Haymarket Terrace, Edinburgh, EH12 5HD by **29 September 2017**.

Inverness College

INTERNAL AUDIT REPORT

Student Support Fund Audit

October 2017



CONTENTS

| | |
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| Introduction, audit approach and scope | 3 |
| Audit tests | 4 |
| Conclusion and acknowledgement | 5 |
| Appendices: | |
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| REPORT STATUS | |
|-----------------------|--|
| Auditors: | Sean Morrison Mark Foley |
| Dates work performed: | 26 September 2017 - 29 September 2017 |
| Draft report issued: | 29 September 2017 |
| Final report issued: | 24 October 2017 |

| DISTRIBUTION LIST | |
|-------------------|------------------|
| Roddy Henry | Depute Principal |
| Fiona Mustarde | Finance Manager |
| Jane Maclellan | MIS Manager |
| Audit Committee | Members |

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

INTRODUCTION, AUDIT APPROACH AND SCOPE

Introduction

A review of the College's student data returns has been carried out in accordance with the 'Student Support Fund' Audit Guidance Notes for 2016-17 issued on 19 July 2017.

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

Audit Approach and Scope

We assessed the overall control environment by considering the following:

- Procedures and controls in place to capture data; and
- High level review and involvement by College management.

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

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

Our fieldwork, which took 4 days to complete, was undertaken by a part-qualified auditor and trainee auditor was reviewed by the Director and Partner responsible for the assignment. All personnel have previous experience of internal audit of FE Colleges.

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

AUDIT TESTS

Testing Summary

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

- A sample of 20 students, from a population of 993 eligible students were selected.
- We traced each of our sample of students to an online application or paper form where required confirming the eligibility criteria were checked and evidence retained, and reviewed the back up documentation supporting each of the applications, including confirmation that applicants income status is reviewed before awarding a bursary.
- We confirmed that student attendance is monitored effectively for the sample, and confirmed that withdrawn students, or those no longer meeting acceptable attendance criteria, no longer receive payment.
- We confirmed for the sample that the bursary was paid into the bank account of the correct student.
- We traced the total income received from the SFC to the College's bank account and nominal ledger and cross checked the total income to the monthly remittance advices received from the SFC to ensure these have been correctly recorded.
- We matched the College's aggregated returns to the underlying records.
- We confirmed that bursary overspends have been properly accounted for within the College.
- We tested a sample of 16 students from a population of 85 confirming eligibility for further education or higher education childcare award.
- We tested a sample of 8 students from a population of 73 confirming eligibility for further education discretionary award.
- We confirmed that payments made under discretionary and childcare funds were for allowable expenditure in each of the sample selected.

CONCLUSION AND ACKNOWLEDGMENT

Conclusion

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

Acknowledgement

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

APPENDIX I - DEFINITIONS

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



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Inverness College UHI

INTERNAL AUDIT REPORT

Corporate Governance

November 2017

LEVEL OF ASSURANCE

| Design | Operational Effectiveness |
|-------------|---------------------------|
| Substantial | Substantial |



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| REPORT STATUS | |
|-----------------------|---|
| Auditors: | Adam Brown |
| Dates work performed: | 16 th -20 th October 2017 |
| Draft report issued: | 13 th November 2017 |
| Final report issued: | 16 th November 2017 |

| DISTRIBUTION LIST | |
|--------------------------------|------------------------|
| Chris O'Neil | Principal |
| Fiona Ambrose | Secretary to the Board |
| Fiona Mustarde | Finance Director |
| Members of the Audit Committee | |

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

EXECUTIVE SUMMARY

| LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS) | | SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II) | |
|--|--|--|---|
| Design |  There is a sound system of internal control designed to achieve system objectives. | High |  |
| | | Medium |  |
| Effectiveness |  The controls that are in place are being consistently applied. | Low |   1 |
| | | Total number of recommendations: 1 | |

| OVERVIEW |
|--|
| <p>It was agreed by the Audit Committee when it considered the internal audit plan for 2017/18, that internal audit would review key corporate governance controls, in order to provide assurance to the Audit Committee and the Board of Management that these are well designed and operating effectively.</p> <p>The Board of Management is responsible for exercising control over the activities of Inverness College UHI (“Inverness College” or “the College”) as effectively as possible, in the interest of students, staff, and the community. The Board has established the following sub-committees and project boards:</p> <ul style="list-style-type: none"> • The Audit Committee, which is responsible for guiding the Board of Management on matters of internal control and risk management. The Audit Committee meets at least four times a year. • The Chairs Committee, which is responsible for the review of the membership of the Board’s Standing Committees and the overall effectiveness of the Board’s Committee Structure and for recommending amendments to the Board. The Committee meets at least four times a year. • The Search and Nomination Committee, which is responsible for overseeing the recruitment of Board members ensuring there is an appropriate skills mix on the board. The Committee will meet as and when required. However, UHI the RSB has overall responsibility for the appointment of a new Chair and any new Board members. • The HR Committee, which has the overall responsibility for the direction and oversight of all personnel matters relating to the function of the Board of Management as employer of the College’s staff. The committee meets no less than four times a year. |

EXECUTIVE SUMMARY

OVERVIEW

Background (Continued)

- The Learning and Teaching Committee, which has the overall responsibility for monitoring the direction and performance of learning and teaching at the College. The Committee meets no less than four times a year.
- Finance and General Purpose (F&GP) Committee, which has the responsibility as outlined within the Financial Memorandum between the College and the Regional Strategic Body, for the direction and oversight of the College's financial affairs and estate. The committee meets no less than four times a year.
- Performance Review and Remuneration Committee, which considers and makes decisions on the remuneration package and conditions of service, and any changes thereof, of the College Principal and other senior staff as is considered appropriate. The committee meets twice a year
- Longman Disposal Project Board and the New Campus Project Board both monitor progress on each of the projects on behalf of the Board of Management, provide advice and support to the Project Steering Group as required, and make decisions within the Project Board's delegated authority. Both groups meet at least four times a year respectively.

Each of the committees have a terms of reference in place which has been approved by the Board of Management. All meetings are minuted, with abridged minutes, excluding confidential items, made available to the public via the College's website. The Terms of Reference (ToR) in place fully document roles and responsibilities, membership and quorum requirements, frequency of meetings and remit.

The Financial Memorandum between University of the Highlands and Islands (UHI) and Inverness College details specific requirements for the Board, (F&GP) Committee, and the Audit Committee. The alignment between the Memorandum's requirements and the work of the sub-committees is made clear within each ToR. For example, the Audit Committee ToR states that the committee should review internal audit reports, review the external auditor's reports jointly with the F&GP Committee, produce an annual report for the governing body of the College, and sit privately with the external and internal auditors when required, which is required within the Financial Memorandum.

EXECUTIVE SUMMARY

OVERVIEW

Background (Continued)

Draft agendas for all committee meetings are prepared by the Secretary to the Board and reviewed at a pre-agenda meeting. The Principal, Depute Principal, Director of Finance, Director of Organisational Development and the Secretary of the Board discuss items on each draft agenda created by the Secretary based upon the schedule of document submissions and prior year information. The Chair of the committees was then invited to comment on the draft agenda, after which the agenda was updated if required, sent to the lead officers and other report authors and reports requested. The College is altering this approach and will have a meeting to discuss each draft agenda with the relevant Chair, the lead officer and any other key report authors. Thereafter the agenda will be circulated and reports requested.

The Agenda and papers are issued a week before each meeting via email. All reports are reviewed by the relevant member of the SMT before issue to the Secretary of the Board for inclusion in the meeting packs.

Each committee has a schedule of document submissions which outlines the workplan for the committee throughout the year. For example, the Audit Committee entry records the meeting dates and the standing items that are to be discussed at each meeting, and sets out for each meeting, what reporting will be presented, for example, the risk appetite will be reviewed in September/October alongside the Internal Audit annual report. These documents set out the work programme for each of the committees that is expected by the Board of Management. The programmes that are in place for the board and sub committees are updated on an annual basis and the meeting schedule is issued at the start of the year.

Minutes are taken of each meeting and approved by members at the following meeting. Action trackers which include recorded actions and agreed implementation dates, are also utilised by the College and are discussed within the Matters Arising section of each committee agenda, with the exception of the project boards.

EXECUTIVE SUMMARY

OVERVIEW

Background (Continued)

As required by the Code of Good Governance for Scotland's Colleges, an externally evaluated review of Board Effectiveness was undertaken by a professional services firm whose final report was submitted to the Board of Management in March 2017. The final report followed the main sections of the Code and covered areas such as Leadership and Strength, Quality of the Student Experience, and Accountability. From the recommendations in the report, a Board development plan was prepared and it, together with the final report are available on the college website.

Other board evaluation exercises were also undertaken in 2016-17, namely committee, Board chair and committee chair evaluation. Questions asked in relation to Chairs include ability to keep members on topic, ability to suggest solutions, and whether they are supportive of Board Members. The College also follows good practice templates for Board member appraisals as set out in the guidance.

The skills mix of the Board and committees is considered as part of the recruitment process. A skills matrix is maintained by the Secretary to the Board also which records the skills of all board members to ensure that there is a sufficient skills mix in each of the relevant committees and board sub-committees.

There is an induction pack in place for new members which provide details of Inverness College's processes. Included in the pack is the College's Strategic Plan, Code of Good Governance, Inverness College Prospectus, and the Articles of Governance. Also included are suggested training courses and suggested contacts in relevant departments for obtaining further specific information. Presentations are also delivered by each of the function leaders, such as finance, audit, learning, teaching and the curriculum, business development and HR, to give new members some background to the various functions across the college. The College maintains a scheduled training spreadsheet which shows what the Board members have, and are planning to attend during the academic year.

Scope and Approach

The scope of the review was to provide the Audit Committee with a level of assurance around the current corporate governance arrangements, and provide management with advice and recommendations for improving the arrangements further. We assessed whether the Board and Board sub-committees have clear and appropriate terms of reference and programmes of work, and whether meetings are well attended and minutes indicate sound engagement. We also considered whether the Board and sub-committees are receiving sufficient high quality management information to discharge their role. Our review also covered the arrangements in place to induct board members and to assess the effectiveness of the Board.

EXECUTIVE SUMMARY

OVERVIEW

Scope and Approach (continued)

Our approach involved reviewing key documentation, including the terms of references of the board and its sub-committees, meeting minutes, agendas, and papers in order to assess the attendance and engagement of the members and the quality of management information. We also issued questionnaires to Board members to gain feedback on the Board and sub-committee terms of references, programmes of work, administration, management information received, training provided, and the process in place to assess committee effectiveness.

Good Practice

We are pleased to report that Inverness College UHI has a clearly documented set of internal corporate governance policies and procedures. The Board of Management and all the sub-committees have clear terms of references in place which are not overlapping. These, in conjunction with the procedures noted in the Standing Orders document, ensure that the members are aware of their own role, in addition to the role of the committees which they are members of. We also found that the members are being provided with sufficient, high quality management information to enable the effective discharge of responsibilities in line with the ToR and requirements set out in the Schedule of Documents.

Key Findings

Notwithstanding the areas of good practice noted above, we have noted an area where further improvement is possible, summarised below:

Agenda Items

The process for Board and committee members adding an item to meeting agendas is not documented within the Standing orders.

Conclusion

We are able to provide substantial assurance over the design and operational effectiveness of the controls in place relating to Corporate Governance.

EXECUTIVE SUMMARY

RISKS REVIEWED GIVING RISE TO NO FINDINGS OF A HIGH OR MEDIUM SIGNIFICANCE

- ✔ The Board and sub-committee terms of reference may be unclear, overlapping or leave gaps.
- ✔ The roles and responsibilities of the Board and sub-committees defined in the terms of reference may not be in line with the Financial Memorandum.
- ✔ Board and sub-committees may not have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution.
- ✔ Members may not be provided with sufficient, high quality management information in their areas of responsibility.
- ✔ Members may not be sufficiently assertive in ensuring corrective or improving actions are taken.
- ✔ The Board and sub committees may not have effectively assessed their performance, training requirements, and the balance of skills required within the Board and sub-committees, or may not have taken effective action based on these assessments.
- ✔ There may be inadequate arrangements for induction of Board members, or for continual updating of members on issues which should be brought to their attention.

DETAILED FINDINGS AND RECOMMENDATIONS

| RISK: The Board and sub-committee terms of reference may be unclear, overlapping or leave gaps.; | | | |
|---|---|---|--|
| Ref. | Finding | Sig. | Recommendation |
| 1 | <p>The Secretary to the Board will e-mail a draft agenda to the Chair, the Lead Officer and any other report authors as appropriate. Thereafter the Chair, the Lead Officer, report authors and the Secretary to the Board will meet to discuss the draft agenda and agree a final version.</p> <p>We found that the process for Board and committee members adding an item to meeting agendas has not been documented within the Standing orders.</p> <p>There is a risk that key governance processes have not been documented appropriately.</p> | ● | <p>We recommend that the process for Board and committee members adding an item to meeting agendas is documented within the Standing Orders.</p> |
| MANAGEMENT RESPONSE | | RESPONSIBILITY AND IMPLEMENTATION DATE | |
| <p>AGREED: The College has adopted the model Standing Orders developed by Colleges Scotland. These model standing orders do not include, within the order of business, reference to AOCB. In practice, AOCB is included in every Board and Committee agenda and the Chair offers members, at the start of each meeting, the opportunity to add an item for discussion. If a member wishes to have an item of competent business discussed, this is added to the agenda and the minutes reflect the item discussed.</p> <p>The Standing orders will be amended to include AOCB within the order of business.</p> <p>In addition, a note will be put at the end of each agenda to the effect-</p> <p>If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary as soon as possible. Additional items of business will be considered for inclusion in the agenda in advance of and at the start of the meeting.</p> | | <p><i>Responsible Officer: Secretary to the Board</i></p> <p><i>Implementation Date: 19/12/17</i></p> | |

OBSERVATIONS

1. New Campus Project Board

The New Campus Project Board Terms of Reference states that the Project Board shall meet not less than four times. We note that the Project Board has only met once so far in March 2017. However, we recognise that the group only meets in accordance with business requirements, and therefore the Terms or Reference should be revised to reflect current practice.

2. Board Questionnaires

We sent questionnaires to nine Board members to gain feedback on the Board Terms of Reference, the management information received, the training provided, and the processes in place to assess Committee effectiveness. A number of members were on holiday around the time of this review, and we only received three completed questionnaires from members as a result.

3. Report Template

One out of the three Board members who completed the questionnaire highlighted that, whilst the management information prepared for the committee was sufficient and high quality, there was an opportunity for this to be summarised further. Management intend to include a summary paragraph on the first page of reports presented to the Board and committees.

APPENDIX I – STAFF & MEMBERS CONSULTED

| NAME | JOB TITLE |
|--|------------------------|
| Fiona Ambrose | Secretary to the Board |
| John Wilson, Lindsey Mitchell, and Steve Walsh | Board Members |

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

APPENDIX II - DEFINITIONS

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

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

APPENDIX III - TERMS OF REFERENCE

KEY RISKS

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

- The Board and sub-committee terms of reference may be unclear, overlapping or leave gaps;
- The roles and responsibilities of the Board and sub-committees defined in the terms of reference may not be in line with the Financial Memorandum;
- Board and sub-committees may not have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution;
- Members may not be provided with sufficient, high quality management information in their areas of responsibility,
- Members may not be sufficiently assertive in ensuring corrective or improving actions are taken;
- The Board and sub-committees may not have effectively assessed their performance, training requirements, and the balance of skills required within the Board and sub-committees, or may not have taken effective action based on these assessments;

There may be inadequate arrangements for induction of Board members, or for continual updating of members on issues which should be brought to their attention.

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- Board sub-committee terms of reference are clear, comprehensive and do not overlap with those of other committees;
- The roles and responsibilities of the Board and sub-committees defined in the terms of reference are in line with the Financial Memorandum;
- Board sub-committees have a tangible, agreed, programme of work that allows them to make an effective and timely contribution and meets their responsibilities;
- Minutes of Board sub-committees indicate strong engagement by all members;
- Members are provided with sufficient, timely and high quality management information to effectively discharge their responsibilities;
- The Board and sub-committees regularly assess their own effectiveness and take action on areas where required; and
- Adequate arrangements for the induction and on-going development of Board members are in place.

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



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

DATA PROTECTION

2017-18

INVERNESS COLLEGE, DATA PROTECTION

BACKGROUND

As part of the 2017-18 Internal Audit Plan, it was agreed by Management and the Audit Committee that Internal Audit would carry out a review of arrangements in place to prepare for compliance with General Data Protection Regulation (GDPR) within Inverness College.

The European Commission has enacted the GDPR, which will apply to the UK from 25 May 2018. The Information Commissioner's Office has confirmed that the UK's withdrawal from the EU will not affect the introduction of GDPR. GDPR will grant individuals additional rights with respect to how their personal information is processed and stored including the right to rectification, to erasure, to restrict processing, to data portability, and to object. Another key change resulting from the Regulation is that the definition of personal data will be broader, bringing more data into the regulated perimeter.

Organisations that fail to comply with the Regulation risk fines of up to €20m, or 4% of their annual global turnover - whichever is higher. Even more minor infringements could result in fines of €10m, or 2% annual of global turnover.

PURPOSE OF REVIEW

The purpose of this review will be to assess the level of compliance preparedness. We will assess the approach taken to identifying compliance gaps (i.e. changes required from current DPA 1998 arrangements); the identification and planning of additional resources to support GDPR compliance; staff training; and plans to implement GDPR processes and to ensure workflows are being suitably re-designed to comply with the enhanced data protection requirements in due course.

KEY RISKS

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

- Additional GDPR resource requirements required to ensure compliance have not been identified and plans put in place to secure these to ensure Inverness College implements required GDPR processes; and
- Adequate plans may not have been developed to ensure:
 - project management and operational staff responsible for implementing and maintaining GDPR compliance receive suitable levels of training to ensure Inverness College complies with the new data protection requirements;
 - business processes are redesigned and or implemented to ensure compliance with GDPR;
 - data protection policies and codes of conduct are updated and this results in a breach of Regulation requirements;
 - data governance arrangements are enhanced and a framework to implement and maintain compliance with GDPR is developed;
 - Inverness College is able to demonstrate compliance with GDPR;
 - prior grounds established to process sensitive data are still applicable under GDPR have been determined;

INVERNESS COLLEGE, DATA PROTECTION

- processes relating to the right to be forgotten (erasure) are enhanced and processing (including management of information handled by suppliers and or made public) is restricted.

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- Additional GDPR resources required to ensure compliance have been identified, and plans are in place to secure and deploy these; and
- Adequate plans have been developed to ensure:
 - project management and operational staff responsible for implementing and maintaining GDPR compliance receive suitable levels of training to ensure Inverness College complies with the new data protection requirements;
 - business processes are redesigned and or implemented to ensure compliance with GDPR;
 - data protection policies and codes of conduct are updated and this results in a breach of Regulation requirements;
 - data governance arrangements are enhanced and a framework to implement and maintain compliance with GDPR is developed;
 - Inverness College is able to demonstrate compliance with GDPR;
 - prior grounds established to process sensitive data are still applicable under GDPR have been determined;
 - processes relating to the right to be forgotten (erasure) are enhanced and processing (including management of information handled by suppliers and or made public) is restricted.

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

APPROACH

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

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

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

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

INVERNESS COLLEGE, DATA PROTECTION

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at 1 Inverness Campus, Inverness, IV2 5NA.

EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach.

REQUIREMENTS

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

| REQUIREMENT | DETAILS | RESPONSIBLE PERSON |
|---------------|---|-----------------------------------|
| Documentation | <ul style="list-style-type: none">- GDPR Project Plan- GDPR Compliance Analysis- GDPR Policies & Procedures | Lindsay Ferries / Suzanne Stewart |

Access to information/staff

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

INVERNESS COLLEGE, DATA PROTECTION

KEY CONTACTS

BDO LLP

| | | |
|------------------|-----------------------|---|
| Claire Robertson | Director | T: 0141 249 5206 E: claire.robertson@bdo.co.uk |
| Andrew O'Donnell | Manager | T: 0141 249 5280 E: andrew.odonnell@bdo.co.uk |
| Adam Brown | Internal Audit Senior | T: 0141 248 3761 E: adam.brown@bdo.co.uk |

INVERNESS COLLEGE

| | | |
|-----------------|---|--|
| Lindsay Ferries | Director of HR and Organisational Development | T: 01463 273000 (switchboard) E: lindsay.ferries.ic@uhi.ac.uk |
| Suzanne Stewart | Data Protection Officer | T: 01463 273000 (switchboard) E: suzanne.stewart.ic@uhi.ac.uk |

PROPOSED TIMELINE

| AUDIT STAGE | DATE |
|---|------------|
| Commence fieldwork | 05/02/2018 |
| Number of audit days planned | 5 |
| Planned date for closing meeting | 09/02/2018 |
| Planned date for issue of the draft report | 23/02/2018 |
| Planned date for receipt of management responses | 09/03/2018 |
| Planned date for issue of proposed final report | 12/03/2018 |
| Planned Audit Committee date for presentation of report | 29/05/2018 |

INVERNESS COLLEGE, DATA PROTECTION

| SIGN OFF | | | |
|-----------------------|------------------|---------------------------------|--|
| ON BEHALF OF BDO LLP: | | ON BEHALF OF INVERNESS COLLEGE: | |
| Signature: | Claire Robertson | Signature: | |
| Title: | Director | Title: | |
| Date: | 01/11/2017 | Date: | |



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

FINANCIAL CONTROLS

2017-18

INVERNESS COLLEGE, FINANCIAL CONTROLS

BACKGROUND

As part of the 2017-18 Internal Audit Plan, it was agreed that Internal Audit would perform a high level review across all key financial control systems. This will include a review of processes relating to purchasing, income, cash and banking, payroll and fixed assets.

PURPOSE OF REVIEW

The purpose of this review is to assess whether Inverness College is effective in maintaining good financial controls and to provide assurance to management and the Audit Committee on the design and effectiveness of the key financial control processes in place.

KEY RISKS

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

- Ineffective or inefficient procedures and controls may be in place for the finance processes;
- Inadequate segregation of duties may compromise the control environment in relation to finance processes; and
- There is inadequate management oversight of financial processes.

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- The procedures and controls in place for the key financial processes are well designed and are being complied with;
- There is adequate segregation of duties in place surrounding the finance processes; and
- Effective management oversight of financial processes is in place.

The following areas will be covered as part of this review:

- Cash and bank;
- Purchasing and payables;
- Income;
- Fixed assets; and
- Payroll.

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

INVERNESS COLLEGE, FINANCIAL CONTROLS

APPROACH

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

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

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

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

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at 1 Inverness Campus, Inverness, IV2 5NA.

EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach.

INVERNESS COLLEGE, FINANCIAL CONTROLS

REQUIREMENTS

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

| REQUIREMENT | DETAILS | RESPONSIBLE PERSON |
|---------------|---|--------------------|
| Documentation | - Finance policies and procedures. - Details of delegated authority levels and authorised signatories. | Fiona Mustarde |

Access to information/staff

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

KEY CONTACTS

BDO LLP

| | | |
|------------------|------------------|---|
| Claire Robertson | Director | T: 0141 249 5206 E: claire.robertson@bdo.co.uk |
| Andrew O'Donnell | Manager | T: 0141 249 5280 E: andrew.odonnell@bdo.co.uk |
| Mark Foley | Internal Auditor | T: 0141 248 3761 E: mark.foley@bdo.co.uk |

INVERNESS COLLEGE

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|----------------|---------------------|---|
| Fiona Mustarde | Director of Finance | T: 01463 273260 E: fiona.mustarde.ic@uhi.ac.uk |
|----------------|---------------------|---|

INVERNESS COLLEGE, FINANCIAL CONTROLS

PROPOSED TIMELINE

| AUDIT STAGE | DATE |
|---|------------|
| Commence fieldwork | 15/01/2018 |
| Number of audit days planned | 4 |
| Planned date for closing meeting | 18/01/2018 |
| Planned date for issue of the draft report | 01/02/2018 |
| Planned date for receipt of management responses | 15/02/2018 |
| Planned date for issue of proposed final report | 16/02/2018 |
| Planned Audit Committee date for presentation of report | 27/02/2018 |

SIGN OFF

| ON BEHALF OF BDO LLP: | | ON BEHALF OF INVERNESS COLLEGE: | |
|-----------------------|------------------|---------------------------------|--|
| Signature: | Claire Robertson | Signature: | |
| Title: | Director | Title: | |
| Date: | 01/11/2017 | Date: | |



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

PARTNERSHIP WORKING

2017-18

INVERNESS COLLEGE, PARTNERSHIP WORKING

BACKGROUND

As part of the 2017-18 Internal Audit Plan, it was agreed that Internal Audit would assess the arrangements put in place to strategically manage key relationships and how the relationships are managed to ensure common understanding of aims, roles and responsibilities, and effective partnership working.

PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance on whether Inverness College has effective arrangements in place to strategically manage key relationships and to ensure common understanding of aims, roles and responsibilities, and effective partnership working

KEY RISKS

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

- Inverness College's plans may not be aligned with the plans of key partners, such as schools, the Highland Council, HIE, SDS, employers, CPP, third-sector and community organisations and other UHI partners;
- Roles and responsibilities within key partnerships may not be clearly defined;
- Communication with key partners may not be managed effectively;
- Feedback mechanisms from partners may not be established or may indicate weaknesses in the management of the relationship which are not addressed.

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- Inverness College's plans are aligned with the plans of key partners, such as schools, the Highland Council, HIE, SDS, employers, CPP, third-sector and community organisations and other UHI partners;
- Roles and responsibilities are clearly defined within each partnership;
- Communication arrangements with partners are managed effectively;
- Feedback mechanisms have been established to ensure there is oversight of how the partnership is working; and
- Where weaknesses in a partnership are identified, corrective action is taken.

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

INVERNESS COLLEGE, PARTNERSHIP WORKING

estimate of audit days may not be accurate.

APPROACH

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

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

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

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

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at 1 Inverness Campus, Inverness, IV2 5NA.

EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach.

INVERNESS COLLEGE, PARTNERSHIP WORKING

REQUIREMENTS

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

| REQUIREMENT | DETAILS | RESPONSIBLE PERSON |
|---------------|--|------------------------------|
| Documentation | <ul style="list-style-type: none">- Copy of Inverness College's Strategic Plan (obtained from website);- Service Level Agreements in place;- Outcome agreement and quarterly / annual returns. | Roddy henry / Georgie Parker |

Access to information/staff

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

KEY CONTACTS

BDO LLP

| | | |
|------------------|-----------------------|---|
| Claire Robertson | Director | T: 0141 249 5206 E: claire.robertson@bdo.co.uk |
| Andrew O'Donnell | Manager | T: 0141 249 5280 E: andrew.odonnell@bdo.co.uk |
| Adam Brown | Internal Audit Senior | T: 0141 248 3761 E: adam.brown@bdo.co.uk |

INVERNESS COLLEGE

| | | |
|--------------|---------------------------------------|---|
| Chris O'Neil | Principal and Chief Executive Officer | T: 01463 273000 (switchboard) E: chris.o'neil.ic@uhi.ac.uk |
| Roddy Henry | Depute Principal | T: 01463 273000 (switchboard) |



INVERNESS COLLEGE, PARTNERSHIP WORKING

| | | |
|----------------|----------------------------------|---|
| | | E: roddy.henry.ic@uhi.ac.uk |
| Georgie Parker | Director of Business Development | T: 01463 273000 (switchboard) E: georgie.parker.ic@uhi.ac.uk |

PROPOSED TIMELINE

| AUDIT STAGE | DATE |
|---|------------|
| Commence fieldwork | 12/03/2018 |
| Number of audit days planned | 5 |
| Planned date for closing meeting | 16/03/2018 |
| Planned date for issue of the draft report | 30/03/2018 |
| Planned date for receipt of management responses | 13/04/2018 |
| Planned date for issue of proposed final report | 16/04/2018 |
| Planned Audit Committee date for presentation of report | 29/05/2018 |

SIGN OFF

| ON BEHALF OF BDO LLP: | | ON BEHALF OF INVERNESS COLLEGE: | |
|-----------------------|------------------|---------------------------------|--|
| Signature: | Claire Robertson | Signature: | |
| Title: | Director | Title: | |
| Date: | 01/11/2017 | Date: | |



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INVERNESS COLLEGE

INTERNAL AUDIT TERMS OF REFERENCE

STUDENT SUPPORT

2017-18

INVERNESS COLLEGE, STUDENT SUPPORT

BACKGROUND

As part of the 2017-18 Internal Audit Plan, it was agreed that Internal Audit would assess the key controls in place in relation to the provision of student support services. We will consider the types of services being offered, the management of the services, the student feedback sought and how it is actioned, and the continuous improvement practices in place in order to improve student support in the future.

PURPOSE OF REVIEW

The purpose of this review is to provide management and the Audit Committee with assurance on the design and effectiveness of the controls in place in relation to student support.

KEY RISKS

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

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

SCOPE OF REVIEW

The scope of this review will be to assess whether:

- The College is providing an appropriate range of support services to its students;
- Support services are accessible by all students;
- Clear roles and responsibilities are in place in relation to support services;
- Clear policies and procedures are in place in relation to support services;
- Clear plans and targets are in place in relation to student services;
- Effective performance management arrangements are in place in relation to student services;
- Feedback on support services is obtained and effective actions are taken to address any issues arising from the feedback.

INVERNESS COLLEGE, STUDENT SUPPORT

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

APPROACH

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

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

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

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

MANAGEMENT COMMENTS

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

LOCATIONS

Fieldwork will be performed at 1 Inverness Campus, Inverness, IV2 5NA.

EXCLUSIONS

The scope of the review is limited to the areas documented under the scope and approach.

INVERNESS COLLEGE, STUDENT SUPPORT

REQUIREMENTS

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

| REQUIREMENT | DETAILS | RESPONSIBLE PERSON |
|---------------|--|--------------------|
| Documentation | <ul style="list-style-type: none">- Student feedback on support services;- Action plan to address student feedback. | Lindsay Snodgrass |

Access to information/staff

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

KEY CONTACTS

BDO LLP

| | | |
|------------------|-----------------------|---|
| Claire Robertson | Director | T: 0141 249 5206 E: claire.robertson@bdo.co.uk |
| Andrew O'Donnell | Manager | T: 0141 249 5280 E: andrew.odonnell@bdo.co.uk |
| Adam Brown | Internal Audit Senior | T: 0141 248 3761 E: adam.brown@bdo.co.uk |

INVERNESS COLLEGE

| | | |
|-------------------|--------------------------------|--|
| Lindsay Snodgrass | Head of Student Services | T: 01463 273000 (switchboard) E: lindsay.snodgrass.ic@uhi.ac.uk |
| Evelyn Campbell | Access and Progression Manager | T: 01463 273000 (switchboard) E: evelyn.campbell.ic@uhi.ac.uk |

INVERNESS COLLEGE, STUDENT SUPPORT

PROPOSED TIMELINE

| AUDIT STAGE | DATE |
|---|------------|
| Commence fieldwork | 16/04/2018 |
| Number of audit days planned | 5 |
| Planned date for closing meeting | 20/04/2018 |
| Planned date for issue of the draft report | 04/05/2018 |
| Planned date for receipt of management responses | 18/05/2018 |
| Planned date for issue of proposed final report | 21/05/2018 |
| Planned Audit Committee date for presentation of report | 29/05/2018 |

SIGN OFF

| ON BEHALF OF BDO LLP: | | ON BEHALF OF INVERNESS COLLEGE: | |
|-----------------------|------------------|---------------------------------|--|
| Signature: | Claire Robertson | Signature: | |
| Title: | Director | Title: | |
| Date: | 01/11/2017 | Date: | |



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Board of Management

| | |
|--|---|
| Subject/Title: | Outstanding Internal Audit Recommendations 2016/17 |
| Author: [Name and Job title] | Fiona Mustarde, Director of Finance |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 21 November 2017 |
| Brief Summary of the paper: | Update on progress against outstanding audit recommendations resulting from 2016/17 internal audits. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Risk Management – demonstrates the steps taken to address the risks identified as a result of internal audit reviews. |
| Resource implications: | Yes Potential savings identified through improved purchasing practices. Staff resource to implement and monitor compliance. |
| Risk implications: | Yes If yes, please specify: Operational: clarity of responsibilities Organisational: increased costs, non-compliance with regulations |
| Equality and Diversity implications: | No |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | N/A |

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

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

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

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

Update on Outstanding Internal Audit Recommendations 2016/17

Executive summary

This report provides the Committee with an updated position regarding the implementation of action points arising from Internal Audit reports in 2016-17.

Background information

The College is committed to following up on internal recommendations and implementing these timeously and has made significant progress in efficient and timely implementation of action points arising from internal audit recommendations.

Outstanding Audit Recommendations 2016-17

There were five remaining outstanding audit action points from 2016-17, two of which have now been marked as complete.

Two of these sit with Finance and should have been completed by the end of September 2017, however due to staff availability this has not been achieved. Work is progressing to ensure that these are completed by mid-December.

The remaining action associated with the Health and Safety audit has been completed in November 2017

The final two action points come from the audit on the new campus maintenance and unitary charge controls. The first of these has been marked as partially complete in that the College has taken the steps in the action but GTFM have yet to demonstrate appropriate action to address the issues. The second has been marked as complete due to the College having followed the steps in the recommendation and now applying further deductions.

A summary of the recommendations and their status is attached.

AUDIT ACTION PLAN (Outstanding Actions from 2016/17)

| Action No | Audit Recommendation | Action Required | Actioned By | Date of Rec. | Due Date | Comments |
|---------------------------------|--|---|---------------------------|--------------|------------|---|
| Updated 21 November 2017 | | | | | | |
| Health and Safety | | | | | | |
| 1 | R1 Policy documentation The Health and Safety Manual is out of date and certain procedures within it may not fully reflect the improved working practices implemented throughout the College. | The re-drafting of the Health and Safety Manual should be completed within a reasonable timeframe, improving consistency, reducing duplication and accurately reflecting current practice, capturing processes that document safe operating practice at department level. | Health and Safety Manager | 01/11/2016 | 01/02/2017 | <p style="text-align: center;">Complete</p> <p>The Health and Safety Manual has been fully updated and published and is accessible to all staff. Note that this is a live document and will be subject to ongoing updating/review.</p> |

| Action No | Audit Recommendation | Action Required | Actioned By | Date of Rec. | Due Date | Comments |
|---|--|---|-------------------------------|--------------|------------|---|
| Procurement and creditors/purchasing | | | | | | |
| 1 | R1 Matching invoices to purchase order requisitions Not all non-PECOS invoices matched an appropriately authorised purchase order requisition, although all invoices sampled had been authorised by an appropriate signatory within their authorisation limits. This was due to a lack of clarity regarding exceptions to the requirement to raise a purchase order requisition. | Fully describe in the financial regulations and/or other college documents appropriate exceptions where no purchase order requisition is required to be raised. Ensure purchase orders are raised in all other circumstances, including, where appropriate, annual orders for recurring spend. | Accountant | 15/05/2017 | 01/07/2017 | <p style="text-align: center;">Partially complete</p> <p>Financial Regulations updated and published. Updated Finance Manual to be available by mid December 2017.</p> |
| 2 | R2 Clarity over authorisation limits Lack of clarity over the authorisation limits for staff members may result in invoices or purchase orders being inappropriately authorised. | The college should maintain a full list of staff with delegated purchasing authority and their authorised limits to ensure that all purchase orders or invoices are appropriately authorised. | Business Services Team Leader | 15/05/2017 | 01/07/2017 | <p style="text-align: center;">Outstanding</p> <p>Due to staff availability, this has still to be completed. New listing will be complete by mid December 2017.</p> |

| Action No | Audit Recommendation | Action Required | Actioned By | Date of Rec. | Due Date | Comments |
|-----------|----------------------|-----------------|-------------|--------------|----------|----------|
|-----------|----------------------|-----------------|-------------|--------------|----------|----------|

New Campus - Maintenance and Unitary Charge Controls

| | | | | | | |
|---|--|---|---|-------------------|--|--|
| 1 | <p>R1 Areas for improvement relating to GTFM areas of responsibilityGTFM may not be in a position to demonstrate to the College that the performance standards contained in the Project Agreement are being adequately satisfied and that work is carried out in a timely manner.</p> | <p>Discuss with GTFM the matters highlighted in the internal audit report which lie within their areas of responsibility, and obtain formal assurances from GTFM on a) how and b) when they will take the necessary action to address the areas of non-compliance noted.</p> | <p>Director of Organisational Development</p> | <p>12/09/2017</p> | | <p>Partially complete. Improvement plan agreed however progress made has since fallen back and the College has had to formally raise these issues again.</p> |
| 2 | <p>R2 Areas for improvement relating to College areas of responsibility. The performance standards outlined in the Project Agreement are not achieved resulting in the College not achieving value for money in line with the terms of the contract.</p> | <p>The College should formally notify GTFM which performance standards that have not been met and set a target timescale by which GTFM should achieve these by. Alternatively, the College should seek assurance from GTFM that an action plan will be produced to achieve completion of outstanding performance standards within a reasonable timescale. The College should also inform GT Equitix that where agreed performance standards are not achieved the College will apply further deductions to the unitary charge in accordance with the terms of the Project Agreement.</p> | <p>Director of Organisational Development</p> | <p>12/09/2017</p> | | <p>Complete . The College has formally notified GTFM of these issues and reiterates these during the monthly operational meeting between GTEIL, GTFM and the College. The College has now resorted to taking the deductions as calculated by the College rather than the draft deductions notified by GTFM and included on the monthly invoice.</p> |

Board of Management

| | |
|--|---|
| Subject/Title: | Risk Register |
| Author: [Name and Job title] | Roddy Henry, Depute Principal |
| Meeting: | <i>Audit Committee</i> |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 20 November 2017 |
| Brief Summary of the paper: | Standing item: review of risk register. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Risk management |
| Resource implications: | No If yes, please specify: |
| Risk implications: | No If yes, please specify: Operational: Organisational: |
| Equality and Diversity implications: | No If yes, please specify: |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | n/a |

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

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

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

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

Risk Register

Executive summary

The college's Risk Register is presented for review as a standing item on the Audit Committee agenda.

Background information

The Principal has reviewed the Risk Register and made several amendments (in capital letters on the attached for ease of reference). Following discussion between the Principal and Depute Principal, it was agreed that the SMT would review items from the Risk Register on a rolling basis at each monthly SMT meeting. Subsequent amendments will be highlighted for presentation to the Audit Committee.

LIKELIHOOD CRITERIA**TIMESCALE 3 YEARS**

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

IMPACT - CRITERIA

TIMESCALE 3 YEARS

| Score | Descriptor | Financial | Operational | Reputational (need to link to communications process for incident management) |
|-----------------|--|---|--|---|
| 5 -Catastrophic | A disaster with the potential to lead to: <ul style="list-style-type: none"> • loss of a major UHI partner • loss of major funding stream | > £500,000 or lead to likely loss of key partner | <ul style="list-style-type: none"> • Likely loss of key partner, curriculum area or department • Litigation in progress • Severe student dissatisfaction • Serious quality issues/high failure rates/major delivery problems | <ul style="list-style-type: none"> • Incident or event that could result in potentially long term damage to UHI's reputation. Strategy needed to manage the incident. • Adverse national media coverage • Credibility in marketplace and with stakeholders significantly undermined. |
| 4-Major | A critical event which threatens to lead to: <ul style="list-style-type: none"> • major reduction in funding • major reduction in teaching/research capacity | £250,000 - £500,000 or lead to possible loss of partner | <ul style="list-style-type: none"> • Possible loss of partner and litigation threatened • Major deterioration in quality/pass rates/delivery • Student dissatisfaction | <ul style="list-style-type: none"> • Incident/event that could result in limited medium – short term damage to UHI's reputation at local/regional level. • Adverse local media coverage • Credibility in marketplace/with stakeholders is affected. |
| 3-Significant | A Significant event, such as financial/ operational difficulty in a department or academic partner which requires additional management effort to resolve. | £50,000 - £250,000 | <ul style="list-style-type: none"> • General deterioration in quality/delivery but not persistent • Persistence of issue could lead to litigation • Students expressing concern | <ul style="list-style-type: none"> • An incident/event that could result in limited short term damage to UHI's reputation and limited to a local level. • Criticism in sector or local press • Credibility noted in sector only |
| 2-Minor | An adverse event that can be accommodated with some management effort. | £10,000 - £50,000 | <ul style="list-style-type: none"> • Some quality/delivery issues occurring regularly • Raised by students but not considered major | <ul style="list-style-type: none"> • Low media profile • Problem commented upon but credibility unaffected |
| 1-Insignificant | An adverse event that can be accommodated through normal operating procedures. | <£10,000 | <ul style="list-style-type: none"> • Quality/delivery issue considered one-off • Raised by students but action in hand | <ul style="list-style-type: none"> • No adverse publicity • Credibility unaffected and goes unnoticed |

Note: Select criteria most appropriate. Use highest score if more than one criterion applies.

| RISK MAP (for Gross risk & residual risk) | | TIMESCALE 3 YEARS | | | | |
|---|--|-------------------|--------------|--------------|------------|--------------------|
| IMPACT | | | | | | |
| 5 - Catastrophic | | 5 | 10 | 15 | 20 | 25 |
| 4 - Major | | 4 | 8 | 12 | 16 | 20 |
| 3 - Significant | | 3 | 6 | 9 | 12 | 15 |
| 2 - Minor | | 2 | 4 | 6 | 8 | 10 |
| 1 - Insignificant | | 1 | 2 | 3 | 4 | 5 |
| | | 1 - Very Rare | 2 - Unlikely | 3 - Possible | 4 - Likely | 5 - Almost Certain |
| | | LIKELIHOOD | | | | |

Attention should also be paid to risks that are very rare or unlikely that could cause a catastrophic impact.

Board of Management

| | |
|--|---|
| Subject/Title: | Business Continuity Planning |
| Author: [Name and Job title] | Lindsay Ferries, Director of Organisational Development |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 21 November 2017 |
| Brief Summary of the paper: | To provide the Audit Committee with an outline of the college updates to the Business Continuity Plan, involvement of Police Scotland, Emergency Planning and Staff training. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Compliance Risk management |
| Resource implications: | Yes If yes, please specify: management and staff time, all training in house or provided by police scotland free of charge. |
| Risk implications: | Yes If yes, please specify: Operational: Ability to services, safeguard assets, staff students and visitors. Organisational: reputation if poor response. |
| Equality and Diversity implications: | Yes/No If yes, please specify: |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | staff |

| | | | |
|---|---------------|--|--|
| Status – [Confidential/Non confidential] | confidential | | |
| Freedom of Information Can this paper be included in “open” business* [Yes/No] | No | | |
| *If a paper should not be included within “open” business, please highlight below the reason. | | | |
| Its disclosure would substantially prejudice a programme of research (S27) | | Its disclosure would substantially prejudice the effective conduct of public affairs (S30) | |
| Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33) | | Its disclosure would constitute a breach of confidence actionable in court (S36) | |
| Its disclosure would constitute a breach of the Data Protection Act (S38) | | Other (please give further details) The business continuity plan would compromise the security of our assets if it was shared beyond authorised personnel. | |
| 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.) | In perpetuity | | |

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

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

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

Board of Management

| | |
|--|---|
| Subject/Title: | Value for Money and Procurement Annual Report – 2016/17 |
| Author: [Name and Job title] | Derek Cowie, APUC Supply Chain Manager Fiona Mustarde, Director of Finance |
| Meeting: | Audit Committee – November 2017 |
| Meeting Date: | 28/11/2017 |
| Date Paper prepared: | 15/11/2017 |
| Brief Summary of the paper: | This paper details the college outcomes against objectives set in 2015/16 audit committee value for money report. It is also providing 2016/17 tendering activity and sets 2017/18 procurement objectives. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Linked to Strategic Plan: The procurement strategy is supporting the vision set out in strategic plan on two key sections namely - opportunity and growth in organisation development, opportunity and growth in sustainability benefits, these are linked to specific KPI's |
| Resource implications: | Yes If yes, please specify: reducing costs and creating efficiencies |
| Risk implications: | Yes If yes, please specify: Operational: budgetary implications Organisational: sustainability |
| Equality and Diversity implications: | No |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | N/A |

ITEM 8

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

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

Value for Money and Procurement Annual Report – 2016/17

Recommendation

The Audit Committee is requested to discuss this report.

Purpose of report

To provide an update on procurement and value for money activities across College departments during 2016/2017.

Background

On the 18 April 2016, the landscape of procurement changed with the introduction of the new EU Procurement Directive 2014, Procurement Reform (Scotland) Act 2014 and the Procurement Regulations (Scotland) 2016. This made compliance more onerous by having to advertise all tender opportunities over £50,000 via Public Contracts Scotland and each organisation has a requirement to publish and maintain a contract register for all regulated procurement contracts.

Under the new legislation, section 9 of the Procurement Reform (Scotland) Act 2014, there is also a requirement to comply with the Sustainable Procurement Duty which exemplifies the Scottish Model of Procurement, and places sustainable and socially responsible purchasing at the heart of the process.

In 2016-17 Inverness College had one dedicated procurement resource to manage all procurement activity and tendering requirements over £10,000. The resource was supplemented by support from APUC.

Inverness College continues to promote devolved procurement exercises for low value requirements. Budget holders are responsible for procuring these requirements in line with the governance rules and delegated authority.

2016/17 Objectives

In 2016/17 a Value for Money Report was submitted to the Audit Committee, below is a performance update on the objectives that the college committed to;

- Update the Corporate Procurement Strategy and Financial Regulations to reflect changes in the new regulatory framework and procurement best practice;

Procurement Strategy was signed off by Board of Management in June 2017 and is now published on the Inverness College UHI website. This strategy is from 2017 – 2020.

The procurement strategy is supporting the vision set out in strategic plan on two key sections namely - opportunity and growth in organisation development, opportunity and growth in sustainability benefits, these are linked to specific KPI's.

In 2016/17 the college internal governance rules were reviewed and amended in line with other UHI partners by increasing the thresholds in Route 1 and 2 to provide greater flexibility when purchasing low value requirements whilst also maintaining a process for compliance and value for money. The new internal governance rules commenced on 1st August 2017.

The Inverness College UHI Financial Regulations were updated with the new internal governance rules and to reflect the changes in procurement regulations.

- Identify and train additional PECOS users with the objective of increasing the overall percentage orders placed through PECOS;

The Professional Electronic Commerce Online System (PECOS) is a cloud based purchase to pay system which can be accessed via any secure online connection. By using PECOS, the College is able to reduce the paperwork and inefficiencies associated with paper processing of purchase orders, goods receipts, invoices and returns. It can also increase control and accountability of spend through the use of flexible approval workflows which help to support and drive procurement controls and procedures.

23 PECOS training sessions were delivered to requisitioners throughout FY 2016/17.

As a result of the training sessions there has been an increase of 479% spend through PECOS and as of 31st July 2017 there were 549 live suppliers on PECOS which represents a 152% increase from the number reported in 2015.

In previous years Inverness College UHI has processed minimal spend through the tool with the majority of spend going through the SUN finance system. To drive efficiencies and deliver value for money this issue was identified as a priority in the FY15/16 VFM report, over the last year the College has increased both the number of suppliers added to the system and the orders processed on PECOS, and decreased the orders through SUN. In addition to PECOS, Inverness College UHI also uses its finance system and RBS credit cards (No 3) to place orders for goods and services,

The tables below demonstrates the figures over the last 4 years;

PECOS

| Financial Year | Number of Orders Processed in PECOS | Total Order Value (excluding VAT) |
|----------------|-------------------------------------|-----------------------------------|
| 2013 / 2014 | 636 | £139,652 |
| 2014 / 2015 | 563 | £130,537 |
| 2015 / 2016 | 850 | £351,711 |
| 2016 / 2017 | 1456 | £1,686,062 |

SUN Financial System

| Financial Year | Number of Orders Processed in SUN | Total Order Value (excluding VAT) |
|----------------|-----------------------------------|-----------------------------------|
| 2013 / 2014 | 8010 | £1,311,919.37 |
| 2014 / 2015 | 5519 | £2,365,500.57 |
| 2015 / 2016 | 5534 | £1,978,773.31 |
| 2016 / 2017 | 560 | £423,180.30 |

| Financial Year | Sun system direct invoice payment (PI) | Total Value (excluding VAT) |
|----------------|--|-----------------------------|
| 2013 / 2014 | 8460 | £3,328,454.27 |
| 2014 / 2015 | 9865 | £5,693,673.66 |
| 2015 / 2016 | 12970 | £9,116,191.43 |
| 2016 / 2017 | 4723 | £8,442,669.82 |

Credit Card Spend

| Financial Year | Value |
|----------------|------------|
| 2013 / 2014 | £68,528.82 |
| 2014 / 2015 | £43,184.72 |
| 2015 / 2016 | £86,451.00 |
| 2016 / 2017 | £75,502.00 |

The % of the total College spend placed through PECOS appears relatively low at 16%, however this does not take account of the expenditure in SUN which does not require purchase orders eg unitary charge payments and utilities charges. After adjusting for these which total £4,476,224, the spend placed through PECOS rises to 28%. This is lower than we would want and so the Finance team will continue to promote electronic ordering. The implementation of the new finance system will streamline the processes by all purchase orders being produced electronically. This year there has been a decrease in the credit card spend against 2015/16 figures.

- Ensure that all contract information is placed on the Hunter database to ensure that all contracted spend is captured and reported on;

The Procurement Reform (Scotland) Act 2014 has placed an obligation on the College to keep and maintain a contract register for all regulated procurement which must be made publicly available.

The College continues to use the sector tool called Hunter to record not only regulated but unregulated contracts. This allows the college to not only capture savings achieved through tender activity but also create a forward contracting plan to ensure a more planned approach is taken when procuring the college requirements. All sector contracts registers are published on the APUC website and can be accessed via a link published on the college website.

- E-invoicing requirement is to be in place by Nov 2018

Scottish Government recognise that there is compelling evidence that eInvoicing saves money for both public bodies and suppliers. It is generally the last part of the Purchase to Pay (P2P) cycle that has not been automated. The processing or dealing with invoices is a manual, labour intensive process. Each paper invoice requires time-intensive, error-prone, manual processing for both buyers and suppliers.

The European Commission has included specific provisions for eInvoicing within the revised EU Public Procurement Directives, which requires the college to provide an eInvoicing facility for suppliers, initially by Nov 2018, however APUC have negotiated an additional year for the sector.

Provision has been made within the new finance system to provide an eInvoicing module to meet the timelines, alternatively Scottish Government have a free solution that the college can access.

- Identify and train relevant staff in the use of PCS, Quick Quote, to ensure that procurement at all levels is managed appropriately and by members of staff who fare best placed to do so;

It was decided by the College that to ensure compliance with the regulations, all tendering through Public Contracts Scotland and would be administered by Procurement staff with support from APUC. Procurement staff have been trained on use of Public Contracts Scotland and continue to receive regular training updates.

- Work in conjunction with APUC to ensure that the College is well prepared for the PCIP due Q1-2017

All Public Sector bodies are required to be assessed under the Scottish Procurement & Commercial Improvement Programme (PCIP). PCIP focuses on College procurement policies and procedures and the results that they deliver.

The College annual procurement spend is less than £5M and therefore is subject to an Operational Procurement Review (OPR).

The College received guidance and support from APUC to prepare for the review and underwent the process on 21/02/2017.

The following recommendations were made by the assessors.

1. Whilst generally the procurement set-up in the college is good some concerns were raised regarding the long-term responsibility for procurement as the current post-holder's contract ends in the summer.

It is recommended that Hunter is used solely as the contracts register as this ensures all records of contracts are kept in one place and contains the correct information for the published register legally required under the Reform Act. eSolutions assistance is available if required.

2. Ensure that the strategies are aligned and incorporate the current VfM report with the annual report.

Include an action plan which will be reported on in the annual report

3. A review and understanding of resource requirements is needed to clearly demonstrate the gap and the risks associated with this.
4. Future audit on procurement would be recommended to ensure that standards are still being met. This should be considered to become part of a regular audit plan/strategy.
5. Efforts to capture both cash savings and sustainability benefit in recommendation reports should be made. This could something that is them summaries in annual report.

Recording sustainability benefits (BT14) is a sector-wide issue. Further guidance/support should be coming in 2017

6. College seems to be taking CSM seriously and everything is in place for formal management of contracts and suppliers. The process need time to embed before it is clear this is happening effectively.
7. Contract coverage >50% of potential influenceable spend and is evidenced by a contracts register and spend report or the eProcurement system.
Include the target as an annual report measure
8. Review the invoice payment rate and investigate ways to increase this
Review and monitor credit card spend to ensure purchasing is in line with policy.
Raise awareness of this with SMT as appropriate.

Tendering Activity 2016/17

The college has over 756 active suppliers with whom the University/College did business in the reporting period) and the total procurement influential expenditure was £8,649,211.33 (Note: £4,167,637.79 is attributed to GT Equitix Inverness Ltd. facilities management contract).

41 tender exercises with contract value of £781,465 have been completed with local savings of £105,544.44 achieved.

Savings are calculated and approved, using the Scottish Cross Public Sector Savings Methodology.

The College has been optimising use of national, sectoral, local or regional C1 collaborative contracts and frameworks. As well as bringing leverage based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly. 38% of the College spend went through collaborative agreements.

Collaborative savings of £118,746.00 have been achieved through national and regional exercises.

A detailed summary of all contracted procurement activity is set out in Appendix A. That information, coupled with the publication of the institutional Contracts Register and the systematic use of Public Contracts Scotland and Quick Quotes, provides complete visibility of the College's procurement activity over the reporting period.

Procurement and Value for money objectives 2017/18

Following the Scottish Government Operational Procurement Review at Inverness College in February 2017 the College agreed that in order to comply with the new procurement regulations and drive further efficiencies additional resource was required.

For 2017/18, the procurement team will consist of 1 FTE employed directly by Inverness College UHI and 1 FTE dedicated to Inverness College UHI employed through APUC.

The team will focus on the following objectives:

We will analyse spend, highlight risk and create a forward contracting plan to promote culture change from reactive to planned work.

We will support our procurement staff to develop and maintain their procurement knowledge in terms of best practice and legislation requirements by adopting a category management approach and participating in relevant training events.

We will educate all staff with devolved purchasing authority through effective communication streams and training events to increase compliance, achieve savings and reduce spend on direct invoice payment and credit cards.

We will support an ethos of effective contract management, adopting a pro-active approach to ensure optimum performance and service levels.

We will enhance our efficiency through effective engagement with our partners in both UHI, the wider education sector and the public sector in general to maximise collaboration opportunities.

We will ensure that sustainability criteria is reviewed as part of each tendering exercise and, where appropriate, evaluated and measured. Capture all sustainability benefits including fairwork practices achieved in regulated procurements through BT14 function on Hunter Database.

Participate in local meet the buyer events/Participate with local authorities on SME engagement events to communicate how to become part of Inverness College supply chain.

Drive efficiencies through evaluating whole life costs where relevant.

We will ensure GDPR requirement relating to procurement are assessed and actioned.

It is important to note that GDPR comes into effect in UK on 25 May 2018 and puts data subject rights at the forefront and emphasises that data subjects continue to 'own' data. It applies to processing of data in the EU, whether the data subject is an EU citizen or not, and to data concerning an EU citizen processed out-with the EU. This means that any institution working with any EU based organisation or who has EU staff or students will need to comply and be able to demonstrate that they meet the requirements.

Fines for non-compliance are set in 2 tiers with the maximum based on 4% of global turnover or €20 million for tier 2 breaches and 2% or €10 million for tier 1. The highest levels are most likely to be used in cases of total systemic control failure and where no or not enough attention has been paid to properly collecting, processing and managing data.

The Chartered Institute of Procurement and Supply recently published that it is believed that 80% of information breaches impacting organisations occur in or through organisations' supply chains. The current approach to data protection in supply chains, is, under current legislation, covered through contract clauses. However, under GDPR, that will not meet the legal requirement, with application of appropriate assessment and due diligence to external suppliers that either handle data or have access to systems being the minimum required to establish any degree of defence against a fine under the GDPR for a breach in the supply chain.

This means that institutions' supply bases need to be assessed for GDPR relevance, then suppliers that are relevant need to be assessed based on the risk profile with changes to contractual arrangements, action plans and ongoing contract management being adapted accordingly to these suppliers and their sub-suppliers as appropriate.

Appendix A - Table of Tender Activities

APPENDIX A - TABLE OF TENDER ACTIVITIES

| Contract Ref | Contract Name | Value | Contract Award Date | Procurement Route (Local Collab / Local / National Framework) | e-Tool (None / PCST / Quick Quote / PCS) | Savings |
|----------------------|---|--------------------|---------------------|---|--|--------------------|
| CS-IC-1096 | Communication Support - Face to Face Sign Language Interpretation | £27,236.00 | 07-Sep-16 | Local - Only 1 quote received | Quick Quote | £0.00 |
| CS-IC-1097 | Electrical Installation Laptop Trolley - Martin Robertson | £4,536.00 | 03-Aug-16 | | | £0.00 |
| CS-IC-1099 | External Signage (Aimee Gunn) | £7,850.59 | 09-Nov-16 | National | None | £1,665.78 |
| CS-IC-1101 | Walkie Talkies Radio System | £13,272.00 | 05-Apr-17 | Local | None | £2,166.50 |
| CS-IC-1102 | Conducting Externally Facilitated Effectiveness Reviews | £5,136.60 | 05-Dec-16 | National | Quick Quote | £742.27 |
| CS-IC-1103 | Garage Equipment for Calibrating | £616.50 | 11-Oct-16 | Local - Single Tender | None | £0.00 |
| CS-IC-1104 | Snow Clearing and Gritting Services | £12,500.00 | 17-Oct-16 | Local - Contract Extension | None | £0.00 |
| CS-IC-1106 | Professional Staff - Director of Corporate Services | £7,200.00 | 21-Dec-16 | National | Quick Quote | £1,700.00 |
| CS-IC-1107 | Lego Retail Products | £4,101.86 | 04-Nov-16 | Local | None | £0.00 |
| CS-IC-1108 | Supply & Delivery of Network-Attached Storage (NAS) Devices | £11,538.00 | 29-Nov-16 | National ITS4031 | Quick Quote | £388.37 |
| CS-IC-1109 | ReBOOT Secure ICT Equipment Recycling - Martin Robertson | £0.00 | | Local | None | £0.00 |
| CS-IC-1110 | CAPEX Project Architect Services & Associated Works | £11,650.00 | 10-Feb-17 | Local | None | £11,307.50 |
| CS-IC-1111 | Supply and Delivery of Desktop PC's and Monitors - Martin Robertson | £33,630.00 | 19-Jan-17 | National ITS5014 | Quick Quote | £500.00 |
| CS-IC-1112 | Second Hand Tractor | £40,000.00 | 24-May-17 | Local | None | £11,700.00 |
| CS-IC-1113 | Supply & Deliverb Clevertouch Displays | £22,998.56 | 07-Feb-17 | Local | Quick Quote | £540.23 |
| CS-IC-1114 | Enquiry Package for Local Catering Supplies - An Lochran Café | £9,724.00 | 09-Feb-17 | Local | Quick Quote | £0.00 |
| CS-IC-1115 | SSF - Tractor Trailer | £7,600.00 | 13-Feb-17 | Local | None | £916.00 |
| CS-IC-1116 | Portable SR2 Radio Station Package | £6,399.00 | 07-Feb-17 | Local - Single Tender | None | £0.00 |
| CS-IC-1117 | Midmills Porta Cabin Disposal Project | £21,800.00 | 16-Feb-17 | Local - Only 1 quote received | None | £0.00 |
| CS-IC-1118 | New Forklift | £29,480.00 | 31-Mar-17 | Local | None | £6,681.50 |
| CS-IC-1119 | Cars Vehicle Lease Agreement CCS RM 3710 | £33,164.64 | 10-Apr-17 | National | Quick Quote - Cancelled | |
| CS-IC-1120 | Mini Bus Vehicle Lease Framework Agreement CCS RM 3710 | £49,836.60 | 16-Jun-17 | National | Quick Quote | £1,876.40 |
| CS-IC-1121 | SSF Pick-up Truck | £19,165.00 | 31-Mar-17 | Local | None | £1,330.47 |
| CS-IC-1123 | Executive Recruitment - Principal & Chief Executive | £15,000.00 | 15-Mar-17 | National | Quick Quote | £2,250.00 |
| CS-IC-1124 | SFC FE Capital Funding - Combined Ground Maintenance + Snow Clearing/Gritting Equipment | £36,226.34 | 31-Mar-17 | Local | None | £619.79 |
| CS-IC-1126 | CAPEX Project 1 Joinery Workshop Cladding Frame | £40,000.00 | 24-May-17 | Local | None | £2,336.50 |
| CS-IC-1127 | CAPEX Project 2 New Wooden Store for Nursery | £36,237.00 | 18-Jul-17 | Local - Single Tender | None | £0.00 |
| CS-IC-1129 | CAPEX Project 4 SSF New Wood Chip Store | £105,978.70 | 05-Jun-17 | Local | None | £7,526.39 |
| CS-IC-1130A | New Prospectus Design Arrangements 2018-19 | £7,340.00 | 12-May-17 | Local | None | £445.50 |
| CS-IC-1130B | New Prospectus Printing Arrangements 2018-19 | £11,790.00 | 17-Aug-17 | National BA-PR1008 | Quick Quote | £718.61 |
| CS-IC-1131 | Supply and Deliver High Fashion Makeup Products - Lorraine McDonald | £5,240.20 | | Local | Quick Quote - Cancelled | £506.39 |
| CS-IC-1132 | News Paper Contract | £492.83 | 17-Aug-17 | Local - Single Tender | None | £0.00 |
| CS-IC-1155 | Sports & Outdoor Clothing Contract | £11,202.60 | 07-Aug-17 | Local | None | £1,230.00 |
| CS-IC-1158 | Chemical Storage (Aimee Cormack) | £5,775.00 | 31-Mar-17 | Local | None | £1,863.75 |
| CS-IC-1159 | SSF Safety Checks, Repairs & Servicing | £4,237.10 | 24-Apr-17 | Local - Single Tender | None | £0.00 |
| CS-IC-1161 | CPD Residential Training | £10,430.00 | 24-Jul-17 | Framework - Direct Award | Quick Quote | £0.00 |
| CS-IC-1162 | Safetycare Video Access Training | £4,500.00 | 29-Jun-17 | Local - Single Tender | None | £450.00 |
| CS-IC-1163 | One off Painting Contract | £21,547.00 | 26-Jul-17 | Local | None | £6,100.50 |
| CS-UHI-7807 By APUC | Media Monitoring | £3,000.00 | 19-Jul-17 | | PCS-T | £0.00 |
| CS-UHI-10152 By APUC | Internal Audit Services | £60,480.00 | 01-Aug-17 | National | | £31,306.00 |
| CS-UHI-8845 By APUC | Health & Safety Software for UHI | £22,553.00 | | National | PCS - Open Tender | £8,676.00 |
| | Committed Total | £781,465.12 | | | Total Savings | £105,544.44 |

Board of Management

| | |
|---|---|
| Subject/Title: | Health and Safety Report Quarter 1 2017-18 |
| Author: [Name and Job title] | Lindsay Ferries, Director of Organisational Development |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 16 November 2017 |
| Brief Summary of the paper: | To provide the Audit Committee with a quarterly report on matters pertaining to health and safety |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Statutory Compliance Risk Management. Strategic Plan – Quality and Continuous improvement. |
| Resource implications: | No If yes, please specify: |
| Risk implications: | No If yes, please specify: Operational: Organisational: |
| Equality and Diversity implications: | No If yes, please specify: |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | |

ITEM 9

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

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

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

Health and Safety Report Quarter 1 2017-18

Executive summary

During Q1 of 2017-18 the reporting of incidents throughout the College in comparison with the same point last year has increased by 102% from 49 to 99.

As anticipated this has largely been down to the implementation of the SHE software system which is already proving to be a valuable resource for staff in the reporting of incidents. This is the first quarter reporting using data captured in the new system. The early learning and childcare centre are also utilising the reporting system to capture any incident involving the children at the nursery. Historically, reporting at the Nursery was held locally.

The policies and procedures section on the SHE portal is being added to on a regular basis and includes the H&S manual for the College. This is a live document which will continue to be updated to reflect any operational changes, legislative changes or best practice guides.

One area that has become an increasing cause for concern is the car parking at the College. To this end, work has started in identifying essential car park users and a range of management options to ensure proper usage and safety is being looked at. No decision has been made but options being looked at include the introduction of car park charging, a free car sharing scheme and a review of the drop-off area to ensure it works effectively.

RIDDOR

There has been 1 reportable incident during quarter 1.

RIDDOR 1

RIDDOR Notification No 046522A172

One of the estates officers injured his hand whilst moving a goods trolley with a colleague. The officer's hand got jammed between a door frame and the trolley. After a visit over to A&E to have hand examined the estates officer returned to work that day, however several days later, a small puncture wound which had not been picked up by his GP had become infected and subsequently the officer had to go into hospital for a small operation on his hand. This resulted in him being off work for more than seven days and although they had returned to work after initial injury, the incident was reported to HSE.

Other Significant incidents

- Student found to be in possession of a dangerous weapon. Police were called and the student has been charged. College security measures currently being reviewed.
- Child suffered severe epileptic fit at the Nursery which lasted approx. 9 minutes. Ambulance was called after 5min. The child was continually monitored by staff for

any changes in breathing until the ambulance arrived. Staff aware of his medical record and have been trained in paediatric first aid to effectively respond to his fits. This was the 3rd seizure that the child had suffered this quarter.

- Hot tap left on for a prolonged period in the performing art store, led to puddle of hot water on the floor. The steam from the hot water triggered the smoke detector and the College fire alarm was set off. Tap was turned off on visiting scene for first time so was a suspected leak initially rather than caused by user action. As a corrective measure non-concussive taps have been installed.
- Learney Red Rocks mountain bike trail. Student's foot slipped off pedal which contacted ground, leading to bike coming to sudden slide/stop. Students face hit a rock on the trail and the student suffered some minor cuts and grazes to their face. Student was wearing a bike helmet at the time. Risk assessment being reviewed.

Accident/Incident/Near miss Reporting QTR 1

| Accident/Incident/Near miss Reporting QTR 1 Summary Sheet | | | |
|--|-------------------|-------------------|--------------|
| | Q1 2016-17 | Q1 2017-18 | |
| No. of reports | 49 | 99 | |
| Comments: <ul style="list-style-type: none"> • Significant increase in reporting from Q1 last year • The increase in reports has been due to several factors: <ul style="list-style-type: none"> ➤ The Early Learning Childcare Centre reporting on all incidents involving the children in the nursery ➤ Awareness of staff in using the new online reporting system ➤ Ease of use of the reporting system • 87 out of the 99 incidents reported took place on College premises • 37 of the incidents noted were from the Nursery | | | |
| Quarter 1 Incident Severity | Minor | Moderate | Major |
| | 89 | 9 | 1 |
| Incidents by Locality | Total | | |
| Inverness Campus | 59 | | |
| SSOF | 2 | | |
| Nursery | 37 | | |
| Other | 1 | | |
| Who was involved | Q1 2016-17 | Q1 2017-18 | |
| Student | 20 | 46 | |
| Staff Member | 4 | 9 | |
| Member of the public | 1 | 1 | |
| Child | - | 36 | |
| Not Set | - | 7 | |
| Comment: Significant increase in child reports is due to the fact the Early learning and childcare Centre are reporting any incident involving a child through the SHE system | | | |

| Type of Incident | Total |
|---|-----------|
| UE (Undesired Event/Near Miss) | 38 |
| Property Damage | 10 |
| Theft | 2 |
| First Aid Case | 44 |
| MTC (medical treatment Case) | 5 |
| Definitions: | |
| <ul style="list-style-type: none"> • First Aid case - An injury for which an injured person requires treatment by a First Aider and returns to full duties • Medical treatment case - is an injured or sick person who requires treatment (more than First Aid) from a professional physician or qualified paramedic • Undesirable Event/Near miss – An event during which injury, ill health, loss of equipment/asset or death could have occurred, but didn't actually occur. | |

Risk Management

A risk consultation visit, as requested by our insurers RSA, was carried out on Tuesday the 31st of October by the risk consultancy firm RiskSTOP. The object of the review was to:

- Help the College extract the maximum value from our contract with RSA by applying best practice risk management.
- Ensure that RSA truly understands our business so they can help us do what we do best.
- Share expert knowledge and experience on loss prevention to protect our business goals.

We are still awaiting the report, but the initial feedback from the risk consultant was very positive.

H&S Management System – Update

The new H&S software system has been working extremely well. The system is now fully operational and is being used on a daily basis by staff for reporting any incidents, reporting hazards, accessing H&S policies and procedures and creating risk assessments.

Policy/Guidance/Method Statement Records

| Search: <input type="text"/> | | | | |
|------------------------------|--|-----------|--|--------------------------|
| Reference | Title | Category | Description | Details/Keyword Search |
| 1 | Combined Health and Safety Policy | Policy | Inverness College UHI combined health and safety Policy | Health and Safety Policy |
| 8 | Guidelines on College Minibuses | Guidance | Guidelines on use of college minibuses, including licence requirements and process for use of college minibus | |
| 9 | PEEP FORM | Form | This plan should be completed by a member of Academic Partner staff and reviewed periodically to ensure that any change in circumstances, which may affect safe evacuation, are taken into account and recorded. Please ensure that the Health & Safety Manager and Student Services are also notified. Copies to: • Student • Academic Partner Student Services, for the student's file. • Personal Academic Tutor • Estates and Campus Services Managers • Area Fire Marshals This plan details evacuation procedures to be followed for the named student in the event of fire. Separate evacuation procedures may apply in response to incidents relating to explosives, firearms and suspect packages. | |
| 10 | First Aid Procedure | Procedure | First Aid Procedure | |
| 11 | Work Placement H&S Checklist for Employers | Form | H&S Checklist to be completed by work placement employers | |
| 12 | Hand Safety Presentation | Guidance | Hand Safety Awareness Presentation | |
| 13 | College Fire Management | Procedure | Fire Management Procedure | |
| 14 | Guidance for Catering and Hospitality | Guidance | Publications relevant to catering and hospitality industries | |
| 15 | Health and Safety Manual | Guidance | This Manual is provided to help managers and employees achieve H&S objectives by providing core minimum advice and standards on a range of health and safety issues relevant to the College. It also shows where further advice and guidance can be obtained. In some cases Departments will have their own specific information that builds on the minimum standards set out in this Manual | |
| 16 | Student Placement Agreement Form | Form | Student work placement agreement form | |

Showing 1 to 10 of 11 entries

1 2 Next → Last

Health and Safety Training

The first course that has been rolled out to staff, using the Safetyhub online system was fire safety awareness. Below is the completion report thus far.

| Course | Number of users | Not Started | Still in Progress | Completed |
|------------------------------|-----------------|-------------|-------------------|------------|
| Fire Safety Awareness | 369 | 141 | 19 | 209 |

Again, the feedback from staff who have completed the training has been very positive. We have also been able to have not only the safety videos, but the assessments and learner guides available to teaching staff for use in curriculum, which has been greatly received.

Planning is ongoing with the staff development manager to finalise a H&S training matrix for all staff positions.

Fire Management

There have been 3 fire evacuations this quarter which were all false alarms.

- 27/09/2017 – Soldering fumes from Rm135 set off the smoke detector

- 06/10/2017 - Morrison Construction were spraying some ceiling tiles in room 118, they had covered the smoke detectors however the alarm still triggered
- 01/11/2017 – Smoke detector set off due to steam from hot water tap being left on.

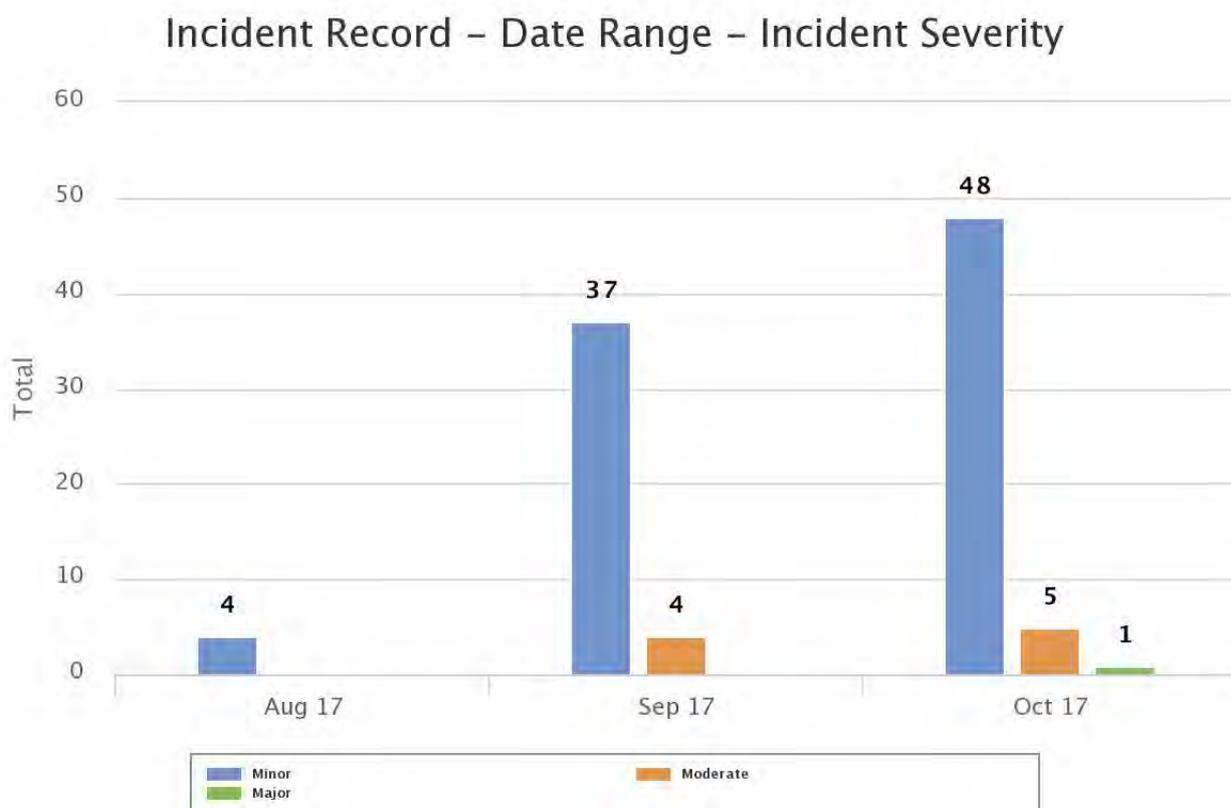
During each of the fire alarms noted above, the building was evacuated in a safe and controlled manner.

The college has now also received new radios which have been distributed to the appropriate personnel. This will allow our fire management team to communicate more effectively during an evacuation.

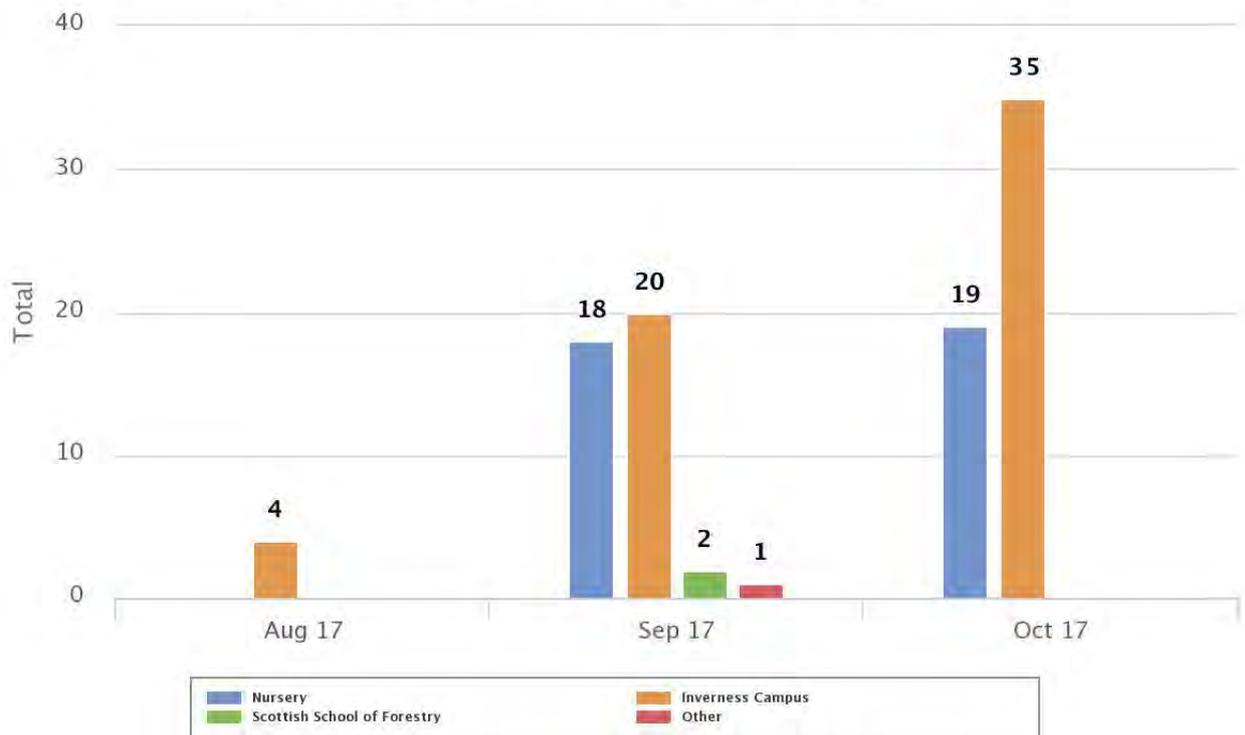
A fire drill was also carried out at the Nursery on the 1st of November. As a trial, instead of the Nursery using the assembly point towards the cycle path, the front of the Atrium was used as an assembly point. The nursery staff felt this was much safer for the kids and will provide shelter should an evacuation ever occur in adverse weather conditions.

All staff and children evacuated the nursery and assembled at the College within 6 minutes.

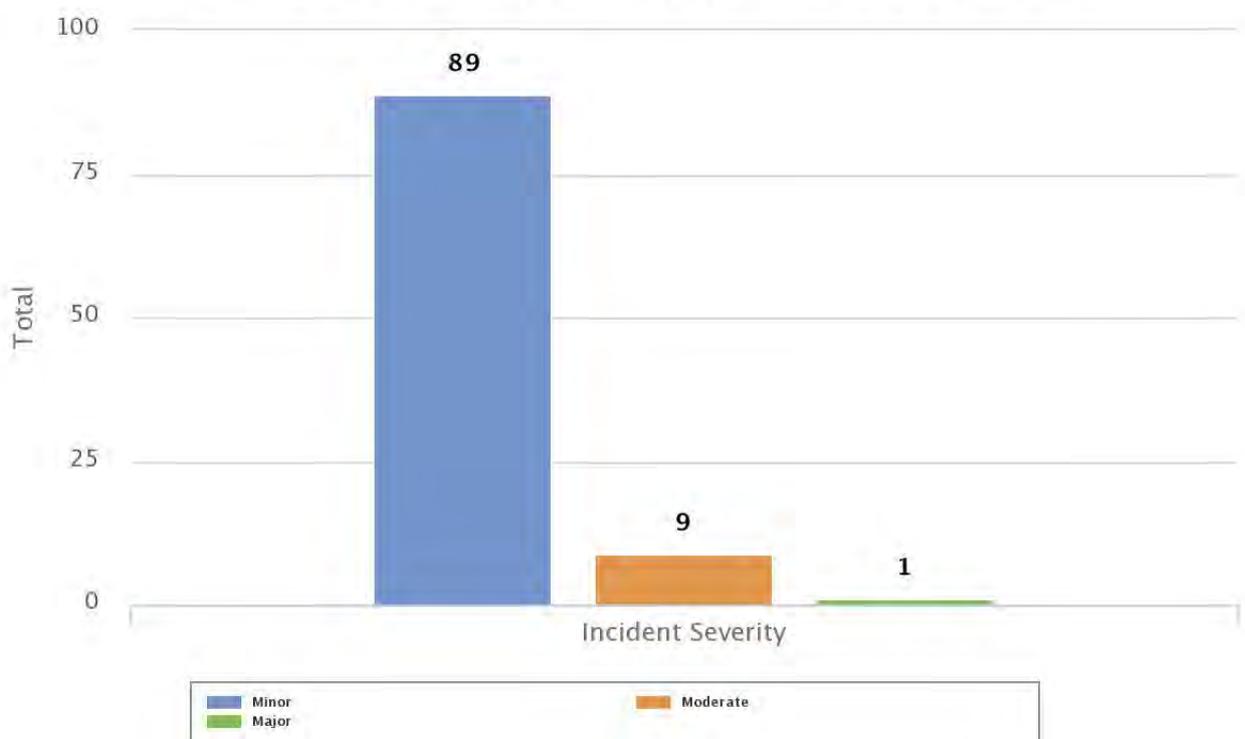
Appendix 1 H&S Stats



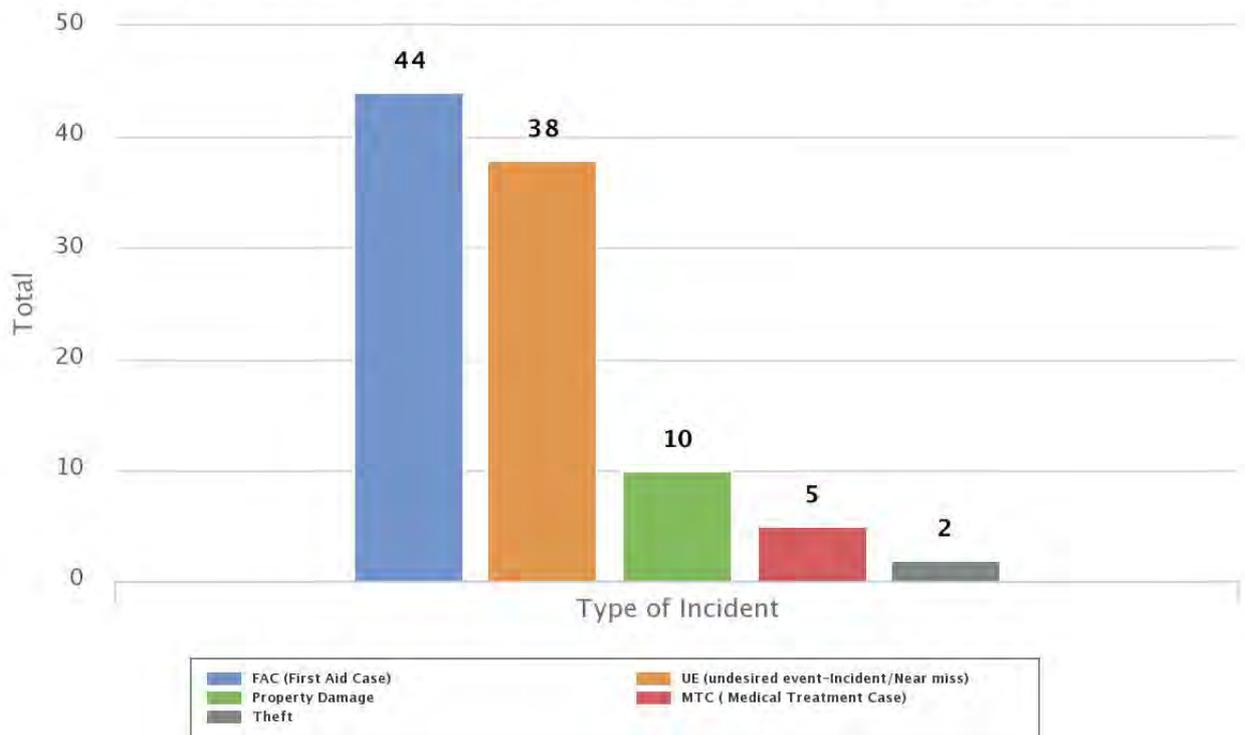
Incident Record – Date Range – Locality



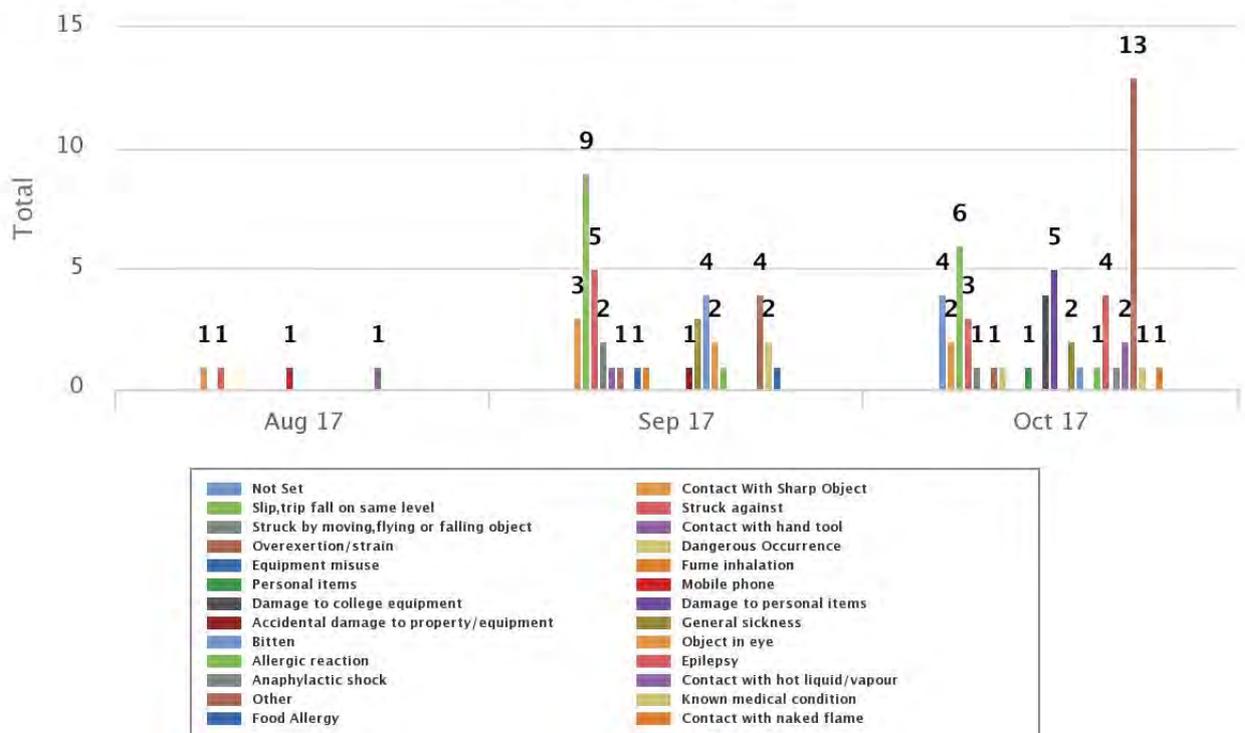
Incident Record – Count Values – Incident Severity



Incident Record – Count Values – Type of Incident



Incident Sub Type



Breakdown of Incident Sub Types

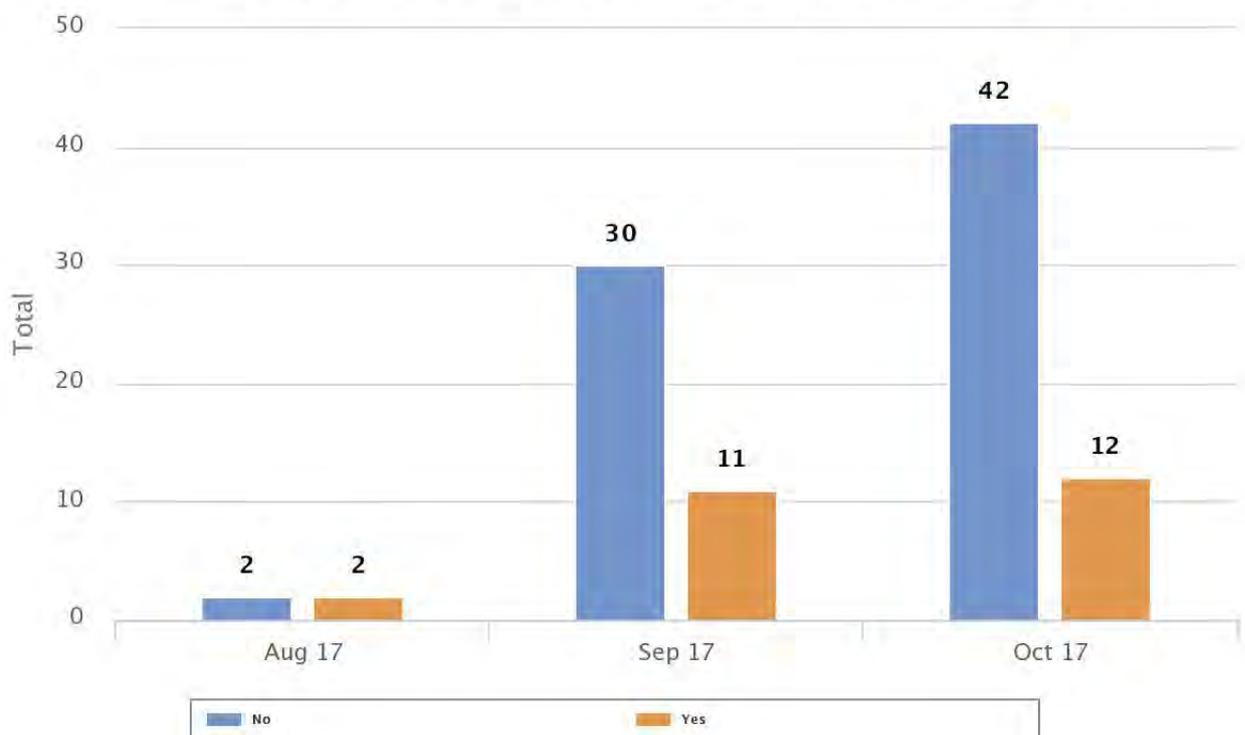
ITEM 9

| Incident Sub Type | Aug 17 | Sep 17 | Oct 17 |
|--|---------------|---------------|---------------|
| Not Set | 0 | 0 | 4 |
| Contact With Sharp Object | 1 | 3 | 2 |
| Slip, trip fall on same level | 0 | 9 | 6 |
| Struck against | 1 | 5 | 3 |
| Struck by moving, flying or falling object | 0 | 2 | 1 |
| Contact with hand tool | 0 | 1 | 0 |
| Overexertion/strain | 0 | 1 | 1 |
| Dangerous Occurrence | 0 | 0 | 1 |
| Equipment misuse | 0 | 1 | 0 |
| Fume inhalation | 0 | 1 | 0 |
| Personal items | 0 | 0 | 1 |
| Mobile phone | 1 | 0 | 0 |
| Damage to college equipment | 0 | 0 | 4 |
| Damage to personal items | 0 | 0 | 5 |
| Accidental damage to property/equipment | 0 | 1 | 0 |
| General sickness | 0 | 3 | 2 |
| Bitten | 0 | 4 | 1 |
| Object in eye | 0 | 2 | 0 |

ITEM 9

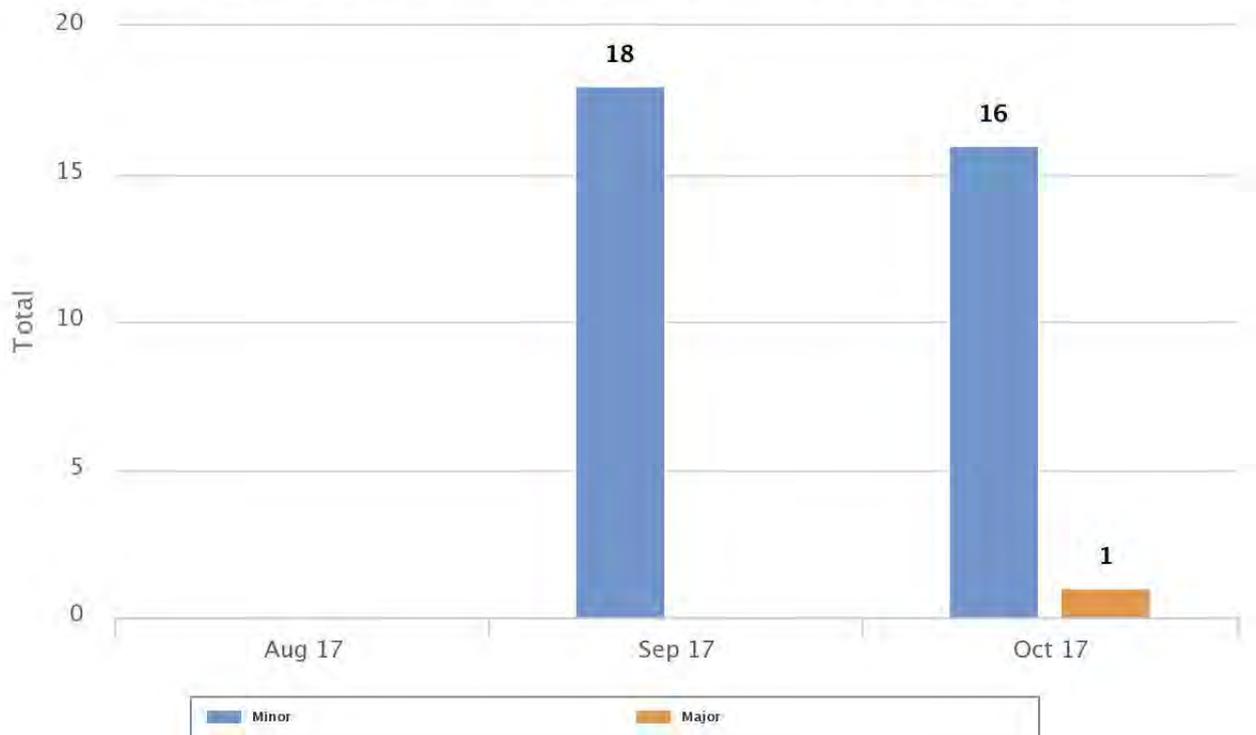
| Incident Sub Type | Aug 17 | Sep 17 | Oct 17 |
|--------------------------------|--------|--------|--------|
| Allergic reaction | 0 | 1 | 1 |
| Epilepsy | 0 | 0 | 4 |
| Anaphylactic shock | 0 | 0 | 1 |
| Contact with hot liquid/vapour | 1 | 0 | 2 |
| Other | 0 | 4 | 13 |
| Known medical condition | 0 | 2 | 1 |
| Food Allergy | 0 | 1 | 0 |
| Contact with naked flame | 0 | 0 | 1 |

Incident Record – Date Range – Was any treatment given?

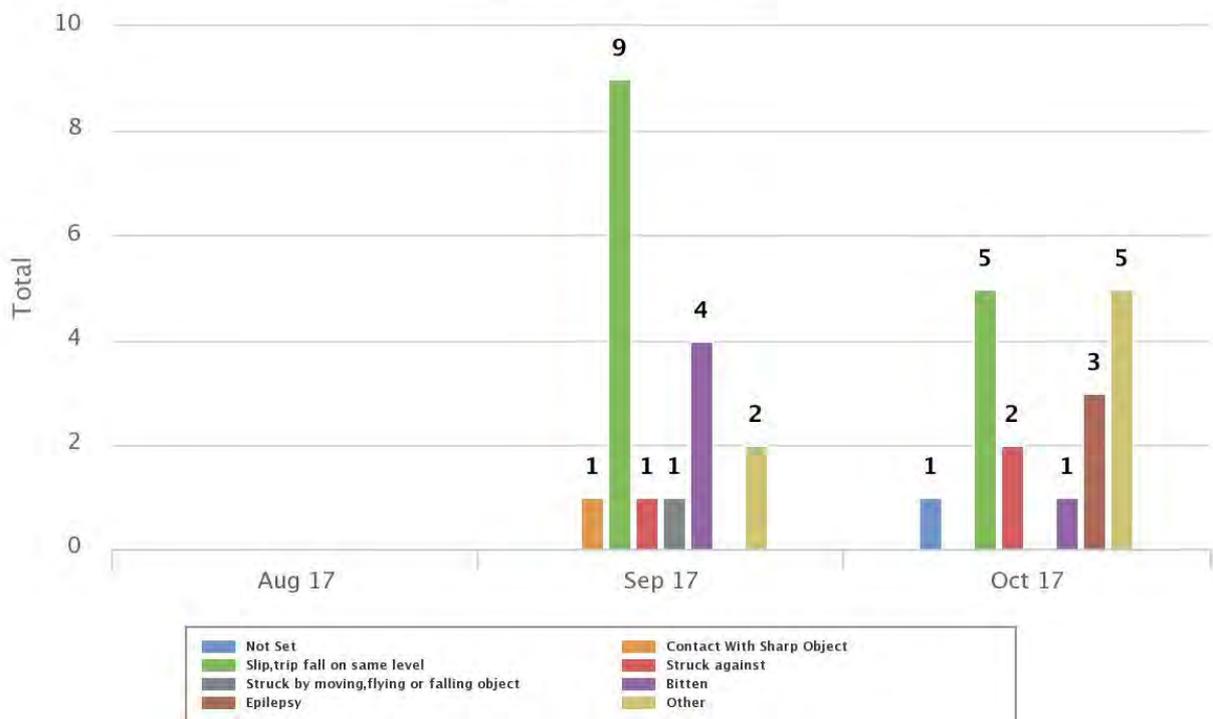


Early Learning & Child Care Centre

Incident Record – Date Range – Incident Severity



Incident Sub Type



Board of Management

| | |
|--|--|
| Subject/Title: | New Campus |
| Author: [Name and Job title] | Lindsay Ferries, Director of Organisational Development |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 16 November 2017 |
| Brief Summary of the paper: | To provide the Committee with an outline of the key issues pertaining to the disposal of Longman Site, management of the NPD contract and Campus issues. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Statutory Compliance Risk Management. Strategic Plan – Quality and Continuous improvement. |
| Resource implications: | Yes If yes, please specify: outlined in paper |
| Risk implications: | Yes If yes, please specify: outlined in paper |
| Equality and Diversity implications: | No If yes, please specify: |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | |

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

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

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

Board of Management

| | |
|--|---|
| Subject/Title: | GDPR |
| Author: [Name and Job title] | Lindsay Ferries, Director of Organisational Development |
| Meeting: | Audit Committee |
| Meeting Date: | 28 November 2017 |
| Date Paper prepared: | 21 November 2017 |
| Brief Summary of the paper: | To provide the Audit Committee with an update of our progress towards GDPR compliance including the recent Information Risk Review undertaken by ICO in October 2017. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Compliance with GDPR Risk management – safeguard information |
| Resource implications: | Yes If yes, please specify: management and staff time, all training in house or provided by police scotland free of charge. |
| Risk implications: | Yes If yes, please specify: Operational: Safeguard information. Organisational: reputation |
| Equality and Diversity implications: | Yes/No If yes, please specify: |
| 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 | | |
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GDPR

Information Security Check Up Project

An Information Security Check Up project was initiated last autumn to update relevant governance and controls to ensure the College was adhering to the latest standards and guidance with regards to Information Security.

The core of this project was to update and review the Information Security Management Systems (ISMS) and to carry out a Data Protection review across the College.

An ISMS (as documented in ISO/IEC 27001 Information Security Management Standard) is a system of policies, processes and technologies to safeguard the information and personal data the College is entrusted with, and needs to work with, on a daily basis. The ISMS does not just cover ICT or Data Controller roles, it is just important to ensure we have a secure building and recruit and train staff appropriately.

One of the first objectives of the project was to introduce mandatory training in Information Security and Data Protection for all staff. This was successfully rolled out over a 3 month period earlier this year, with new staff now required to undertake this training as part of their induction. More advance training was also rolled out to key data processors, such as system owners and managers, on the impact of GDPR and responsibilities of being a data owner. Meetings were also held with some support teams e.g. Admissions, Learner Admin and Guidance to explain the implication of GDPR. In addition to this activity, the Information Development Manager has recently completed training towards becoming a Certified Data Protection Officer (in relation to the new EU GDPR).

Other processes and documents updated or introduced include a new acceptable use policy, information transfer requirements, clear desk guidelines, social media guidelines and information asset owner guidelines as well as raising the profile generally of the need to keep data secure.

General Data Protection Regulation (GDPR) Compliance

Another key work stream in the Information Security Check-Up Project was to carry out a Data Protection audit/assessment at team level. To review how data is handled across the College to ensure the policies and procedures in place are being adhered to and to assure ourselves that personal data is only used and available to those that should have access, when and where required for legitimate purposes.

Student Data and Tertiary Retention Schedule

One of the key issues raised within the Information Security Check Up project was regarding the processing of student data. In particular, that the data within the Student Records system does not currently have a defined tertiary retention schedule. That is, it is not clear when student data should be deleted and which data, such as exam results, may need to be retained for longer periods. A UHI retention schedule is currently in place for Higher Education only, and academic partners have their own FE retention schedules.

Currently, there is no single or unified approach to managing the data in our student records system (SiTs).

Discussions are now on-going across the Partnership to create a Tertiary Retention Schedule for student data (academic administration initially) with a draft agreed by Inverness UHI, Perth UHI and Executive Office. Testing is now ongoing at LIS. The College focus now is pushing for the processes to be put in place to achieve both a data clean up exercise and an automated process for deletion of records that have reached their retention limit.

Internal Audits

In the context of this project several relevant internal audits have been carried out this year. An IT Network Arrangements and Data Protection Audit were undertaken by Henderson and Logie, both of which were give a “Good” level of assurance in meeting the expected control objectives of the audits, with no significant risk exposure.

The IT Network Arrangements covered the IT technologies, policies and processes in place and provided reassurance in the Information Security Management System being implemented. In summary it stated:

Overall, the College ICT team has a high awareness of the risks around IT network security. This is reflected in the control environment currently operating within the College, which demonstrates good practice in most areas.

The Data Protection Audit assessed the adequacy and effectiveness of the processes and procedures in place to ensure compliance with the Data Protection Act 1998, and also the College’s preparations for the implementation of the GDPR in May 2018. Again, the Good overall audit response, provided reassurance with the controls in place and work in progress with regards to GDPR compliance by May 2018.

Information Risk Review

On the 23 October we invited the Information Commissioners Office to undertake an ‘Information Risk Review’. This is a ‘critical friend’ approach which the ICO provide for organisations that request it on a voluntary basis. The outcomes are confidential and purely for each institution to take account of in the development of their action plans.

The outcome of this review was reported last week and identified 9 areas of good practice and 6 areas for improvement:

Areas for improvement suggested include:

- IC should develop an overarching Risk Management Policy.
- IC should develop a formal data protection impact assessment procedure for all new projects or changes to current processes that involve personal data. (in progress and reported previously)
- IC should develop refresher training in line with other mandatory training.(agreed refresher every three years in line with other mandatory training)
- Update incident management procedures and publicise to staff. (in progress and reported previously)

ITEM 11

- Introduce a standard form for reporting both manual and electronic information security incidents (incident reporting in SHE being reviewed/tested in light of the recommendation)
- Compliance testing/auditing of compliance in light of policies to ensure application and consistency of information security procedures and systems.

Once the full report is received this will be circulated to Board members.

Board of Management

| | |
|---|--|
| Subject/Title: | Cyber Resilience – Public Sector Action Plan |
| Author: [Name and Job title] | Lindsay Ferries - Director of Organisational Development |
| Meeting: | Audit Committee |
| Meeting Date: | Tuesday 28th November 2017 |
| Date Paper prepared: | 20 th November 2017 |
| Brief Summary of the paper: | To provide a high level briefing on impact of the Scottish Government Cyber Resilience Action Plan on the College and the planned response to this. |
| Action requested: [Approval, recommendation, discussion, noting] | Discussion |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | To ensure that our practice is aligned with national, sector and/or industry recognised standards and best practice, and to our values and commitments Risk Management |
| Resource implications: | No |
| Risk implications: | Yes If yes, please specify: Operational: May impact some working practices and make them less user-friendly. For example, password control policies may need strengthening. Organisational: Inability to comply may impact credibility |
| Equality and Diversity implications: | No |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | N/A |

| | | | |
|---|------------------|--|--|
| Status – [Confidential/Non confidential] | Non Confidential | | |
| Freedom of Information Can this paper be included in “open” business* [Yes/No] | Yes | | |
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Cyber Resilience

Executive summary

The Cyber Resilience Public Sector Action Plan is the Scottish Government's response to recent events to allow the Scottish public sector to take full advantage of the benefits of digital technologies while addressing the increasing threats and vulnerabilities. Scottish Government aims to work with public authorities to create a framework of controls and procedures. The aim being that by the end of June 2018, the public sector will contribute towards a safe, secure and prosperous Digital Scotland.

The Action Plan applies to all Scottish public bodies and the Wider Scottish Public Sector. Inverness College UHI as an institution and UHI as the Regional Strategic Body is therefore covered by the action plan.

The work on Cyber Resilience is managed by way of a UHI-wide project with Inverness ICT Services Manager a member of the UHI Cyber Resilience project team.

From an initial review by the project team of the working documents and drafts the actions required across the UHI are achievable. Progress at a local level in meeting these actions will be reported by the ICT Services Manager on a monthly basis to the project team and quarterly to the Audit Committee.

Cyber Resilience Public Sector Action Plan

Key actions from Cyber Resilience Action Plan and impact on the College:

| | ACTION | SUMMARY | IMPACT |
|---|---|---|---|
| 1 | Create a Scottish Public Sector Cyber Resilience Framework: | For all organisations to be cognisant of development of the Framework by the Scottish Government for completion in June 2018 | Review UHI wide, and local Information Security policies to ensure the recommendations and guidance in the Framework are in place |
| 2 | Governance | Board-level commitment to manage risks arising from cyber threat including regular risk reviews and reporting | UHI risk management in place. Need to review the reporting mechanisms in place from staff responsible for Information Security |
| 3 | CISP Membership | That public bodies responsible for managing their own networks become active participants in the Cyber Security Information Sharing Partnership (CISP), a secure social networking platform to exchange information of cyber security threats and vulnerabilities | None. UHI is already a member of the CISP and any guidance or vulnerability awareness is shared with ICT colleagues across the partnership. |

| | | | |
|---|---|--|---|
| 4 | Cyber Essentials Certification by the end of October 2018 (with a pre-assessment by March 2018) | <p>Cyber Essentials is an independently provided assurance that critical network controls are in place within an organisation. Those being:</p> <ol style="list-style-type: none"> 1. Boundary firewalls and internet gateways - these are devices designed to prevent unauthorised access to or from private networks, but good setup of these devices either in hardware or software form is important for them to be fully effective. 2. Secure configuration – ensuring that systems are configured in the most secure way for the needs of the organisation 3. Access control – Ensuring only those who should have access to systems to have access and at the appropriate level. 4. Malware protection – ensuring that virus and malware protection is installed and is it up to date 5. Patch management – ensuring the latest supported version of applications is used and all the necessary patches supplied by the vendor been applied. | <p>This is the core work of the Cyber Resilience project with actions already in place to engage a response partnership wide with funding in place to support this. There is risk of some operational impact from meeting these requirements, such as a more stringent password policy.</p> |
| 5 | Active Cyber Defence Measures | To be aware of, and implement appropriately, the National Cyber Security Centre's Active Cyber Defence measures (ACD) | Low impact. These are external network / internet services that will largely be managed by JaNET (our internet services provided) and / or the UHI wide area network services |
| 6 | Training and Awareness Raising | To ensure appropriate training is in place at all levels such as Board members, ICT administrators and staff | Low impact. IC is in a mature state with mandatory training in place for Information Security, but we will need to add periodic updates going forward and increase targeted training. |
| 7 | Incident Response | That a response plan is place for cyber incidents. Guidance | IC has an Information Security Incident |

ITEM 13

| | | | |
|---|---------------------------|--|--|
| | | is to be provided by the end of December 2017 to assist organisation with this. | Management Procedure that will need to be reviewed when this guidance is available |
| 8 | Monitoring and Evaluation | Public Bodies will be required to monitor meeting the key criteria of the Framework and report on this at both a working and Board level | None. |

Board of Management

| | |
|---|---|
| Subject/Title: | Complaints Report (1 st July 2017 – 31 st October 2017) |
| Author: [Name and Job title] | Liz Cook, Quality Manager |
| Meeting: | Audit Committee |
| Meeting Date: | 28 th November 2017 |
| Date Paper prepared: | 18 th November 2017 |
| Brief Summary of the paper: | Analysis of complaints year to date, covering Quarter 1 (1 st August 2017 to 31 st October) |
| Action requested: [Approval, recommendation, discussion, noting] | Noting |
| Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change | Paper assists with compliance as the College is required to monitor complaints as per SPSO requirements. |
| Resource implications: | No |
| Risk implications: | No |
| Equality and Diversity implications: | No |
| Consultation: [staff, students, UHI & Partners, External] and provide detail | None |

| | | | |
|---|------------------|--|--|
| Status – [Confidential/Non confidential] | Non-confidential | | |
| Freedom of Information Can this paper be included in “open” business* [Yes/No] | Yes | | |
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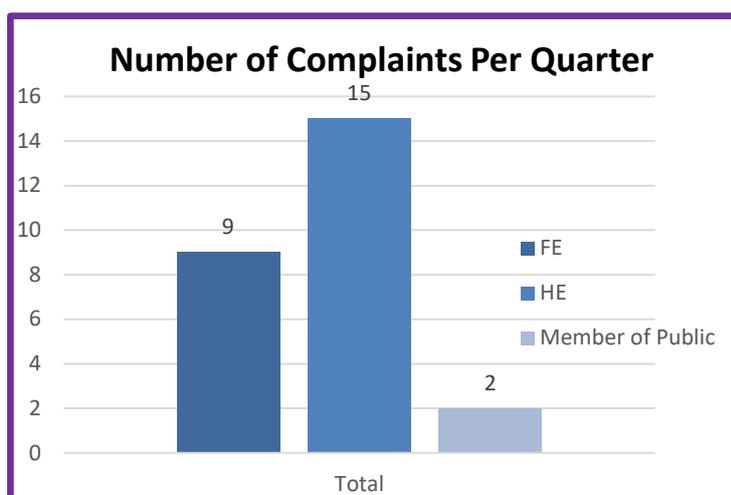
COMPLAINTS - QUARTERLY REPORT

Executive summary

Colleges are required to report quarterly complaints figures based on the reporting periods provided by the Scottish Public Services Ombudsman (SPSO). This report provides the Committee with an update for the first Quarter of the academic year 2017 - 18.

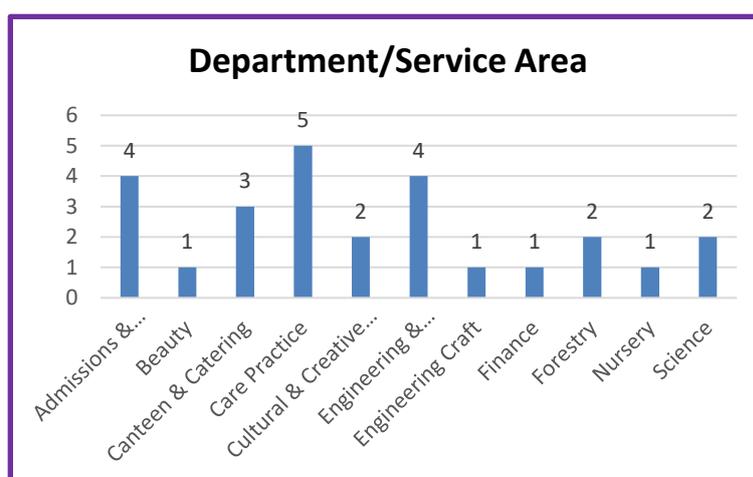
Background information

Number of Complaints



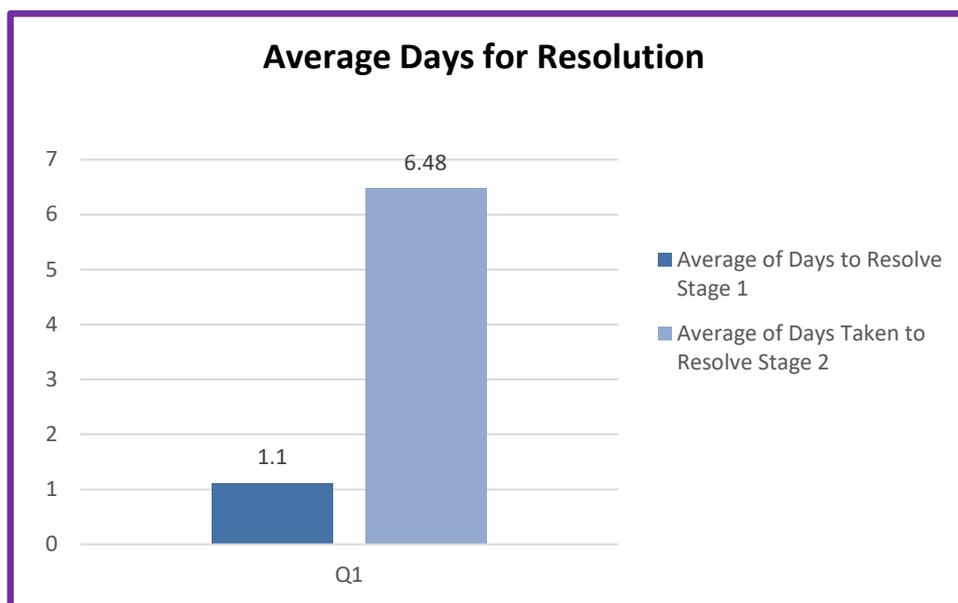
A total of 27 complaints were received in the first quarter of this year. One complaint was withdrawn as permission was not received in order to pursue the complaint.

In relation to mode of delivery, 57.7% relate to HE programmes, 34.6% relate to FE programmes and 7.7% complaints came from members of the public.



The chart above displays the area related to the complaint. Care Practice, Admissions and Funding, and Engineering and Building Technology have received the majority of complaints for this quarter.

Timelines



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

The range of days taken to resolve Stage 1 complaints is between 2 – 6 days. The range of days taken to resolve Stage 2 complaints is between 2 – 39 days.

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

Promotion of the timescales involved in complaint responses has been raised with relevant managers in order to ensure future compliance.

To date, Inverness College UHI has not had any complaint appeals upheld by the SPSO.

Complaint Outcomes

| Outcome | Stage 1 | Stage 2 | Total |
|----------------------------|---------|---------|-------|
| Not upheld | 2 | 5 | 7 |
| Partially upheld | 1 | 8 | 9 |
| Upheld | 5 | 5 | 10 |
| Withdrawn / Non-complaints | 1 | | 1 |

It can be seen that 38.5% of the complaints in Quarter 1 have been upheld. 34.6% complaints have been partially upheld. This is following the trend seen last year in relation to multi-faceted complaints, with issues raised across a number of areas across college.

Category of Complaint

| Customer Category | Q1 |
|--|-----------|
| C1: Customer Care | 7 |
| C1S01: Health & Safety | 0 |
| C1S02: Security | 0 |
| C1S03: Diversity&Equality | 0 |
| C1S04: Data Protection | 0 |
| C1S05: Environmental | 0 |
| C1S06: Staff Conduct | 5 |
| C1S07: Student Conduct | 0 |
| C1S99: Other | 2 |
| C2: Applications, Admission, Progression | 8 |
| C2S01: Marketing | 0 |
| C2S02: Application, Admission, Interview, Enrolment, Induction | 5 |
| C2S03: Progression, Articulation, Withdrawal | 3 |
| C2S99:Other | 0 |
| C3: Course Related | 5 |
| C3S01: Learning & Teaching | 2 |
| C3S02: Environment/Resources | 0 |
| C3S03: Course Management | 0 |
| C3S04: Facilitated Learning & Support | 0 |
| C3S05: Assessment, Exams & Certification | 2 |
| C3S99: Other | 1 |
| C4: Services | 1 |
| C4S01: Finance | 1 |
| C4S02: Funding / Bursary | 0 |
| C4S03: Student Records | 0 |
| C4S04: Providing Learning Support | 0 |
| C4S05: Library / Learning Technology | 0 |
| C4S06: Quality etc. | 0 |
| C4S99: Other | 0 |
| C5: Facilities | 3 |
| C5S01: Catering | 3 |
| C5S02: Student Accommodation | 0 |
| C5S03: Maintenance, Lifts, Car Parking | 0 |
| C5S99: Other | 0 |
| C6: Others | 2 |
| C6S01: Others | 2 |
| C6S99: | 0 |
| TOTAL | 26 |

A spike (30.8%) in category C2 Applications, Admission, progression was experienced in the early part of Quarter 1. A judgement could be made that the number of complaints in this area is not unusual given the time of year. Individual teams' identify measures to improve service at a local level; however, it will be important to draw any learning from the complaints received across college. This will be actioned through relevant management committees.

Complaints in the Customer care (27%) and course related (19%) categories were the other main areas where complaints were received.

Other Activity

The complaints process was highlighted to students as part of their induction programme and during Fresher's Fayre. The process is also highlighted as part of the student feedback cycle displayed on the second floor.

Complaint training took place with two specific areas, to ensure a relevant context could be explored and shared. The training was well received by those involved.