

## Joint Meeting of Audit Committee and Finance and General Purposes Committee

On Tuesday 26 November 2019

At 1.00 pm in AGBC106 and thereafter in the Board Room

### A G E N D A

Number	Item	Presented By	Action Required: Decision, Discussion, For Noting
<b>A.19.4.01</b>	1.00 – 1.30 pm, Closed Session AGBC106	Audit Committee Members and External Auditors	
	1.30 Board Room	All	
<b>A.19.4.02</b>	(i) Resignations	Clerk	Noting
	(ii) Appointments		
<b>A.19.4.03</b>	Apologies for Absence	Clerk	Noting
<b>A.19.4.04</b>	Any Additional Declarations of Interest including specific items on this Agenda	Convenor	Noting
<b>A.19.4.05</b>	Draft Minutes of Audit Committee meeting held on 8 October 2019 *	Convenor	Decision
<b>A.19.4.06</b>	Draft Matters Arising/Action Sheet from Audit Committee meeting held on 8 October 2019 *	Clerk	Noting
<b>A.19.4.07</b>	Risk Register *	Mr D Duncan	Discussion and noting
<b>A.19.4.08</b>	Internal Audit	Henderson Loggie	
	(i) Annual Report for 18/19 from Internal Auditors – Henderson Loggie *	Mr Stuart Inglis/ Mr David Archibald	Noting
	(ii) Final Moray College Student Support Funds Report 2018-19 *		
	a. Moray College EMA Annual Report 2018-19 *		
	b. Moray College Signed EMA Audit Report 2018-19 *		

	c. Signed Moray College Audited Student Support Funds Return 2018-19 *		
	d. Final Moray College UHI Credits Report 2018-19		
	(iii) Internal Audit Plan and Scopes for 19/20 * including timeline plan		Review and agreement
<b>A.19.4.09</b>	Annual Report for 18/19 from External Auditors (RESERVED) ~	EY	Noting
<b>A.19.4.10</b>	Review of 18/19 Statutory Accounts (RESERVED) *	Mr D Patterson	Review and Discussion
<b>A.19.4.11</b>	GDPR Update *	Mr D Duncan	Noting
<b>A.19.4.12</b>	Policies		
	(i) Update on Review of College Policies *	Mr D Duncan	Noting
<b>A.19.4.13</b>	Efficiency Return from the College to RSB/ SFC	Mr D Paterson	
<b>A.19.4.14</b>	Compliance with the Code of Good Governance (RESERVED)*	Mr D Patterson	Noting
	(i) Review of checklist *		
	(ii) Feedback from Principal on Code of Good Governance Checklist		
<b>A.19.4.15</b>	Emerging Issues	Convenor	Discussion
	(i) Feedback on FD Recruitment	Mr D Patterson	Noting
<b>A.19.4.16</b>	Date of next meeting – 18 February 2020	Clerk	Noting
<b>RESERVED ITEMS</b>			
<b>A.19.4.17</b>	Draft Reserved Minutes from Audit Committee held on 8 October 2019*	Convenor	Decision
<b>A.19.4.18</b>	Draft Reserved Matters arising from Audit Committee held on 8 October 2019 *	Clerk	Noting
<b>A.19.4.19</b>	Draft Annual Report from the Audit Committee to the Board ~	Convenor	Discussion
<b>A.19.4.20</b>	Feedback from UHI Audit Chairs' meeting	Convenor	Discussion

**BOARD OF MANAGEMENT**

**Audit Committee  
Draft Minutes of Meeting  
held on  
Tuesday 8 October 2019  
at 1.30 pm in the Boardroom**

Present: Dr J McLeman (Convener)  
Mrs D Newton  
Mrs D McKinstrey  
Mr G Johnston  
Mr K Gee (HISA)

In attendance: Mr N Clinton  
Mr D Duncan  
Mr S Reid (via audio conference) (Ernst Young)  
Mr S Inglis Henderson Loggie (HL)  
Mrs C Fair (Clerk)

		<b>ACTION</b>	<b>DATE</b>
<b>Closed Session</b>	<b>A closed session was held from 1.00 – 1.30 pm with members of the Committee and internal and external auditors to discuss internal audit matters.</b>		
<b>A.19.3.01</b>	<b>Resignations and Appointments</b>		
1.1	Resignations were received from: Ms Manon Wells Jesus HISA Mrs El Melton had commenced her maternity leave. Appointments: the following new Co-opted members were welcomed to the Committee: Mrs Dawn McKinstrey Mr Grenville Johnston		
<b>A.19.3.02</b>	<b>Apologies for Absence</b>		
2.1	Apologies for absence had been received from: Ms Grace Scanlin Mr D Archibald		
<b>A.19.3.03</b>	<b>Any additional Declarations of Interest including specific items on Agenda</b>		
3.1	Mr S Inglis, Henderson Loggie declared an interest in Agenda Item A.19.3.17 – Update on future internal audit provision and Mr S Reid declared an interest in A.19.3.16 – Draft Response to letter from EY to those charged with Governance.		
<b>A.19.3.04</b>	<b>Draft Minutes of Meeting of the Audit Committee held on 21 May 2019</b>		

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		<b>ACTION</b>	<b>DATE</b>
4.1	The minutes were accepted as a true and accurate record and approved by the Committee: Proposed: Mrs D Newton Seconded: Dr J McLeman		
<b>A.19.3.05</b>	<b>Matters Arising/Action Sheet from meeting of Audit Committee on 21 May 2019</b>		
	Mrs Fair confirmed the status of the actions arising the majority of which had been completed and closed or were on the Agenda for discussion. The following actions remain open:		
5.1 <b>Action</b>	<u>5.3</u> – Issue of whether a Whistleblower Policy or equivalent exists for students remains outstanding. Mr Kyle Gee to take over this action and report back to Committee with support from Mr Duncan.	<b>Mr Gee</b> <b>Mr Duncan</b>	November 2019 Audit Committee
5.2	<u>5.4</u> - Check on current arrangements for reporting and monitoring theft. It was agreed to follow up in February Audit Committee	<b>FD</b>	Feb 2020 Audit
5.3	<u>5.5</u> - OSCR Return to be on Agenda for future May Audit meetings and factored into Board/Committee Plan.	<b>FD</b> <b>Mrs Fair</b>	May 2020 Audit, Committee Board Plan
5.6	6.1 - Review of Terms of Reference of the Audit Committee – Remains outstanding – proposed revised TORs to go to October Board	<b>Mrs Fair</b>	Oct Board
5.7	<u>7.1</u> -To check whether timing of reports can be changed, in turn to allow earlier reporting to UHI; – checked and change was not possible this year, matter to be discussed further at Nov meeting of Audit Chairs.	<b>Dr McLeman</b>	Nov meeting Audit Chairs
5.8	<u>7.2</u> – Dr McLeman to raise scope for collaboration on compliance framework matters at next Audit Chairs’ meeting.	<b>Dr McLeman</b>	Nov Audit Chairs’ meeting.
5.9	<u>9.1.3</u> – EY to provide template for annual paper on fraud remains outstanding. Mr S Reid to follow up.	<b>Mr S Reid</b>	November 2019 meeting
5.10	<u>10.2</u> Quality Assurance and Improvement – progress report remains outstanding due to Brightspace issues. Follow up in Feb Audit Committee.	<b>Mrs N Yoxall</b>	Feb 2020 Audit
5.11	<u>12.1.2</u> - Merit of separating risks into key area by relevant committee to be raised at Board – remains outstanding.	<b>Dr McLeman</b>	Oct Board meeting
5.12	<u>12.3.1</u> - Reflect further with UHI on compliance framework and bring back to Feb meeting with a possible framework. Mr Duncan and Mr Clinton to discuss with Mr Sendall.	<b>Mr Duncan</b>	Feb 2020 meeting
5.13	<u>13.1.2</u> - OSCR Return submission to be a standing item on May Audit Committee agenda going forward.	<b>Mrs Fair</b>	May 2020 meeting.
<b>A.19.3.06</b>	<b>Risk Register</b>		
	(i) <b>Risk Register</b>		

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		<b>ACTION</b>	<b>DATE</b>
6.1.1	<p>The Committee noted that the updated Management Information Reporting was not deemed to be acceptable, as it did not meet the needs of Management, Committees and Boards. Mr Roger Sendall has asked for feedback on what is required. In the meantime, the Committee had reverted back to the spreadsheet reporting. It was noted that recently added risks included</p> <ul style="list-style-type: none"> <li>• Brexit (Moray 28)</li> <li>• Revision of Risk (Moray 20) Financial failure/operating loss. Inability to achieve a balanced budget.</li> </ul> <p>Mr Clinton was able to advise the Committee that there is no requirement to publish the Risk Register on the College website. The Committee noted that the main risks are published in the annual statutory report.</p>		
<b>Action</b>	Comments on Management Information requirements to Mr Clinton by 29-10-2019	<b>Committee</b>	29-10-2019
<b>Action</b>	Dr McLeman will raise at the next Audit Chairs' meeting	<b>Dr McLeman</b>	Nov Audit Chairs' meeting
6..1.2	The Committee suggested it would be beneficial to see historical movement of risk over a period and a historic tab would be beneficial for this.		
<b>Action</b>	To circulate the Risk Process as well as Risk categories to the Committee given the refreshed membership.	<b>Mrs Fair</b>	Immediate
6.1.3	The Committee noted that Estates Management is still a very high-risk area despite recent capital funding. Although £1.3 million was spent, £30M still needed for campus redevelopment. Succession planning also a high-risk area and needs further reflection. Workforce Planning a potential for internal Audit, discussed further below.		
<b>Action</b>	Any further feedback on the Risk Register was requested from Committee.	<b>Committee</b>	ASAP
	<b>(ii) Deep Dive into Staff Training</b>		
6.2.1	A paper was presented to the Committee providing an overview of all staff training including mandatory staff training and development run in the calendar year 2019. It was noted that the College invested additional financial resources in its staff development budget C£50K this year and additionally for the first time was able to claim £15K towards staff development under the provision of Flexible Workforce Development Fund. Recent Internal Audit reports also contained recommendations re training.		
6.2.2	The Committee reviewed a summary of the staff development activities over the period. The Committee		

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		<b>ACTION</b>	<b>DATE</b>
	queried instances of non-attendance at Mandatory training, and the risk implications.		
<b>Action</b>	It was suggested that the paper be circulated to the Chair of Staff Governance and the subject reported to the Staff Governance Committee.	<b>Mrs Fair</b>	Nov SGC
<b>Action</b>	It was suggested that SGC be provided with an annual update on staff development activities, noting the Audit Committee will see the report from the SGC to the Board;	<b>Mrs Thomson</b>	Annually
6.2.3	It was noted that previous deep dives included IT and Health and Safety.		
<b>Action</b>	To circulate slides on IT and Internal Audit Report on Health and Safety to new Committee members.	<b>Mrs Fair</b>	Immediate
6.2.4	The Committee thanked Mrs Thomson's team whilst expressing concern about lack of attendance in compulsory training areas.		
<b>A.19.3.07</b>	<b>Internal Audit</b>		
	<b>(i) AY18/19 Progress and 19/20 Plan</b>		
7.1.1	An Internal Audit Progress Report had been circulated against the 18/19 Plan. It was noted that Health and Safety, Quality Assurance and Payroll had gone to the May Committee. HL are currently in the process of undertaking the annual Credits and Student Support Funds Audit. There are some record keeping issues in respect of providing evidence of student progress impacting the Credits Audit, and, whilst still a work in progress, HL are hoping for a speedy clarification and resolution.		
7.1.2	The views of the Committee were sought on what the Audit priorities should be for the forthcoming year and a discussion took place around the options presented. After consideration the Committee agreed on the following: <ul style="list-style-type: none"> <li>• Health and Safety Follow Up;</li> <li>• Workforce Planning;</li> <li>• Curriculum Planning and Development;</li> <li>• Budgetary Control; and</li> <li>• Corporate Planning Follow Up and Corporate Governance as a Combined audit.</li> <li>• The above plan assumes that the Board is not proposing to undertake an External Board Evaluation this academic year.</li> </ul>		
<b>Action</b>	HL to produce a detailed supported plan for November Audit based on the above.	<b>HL</b>	Nov Audit Committee
<b>Action</b>	To check that Board is not proposing to conduct an external evaluation this academic year.	<b>Dr Mcleman</b>	October Board
	<b>(ii) Final Procurement Report</b>		

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		<b>ACTION</b>	<b>DATE</b>
7.2.1	The report had previously been circulated to the Committee in June. The overall findings were a mix of Satisfactory and Good with an overall result of Satisfactory; 4 recommended actions were as outlined in the report. Recommendations included ensuring an Annual Procurement Report is provided to SLT and the F&GP Committee, ensuring appropriate procurement training to staff, introduction of an NCA form and associated process and implementation of procurement non-compliance reporting.		
7.2.2	The Committee were pleased to note the overall position in relation to compliance with procurement process.		
<b>Action</b>	APUC Procurement Report to College last week in October to be circulated to SLT and then to F&GP meeting in November;	<b>Mrs Fair</b>	Oct SLT, F&GP in Nov.
<b>Action</b>	Forward Internal Audit Procurement Report to Murray Easton	<b>Mrs Fair</b>	Immediate
<b>Action</b>	Follow up with Mr Easton which F&GP meeting the Annual Report from the College on Procurement should be tabled, as set out in the audit recommendation;	<b>Mrs Fair</b>	Immediate
	<b>(iii) Audit Register Review</b>		
<b>7.3</b>	An update was provided to the Committee on the current status of the Audit Register. It was noted that 6 recommendations remain outstanding related to Risk Management, Health and Safety and Procurement of which HL were able to confirm that 3 were now completed and awaiting sign-off. There was a request that the deadlines for completion of the 2 outstanding health and safety recommendations be deferred to 31 January 2020 and the Committee agreed to this revised date. One recommendation in relation to Risk Management remains outstanding due to circumstances outwith the control of the College, namely a UHI-wide IT matter.		
<b>7.3</b>	The Committee were reminded that an Annual Report on Health and Safety needs to be completed for November SGC and the December Board.		
<b>Action</b>	To ensure Annual Report on Health and Safety is presented to November SGC and December Board meeting.	<b>Mr D Patterson</b>	Dec Board
	<b>(iv) Consideration of Input to UHI Internal Audit Plan</b>		
7.4	Jason Thurlbeck has asked whether the Committee has any suggestions for topics for UHI Internal Audit, such as on matters where there are dependencies affecting the College.		

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		<b>ACTION</b>	<b>DATE</b>
<b>Action</b>	Any suggestions for topics for UHI internal Audit to be forwarded to Dr McLeman	<b>Committee</b>	22-10-2019
<b>A.19.3.08</b>	<b>External audit – verbal status updated</b>		
8.1	This item is reserved and the minute held in confidence.		
<b>A.19.3.09</b>	<b>Review of Fraud matters</b>		
	<b>(i) National Fraud Initiative Update and final submission</b>		
9.1.1	An NFI final update paper was circulated which was a follow up to the paper provided to the May Audit. This concluded that there were no instances of fraudulent activity identified which provides a good level of assurance to the Committee. The Committee also noted the low ratio of queries/matches returned (ie c 0.3% of the data submitted).		
9.1.2	EY explained that part of the external audit report will cover the Colleges participation in the NFI.		
<b>Action</b>	The Committee were asked to provide feedback on the Self Appraisal checklist Annex A.	<b>Committee</b>	22-10-2019
	<b>(ii) Annual Paper on Fraud</b>		
9.2.1	In addition to the assurance to the Committee by the NFI exercise, Mr Clinton reported that the SLT is unaware of any instances of non-compliance with regards to relevant laws and regulations during AY18-19.		
<b>Action</b>	Annual Paper on Fraud to be a standing item to October Audit Committee. Await template from Grace Scanlin EY, as per action at 5.9 above.	<b>Mrs Fair</b>	October 2020 Audit and annually
<b>A.19.3.10</b>	<b>College Policies</b>		
	<b>(i) Update/summary on status of review of College Policies</b>		
10.1	Committee were advised Mr Duncan has been working to bring policies up to date. There had been a very ambitious plan last year including the implementation of regional policies through the single policy environment. A Policy schedule update was provided which highlighted the policies for review in 2019-20 and Policies currently on hold with reasons provided. It was acknowledged that some financial policies are currently out of date and there are a number of HR policies due for review. The Committee noted the much-improved position from last year.		
<b>Action</b>	To copy Mr Duncan’s paper to Chairs.	<b>Mr Duncan Mrs Fair</b>	Immediate
	<b>(ii) GDPR Status Report</b>		
10.2	This item is reserved and the Minute held in confidence.		
<b>A.19.3.11</b>	<b>Audit Committee Planning</b>		



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		<b>ACTION</b>	<b>DATE</b>
	<b>(i) Audit Committee's Terms of reference and alignment to Committee's workplan</b>		
11.1	It was suggested a workplan be developed as a matrix matched to the Committee's terms of reference, to ensure the responsibilities of the Committee were underpinned.		
Action	Mr Clinton's successor to develop this for February Audit Committee	FD	Feb 2020 Audit
	<b>(ii) Audit Committee's Annual Report to the Board</b>		
11.2	Last year's Annual Report to the Board was circulated as a point of reference and it was noted the next report will be required for the Joint meeting with F&GP on 26 November 2019.		
Action	Mrs Fair to coordinate the draft report, for input from Dr McLeman prior to it being circulated to the Committee;	<b>Mrs Fair, for input from Dr McLeman</b>	ASAP
<b>A.19.3.12</b>	<b>Reports from Auditor General on Colleges and Universities</b>		
12.1	Both reports from the Auditor General on Colleges and on Universities, had been circulated for information. The College has acted in line with the Recommendations to College Boards; and while there are no specific recommendations applying on higher education, the essence of the recommendations have similar considerations.		
<b>A.19.3.13</b>	<b>Emerging Issues</b>		
	<b>(i) Meeting of UHI Audit Chairs November 2019</b>		
13.1	It was noted that at the last meeting there was a discussion of risks and inter-dependencies across the partnership. Dr McLeman will raise the items noted here for discussion at the next meeting.		
	<b>(ii) Arrangements to support the work of the Committee</b>		
13.2.1	In the absence of an FD in the coming period, it was acknowledged that Mrs Fair has a co-ordinating role in relation to following up on any actions and planning the Agenda, with input from the Principal as appropriate.		
13.2.2	The Committee formally thanked Mr Clinton for his support to the Committee and wished him well in the future.		
<b>A.19.1.18</b>	<b>Date of next meeting – 26 November 2019</b>		
<b>RESERVED ITEMS</b>			
<b>A.19.3.08</b>	<b>External Audit – verbal status update</b>		
8.1	This item is reserved and the minute held in confidence.		
<b>A.19.3.10</b>	<b>GDPR Status Report</b>		
10.1	This item is reserved and the minute held in confidence.		

Agenda Item: A.19.4.04

		<b>ACTION</b>	<b>DATE</b>
<b>A.19.3.14</b>	<b>Draft Reserved Minutes from Audit Committee held on 21 May 2019</b>		
14.1	This item is reserved and the minute held in confidence.		
<b>A.19.3.15</b>	<b>Draft Reserved Matters arising from Audit committee held on 21 May 2019.</b>		
15.1	This item is reserved and the minute held in confidence.		
<b>A.19.3.16</b>	<b>Draft Response to letter from EY to those charged with Governance.</b>		
16.1	This item is reserved and the minute held in confidence.		
<b>A.19.3.17</b>	<b>Update on future internal audit provision</b>		
17.1	This item is reserved and the minute held in confidence.		
	<b><i>Meeting closed at 1740 hours</i></b>		

Matters Arising from Audit Committee 8-10-2019  
Agenda item: A.19.4.05

		<b>ACTION</b>	<b>DATE</b>	<b>Update</b>
<b>A.19.2.05</b>	<b>Matters Arising/Action Sheet from meeting Audit Committee 21 May 2019</b>			
5.1	<u>5.3</u> Issue of whether a Whistleblower Policy or Equivalent exists for students remains outstanding. Mr Kyle Gee to take over this action and report back to Committee with support from Mr Duncan	<b>Mr Gee</b> <b>Mr Duncan</b>	Nov 2019 Audit Committee	Followed up with Derek and Kyle on 13-11-2019
5.2	<u>5.4</u> - Check on current arrangements for reporting and monitoring theft. It was agreed to follow up in February Audit Committee.	<b>FD</b>	Feb 2020 Audit committee	Carried forward to Feb 2020
5.3	<u>5.5</u> - OSCR return to be on Agenda for future May Audit meetings and factoring into Board/Committee Plan	<b>FD</b> <b>Mrs Fair</b>	May 2020 Audit Committee and Board Plan	Completed
5.4	<u>6.1</u> - Review of Terms of Reference of the Audit Committee – remains outstanding – proposed revised TORS to go to October Board	<b>Mrs Fair</b>	October Board	Completed on Board agenda for 16-12-2019
5.5	<u>7.1</u> - To check whether timing of reports can be changed, in turn to allow earlier reporting to UHI; - checked and change was not possible this year, matter to be discussed further at Nov meeting of Audit Chairs	<b>Dr McLeman</b>	Nov Audit Chairs' meeting	
5.6	<u>7.2</u> – Dr McLeman to raise scope for collaboration on compliance framework matters at next Audit Chairs' meeting.	<b>Dr McLeman</b>	Nov Audit Chairs' meeting	
5.7	<u>5.9</u> – EY to provide template for annual paper on fraud – remains outstanding. S Reid to follow up.	<b>Mr S Reid</b>	Nov 2019 Audit Committee	Completed – sent to Nick on 22-5-2019
5.8	<u>5.10</u> – Quality Assurance and improvement – progress report remains outstanding due to Brightspace issues. Follow up in Feb Audit committee	<b>Mrs N Yoxall</b>	Feb 2020 Audit	Carried forward to Feb 2020
5.9	<u>5.11</u> – Merit of separating risks into key area by relevant Committee to be raised at Board	<b>Dr McLeman</b>	Oct Board meeting	Agreed by Board – Send Risk Register to other Committees
<b>A.19.3.06</b>	<b>Risk Register</b>			

Matters Arising from Audit Committee 8-10-2019  
Agenda item: A.19.4.05

6.1.1.1	Comments on Management information requirements to Mr Clinton by 29-10-2019	<b>Committee</b>	29-10-2019	Dawn provided feedback. On Agenda for Audit Chairs
6.1.1.2	Dr McLeman will raise at the next Audit Chairs' meeting	<b>Dr McLeman</b>	Nov Audit Chairs' meeting	On Agenda for Audit Chairs' meeting
6.1.2	To circulate the Risk Process as well as Risk categories to the Committee given the refreshed membership	<b>Mrs Fair</b>	Immediate	Completed
6.1.3	Any further feedback on the Risk Register was requested from Committee	<b>Committee</b>	ASAP	Feedback received from Dawn
	<b>(ii) Deep Dive into Staff Training</b>			
6.2.2.1	It was suggested that the paper be circulated to the Chair of Staff Governance and the subject reported to the Staff Governance Committee	<b>Nov</b>	NOV SGC	Completed
6.2.2.2	It was suggested that SGC be provided with an annual update on staff development activities, noting the Audit Committee will see the Report from the SGC to the Board	<b>Mrs Thomson</b>	Annually	This happens at every SGC with a Report from Officer to Committee (CT)
6.2.3	To circulate slides on IT and Internal Audit Report on Health and Safety to new Committee members	<b>Mrs Fair</b>	Immediate	Completed
<b>A.19.3.07</b>	<b>Internal Audit</b>			
	<b>(i) AY18/19 Progress and 19/20 Plan</b>			
7.1.2.1	HL to produce a detailed supported plan for November Audit based on the above	<b>HL</b>	Nov Audit Committee	Completed and on Agenda
7.1.2.2	To check that Board is not proposing to conduct an external evaluation this academic year.	<b>Dr McLeman</b>	October Board	Confirmed – 2021
	<b>(ii) Final Procurement Report</b>			
7.2.2.1	APUC Procurement Report to College last week in October to be circulated to SLT and then to F&GP meeting in November	<b>Mrs Fair</b>	Oct SLT Nov F&GP	Completed

Matters Arising from Audit Committee 8-10-2019  
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7.2.2.2	Forward Internal Audit Procurement Report to Murray Easton	<b>Mrs Fair</b>	Immediate	Completed
7.2.2.3	Follow up with Mr Easton which F&GP meeting the Annual Report from the College on Procurement should be tabled, as set out in the audit recommendations.	<b>Mrs Fair</b>	Immediate	On agenda for 26-11-2019 F&GP
	<b>(iii) Audit Register Review</b>			
7.3.2	To ensure annual Report on Health and Safety is presented to November SGC and December Board meeting.	<b>Mr D Patterson</b>	Nov SGC Dec Board	Dec Board
	<b>(iv) Consideration of Input to UHI Internal Audit Plan</b>			
7.4.1	Any suggestions for topics for UHI Internal Audit to be forwarded to Dr McLeman	<b>Committee</b>	22-10-2019	
<b>A.19.3.09</b>	<b>Review of Fraud matters</b>			
	<b>(i) National Fraud Initiative Update and final submission</b>			
9..1.2	The Committee were asked to provide feedback on the Self Appraisal checklist Annex A.	<b>Committee</b>	22-10-2019	Feedback received
	<b>(ii) Annual Paper on Fraud</b>			
9.2.1	Annual paper on fraud to be a standing item to October Audit Committee. Await template from Grace Scanlin EY as per action at 5.9 above.	<b>Mrs Fair</b>	October 2020 Audit and annually	Carried Forward to Oct 2020 Audit Template forwarded to Nick on 22-5-2019
<b>A.19.3.10</b>	<b>College Policies</b>			
	<b>(i) Update/summary on status of review of College Policies</b>			
10.1	To copy Mr Duncan's paper to Chairs	<b>Mr Duncan Mrs Fair</b>	Immediate	Completed
<b>A.19.3.11</b>	<b>Audit Committee Planning</b>			
	<b>(i) Audit Committee's Terms of Reference and alignment to Committee's workplan</b>			
11.1.1	Mr Clinton's successor to develop this for February Audit Committee	FD	Feb 2020	Carried Forward to Feb 2020

Matters Arising from Audit Committee 8-10-2019

Agenda item: A.19.4.05

	<b>(ii) Audit Committee's Annual Report to the Board</b>			
11.2.1	Mrs Fair to co-ordinate the draft report, for input from Dr McLeman prior to be being circulated to the Committee	Mrs Fair for input from Dr McLeman		First draft forwarded to Dr McLeman
<b>A.19.3.13</b>	<b>Emerging Issues</b>			
	<b>(i) Meeting of UHI Audit Chairs November 2019</b>			
13.1	Dr McLeman will raise the items noted here for discussion at the next meeting.	Dr McLeman	Nov Audit Chairs' meeting	

Cover Paper – Review of Risk Register  
Agenda Item A.19.4.07



<b>Committee:</b>	Audit Committee			
<b>Subject/Issue:</b>	Review of Risk Register			
<b>Brief summary of the paper:</b>	<p>An updated Risk Register (“RR”) is enclosed for the Committee’s attention.</p> <p>Risk entries updated since the last committee are highlighted below.</p> <p><u>Increasing Risk Items:</u></p> <ul style="list-style-type: none"> <li>• Moray/20 - Financial failure/operating loss. Inability to achieve a balanced budget.</li> </ul> <p><u>Decreasing Risk Items:</u></p> <ul style="list-style-type: none"> <li>• Moray/22 - Academic quality is sub standard</li> <li>• Moray/24 - Research outputs are sub standard</li> <li>• Moray/01 – Ineffective curriculum planning (College + Region)</li> <li>• Moray/08 - Ineffective delivery of essential skills</li> <li>• Moray/09 - Growth in Modern &amp; Foundation Apprenticeships not achieving target.</li> <li>• Moray/10 - Senior Phase programme offered/delivered does not meet needs of Moray (schools programme)</li> </ul> <p>Moray/20 remains with a residual risk of 20 in light of the on-going budget challenges.</p>			
<b>Action requested/decision required:</b>	Feedback from Audit Committee on the current position of the Risk Register.			
<b>Status:</b> <i>(please tick ✓)</i>	<b>Reserved:</b>	X	<b>Non-reserved:</b>	
<b>Date paper prepared:</b>	20 <sup>th</sup> November 2019			
<b>Date of committee meeting:</b>	26 <sup>th</sup> November 2019			
<b>Author:</b>	Director of Information, Planning and Student Support			
<b>Link with strategy:</b> Please highlight how the paper links to, or assists with: compliance partnership services				

Cover Paper – Review of Risk Register  
Agenda Item A.19.4.07

risk management strategic plan/enabler other activity (e.g. new opportunity) – please provide further information.	
<b>Equality and diversity implications:</b>	N/A
<b>Resource implications:</b> <i>(If yes, please provide detail)</i>	N/A
<b>Risk implications:</b> <i>(If yes, please provide detail)</i>	That key risks to the College are not captured and suitable mitigating actions put in-place.



Cover Paper – Review of Risk Register  
Agenda Item A.19.4.07

**INTRODUCTION**

The College Risk Register update from the UHI SharePoint system is attached as an Excel Spreadsheet, as highlighted in the previous update to the committee.

No further discussions have taken place with the Roger Sendall (UHI) regarding the central risk management tool, but the College will continue to support any development work and ensure committee member feedback is considered.

**COMMENTARY**

Moray/20 remains a key focus as on-going discussions take place regarding the 2019/20 budget challenges.

The decreasing areas of risk are reflective of good progress in terms of:

- Development of a College Curriculum Strategy
- Enhancements to Quality Assurance processes
- Implementation of a UHI Essential Skills Policy and associated local action planning activities
- Academic partnership development with Schools partners and regional work in terms of Modern and Foundation apprenticeships.

**ACTION REQUIRED**

The committee is invited to discuss the risk register items.

# Moray College UHI

**Annual Report to the Board of Management and  
Chief Executive on the Provision of Internal Audit  
Services for 2018/19**

**Internal Audit Report No: 2019/08**

**Draft issued: 8 November 2019**

**Final issued: 20 November 2019**

**Final reissued: 22 November 2019**



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# Annual Report and Opinion

## Introduction

- 1.1 We were re-appointed in November 2016 as internal auditors of Moray College UHI ('the College') for the period 1 August 2016 to 31 July 2019. This report summarises the internal audit work performed during 2018/19.
- 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 2016/17 (internal audit report 2017/01, issued February 2017). The ANA was prepared following discussion with the Principal and other members of the College Senior Management Team, and from a review of previous internal and external audit reports and other College documents. The ANA was based on the College's own Risk Register and also the risk prompt list for higher education institutions issued as a guide by the Higher Education Funding Council for England (HEFCE). 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 three-year cycle, and this was approved by the Audit Committee, together with the ANA, at its meeting on 15 March 2017.
- 1.3 The proposed annual operating plan for 2018/19 shows a number of changes to the allocation set out in the Strategic Plan 2016 to 2019. Following discussion at the Audit Committee meetings on 22 May 2018 and 9 October 2018:
- the planned reviews of Curriculum (Essential Skills), Corporate Governance and Data Protection have been removed from the 2018/19 plan;
  - these have been replaced by a review of Quality Assurance and Improvement, which was originally proposed to be carried out in 2017/18 but removed from that plan, and a review of Payroll; and
  - in addition, the days allocated for a review of Procurement and for Follow-Up reviews have both been increased by one.
- 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 and the work planned for next year 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 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. MHA Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a high 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 independent MHA review conducted in March 2019 included our internal audit service. This was a comprehensive independent review of our internal audit function as required every five years by PSIAS. Overall the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.

### Significant Issues

- 1.10 Internal audit report 2019/04 - Health and Safety was graded as 'Requires Improvement'. This report highlighted specific control weaknesses around the need to finalise the work initiated by the College to develop a training matrix to identify the minimum training requirements for each job role, which can then be used to identify gaps in staff H&S training needs and assist in developing job specifications for staff recruitment. We also identified the need for an annual programme of curriculum and support department H&S workplace inspections (to carried out in conjunction with trade union H&S representatives) and the opportunity for improved reporting of H&S matters to the Board of Management in order to provide assurance or highlight work ongoing to address any gaps in existing H&S arrangements.
- 1.11 All other work in 2018/19 assessed systems as 'Satisfactory', or provided an unqualified opinion on College returns, and there were no significant issues identifying major internal control weaknesses arising from our internal audit work carried out. In general, procedures were operating well in the areas tested, but a number of areas for further strengthening were identified and action plans have been agreed to address these issues.

## Opinion

- 1.12 In our opinion, with the exception of the issues highlighted in paragraph 1.10 above, 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 2018/19 and in prior years since our first appointment in 2011/12.

# Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2019/01	Annual Plan 2018/19	N/A	N/A	N/A	N/A	N/A
2019/02	Payroll	Good	-	-	-	-
2019/03	Quality Assurance	Satisfactory	-	-	-	-
2019/04	Health & Safety	Requires Improvement	3	-	2	1
2019/05	Procurement	Satisfactory	4	-	-	4
2019/06	2018/19 Student Activity Data	N/A	4	-	2	2
2019/07	Student Support Funds	N/A	1	-	-	1

Overall gradings are defined as follows:

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

Recommendation grades are defined as follows:

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



## Summary of Results and Conclusions

**2019/01 – Annual Plan 2018/19**

**Final Issued – November 2018**

The purpose of this document is to present for consideration by the Audit Committee the annual operating plan for the year ended 31 July 2019. The plan is based on the proposed allocation of audit days for 2018/19 set out in the Audit Needs Assessment and Strategic Plan 2016 to 2019 (Report 2017/01, issued February 2017), which was presented to the Audit Committee and approved at its meeting on 15 March 2017.

The outline scope, objectives and audit approach for each audit assignment to be undertaken were arrived at following discussion with responsible managers in each audit area.



## 2019/02 – Payroll

This audit considered the key internal controls in place over the College’s spend on staff costs of approximately £10 million per annum. Our audit covered the procedures in place within both the Human Resources and Finance functions.

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

### Strengths

For a sample of employees and reports tested we confirmed that:

- Gross pay had been correctly calculated, and rates agreed to details held in the HR system and deductions had also been correctly calculated.
- Employer national insurance and employer superannuation contributions had been correctly calculated.
- All part-time lecturers, overtime and travel payments tested had been correctly input into the payroll system and were authorised by an appropriate member of staff.
- All changes to employee standing data had been appropriately made to the HR / Payroll system and were checked and verified.
- Starters and leavers had entered and left the payroll system at the correct date with all details entered correctly.
- Payments are properly authorised by the Director of Finance and one other member of the Senior Management Team.

### Weaknesses

- No significant weaknesses were identified during our review.

Final Issued – 30 April 2019

Overall grade: Good

<b>The objective of the payroll aspect of the audit was to obtain reasonable assurance that systems are sufficient to ensure:</b>	
1. Correct calculation of gross pay and deductions.	<b>Good</b>
2. Correct calculation of employer national insurance and superannuation contributions.	<b>Good</b>
3. Part-time lecturers, overtime and travel & subsistence payments are properly authorised.	<b>Good</b>
4. Approval and checking of changes to employee standing data.	<b>Good</b>
5. Starters and leavers are properly treated and enter and leave the systems at the correct dates.	<b>Good</b>
6. Proper authorisation, processing and recording of payments.	<b>Good</b>
<b>Overall Level of Assurance</b>	<b>Good</b>

## 2019/03 – Quality Assurance and Improvement

The scope of this audit was to review compliance with the College's new quality procedures and review the progress the College is making to implement the actions identified within its 2017/18 Enhancement Plan.

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

### Strengths

- A Quality Cycle is in place and is being followed for the 2018/19 session.
- The mechanisms described in the EREP 2017/18, such as surveys; focus groups; employer and industry liaison; and class representative meetings are being utilised.
- All curriculum and support teams produced a self-evaluation summary report as part of the process for developing the EREP 2017/18. We noted that the format of the reports covered the specific HGIOC? Quality Indicator prompts which are included in the guidance issued by the SFC.
- The Endorsement Board has assessed and signed off on all curriculum and support area self-evaluation and enhancement plans, including endorsing a grade for each area.
- We noted that there are appropriate procedures in place for development of the EREP which encourage departments to scrutinise course performance through self-evaluation and identify further areas for improvement. Procedures also allow for scrutiny and challenge of results at several stages, including within teams at a departmental level; review of departmental self-evaluation summaries by the Head and Deputy Heads of Curriculum or by relevant members of the Strategic Leadership Team (SLT) for support areas; and final review of departmental self-evaluations and plans by the Endorsement Board.
- The Endorsement Board contains an appropriate cross-section of curriculum and support staff, members of the SLT, representation from the student association (HISA) and members of the Board which reflects the ethos of HGIOC? in terms of improving student and stakeholder engagement in the evaluation process.
- The College is playing a key role in the development of a UHI regional approach to Further Education quality management and governance.
- Overall, staff interviewed during our review spoke positively of the changes made to the College's approach to quality procedures, recognising both the need for change and the desired outcomes.

Final Issued – 17 April 2019

Overall grade: Satisfactory

<b>The objective of our audit was to obtain reasonable assurance that:</b>	
1. The College's quality procedures are being adhered to in key areas.	<b>Satisfactory</b>
2. Progress is being made with implementation of the actions identified on the College's Enhancement Plan.	<b>Good</b>
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>

## 2019/03 – Quality Assurance and Improvement (Continued)

### **Strengths (Continued)**

- The College is making progress with all actions included in the EREP 2017/18.

### **Weaknesses**

- No significant issues were noted during our review. We noted that although the College is making better use of attendance and student achievement data (to identify early warning indicators of under-performance at a course level and for individual students) staff would benefit from having access to real-time information to enable teams to monitor the current position and to be more responsive to any identified issues. We noted that a new database reporting tool is currently in development that should provide a solution to this issue. We understand that the reporting tool is expected to be available for the start of the 2019/20 academic session.

## 2019/04 – Health & Safety

As part of the Internal Audit programme at the College for 2018/19 we carried out a review of the College's Health & Safety (H&S) arrangements. The Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

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

### Strengths

- Our review of the H&S gap analysis and proposal prepared by the external H&S consultant in 2018 noted that, at the time of our audit, the College was on track to implement key actions within the timescales identified in the proposal. Progress on implementing the actions is reported monthly to the Director of Finance, who in turn updates the SLT. Updates are then provided to the H&S Committee prior to passing onto the Staff Governance Committee and ultimately the Board.
- There is also regular reporting of progress being made in addressing H&S weaknesses to the H&S Committee, consisting of members of the SLT and managers and staff from throughout the College, which meets quarterly to consider H&S issues.
- The College has a H&S Policy and detailed procedures for key H&S activities. The external H&S consultant is continuing to review these across the College to ensure that they fully reflect current best practice.
- The College has a formal risk identification and assessment process. From our testing it is our view that risk assessments were being adequately completed and reviewed at appropriate intervals.
- Students receive appropriate training where this is required as part of their course.
- There is a system for the reporting of incidents, accidents and near misses which includes the identification of action points and follow-up where required.

Final Issued – 13 May 2019

Overall grade: Requires Improvement

The objective of this audit were to obtain reasonable assurance that the College has:	
1. A H&S policy and documented procedures which are communicated to all staff	Satisfactory
2. A H&S training programme which includes induction training, refresher training and training for new equipment or legislation.	Requires Improvement
3. 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.	Requires Improvement
4. An incident and accident reporting system with follow-up and implementation of new controls where required.	Good
5. Regular reporting of H&S to senior management and to the Board of Management.	Satisfactory
<b>Overall Level of Assurance</b>	Requires Improvement

## 2019/04 – Health & Safety (Continued)

### **Weaknesses**

- The College ensures all new staff receive a H&S induction and the staff review process allows opportunities for managers to monitor the training requirements for staff on an ongoing basis. However, the College does not have a training matrix that identifies the minimum training requirements for each job role, which can then be used to identify gaps in staff H&S training needs and assist in developing job specifications for staff recruitment. At the time of our review we noted that an outline template for a training matrix had been completed but further work was still required to ensure that this matrix was fully populated and that all training needs had been identified.
- Good practice adopted across the sector includes a system of annual curriculum and support department H&S workplace inspections carried out in conjunction with trade union H&S reps. There is currently no such system of inspections in place at the College.
- There is scope for improving reporting of H&S matters to the Board of Management in order to provide assurance or highlight work ongoing to address any gaps in existing H&S arrangements. This could be achieved by preparing a detailed annual H&S report which summarises the H&S training, accidents, incidents and other H&S developments conducted during the year.

**2019/05 – Procurement**

This audit focused on the systems of internal control in place for the ordering of goods and services, including for capital projects. We also considered whether the procurement strategy followed and procedures in place supported 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**

- The College has a Procurement Strategy, Financial Regulations including requirements regarding procurement, and an Annual Procurement Report that provide a strong framework for procurement in the College;
- The PECOS system is used to provide a robust process for the approval of purchase orders;
- The College makes good use of collaborative procurement and procurement frameworks;
- An analysis of spend by supplier has been undertaken and reviewed;
- The APUC shared procurement service is used which provides the College with expertise and resource for undertaking more complex and larger procurements;
- In addition to the APUC resource, the College has a dedicated resource (Assistant Finance Officer – Procurement) to focus on procurement requirements across the College; and
- The annual procurement report produced by APUC for 2017/18 states that the College utilisation of the benefits of National Frameworks is above the sector average.

**Weaknesses**

- Although there was annual reporting on procurement, we noted that this was not provided to the Senior Leadership Team or Finance and General Purposes Committee and we have recommended that this is done.

**Final Issued – 13 June 2019**

**Overall grade: Satisfactory**

<b>The specific objectives of this audit were to obtain reasonable assurance that:</b>	
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’)	<b>Satisfactory</b>
2. Procurement procedures ensure that: <ul style="list-style-type: none"> <li>• Areas of high spend across the College are monitored appropriately</li> <li>• Opportunities for pooling of expenditure are identified in order to achieve best value; and</li> <li>• Collaborative procurements and frameworks available to the College are utilised where appropriate</li> </ul>	<b>Satisfactory</b>
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	<b>Good</b>
4. The College’ procurement guidance on quotes and tenders are being complied with.	<b>Satisfactory</b>
5. The capital investment appraisal process, including the information provided to the Board of Management and committees for decision making purposes is robust.	<b>Good</b>
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>

## 2019/05 – Procurement (Continued)

### *Weaknesses (Continued)*

- Although a good procurement framework is in place, with specialist support provided by APUC, we did identify instances where the framework was not fully complied with, particularly around the completion of Non-Competitive Action justifications and retention of procurement documentation, but the position is significantly improved from our previous review of procurement arrangements conducted in 2013;
- From discussion with a range of budget holders it was noted that there would be benefit in providing procurement refresher training with a specific focus around responsibilities for ongoing contract management post contract award; and
- Although significant progress has been made in driving consistent compliance with procurement regulations across the College there would be benefit in enhancing existing reporting of non-compliance in order to support the work of the procurement officer and APUC in their efforts to improve compliance across the College.

## **2019/06 – Student Activity Data (Credits) 2018/19**

### **Final Issued – 7 November 2019**

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 carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

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 was submitted to the SFC on 30 October 2019. 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.

Four recommendations were made in our report. The two more significant points raised were as follows:

- a) For students who withdraw from their courses, ensure that the withdrawal date entered in the SITS system is the last date they physically attended; and
- b) Ensure that records of attendance are maintained for all courses with a part-time Mode of Attendance.



## 2019/07 – Student Support Funds 2018/19

### Final Issued - November 2019

We carried out an audit on the following fund statements for the 2018/19 academic year: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and Education Maintenance Allowance (EMA) Return.

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, the Student Awards Agency for Scotland and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in the return for the year ending 31 July 2018, is in agreement with underlying records.

We were able to certify the FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return for the year and submit this to the SFC without reservation.

We did however make one observation in relation to the disclosure of maintenance costs for bursary students on the FES student support funding report. An error had arisen during the mapping exercise from the student records system, SITS, to the FES system however, overall, total bursary spend per the FES report agreed to the data generated from SITS.

The following reservations were raised in our Auditors' Report to the SFC on the College's EMA Return:

- The College has made Admin claims of £2,085, £15 and £2,205 on the monthly EMA returns for January, February and July 2019 respectively, giving a total Admin claim for the year ended 31 July 2019 of £4,305, which agrees to the year-end statement. As the SFC is already aware, the College has used the total year-to-date student headcount in making the July 2019 claim, rather than just including the number of students not previously claimed for, giving rise to an over-claim of £2,100. The Admin claim of £2,205 included on the monthly EMA return for July 2019 represents the correct total claim for the year. We understand that the amount over-claimed has been deducted on the College's monthly EMA return for the period 2 September 2019 to 27 September 2019; and
- In addition, total EMA payments of £121,770 were made by the College in the year-ended 31 July 2019 compared with £121,800 included in the monthly returns and year-end statement. The difference of £30 relates to an over-claim as a result of BACS rejections, which we understand has also been deducted by the College on the monthly return for the period 2 September 2019 to 27 September 2019.

## **2019/07 – Student Support Funds 2018/19 (Continued)**

In addition, the following points were noted during the course of our audit:

### ***Bursary Fund and FE Discretionary Fund***

During our audit testing, we identified one bursary student where a bursary award letter was not issued in error. The student was in receipt of Special Educational Needs allowance in relation to taxi costs paid directly by the College. *Annex A of the National policy for further education bursaries: 2018-19, Advisors Notes*, states that students should be issued with clear bursary award letters each year.

Audit testing of FE Discretionary Funds also identified one instance where an award letter was not issued. The student had originally applied to the Bursary Fund however was not successful in their application. They were then instructed to apply to the FE Discretionary Fund and were successful in their application, however an award letter was not issued. This is not stipulated as a specific requirement by SFC national policy but is adopted as standard by the College's own policy.

### ***Bursary Fund***

Audit testing of bursary awards identified one student in receipt of the higher rate weekly maintenance payment for care experienced students received funding for 42 weeks instead of the course duration of 41 weeks resulting in a small overpayment of £202.50. College management advised that the overpayment arose due to a clerical oversight.

### ***FE Discretionary Fund***

During our audit testing we noted that one student had received £4,059 from the FE Discretionary Fund, which is in excess of the £4,000 maximum. This arose due to the College awarding costs in relation to PVG checks which was not taken into consideration when calculating the student's entitlement to FE Discretionary funds. College management advised that, due to a clerical oversight, the final payment for this student was not adjusted resulting in the overpayment of £59. Review of the full list of students paid from FE Discretionary Fund did not identify the inclusion of any others receiving in excess of £4,000.

## **Follow-Up Reviews 2018/19**

### **No output provided in 2018/19**

Throughout the year we carried out follow-up review of recommendations made in internal audit reports issued during 2018/19 (which had reached their target implementation date) and those from previous years which had not previously been completed. The objective of each of this rolling follow-up review 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. Progress was reported to each meeting of the Audit Committee held during the year.

The position reported to the Audit Committee in October 2019 confirmed that the College had made excellent progress in implementing the recommendations followed-up as part of the rolling review with all items reviewed during the year assessed by internal audit and categorised as 'fully implemented', with the exception of seven recommendations categorised as 'partially implemented' where further evidence is required to demonstrate full implementation.

## Time Spent - Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov 2019	Days to spend / WIP	Variance
<b>Reputation</b>						
Health and Safety		4	4	-	-	-
<b>Student Experience</b>						
Quality Assurance and Improvement	2019/03	4	4	-	-	-
<b>Staffing Issues</b>						
Payroll	2019/02	4	4	-	-	-
<b>Financial Issues</b>						
Procurement	2019/05	5	5	-	-	-
<b>Other Audit Activities</b>						
Credits Audit	2019/06	5	5	-	-	-
Bursary and Hardship Funds	2019/07	3	3	-	-	-
EMA Audit	2019/07	1	1	-	-	-
Management and Planning )	2019/01	4	4	-	-	-
External audit / SFC )						
Attendance at Audit Committee )						
Follow-up Reviews	N/A	3	3	-	-	-
<b>Total</b>		33	33	-	-	-



## Operational Plan for 2019/20

- 5.1 Following our re-appointment as internal auditors for the period from 1 August 2016 to 31 July 2019 we prepared an Audit Needs Assessment and Strategic Plan 2016 to 2019 (internal audit report 2017/01), issued in February 2017. In June 2019, the decision was made by the College to exercise the option to extend our appointment for a further 12 months as internal auditors for the period from 1 August 2019 to 31 July 2020. Following discussion with management we presented a list of potential internal audit topics to the October 2019 meeting of the Audit Committee.
- 5.2 The proposed allocation of internal audit days for 2019/20, as agreed at the Audit Committee meeting of 9 October 2019, is shown below:

## Proposed Allocation of Audit Days

	Category	Priority	Potential 19/20 Days
<b>Reputation</b>			
<i>Communications and Marketing</i>	Gov	M	
<i>Health and Safety</i>	Gov	H	2
<b>Student Experience</b>			
<i>Curriculum</i>	Perf	H/M	4
<i>Quality assurance and improvement</i>	Perf	H/M	
<i>Student recruitment and retention</i>	Perf	H	
<i>Student support</i>	Perf	M	
<b>Staffing Issues</b>			
<i>Staff recruitment and retention</i>	Perf	M/L	
<i>Staff development</i>	Perf	M	
<i>Voluntary severance</i>	Perf/Fin	H	
<i>Executive Team Restructure</i>	Gov/Perf	H	
<i>Workforce planning</i>	Perf	M	4
<i>Payroll</i>	Fin	M	
<b>Estates and Facilities</b>			
<i>Building maintenance</i>	Fin/Perf	H/M	
<i>Capital projects</i>	Fin/Perf	H/M	
<i>Sustainability</i>	Gov/Perf	M	
<i>Space management</i>	Perf	M	
<i>Asset / fleet management</i>	Perf	M	
<b>Financial Issues</b>			
<i>Budgetary control</i>	Fin	H	4
<i>General ledger</i>	Fin	M	
<i>Student fees and contracts / registry</i>	Fin	M	
<i>Procurement and creditors / purchasing</i>	Fin	H	
<i>Debtors/ Income</i>	Fin	M	
<i>Cash &amp; Bank / Treasury management</i>	Fin	M	
<b>Commercial Issues</b>			
<i>Business Development / Research</i>	Fin/Perf	H/M	
<b>Organisational Issues</b>			
<i>Risk Management / Business Continuity</i>	Perf	H/M	
<i>Corporate Governance*</i>	Gov	M	2
<i>Corporate Planning*</i>	Perf	M	2
<i>Partnership working</i>	Gov/Perf	M	

	Category	Priority	Potential 19/20 Days
<b>Information and IT</b>			
<i>IT network arrangements / security</i>	Perf	M	
<i>Data protection</i>	Gov	H	
<i>FOI</i>	Gov	L	
<i>Systems development / implementation</i>	Perf	M	
<i>IT strategy</i>	Perf	H/M	
<b>Other Audit Activities</b>			
Credits Audit		Required	5
Bursary and Hardship Funds Audit		Required	3
EMA Audit		Required	1
Management and Planning )			4
External audit / SFC )			
Attendance at Audit Committee )			
Follow-up reviews		Various	2
Audit Needs Assessment			
<b>Total</b>			33
			=====

\* This will be a combined review of Corporate Planning Follow Up and Corporate Governance on the assumption that a formal Externally Facilitated Board Effectiveness Review will not be required during the year.

### Key

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

**Priority:** H – High; M – Medium; L – Low

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 **mha**  
HENDERSON LOGGIE

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College	Full Time students			Part Time Students			Headcount (Oct)	Admin Claim (Jan, Feb, July)	Total Maintenance	Notes	Maintenance		Accruals			Administration			Payments made to College			Balance	
	No of claims FT	Total maintenance FT	No of claims PT	Total maintenance PT	Sub Total Maintenance (F+P)	College Maintenance Adjustment					Accruals Paid	Accruals Recovered	credit / debit	Total EMA Maintenance to be paid	College Administration Adjustment	Annual Admin payment to be made 2018	Total EMA Admin (4Q+H)	Administration	Maintenance	Total	Month		Administration
August 2018	0	£0	0	£0	£0	£0	0	£0	£0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
September 2018	160	£5,400	4	£120	£5,520	£0	0	£0	£4,740		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
October 2018	345	£10,350	0	£0	£10,350	£0	80	£0	£10,350		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
November 2018	660	£19,800	15	£450	£20,250	£0	0	£0	£20,250		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
December 2018	595	£17,850	8	£240	£18,090	£0	0	£0	£18,090		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
January 2019	259	£7,770	2	£60	£7,830	£2,085	0	£0	£7,830		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
February 2019	480	£14,700	8	£240	£14,940	£15	0	£0	£14,940		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
March 2019	618	£18,540	15	£450	£18,990	£0	0	£0	£18,990		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
April 2019	191	£5,730	13	£390	£6,120	£0	0	£0	£6,120		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
May 2019	346	£10,380	28	£840	£11,220	£0	0	£0	£11,220		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
June 2019	0	£0	0	£0	£0	£0	0	£0	£0		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
July 2019	271	£8,130	12	£360	£8,490	£2,205	0	£0	£8,490		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Totals	3,953	£118,650	105	£3,150	£121,800	£4,305	80	£0	£121,800		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

Month	Payments made to College			Total EMA Start (M+T)
	Administration	Maintenance	Total	
September 2018	£0	£0	£0	£0
October 2018	£4,315	£4,740	£9,055	£225
November 2018	£0	£10,350	£10,350	£10,350
December 2018	£0	£20,250	£20,250	£20,250
January 2019	£0	£18,090	£18,090	£18,090
February 2019	£2,085	£7,830	£9,915	£9,915
March 2019	£15	£7,830	£7,845	£7,845
April 2019	£0	£6,120	£6,120	£6,120
May 2019	£8,090	£3,130	£11,220	£11,220
June 2019	£0	£1,220	£1,220	£1,220
July 2019	£0	£8,490	£8,490	£8,490
August 2019	£2,205	£8,490	£10,695	£10,695
Totals	£7,790	£121,020	£128,810	£128,810

Adjustments for overclaim 2018-2019

Adjustment for overclaim on individual student payment £330

Adjustment for overclaim on duplication of Admin Fee over claim as a result of Monthly Return Terminology £2,100

£2,100

£2,205

**Principal's declaration**  
I certify that the funds claimed by this college throughout the academic year, as detailed above, have been used in line with the requirements of the EMA programme.  
I confirm that 5% of applications have been checked for compliance with the programme and are enclosed as evidence in support of this return.

Principal's name (please print): DAVID PATERSON

Principal's signature: [Signature]

Date: 27/10/19

Our ref: MORA5120/DA/SI

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

31 October 2019

Dear Sirs

**2018/19 Education Maintenance Allowance  
Moray College UHI**

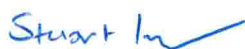
In accordance with the Scottish Funding Council's EMA audit guidance we enclose an 'Auditors' Report' in relation to the above College's EMA Academic year-end statement for 2018/19 (copy attached).

The College has made Admin claims of £2,085, £15 and £2,205 on the monthly EMA returns for January, February and July 2019 respectively, giving a total Admin claim for the year ended 31 July 2019 of £4,305, which agrees to the year-end statement. As the SFC is already aware, the College has used the total year-to-date student headcount in making the July 2019 claim, rather than just including the number of students not previously claimed for, giving rise to an over-claim of £2,100. The Admin claim of £2,205 included on the monthly EMA return for July 2019 represents the correct total claim for the year. We understand that the amount over-claimed has been deducted on the College's monthly EMA return for the period 2 September 2019 to 27 September 2019.

In addition, total EMA payments of £121,770 were made by the College in the year-ended 31 July 2019 compared with £121,800 included in the monthly returns and year-end statement. The difference of £30 relates to an over-claim as a result of BACS rejections, which we understand has also been deducted by the College on the monthly return for the period 2 September 2019 to 27 September 2019.

Should you have any queries regarding the enclosed, please do not hesitate to contact us.

Yours faithfully



Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
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Registered office is: The Vision Building, 20 Greenmarket, Dundee, DD1 4QB.

All correspondence signed by an individual is signed for and on behalf of Henderson Loggie LLP.

Reference to a 'partner' is to a member of Henderson Loggie LLP.

A list of members' names is available for inspection at each of these addresses.

Our ref: MORA5120/DA/SI

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

31 October 2019

Dear Sirs

**Moray College UHI: Education Maintenance Allowance Return  
Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2018 to 31  
July 2019**

We have examined the books and records of the above College, including evidence of checks of five per cent of applications and payments, with a sample size appropriate to the size of the institution, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that, subject to the reservation set out in our letter dated 31 October 2019, 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 SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Yours faithfully



Stuart Inglis  
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For and on behalf of MHA Henderson Loggie  
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Our ref: MORA5120/DA/SI

Your ref:

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

6 November 2019

Dear Sirs

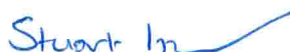
**Moray College UHI  
Discretionary Fund, Childcare Fund and Bursary Return 2018/19**

On behalf of our above named client, we enclose the audited Discretionary Fund, Childcare Fund and Bursary Return for the academic year 2018/19.

We make one observation in relation to the disclosure of maintenance costs for bursary students on the FES student support funding report. Maintenance costs on the FES student support funding report total £966,074 compared with a total of £973,494 obtained from the FES 4 data generated from the student records system, SITS, a difference of £7,420. We also noted that the bursary costs on the FES student support funding report for self-supporting students (AAC 3) add to £675,888 and not £683,317 as stated on the FES report, a difference of £7,429 (i.e. the same difference subject to rounding). We understand that this error arose during the mapping exercise from SITS to the FES system, but was not identified until after the final FES return had been submitted. Overall, total bursary spend of £1,480,046 per the FES student support funding report agrees to the FES 4 data generated from SITS.

Should you have any queries regarding the enclosed please do not hesitate to contact us.

Yours faithfully



Stuart Inglis  
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For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
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A list of members' names is available for inspection at each of these addresses.

College - 5260051 - Moray College Report - Student Support Funding

College Name: Moray College College Contact: .....  
 College Number: 5260051 Phone Number: .....

	1st August 2018 - 31st July 2019		(AAC 2) Parentally Supported Headcount Expenditure (£)	(AAC 3) Self Supporting Headcount Expenditure (£)
Bursary Funds Expenditure	(AAC 1) Students under 18 Headcount Expenditure (£)			
Maintenance Costs				
At Parental Home	12 41714	118 295122	1 8303	
Away from Parental Home	10 32899	9 30979	154 557057	
Approved Accommodation or Lodgings	0 0	0 0	0 0	
Personal Allowance	0 0	0 0	0 0	
Dependents Allowance	0 0	0 0	0 0	
Study Expenses	258 40625	146 17156	188 28279	
Travel Expenses	192 131650	110 84060	116 73740	
Special Educational Needs	13 34012	17 88504	3 8509	
Total Bursary	265 280902	156 515827	194 683317	
Total Bursary Fund Spend (AAC 1+2+3)	615 1480046			

[ESF Students to be included in all tables]

Discretionary Fund & Childcare Fund Expenditure	Headcount Expenditure (£)
Total FE Discretionary Fund	38 72930
Total FE Childcare Fund	32 103519
Total HE Childcare Fund *	38 132707

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

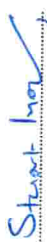
	Part-time Headcount Expenditure (£)	Full-time Headcount Expenditure (£)
FE childcare, lone parent	0 0	18 57565
FE childcare, other	0 0	14 45954
HE childcare, lone parent	0 0	24 81499
HE childcare, other	0 0	14 51208

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. *Subject to the observation made in our letter of 6 November 2019*  
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) ..... MHA HENDERSON LOGGIE

Auditors Signature .....  DIRECTOR

FOR AND ON BEHALF OF MHA HENDERSON LOGGIE, CHARTERED ACCOUNTANTS  
Date of Signature ..... 6 NOVEMBER 2019

MHA HENDERSON LOGGIE IS A TRADING NAME OF HENDERSON LOGGIE LLP



# Moray College UHI

## 2018/19 Student Activity Data

**Internal Audit Report No: 2019/06**

**Draft issued: 5 November 2019**

**2<sup>nd</sup> Draft issued: 7 November 2019**

**Final issued: 20 November 2019**

Now, for tomorrow



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# Management Summary

## Introduction

The Guidance Notes issued by the Scottish Funding Council (SFC) on 30 May 2019, '*2018-19 data return for funding purposes (FES return) and audit guidance for colleges*', requested submission by Moray College UHI ('the College') of the FES return for session 2018/19, which includes the Credits data relating to College activity for the academic year 2018/19.

Guidance on completion of the 2018/19 return was issued by the SFC on 2 July 2018.

The Credits Audit Guidance requests that colleges obtain from their auditors their independent opinion on the accuracy of the FES return.

## Scope of Audit

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 carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

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.

## Audit Staffing

An Audit Director with 26 years' experience in the further and higher education sectors had overall responsibility for the planning, control and conduct of the audit and supervised and reviewed work performed by a Trainee Auditor with two-years' experience in the sector. An Assistant Manager with 14 years' experience in the sector was also involved at the planning, review and reporting stage.

The quality of audit work undertaken by the firm is enhanced through continuous review of procedures and the implementation of individual training programmes designed to address the needs of each team member.

The total number of audit days was six, split 1 day for the Audit Director, 1 day for the Assistant Manager and four days for the Trainee Auditor.

## 2018/19 Student Activity Data

### Audit Findings

The points that we would like to bring to your attention have been grouped together under the following headings to aid your consideration of them:

- Introduction
- Systems and Procedures for Compilation of Returns
- Analytical Review

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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

### Conclusion

Our report was submitted to the SFC on 30 October 2019. 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.

A copy of our Audit Certificate is included at Appendix I to this report.

### Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.

# Action Plan

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.2.1	<p><b>Systems and Procedures for Compilation of Returns</b></p> <p><b>Required Dates and Attendance</b></p> <p><b>R1</b> For students who withdraw from their courses, ensure that the withdrawal date entered in the SITS system is the last date they physically attended.</p>	2	<p>It is important to note that this recommendation refers to 1/14<sup>th</sup> of the sample and had no impact on funding claimed.</p> <p>All relevant staff have received refresher training to ensure accuracy going forward.</p>	Y	Administration Centre Manager	Oct 2019
2.2.2	<p><b>R2</b> Ensure that records of attendance are maintained for all courses with a part-time Mode of Attendance.</p>	2	<p>Provisions are now in place to monitor engagement for non-class-based courses.</p>	Y	Administration Centre Manager	Oct 2019

## 2018/19 Student Activity Data

Para Ref.	Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
2.4.1	<p><b>Classification of Programmes</b></p> <p><b>R3</b> The College should ensure that the Mode of Attendance assigned to programmes in SITS reflects the structure of courses and planned delivery activity as agreed during the curriculum planning and course approval stage.</p>	<b>3</b>	Modes of attendance have been analysed for 2019/20 and accurately reflect SFC guidance and the structure of courses delivered.	Y	Administration Centre Manager	Oct 2019
2.5.1	<p><b>Fee Waiver</b></p> <p><b>R4</b> Although there is no requirement for the College to retain copies of documents provided in support of part-time fee waiver claims the College should ensure that it does retain evidence of College staff having sighted the evidence, for example, by retaining copies of College fee waiver forms.</p>	<b>3</b>	A copy of the relevant documents will now be retained for audit purposes.	Y	Administration Centre Manager	Oct 2019



# Main Report

## 1. Introduction

### 1.1 SFC Guidance

1.1.1 The Credits Audit Guidance issued by the Scottish Funding Council (SFC) on 30 May 2019 sets out, at Annex D, the key areas of risk in relation to the preparation of the FES return. These are:

- identification of non-fundable activity, both courses and students;
- classification as higher education or further education;
- classification as full-time or other than full-time;
- identification and counting of infill students;
- allocation of dominant Price Group code;
- capturing of enrolments and identification and recording of student withdrawals;
- allocation of Credit values;
- claims for related study;
- recording of fee waivers;
- recording of progress for students on open / distance learning programmes;
- claims for non-accredited work experience / placement; and
- claims for collaborative provision.

1.1.2 For academic year 2018/19 we established that there had been no significant changes to the systems and procedures used in the compilation of the returns. We then carried out detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily. Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Dominant Programme Group (DPG) and dominant Price Group.

1.1.3 As requested by the Credits Audit Guidance this report indicates: the scope of the audit; the approach taken; the extent of checking undertaken; details of any additional testing carried out as a result of errors found in initial sampling; the external data examined; an indication of analytical review work performed; review of prior year recommendations; and the main findings from our audit work. As requested by the guidance, the report also includes a summary of adjusted and unadjusted errors found during the course of the audit.

## 2018/19 Student Activity Data

### 2. Systems and Procedures for Compilation of Returns

#### 2.1 Introduction

- 2.1.1 Detailed testing at the year-end Credits audit included two main tests on courses and individual students.
- 2.1.2 The following tests were carried out for a sample of 15 courses selected from the SITS system:
- Ensured that the course met the criteria for fundable activity set out in the Credits guidance;
  - Where applicable, ensured that the course met the definition of further or higher education set out in the Credits guidance;
  - Ensured that courses recorded as full-time met the definition for full-time as set out in the Credits guidance;
  - Checked the student total for a programme against course / class lists or course / class register. Checked calculation of the required date and ensured that students who had withdrawn prior to this date had been excluded from the Credits count; and
  - Checked allocation of Credits to courses is in accordance with the Credits guidance.
- 2.1.3 For a total of 69 students selected from the above courses the following tests were carried out, where applicable:
- Ensured that the student met the criteria for fundable activity set out in the Credits guidance;
  - Checked back to signed enrolment forms, or electronic equivalent, for the 2018/19 academic year;
  - For infill courses, ensured that Credits were allocated according to the modules attended by individual students rather than by the default value for the courses being infilled;
  - Checked to student attendance records and, for withdrawals (including a further sample of 14 full-time students who withdrew within two weeks after the Credits qualifying date), checked that the withdrawal date noted on the system was the last date of physical attendance;
  - For students following courses of open / distance and work-based learning vouched to study plan etc. and ensured that required criteria was met; and
  - For students undertaking work experience ensured that the credits value had been calculated in line with the Credits guidance.
- 2.1.4 The following tests were carried out by reviewing records for all College courses:
- Confirmed that there were no claims for more than one full-time enrolment per student for 2018/19 and ensured that Credits had not been claimed in respect of courses that were related in respect of subject area, unless progression could be clearly established;
  - Confirmed that there were no claims for overseas students and students enrolled on full cost recovery commercial courses; and
  - Confirmed that Credits had not been claimed for distance learning student's resident outwith Scotland.
- 2.1.5 As per last year, collaborative activity was undertaken by the College in 2018/19 in partnership with a local theatre company to offer a full-time programme of study leading to the award of a NC in Acting and Theatre Performance, SCQF Level 6. The College has claimed 222 Credits in respect of this programme in 2018/19. We reviewed the agreement and confirmed that the College has claimed Credits in accordance with the criteria for fundable collaborative provision set out in the Credits guidance.

## 2018/19 Student Activity Data

### 2. Systems and Procedures for Compilation of Returns (continued)

#### 2.1 Introduction (continued)

- 2.1.6 Before signing our audit certificate, we reviewed the final FES online report and the explanations for remaining errors.
- 2.1.7 From our review and testing of the systems and procedures used in the compilation of the returns, we concluded that overall, they were adequate to minimise risk in the areas identified in Annex D of the Credits Audit Guidance and were working satisfactorily as described to us.
- 2.1.8 The remainder of this report discusses issues identified during our review of the 2018/19 student activity data.

#### 2.2 Required Dates and Attendance

- 2.2.1 From testing of all 14 full-time students who had withdrawn from their course within two weeks after the Credits qualifying date, we noted one student where the withdrawal date had been recorded in the SITS system as 14 November 2018 however the student's last date of physical attendance was 7 November 2018. As the student had attended after 1 November this did not give rise to an error in the Credits claimed. For another student, no date had been entered on the withdrawal form however their last date of physical attendance agreed to the withdrawal date recorded in SITS.

##### **Recommendation**

**R1 For students who withdraw from their courses, ensure that the withdrawal date entered in the SITS system is the last date they physically attended.**

- 2.2.2 For one part-time course in our sample, Higher Human Biology, we noted that the course was delivered through a combination of monthly classroom-based activity and completion of online learning material accessed through the College's Virtual Learning Environment (VLE). We noted that attendance records were not kept for the monthly classes as it was envisaged that student engagement would be monitored via the VLE. During the year the College implemented a new VLE, as part of a UHI wide systems update, and during the implementation process access to the data held on the previous VLE was lost. We were however provided with progression boards which demonstrated engagement between the College and students and recorded details of where students had attempted examinations.

##### **Recommendation**

**R2 Ensure that records of attendance are maintained for all courses with a part-time Mode of Attendance.**

## 2018/19 Student Activity Data

### 2. Systems and Procedures for Compilation of Returns (continued)

#### 2.3 Allocation of Credits to Courses

2.3.1 For one course in our sample, SVQ Brickwork, we noted that the Credits claimed for students enrolled on the course in 2018/19 (10 in total) did not directly correlate to the activity undertaken in the year. 2018/19 was the third year of a three-year course with a total of 46 Credits claimed for each student over the three years. In years one and two 14.25 and 8.858 Credits were claimed respectively for all but one student on the course who fast-tracked over two years, with the Credits in year 1 claimed based on the number of hours spent in the College and Credits phased thereafter. In 2018/19 the College has claimed 22.892 Credits per student which is the balance of the total 46 Credits available for all three years (37.142 Credits were claimed in 2018/19 for the fast-tracked student). Previous information provided to the College Administration team by the Construction team was that the total Credits for the course was 30 and hence there was an under-claim in 2017/18. The majority of the students' time in 2018/19 was spent at their employer with College staff undertaking work-based assessments at the employers' premises. Students attended the College for one week in December 2018 to sit unit exams for which attendance records were maintained. Based on discussions with College management and review of units undertaken and progression board information it would appear that the number of Credits per student that could be justified based on actual activity undertaken during the year was 10. However, the College discussed its treatment of claiming the balance of Credits in 2018/19 with the SFC who confirmed by email on 18 October 2019 that this was acceptable.

2.3.2 Similarly, for another course in our sample, SVQ Carpentry and Joinery, we also noted that the Credits claimed for students enrolled on the course in 2018/19 (16 in total) did not directly correlate to the activity undertaken in the year. 2018/19 was the third year of a three-year course with a total of 38 Credits claimed for each student over the three years. In years one and two 15.319 and 10 Credits were claimed respectively for each student. In 2018/19 the College has claimed 12.681 Credits per student which is the balance of the total 38 Credits available for all three years. Based on discussions with College management and review of units undertaken and progression board information it would appear that the number of Credits that could be justified based on actual activity undertaken during the year would be 8 per student. Again, the College discussed its treatment of claiming the balance of Credits in 2018/19 with the SFC who confirmed that this was acceptable.

#### 2.4 Classification of Programmes

2.4.1 SVQ Brickwork (refer paragraph 2.3.1 above) was classified as a block release programme in years 1 and 2. However, in 2018/19 (year 3), this course had been classified as full-time as the number of Credits claimed for each student was greater than 15, meeting the definition of full-time set out in the Credits guidance. As the majority of students' time was spent with their employers in 2018/19 a more appropriate mode of attendance for this programme would have been either block release or assessment of work-based learning.

##### **Recommendation**

**R3 The College should ensure that the Mode of Attendance assigned to programmes in SITS reflects the structure of courses and planned delivery activity as agreed during the curriculum planning and course approval stage.**



## 2018/19 Student Activity Data

### 2. Systems and Procedures for Compilation of Returns (continued)

#### 2.5 Fee Waiver

2.5.1 We reviewed the systems for recording fee waiver entitlement and carried out an analytical review to ensure the accuracy of the fee waiver element of the FES return. For a random sample of 10 part-time students we confirmed that in seven instances College staff had verified the entitlement to benefit through review of a completed part-time fee waiver form or review of other available documented evidence. In three instances however we found that there was no documented evidence retained by the College to demonstrate that staff had sighted evidence to support a student's fee waiver claim. The Administration Centre Manager provided representation that claims would not be processed without the Administration team seeing appropriate documentation.

**R4 Although there is no requirement for the College to retain copies of documents provided in support of part-time fee waiver claims the College should ensure that it does retain evidence of College staff having sighted the evidence, for example, by retaining copies of College fee waiver forms.**

#### 2.6 European Computer Driving Licence (ECDL)

2.6.1 The current Credits guidance does not include any specific reference to the treatment of ECDL courses however previous guidance noted that for students taking the full set of seven ECDL modules, 4 Credits should be claimed. Where the full set of seven modules is not completed, colleges may only claim a proportion of the maximum 4 Credits. For a sample of seven ECDL students we confirmed that all students had registered on all seven modules. A review of SITS identified that the standard 4 Credits were being claimed for each student however only three of these students had completed all seven ECDL modules in 2018/19 with the remaining four students having undertaken between one and five modules. Review of a further nine students confirmed that two had completed all seven modules and the remaining six students had undertaken between one and five modules. In each case 4 Credits had been claimed. None of the 16 ECDL students tested withdrew during the year.

2.6.2 The College pointed to the SFC PI guidance which noted that 'if a student takes three years to complete an ECDL or VQ programme then a student enrolment should be returned for all three years of study even if the Credits were claimed in their first year.' The College subsequently sought confirmation from the SFC that claiming up front for ECDL (with 0 Credits claimed in future years) is allowable and the SFC confirmed by email on 18 October 2019 that this was acceptable.

#### 2.7 Maximum Credits Claim per Student

2.7.1 Since 2016/17 a process has been in place for agreeing the number of Credits claimed for programmes above 18 Credits for further education or 15 Credits for higher education, known as 'one plus' activity. The Credits guidance states that if the total one plus activity is over 2.5% of the total volume of Credits allocated to the college (or the region for multi-college regions) by the SFC then an application must be made to the SFC to approve delivery of these courses at the higher Credit value. Courses where industry requires a higher level of engagement are excluded from this calculation.

2.7.2 The final FES summary report highlights 429 instances where student Credits were above 18 for a full-time further education course. The College's total one plus activity was calculated by the College as 3.9% of the target delivery, which is above the 2.5% threshold. The final regional position had still to be confirmed at the date of this report.

## 2018/19 Student Activity Data

### 3. Analytical Review

3.1 The analytical review by DPG for the current year, included at Appendix IV of this report, showed significant variances in DPG 4, 5, 7, 8, 12, 14 and 15. Analytical review by dominant Price Group at Appendix III also showed variances in Price Groups 2 and 3. These were discussed with College management. The explanations we received provided us with additional assurance that the Credits claim does not contain material errors:

- DPG 4 Computing, Software & Information – there was a reduction in enrolments for Level 4 and Level 6 Digital Media as well as a reduction in ECDL school provision. This is reflected in a decrease in activity in Price Group 2;
- DPG 5 Construction– there was a reduction in enrolments, particularly for Built Environment course, with smaller reductions across other construction courses. Reductions in credits in this area were offset by increases in credits in other Price Group 3 programmes;
- DPG 7 Engineering – there was an increase in enrolments across the majority of Engineering programmes and a new January course was introduced. This is reflected in an increase in activity in Price Group 3;
- DPG 8 Health & related studies – a new Health & Social Care Level 6 course was introduced to replace the old Higher course, which resulted in the DPG moving from 12 to 8. This is reflected in an increase in activity in Price Group 3;
- DPG 12 Science & Maths – as noted above, a new Health & Social Care Level 6 course was introduced to replace the old Higher course, which resulted in the DPG moving from 12 to 8. This is reflected in a re-allocation of Credits from Price Group 2 to Price Group 3;
- DPG 14 Social Studies & Languages - there was an increase in enrolments across six full-time programmes which accounts for the rise in credits. This is reflected in an increase in activity in Price Group 2; and
- DPG 15 Social Work – Health and Social Care Level 5 was replaced in 2018/19 with Pathways to H&S Level 5 and there was a reduction in enrolments. This is reflected in a decrease in activity in Price Group 2.

## Appendix I – Copy of Audit Certificate

MORA5120/DA/SI

Moray College UHI  
Moray Street  
Elgin  
Moray  
IV30 1JJ

30 October 2019

Dear Sirs

### **Auditor's Report to the Members of the Board of Management of Moray College UHI**

We have audited the FES return which has been prepared by Moray College UHI under the 'Credits' Guidance issued 2 July 2018, and which has been confirmed as being free from material misstatement by the College's Principal in his Certificate dated 18 October 2019. We conducted our audit in accordance with guidance contained in the 2018-19 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;  
and
- on the basis of our testing we can provide reasonable assurance that the FES return contains no material misstatement.

Stuart Inglis  
Director  
For and on behalf of MHA Henderson Loggie  
Chartered Accountants  
Dundee Office  
[stuart.inglis@hlca.co.uk](mailto:stuart.inglis@hlca.co.uk)

30 October 2019

Date FES returned: 4 October 2019

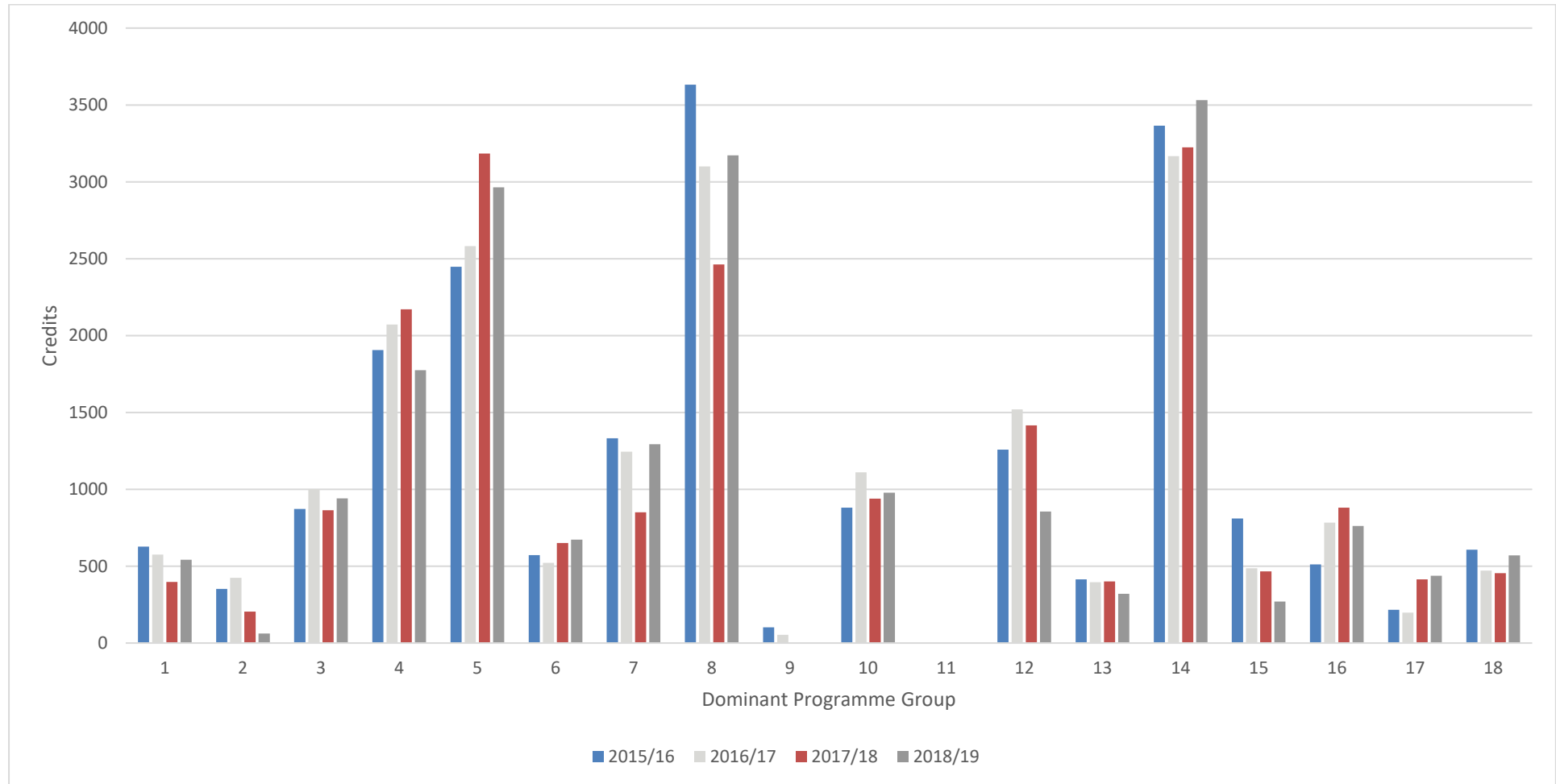
## Appendix II – Price Group Analytical Review 2017/18 and 2018/19

Price Group	2017/2018		2018/2019		Variance	Variance
	Credits		Credits		Credits	%
1	2,677		2,557		(120)	(4.5)
2	7,719		7,483		(236)	(3.1)
3	7,731		7,986		255	3.3
4	397		549		152	38.3
5	454		571		117	25.8
	<b>18,978</b>		<b>19,146</b>		<b>168</b>	<b>0.9</b>

## Appendix III – DPG Analytical Review 2017/18 and 2018/19 - Figures

Dom Gp		2017/2018	2018/2019	Credits	%
		Credits	Credits	Variance	Variance
1	Agriculture, horticulture and animal care	397	541	144	36.3
2	Business & management	205	62	(143)	(69.8)
3	Catering & food	863	941	78	9.0
4	Computers, software & information	2,170	1,775	(395)	(18.2)
5	Construction	3,184	2,964	(220)	(6.9)
6	Creative arts & design	650	673	23	3.5
7	Engineering	851	1,293	442	51.9
8	Health & related studies	2,462	3,172	710	28.8
9	Minerals, materials & fabrics	0	0	0	0
10	Personal development & self help	940	978	38	4.0
11	Printing	0	0	0	0
12	Science & maths	1,415	856	(559)	(39.5)
13	Secretarial/office & sales work	400	320	(80)	(20.0)
14	Social studies & languages	3,225	3,532	307	9.5
15	Social work	467	270	(197)	(42.2)
16	Sport & leisure	881	761	(120)	(13.6)
17	Transport, services & vehicle engineering	414	437	23	5.6
18	Special educational needs	454	571	117	25.8
	<b>Totals (excluding ELS)</b>	<u>18,978</u>	<u>19,146</u>	<u>168</u>	<u>0.9</u>
	<b>Total Target Activity</b>		<b>18,807</b>		
	- including ESF Target Activity of:		<b>0</b>		
	<b>ESF Actual Activity</b>		<b>0</b>		

## Appendix IV – DPG Analytical Review 2015/16 to 2018/19 - Graph



## Appendix V – Updated Action Plan – Student Activity Data 2017/18

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2019
<p><b>Systems and Procedures for Compilation of Returns</b></p> <p><b>Required Dates and Attendance</b></p> <p><b>R1</b> For courses that are other than full-time, 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.</p>	2	The precise required date will be entered for all non-full-time courses. This check has taken place for all courses set up for 2018/19 and new courses will be continuously updated as they are added.	Y	Administration Centre Manager	October 2018	No issues noted from testing in 2018/19. The College is now using a ready reckoner to ensure that required dates are no longer manually calculated.
<p><b>R2</b> For students who withdraw from their courses, ensure that the withdrawal date entered in the SITS system is the last date they physically attended.</p>	2	In-house audit checks will be carried out throughout the year to ensure last date of physical attendance is entered into SITS.	Y	Administration Centre Manager	Oct 2018 and on-going throughout year.	Similar issues were noted during testing for 2018/19. Refer to paragraph 2.2.1 in Main Report.

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# **Moray College UHI**

**Student Support Funds 2018/19**

**Internal Audit Report No: 2019/07**

**Draft issued: 7 November 2019**

**Final issued: 21 November 2019**

Now, for tomorrow



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# Management Summary

## Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund is £4,000.

**Childcare Funds** sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by the Student Awards Agency for Scotland (SAAS), were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to lone parents, part-time students and mature students when allocating funds from the Further Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

**Bursary** funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student due to an additional home, their dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

**Education Maintenance Allowances (EMAs)** provide financial support for 16 to 19 year-olds from low income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines

## Student Support Funds 2018/19

### Audit Scope

For the 2018/19 academic year two specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and
- Education Maintenance Allowance Return.

### Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2019, is in agreement with underlying records.

### Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to letters of award or other supporting documents;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

### Action Plan

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

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

### Findings and Conclusions

We were able to certify the FE Discretionary Fund, FE and HE Childcare Fund and Bursary Return for the year and submit this to the SFC without reservation.

We did however make one observation in relation to the disclosure of maintenance costs for bursary students on the FES student support funding report. An error had arisen during the mapping exercise from the student records system, SITS, to the FES system however, overall, total bursary spend per the FES report agreed to the data generated from SITS.

The following reservations were raised in our Auditors' Report to the SFC on the College's EMA Return:

- The College has made Admin claims of £2,085, £15 and £2,205 on the monthly EMA returns for January, February and July 2019 respectively, giving a total Admin claim for the year ended 31 July 2019 of £4,305, which agrees to the year-end statement. As the SFC is already aware, the College has used the total year-to-date student headcount in making the July 2019 claim, rather than just including the number of students not previously claimed for, giving rise to an over-claim of £2,100. The Admin claim of £2,205 included on the monthly EMA return for July 2019 represents the correct total claim for the year. We understand that the amount over-claimed has been deducted on the College's monthly EMA return for the period 2 September 2019 to 27 September 2019; and
- In addition, total EMA payments of £121,770 were made by the College in the year-ended 31 July 2019 compared with £121,800 included in the monthly returns and year-end statement. The difference of £30 relates to an over-claim as a result of BACS rejections, which we understand has also been deducted by the College on the monthly return for the period 2 September 2019 to 27 September 2019.

In addition, the following points were noted during the course of our audit:

#### ***Bursary Fund and FE Discretionary Fund***

During our audit testing, we identified one bursary student where a bursary award letter was not issued in error. The student was in receipt of Special Educational Needs allowance in relation to taxi costs paid directly by the College. *Annex A of the National policy for further education bursaries: 2018-19, Advisors Notes*, states that students should be issued with clear bursary award letters each year.

Audit testing of FE Discretionary Funds also identified one instance where an award letter was not issued. The student had originally applied to the Bursary Fund however was not successful in their application. They were then instructed to apply to the FE Discretionary Fund and were successful in their application, however an award letter was not issued. This is not stipulated as a specific requirement by SFC national policy but is adopted as standard by the College's own policy.

#### **Recommendation**

**R1** The College should ensure that an award letter is issued to all students supported by the Bursary Fund and the FE Discretionary Fund.

#### ***Bursary Fund***

Audit testing of bursary awards identified one student in receipt of the higher rate weekly maintenance payment for care experienced students received funding for 42 weeks instead of the course duration of 41 weeks resulting in a small overpayment of £202.50. College management advised that the overpayment arose due to a clerical oversight.

### Findings and Conclusions (continued)

#### *FE Discretionary Fund*

During our audit testing we noted that one student had received £4,059 from the FE Discretionary Fund, which is in excess of the £4,000 maximum. This arose due to the College awarding costs in relation to PVG checks which was not taken into consideration when calculating the student's entitlement to FE Discretionary funds. College management advised that, due to a clerical oversight, the final payment for this student was not adjusted resulting in the overpayment of £59. Review of the full list of students paid from FE Discretionary Fund did not identify the inclusion of any others receiving in excess of £4,000.

Copies of the fund statements and audit certificates are provided at appendices I and II of this report.

### Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during our audit visit.



## Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	<b>R1</b> The College should ensure that an award letter is issued to all students supported by the Bursary Fund and the FE Discretionary Fund.	<b>3</b>	Agreed.	Y	Student Finance Officer	November 2019



**Appendix I – Further Education Discretionary Fund,  
Further and Higher Education Childcare  
Fund and Bursary Return and Audit  
Certificate**





**Appendix II – Education Maintenance Allowance  
Return**

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# Moray College UHI

Internal Audit Annual Plan 2019/20

Internal Audit Report No: 2020/01

Draft issued: 6 November 2019

2<sup>nd</sup> Draft issued: 20 November 2019

Final issued:



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# Introduction

- 1.1 The purpose of this document is to present for consideration by management and the Audit Committee the Annual Plan for the year ended 31 July 2020.
- 1.2 Following our re-appointment as internal auditors for the period from 1 August 2016 to 31 July 2019 we prepared an Audit Needs Assessment and Strategic Plan 2016 to 2019 (internal audit report 2017/01), issued in February 2017. In June 2019, the decision was made by the College to exercise the option to extend our appointment for a further 12 months as internal auditors, for the period from 1 August 2019 to 31 July 2020. Following discussion with management we presented a list of potential internal audit topics to the October 2019 meeting of the Audit Committee.
- 1.3 The proposed allocation of internal audit days for 2019/20 was agreed at the Audit Committee meeting of 9 October 2019.
- 1.4 At Section 3 of this report we have set out the outline scope and objectives for each audit assignment to be undertaken during 2019/20, together with the audit approach. These have been arrived at following discussion with College management. The outline scopes will be refined and finalised after discussion with responsible managers in each audit area.
- 1.5 Separate reports will be issued for each assignment, unless linkages are specified, with recommendations graded to reflect the significance of the issues raised. In addition, audit findings will be assessed and graded on an overall basis to denote the level of priority that should be given to each report.

# Annual Plan 2019/20

## Proposed Allocation of Audit Days

	Category	Priority	Potential 19/20 Days
<b>Reputation</b>			
<i>Communications and Marketing</i>	Gov	M	
<i>Health and Safety</i>	Gov	H	2
<b>Student Experience</b>			
<i>Curriculum</i>	Perf	H/M	4
<i>Quality assurance and improvement</i>	Perf	H/M	
<i>Student recruitment and retention</i>	Perf	H	
<i>Student support</i>	Perf	M	
<b>Staffing Issues</b>			
<i>Staff recruitment and retention</i>	Perf	M/L	
<i>Staff development</i>	Perf	M	
<i>Voluntary severance</i>	Perf/Fin	H	
<i>Executive Team Restructure</i>	Gov/Perf	H	
<i>Workforce planning</i>	Perf	M	4
<i>Payroll</i>	Fin	M	
<b>Estates and Facilities</b>			
<i>Building maintenance</i>	Fin/Perf	H/M	
<i>Capital projects</i>	Fin/Perf	H/M	
<i>Sustainability</i>	Gov/Perf	M	
<i>Space management</i>	Perf	M	
<i>Asset / fleet management</i>	Perf	M	
<b>Financial Issues</b>			
<i>Budgetary control</i>	Fin	H	4
<i>General ledger</i>	Fin	M	
<i>Student fees and contracts / registry</i>	Fin	M	
<i>Procurement and creditors / purchasing</i>	Fin	H	
<i>Debtors/ Income</i>	Fin	M	
<i>Cash &amp; Bank / Treasury management</i>	Fin	M	
<b>Commercial Issues</b>			
<i>Business Development / Research</i>	Fin/Perf	H/M	
<b>Organisational Issues</b>			
<i>Risk Management / Business Continuity</i>	Perf	H/M	
<i>Corporate Governance*</i>	Gov	M	2
<i>Corporate Planning*</i>	Perf	M	2
<i>Partnership working</i>	Gov/Perf	M	

**Internal Audit Annual Plan 2019/20 - DRAFT**

	<b>Category</b>	<b>Priority</b>	<b>Potential 19/20 Days</b>
<b>Information and IT</b>			
<i>IT network arrangements / security</i>	Perf	M	
<i>Data protection</i>	Gov	H	
<i>FOI</i>	Gov	L	
<i>Systems development / implementation</i>	Perf	M	
<i>IT strategy</i>	Perf	H/M	
<b>Other Audit Activities</b>			
Credits Audit		Required	5
Bursary and Hardship Funds Audit		Required	3
EMA Audit		Required	1
Management and Planning )			4
External audit / SFC )			
Attendance at Audit Committee )			
Follow-up reviews		Various	2
Audit Needs Assessment			
<b>Total</b>			<u>33</u>
			=====

**Key**

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

**Priority:** H – High; M – Medium; L – Low

\* these projects will be linked.



## Outline Scope and Objectives

<b>Audit Assignment:</b>	Health & Safety
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	June 2020
<b>Audit Committee Meeting:</b>	October 2020
<b>Days:</b>	2

### Scope

This audit will review the College's response to the recommendations made in the previous Health & Safety internal audit review performed during 2018/19 (internal audit report 2019/04, issued in May 2019).

### Objectives

The main objective of this audit will be to obtain reasonable assurance the College has implemented the recommendations in the previous internal audit report in the following areas and has:

- a H&S training programme which includes induction training, refresher training and training for new equipment or legislation;
- 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;

### ***Our audit approach will be:***

From discussion with H&S staff, and review of procedural documentation, we will establish whether the key recommendations in the previous report have been fully implemented. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary. We will report on any areas where recommendations have not been implemented or where controls could be further strengthened.



<b>Audit Assignment:</b>	Curriculum
<b>Priority:</b>	High/Medium
<b>Fieldwork Timing</b>	May 2020
<b>Audit Committee Meeting:</b>	October 2020
<b>Days:</b>	4

### **Scope**

This audit will consider the key risks in relation to the College's curriculum.

### **Objectives**

The objectives of the audit will be to ensure that:

- the core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners;
- there is a process in place to review and refresh existing programmes on a regular basis;
- adequate controls are in place over the development of new programmes covering the preparation of a business case, costing and pricing;
- the College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience; and
- the curriculum planning process takes sufficient cognisance of the College's Credits and FTE targets.

### **Our audit approach will be:**

Discussions will be held with key staff, including the Director of Curriculum & Academic Operations, the Director of Learning and Teaching and the Director of Finance to assist in documenting the systems and processes in place. A detailed assessment of the key internal controls will be performed and an audit testing programme will be devised thereon.

<b>Audit Assignment:</b>	Workforce Planning
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	May 2020
<b>Audit Committee Meeting:</b>	October 2020
<b>Days:</b>	4

**Scope**

The scope of the audit will be to review the College’s Workforce Planning arrangements to consider whether these are in line with good practice.

The Chartered Institute of Personnel and Development (CIPD) defines Workforce Planning as: ‘a core process of human resource management that is shaped by the organisational strategy and ensures the right number of people with the right skills, in the right place at the right time to deliver short and long-term organisation objectives.’

**Objectives**

The main objective of this audit will be to confirm whether the College’s Workforce Planning arrangements are in line with good practice.

Secondary objectives will be to ensure that:

- the College’s workforce plans are based on the strategic direction and priorities set out in the Regional Outcome Agreement and linked strategies and plans;
- the College has analysed demand – what workforce is needed in the future to deliver the required service;
- the College has analysed supply – what workforce is available currently and how it is likely to change;
- the College has identified actions that will deliver the future workforce; and
- these actions are being implemented and outcomes regularly reviewed.

**Our audit approach will be:**

Through discussions with key staff, including the Director of Human Resources and Organisational Development, the Director of Curriculum & Academic Operations and the Director of Learning and Teaching, we will consider whether the above objectives are being met. Comparisons of the College’s arrangements will also be made to good practice guidance available from sources such as the CIPD.

<b>Audit Assignment:</b>	Budgetary Control
<b>Priority:</b>	High
<b>Fieldwork Timing</b>	February/March 2020
<b>Audit Committee Meeting:</b>	May 2020
<b>Days:</b>	4

**Scope**

This audit will examine the College’s budgetary control practices and protocols. It will specifically consider budget monitoring procedures in place centrally and within a sample of Curriculum Areas and Support Teams, as well as cash flow reporting to senior management, the Board and to the SFC.

**Objectives**

The objectives of the audit will be to ensure that:

- budgets are controlled in accordance with the Financial Regulations and Procedures;
- budget setting is linked to corporate and operational planning processes and budgets are revisited when plans change, or funding targets are not achieved;
- information is available to management in Curriculum Areas and Support Services which is up-to-date and in a format that can be easily understood;
- budget holders have the necessary skills for managing budgets;
- budget variations are reported and acted upon;
- there is accurate cash flow reporting; and
- senior management and the Board regularly review the College’s overall financial position.

**Our audit approach will be:**

Through discussions with Finance staff and a sample of budget holders in Curriculum Areas and Support Teams, and review of relevant reports, we will determine current working practices in budget monitoring, and the information and training provided to budget holders.

We will also establish and review the budget monitoring information provided to the College senior management team and to the Finance and General Purposes Committee and to the Board.

<b>Audit Assignment:</b>	Corporate Governance*
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	January/February 2020
<b>Audit Committee Meeting:</b>	May 2020
<b>Days:</b>	2

**Scope**

The scope of this audit will be to undertake a high level review of the annual exercise conducted to ensure continued compliance with the Code of Good Governance for Scotland’s Colleges.

**Objectives**

The objective of the audit will be to obtain reasonable assurance that the:

- College complies with the principles of good governance as set out in the Code of Good Governance for Scotland’s Colleges and
- Annual reporting around ongoing self-assessment and compliance is in line with the guidance issued by the SFC.

**Our audit approach will be:**

We will review the individual Code principles and from discussion with the key College staff, and review of key documents, determine whether the College is complying with the Code and reporting ongoing compliance annually in line with SFC guidance.

\* This work will be reported jointly as a single output together with Corporate Planning.

<b>Audit Assignment:</b>	Corporate Planning*
<b>Priority:</b>	Medium
<b>Fieldwork Timing</b>	February/March 2020
<b>Audit Committee Meeting:</b>	May 2020
<b>Days:</b>	2

**Scope**

The scope of this audit will be to revisit the work previously conducted in 2016/17 around Corporate Planning (Internal audit report 2017/03 - Corporate Planning) and to consider the progress made in addressing the issues arising from the report. This high level review will allow us to establish whether the College’s planning process is working effectively, particularly in relation to the development of the Strategic Plan and the linkage between the Strategic Plan, the Regional Outcome Agreement and the detailed operational plans.

**Objectives**

The overall objective of the audit will be to obtain reasonable assurance that the College’s planning process accords with good practice.

Specific objectives will be to obtain reasonable assurance that:

- the corporate planning process was adequately planned and challenged for robustness;
- linkages between the Strategic Plan, the Regional Outcome Agreement and operational plans are clearly defined and communicated;
- operational plans are robust and include detailed prioritised action plans;
- the Strategic Plan, Regional Outcome Agreement and operational plans are being appropriately monitored and controlled, including through the use of key performance indicators; and
- there is effective linkage between planning and budgeting at all levels.

**Our audit approach will be:**

Through discussions with key staff including the Principal, Director of Curriculum & Academic Operations and Director of Finance, we will document the planning process adopted by the College covering the setting of aims and objectives; operational planning; budgeting; implementation; monitoring and control.

A sample of the operational plans will be obtained and reviewed to ensure there are clear linkages to the Regional Outcome Agreement, the Strategic Plan and the key strategies that relate to the core activities of the College.

\* This work will be reported jointly as a single output together with Corporate Governance.

<b>Audit Assignment:</b>	Credits
<b>Priority:</b>	Required audit
<b>Fieldwork Timing</b>	August / September 2020
<b>Audit Committee Meeting:</b>	November 2020
<b>Days:</b>	5

**Scope**

Credits Audit Guidance, issued by SFC, requests that colleges obtain from their auditors assurances as to the reasonableness of procedures used in the compilation of the Credits related element of the FES return.

**Objectives**

To obtain reasonable assurance that:

- 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 misstatements.

**Our audit approach will be:**

Through discussion with College staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.

Detailed analytical review will be carried out obtaining explanations for significant variations from previous year’s activity.

Our testing will be designed to cover the major requirements for recording and reporting fundable activity identified at Annex C to the Credits Audit Guidance and the key areas of risk identified in Annex D.

We will also review the final error report from the FES on-line checks.

<b>Audit Assignment:</b>	Bursary, Childcare and Hardship Funds Audit
<b>Priority:</b>	Required audit
<b>Fieldwork Timing</b>	August / September 2020
<b>Audit Committee Meeting:</b>	November 2020
<b>Days:</b>	3

### **Scope**

We will carry out an audit on the College's student support funds for the year ended 31 July 2019 and provide an audit certificate.

### **Objectives**

The audit objectives will be to obtain reasonable assurance that:

- the College complies with the terms, conditions and guidance notes issued by the SFC and SAAS;
- payments to students are genuine claims for hardship, childcare or bursary, and have been processed and awarded in accordance with College procedures; and
- the information disclosed in each of the returns for the year ended 31 July 2019 is in agreement with underlying records.

### **Our audit approach will be:**

- Reviewing new guidance from the SFC and SAAS and identifying internal procedures through discussion with College staff, and review of relevant documents;
- Agreeing income to letters of award;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by SFC will be utilised. This includes 'Areas of risk and audit considerations' for bursaries and for the discretionary funds and childcare.

<b>Audit Assignment:</b>	EMA Audit
<b>Priority:</b>	Required audit
<b>Fieldwork Timing</b>	August / September 2020
<b>Audit Committee Meeting:</b>	November 2020
<b>Days:</b>	1

**Scope**

Guidance on the audit requirements for Education Maintenance Allowances (EMAs), issued by SFC, includes the requirement to have a separate audit of EMAs on an academic year (August to July) basis.

**Objectives**

To obtain reasonable assurance that:

- the information set out in the EMA returns is in agreement with the underlying records;
- the College used the funds in accordance with SFC’s conditions and the principles of the EMA programme; and
- the systems and controls for the administration and disbursement of the funds are adequate.

**Our audit approach will be:**

Through discussion with Finance staff, and review of relevant documents, we will record the systems and procedures used by the College in compiling the EMA returns and assess and test their adequacy. We will carry out further detailed testing, as necessary, to enable us to conclude that the systems and procedures are working satisfactorily as described to us.



<b>Audit Assignment:</b>	Follow-Up Reviews
<b>Priority:</b>	Various
<b>Fieldwork Timing</b>	Ongoing
<b>Audit Committee Meeting:</b>	All
<b>Days:</b>	2

**Scope**

This review will cover reports from the 2018/19 internal audit programme and reports from earlier years where previous follow-up identified recommendations outstanding.

**Objectives**

To verify the status of implementation of recommendations made in previous internal audit reports.

**Our audit approach will be:**

- for the recommendations made in previous reports verify by enquiry, review of supporting documentation or sample testing, as appropriate, the status of the recommendations as reported by College management; and
- verify the status of 'live' internal audit recommendations to allow a summary of the current status of the recommendations to be presented to each meeting of the Audit Committee.



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<b>Committee:</b>	Audit			
<b>Subject/Issue:</b>	GDPR Update (November 2019)			
<b>Brief summary of the paper:</b>	<p><b>Reserved</b></p> <p>This paper provides an update on GDPR compliance monitoring, including further information regarding an incident reported to the ICO in the previous reporting period.</p>			
<b>Action requested/decision required:</b>	For noting.			
<b>Status: (please tick ✓)</b>	<b>Reserved:</b>	✓	<b>Non-reserved:</b>	
<b>Date paper prepared:</b>	1 <sup>st</sup> October 2019			
<b>Date of committee meeting:</b>	10 <sup>th</sup> October 2019			
<b>Author:</b>	Derek Duncan			
<b>Link with strategy:</b> Please highlight how the paper links to, or assists with: compliance partnership services risk management strategic plan/enabler other activity (eg new opportunity) – please provide further information.	<p><b>Risk Register ID Moray/25:</b> Non-compliance with relevant statutory regulations.</p> <p>The College must have in place effective controls to ensure personal data is kept secure and processed in line with data protection law.</p>			
<b>Equality and diversity implications:</b>	Yes – the College is both a Data Controller and Data Processor of large volumes of personal data, including special category data.			
<b>Resource implications:</b> <i>(If yes, please provide detail)</i>	All required resources are in place.			
<b>Risk implications:</b> <i>(If yes, please provide detail)</i>	Data protection breaches can lead to serious financial and reputational damage to the College.			

### 1. Reporting Period

This report covers the period 2nd October 2019 – 20<sup>th</sup> November 2019.

### 2. Data Breaches and Investigations

The data breach log recorded 3 new data breach concerns, with only one being classed as an actual data breach.

A summary of all incidents is provided in the table below:

ID	Investigation or Data Breach?	Description	Resolution/Decision
32	Investigation	A file containing student trip information and medical data (Special category data) was left on a desk in the LRC.	Investigation confirmed that another staff member had secured the file before any sharing could take place.  The staff member was provided with specific guidance.
33	Investigation	A staff member left their PC open for a short time in a public area of the College. This was noticed by another staff member who took immediate action to lock the PC.  The PC would have automatically locked a short-time after.	No data breach took place and the staff member was provided with guidance by their line manager.
34	Data Breach	A staff member emailed a list of student data to school teachers.  The list included students from another cohort not related to the schools. Data included names, phone numbers and email addresses.	The Data Protection Officer (DPO) dealt with this incident and worked with the staff member to secure confirmation that the local authority employees had not retained any data.  The breach was fully contained.  Appropriate advice was provided to the staff member.

### 3. Breach Summary

No data breach was detected for investigations 32 and 33. It was determined that investigation 34 was an actual data breach which was fully contained. Following a review and consideration of guidance from the DPO, it was decided that incident 34 was not reportable to the ICO.

#### 4. ICO Reported Incident Update

In the previous report to the committee, it was noted that breach 31 (sharing of personal data on a network file share) was reported to the ICO. The report was recorded as a breach of confidentiality and whilst the ICO have confirmed the breach as reportable, they now consider the case closed.

In their response, the ICO made a number of recommendations:

ICO Recommendation	Action Taken by College
Continuing to review your network drives and folders to ensure the data you process is stored in secure areas.	This was carried out immediately by the College ITU Manager at the point the breach was discovered.  Monitoring will continue.
Ensuring staff know how to check the permission levels within your network drives and folders, in order for them to make certain they're storing data in a secure place.	The initial work is complete and a full report of all network shares and security arrangements has been collected.  This baseline report will be used to provide guidance to all staff on appropriate use of network folders.
Reviewing your policies and procedures to ensure that prominent and sufficient practical guidance is provided to staff regarding the importance of maintaining the security of personal data held by your organisation. Ensure that all such policies and procedures reflect the day to day business of your organisation with respect to the processing of personal data and are proportionately robust, sufficient to ensure the security of such data held.	Local College policy is clear and works alongside UHI Partnership Information Security Policies which the College has previously adopted.
Reviewing the content of your mandatory induction data protection training and also the frequency of your refresher training to ensure that sufficient practical guidance is given to staff in how to comply with the GDPR and the DPA 2018. Also consider your methods of control, delivery and monitoring of such training and of ensuring staff who deal with personal data complete this. This training should also be tailored to specific roles. The ICO recommends, as good practice, that refresher training is carried out annually. However, the ICO also recognises that some organisations may be restricted by available resources but would recommend that, in such cases, refresher	Customised data protection training was provided to almost all staff by the College DPO in August 2019. This will remain a key element of the annual staff development programme.  All new staff must complete the mandatory on-line GDPR training module.  The DPO also provides targeted training on request and this had previously included the area impacted by the breach.

#### Next Steps

The Director of Information, Planning and Student Support will monitor progress of the recommendations with the DPO. No further action is required with regards to the ICO.

#### 5. Subject Access Requests (SAR)

No subject access requests were received in the reporting period.

#### 6. Right to Erasure

No rights to erasure requests were received in the reporting period.

<b>Committee:</b>	Audit			
<b>Subject/Issue:</b>	Policy Schedule Update			
<b>Brief summary of the paper:</b>	The policy schedule has been revised for the new session.			
<b>Action requested/decision required:</b>	For noting			
<b>Status: (please tick ✓)</b>	<b>Reserved:</b>		<b>Non-reserved:</b>	✓
<b>Date paper prepared:</b>	20 <sup>th</sup> November 2019			
<b>Date of committee meeting:</b>	26 <sup>th</sup> November 2019			
<b>Author:</b>	Derek Duncan			
<b>Link with strategy:</b> Please highlight how the paper links to, or assists with: compliance. partnership services risk management strategic plan/enabler other activity (eg new opportunity) – please provide further information.	<b>Risk Register ID Moray/18:</b> Non-compliance with relevant statutory regulations.			
<b>Equality and diversity implications:</b>	Yes – a key statutory requirement which underpins all operational areas of the College.			
<b>Resource implications:</b> <i>(If yes, please provide detail)</i>	Schedule is achievable and involves College Directors and members of the HR Policy Review group led by the HR Manager.			
<b>Risk implications:</b> <i>(If yes, please provide detail)</i>	Non-compliance due to deficient policies, training or leadership carries a risk to staff, learners and 3 <sup>rd</sup> parties, as well as possible legal and reputational damage to the College.			

### Policy Schedule Update

The Staff Governance Committee met on 12<sup>th</sup> November 2019 and agreed a schedule for HR policy updates in session 2019/20.

The Committee should note that the HR Policy Review Group has responsibility for the HR policy updates and therefore the workload is considered achievable in session 2019/20.

The agreed plan for 2019/2020 meetings of the group is as follows:

<b><u>26<sup>th</sup> November 2019</u></b>	<b><u>16<sup>th</sup> January 2020</u></b>	<b><u>23<sup>rd</sup> March 2020</u></b>
Long Service Award	Stress in the Workplace	Recruitment & Selection
Overtime Working Procedure	Rehabilitation Procedure	Absence from Work
Qualifying Period	Employee Leaving Arrangements	Relocation Scheme

This plan has been incorporated into the master policy schedule.

### Update on other Policies for Review 2019/20

As noted in the October meeting, policies currently identified for review in 2019/20 are as follows:

<b>Policy</b>	<b>Reason for update</b>
Academic Quality Policy	Planned review one year after last update (minor changes anticipated)
Records Management	Major revisions in line with updated UHI records management development.
Smoke-free Policy	Due for review and impact of Estates work. HISA have started consultation with students.
Joiners, Movers and Leavers Procedure	New policy requires further engagement with ITU and HR.
Course Fee Policy (FE)	Due for review (minor change anticipated)

### Policies Updates on Hold

The following policies are on hold and the reasons are outlined in the table below:

<b>Policy</b>	<b>Reason for Hold</b>
Commercialisation Strategy	Requires further discussion within F&GP.
Estates Asset Procedures	To be integrated into UHI Servicedesk system (Unidesk).
Estates Strategy	SFC funded outline business case placed on hold – requires further clarity on SFC strategic funding.
Support for Consultation Procedure	This procedure is reviewed in line with the College RPA. The College local RPA is to be reviewed within session 19/20
Job Evaluation & Regrading Procedure	This procedure will be replaced by a National procedure and is therefore not being reviewed.
Staff Review Procedure	Awaiting update on national bargaining and UHI policy.
Student Advice, Personal Development Planning and Guidance Policy	To be replaced with new regional policy due session 19/20.
Student Attendance Policy and Procedures	Regional approach to be adopted.

## Tracking Data – by Staff

(Including 3 regional policies as part of the Single Policy Environment)

Responsible Person	Scheduled for review – College 19/20	Single Policy Development 19/20	Grand Total
Director IPSS	1	2	3
Director of Finance	1		1
Director of HROD (HR Policy Review Group)	10		10
Head of Estates	1	1	2
Quality Officer	1		1
<b>Grand Total</b>	<b>14</b>	<b>3</b>	<b>17</b>



## Tracking Data – by Board Committee for Approval

Approving Committee or SLT	Policy/Strategy/Procedure Name	College or Regional?	28/01/2020	10/03/2020	12/05/2020	13/05/2020	06/06/2020	09/06/2020	16/06/2020	Grand Total
Building / F&GP	Smoke-free Policy	College							1	1
Building / F&GP	Work Placement Policy	Regional						1		1
F & GP	Course Fee Policy (FE)	College		1						1
F & GP	Records Management	College							1	1
LTQ	Academic Quality Policy	College							1	1
LTQ	Student Complaints Policy	Regional					1			1
LTQ	Tertiary Equality and Diversity Policy	Regional					1			1
SGC	Absence from Work Procedure	College			1					1
SGC	Employee Leaving Arrangements	College	1							1
SGC	Long Service Award Procedure	College	1							1
SGC	Overtime Working Procedure	College	1							1
SGC	Qualifying Period Procedure	College	1							1
SGC	Rehabilitation Procedure	College	1							1
SGC	Relocation Scheme	College			1					1
SGC	Staff Recruitment & Selection Procedure	College			1					1
SGC	Stress in the Workplace	College	1							1
SLT	Joiners, Movers and Leavers Procedure	College				1				1
<b>Grand Total</b>			<b>6</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>17</b>