



A meeting of
Argyll College Audit Committee
to be held at 11.00am on Friday 11 December 2020
by Webex Teams
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A G E N D A

Item no		Status For:	Papers
20.4.1	Welcome		
20.4.2	Declarations of interest & to identify any items deemed confidential		
20.4.3	Minutes of previous meetings of: • Audit held 18 th September 2020	To approve	Attached
20.4.4	Outstanding Actions • Action list – Audit	To review	Below
20.4.5	Matters arising (a) Nursery update	For information	Oral
20.4.6	Risk Register	To consider	Attached
20.4.7	Internal Audit reports 20/21– a) Staff Development b) Health & safety c) Payroll d) Follow up reviews e) Internal Audit Annual Report 2019/20	For information For consideration For consideration For consideration For consideration	Attached Attached Attached Attached
20.4.8	External Audit plan – update	For information	Oral
20.4.9	Terms of Reference – to review	To discuss	Attached
20.4.10	AOCB		
20.4.11	Date of next meeting: Date to be confirmed at board meeting on 11 December 2020.		



University of the
Highlands and Islands
Argyll College

Oilthigh na Gàidhealtachd
agus nan Eilean
Colaiste Earra-Ghàidheil

Outstanding Actions - Audit

		Responsibility	Deadline
September 2020			
November 2020			

**Final Version Minutes of the Audit Committee
held at 11.30am on Friday 18th September 2020
via Webex Teams**

Present: Scott Matheson (SM) Chair, Elodie Nowinski (EN), Billie Smith (BS)
Apologies: Tony Dalgaty (TD)
In Attendance: Steven McNaught (SMcN) Henderson Loggie for 20.3.6, Martin Johnston (MJAW) Armstrong Watson for 20.3.7, Martin Jones (MJ), Ailsa Close (AEC), Elaine Munro (EM), Vicky Daveney (VD)(Secretary)

No	Item	Action
20.3.1	Welcome and apologies for absence The chair welcomed members.	
20.3.2	Declaration of interest & to identify if any items deemed to be confidential. Reported that BS employer had been instructed by the college in relation to the nursery lease. BS confirmed she is not involved in the engagement and internal safeguards in place. There were no confidential items.	
20.3.3	Minutes of the meeting held on 12th June 2020 were approved. The minutes to be signed by Chair as an accurate record of the meeting.	VD/SM
20.3.4	Matters arising (a) Nursery update – MJ confirmed that since the previous committee meeting the nursery had closed and that there is some interest in a short-term lease of the building. SM was pleased that progress was being made.	
20.3.5	Risk Register SM commented that the Risk Register is more user friendly and asked whether there had been further action on the college estates and KPIs. MJ confirmed that an application has been made to SFC to access funding in relation to the Dunoon building. The Rural Growth Deal may allocate funds too, as well as UHI, Highlands & Islands Enterprise plus the colleges own reserves. SM commented that this was good progress. SM asked how the issues created by covid-19 are being managed at a leadership and governance level. MJ stated that Argyll College already uses online learning and some of the practical courses, such as horticulture and agriculture are outdoors based so problems are mitigated. In other course areas, such as hairdressing, students have not been recruited as social distancing makes it impossible to operate due to size of buildings. Practical elements have been delayed or minimised and practical guidance from the government fed in. The college uses an external Health & Safety consultant who has been providing risk assessments across the centres. There is a UHI H&S group meeting regularly, as well as a campus re-opening group which includes Principals and some members of UHI Executive Office which meets twice a week. Colleges Scotland also meets regularly.	

	<p>SM asked committee members for comments. EN asked how Argyll College is dealing with staff quarantine and whether there is a contingency plan for cancelling lessons. AEC stated that it would be dealt with in the same way as other staff illness. BS suggested putting a policy in place for staff returning from holiday who then have to self-isolate.</p>	
20.3.6	<p>Internal Audit report:- Staff Development</p> <p>SM welcomed Steven McNaught and asked him for his comments. SMcN talked the committee through the draft Staff Development Report and stressed the importance of:</p> <ul style="list-style-type: none"> • Developing a Workforce Plan to identify gaps in skills and expertise. • Ensuring training has value and is in line with what the college wants to achieve. • Requirement for a staff Learning & Development Policy. • Creating a skills database which could be used to identify gaps. • Identifying the statutory training requirements for each post. • Improving upon the current training request form which currently does not facilitate follow-up to see if the required outcomes were achieved. <p>SM asked if the remaining 2 reports would be received soon. SMcN stated that there were a few pieces of information outstanding but they would be completed soon.</p> <p>SM suggested that the report was reasonable for an organisation the size of Argyll College and that there should not be too much work involved to achieve satisfactory status and that Workforce Planning should help. SMcN said that the college should use it to upskill staff, particularly in digital skills and stressed that it a draft report for discussion. EM stated that it is a fair report highlighting issues that the college is aware of. MJ agreed with this and stated that the Staff Development Committee needs to be more strategic and highlighted the need to develop staff so they become more engaged with the college.</p> <p>SM thanked SMcN and he left the meeting.</p>	Noted
20.3.7	<p>External Audit Plan</p> <p>SM welcomed Martin Johnston and asked MJAW if there was anything in particular to highlight from the plan. MJAW thanked the board for the appointment and welcomed the opportunity to work together. MJAW stated that</p> <ul style="list-style-type: none"> • Armstrong Watson will assess key areas of audit and recommend improvements on an ongoing basis. • Materiality will be set at planning stage. • Key audit risks identified are revenue recognition, including the nursery; Management Override; pension scheme and liabilities – ensuring it is not out of kilter with similar schemes; Covid-19 – preparing a forecast for 12 months minimum. • Field work is scheduled to commence 19 October <p>SM thanked MJAW and he left the meeting.</p>	Noted
20.3.8	AOCB – there was no other business.	
	Signed by	

 Date	
	Chair of Audit Committee	

Risk Status	Risk Description	Causes	Impacts Evidence
Active	College estates not fit for purpose (students)	Learning Centres not purpose built or designed with 21st century student in mind. Ageing buildings based on much lower numbers of students from earlier times in the college	Increase in full-time and HE students numbers recorded, and learning expectations of students
Active	KPIs below national average	Limitations of estates and resource, need for staff development, pressure to recruit to meet targets, lack of quality learning experience?	KPIs
Inactive	Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data, by internal users of the university partnership or external actors.	Lack of controls around information security and data protection. Poor staff awareness of existing policies and procedures and best practice with regards information security. Inappropriate business processes or practices that expose sensitive data to loss or misuse. Malicious, illegal or unintentional data leakage. Loss of an insecure corporate or personal device with corporate data on it while off campus. Loss or theft of IT equipment on campus. Inappropriate disposal of IT equipment. Larger than normal numbers of system users with widely distributed access rights and permissions given the size and structure of the university partnership. Badly configured technical infrastructure e.g. poor patching regime, firewalls configured incorrectly, anti-virus out of date, corporate mobile devices not encrypted.	Disruption of access to important information for short or sustained period. Permanent loss of unbacked up data through data corruption or malicious ransomware encryption. Prohibitive fines imposed by ICO. Adverse press coverage. Impact of disrupted, lost or stolen important information and services: loss of reputation, confidence and trust, financial penalties, official sanction, loss of business, poor performance in student KPIs e.g. NSS score, costs, resources and time taken to manage and rectify the incident

Active	Viability of delivery across the college region..	Continued reduction in unit of resource making small class sizes even more marginal, low recruitment, increases in costs particularly salaries	Difficulty in balancing budgets
Inactive	Failure to recruit target numbers of students	Lack of resources, student experience, space, and appropriate marketing	Potential reduction of income, failure to provide opportunities for local community, not meeting outcomes of CPP
Active	NRPA ongoing rollout	Implementation of national pay bargaining and a national pay scale for all staff	Potential unsustainable increase in college staffing costs due to agreed national pay bargaining increases. Funding only agreed to end of 2019/20
Active	Level of student funding not sufficient to meet the needs of the students, with reputational damage	Formula for distribution does not match need and profile of students	Level of student funding may be less than students get in other regions. This in turn may affect recruitment, retention and achievement.
Inactive	Possibility of failure to achieve assigned status to the region	Difficulty in providing SFC with their required assurance that College meets requirement.	College continues to be viewed as a "lesser" partner within UHI
Active	Adverse effects if ONS is imposed on college in future. Costs of potential change of accounting year and potential monthly reporting.	College sector reform legislation	Impact would be additional work to meet the reporting requirements driven by SFC through EO, changes to accounting processes

Inactive	<p>Decision not to be part of the Invitation to Tender for a new accounting system through UHI. Currently running Sage software for accounts production</p>	<p>Unable at point of tender to quantify likely cost of the new system, and any additional costs to the College at present are unaffordable.</p>	<p>Impact is that at future date we may be unable to provide reports in format required by EO, and be required to move to new system anyway, which may incur additional implementation costs</p>
Active	<p>College does not achieve allocated HE student number targets.</p>	<p>Failure to recruit sufficient students due to various factors such as: Covid 19 over ambitious PPF target, curriculum gaps, poor NSS results etc</p>	<p>Reduction of college income from UHI, regional student number target at risk resulting in possible clawback to SFC from UHI in year or reduction in future years grant.</p>
Active	<p>College does not achieve allocated FE Credit targets.</p>	<p>Failure to recruit sufficient students due to various factors such as: Covid 19 over ambitious target, curriculum gaps, ineffective engagement with local schools/employers.</p>	<p>Ensuring college has good reputation to drive students to come to us</p>
Active	<p>The institution has a poor reputation.</p>	<p>Significant or sustained adverse publicity, governance/management failure, negative comments on social media, poor academic results, poor performance in league tables, significant withdrawal rates</p>	<p>Inability to recruit students or attract and retain high calibre staff, inability to attract funding and/or develop strategic partnerships</p>
Active	<p>Disruption to services/projects and/or partnership working resulting from loss (temporary or permanent) of a key staff member.</p>	<p>Retirement, resignation, sickness or death in service of key staff member(s). Inadequate succession planning. Over reliance on individuals. Associated knock on impacts resulting from transition arrangements with staff acting up and possible failure of backfill solutions. Sparse staffing, key functions residing with one person with no alternatives.</p>	<p>Functioning of key parts of the college at risk. Projects delayed due to loss of continuity, corporate knowledge gaps and disruption/loss of established relationships and contacts.</p>

Active	Non-compliance with relevant statutory regulations.	Lack of awareness of relevant laws and penalties. Management failures. E.g General Data Protection Regulation, Bribery Act, Health and Safety Regulations, Freedom of Info Act, etc.	Loss, injury, financial and reputational damage.
Active	Governance Failure.	Governing body does not have an appropriate balance of skills and experience. Role of a governor/director is onerous and it is difficult to attract a broad range of high calibre individuals to serve for non-remunerated roles	The college has been able to recruit an above minimum number of directors but vacancies remain unfilled.
Active	Going over budget on expenditure - Financial failure/operating loss. Failure to implement savings as outlined in FFR	Increases in costs, lack of financial control. Impacts of Covid 19	Deficits incurred/exceeding budgeted costs/failing to meet income targets
Active	College estate not fit for purpose. (Support staff).	Lack of investment in capital maintenance/new capital project expenditure.	Having to rent additional space for support staff in Oban, no spare capacity in either Oban or Dunoon centres, poor working conditions for staff
Active	Academic quality is not excellent	Difficulty recruiting and retaining high calibre staff.	High level of withdrawal and poor retention.

<p>Poor Student Experience .</p>	<p>Dispersed campus with limited facilities for social interaction. Technology failures. Limited teaching/library resources. Poor teaching.</p>	<p>Poor performance in national student satisfaction surveys. Reputational damage. Impact on ability to recruit future cohorts. Risk to core income streams.</p>	
<p>Active</p>	<p>Failure to develop a research culture and any research outputs are sub standard</p>	<p>Failure to publish sufficient quality papers and upload to PURE. Loss of key staff. Lack of funding. Inadequate resources allocated to research staff. Terms and conditions of employment are not comparable with competitor organisations. Impact of Brexit on access to European projects.</p>	<p>Damage to reputation. Brexit. Poor performance in next REF. Inability to retain staff and research teams. Reduced income.</p>
<p>Active</p>		<p>College nursery ongoing compliance with Care Commission requirements, numbers utilising nursery for paid 3-5 care falling and sustainability now in doubt, management and staffing issues.</p>	<p>Need for improved processes and policies and more integration with College systems and management. Parents apparently less inclined to pay for 3-5 childcare hours, may be to do with older siblings now being at school, may be a cyclical issue.</p>
<p>Inactive</p>	<p>Missing viable opportunities for development and growth</p>	<p>Lack of horizon scanning; Lack of ability to invest in opportunities; Insufficient planning; Being too risk averse; Failing to develop at the required pace; Funding allocations; Resource limitations.</p>	<p>Loss of income; Loss of reputation; Stagnation of curriculum; Missed opportunities for staff; Missed opportunities for students.</p>
<p>Active</p>			

Active	Implication of outcome of EU Referendum leading to loss of EU Funding.	Political uncertainty over continuation or replacement of previous EU funding	Student recruitment. Uncertainty over funding arrangements particularly in relation to capital projects
Active	Poor relationship with stakeholders in Argyll, Bute and Arran	Lack of positive strategic engagement and partnership building.	Organisations engaging with other educational establishments
Active	UHI fails to reform into a more efficient, open and accountable partnership in financial and operational terms.	Failure of Programme Board activity	Adverse financial circumstances. Institutional malaise.
Active	Focus on UHI Partnership eclipses potential opportunities for partnership with other FE and HE institutions.	Inward looking mindset	Opportunities for external partner bidding eschewed.
Active	Dispersed Senior Management Team creates an operational and strategic barrier to the college and its future growth.	Recruitment of staff has historically been to any location.	Inefficient working patterns, opportunities to meet as a team
Active	Failure to embed a pervasive culture of Health & Safety awareness.	Lack of staff engagement and or understanding	Increased incidents or near misses. Failure to properly update risk assessments by appropriate staff.

Active	Failure to secure more credits to underpin FE expansion.	Inefficient allocation within the region which fails to fully take account of history of over and under delivery across UHI.	Inability to grow curriculum or be rewarded for expansion.
Active	UHI Reform diverts time and attention from Argyll College business (especially if it is protracted and struggles to deliver)	Willingness to change is not universally harnessed.	Status quo prevails
Active	Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data, by internal users of the university partnership or external actors.	Lack of controls around information security and data protection. Poor staff awareness of existing policies and procedures and best practice with regards information security. Inappropriate business processes or practices that expose sensitive data to loss or misuse. Malicious, illegal or unintentional data leakage. Loss of an insecure corporate or personal device with corporate data on it while off campus. Loss or theft of IT equipment on campus. Inappropriate disposal of IT equipment. Larger than normal numbers of system users with widely distributed access rights and permissions given the size and structure of the university partnership. Badly configured technical infrastructure e.g. poor patching regime, firewalls configured incorrectly, anti-virus out of date, corporate mobile devices not encrypted.	Disruption of access to important information for short or sustained period. Permanent loss of unbacked up data through data corruption or malicious ransomware encryption. Prohibitive fines imposed by ICO. Adverse press coverage. Impact of disrupted, lost or stolen important information and services: loss of reputation, confidence and trust, financial penalties, official sanction, loss of business, poor performance in student KPIs e.g. NSS score, costs, resources and time taken to manage and rectify the incident
Inactive	Helensburgh Project fails to receive approved funding.	Grant funder fails to release monies.	College forced to shoulder the burden of expenditure already incurred

Active	Adverse effects of Covid19	Government Lockdown measures and social distancing	College staff and students forced to stay away from centres either individually or en masse, poor student recruitment and retention, stress for staff, strategic developments lose priority to extra operational complexity and uncertainty
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Owner	Residual Likelihood	Residual Impact	Residual Risk	Res Colour
Executive Team	5	3	15	Red

SMT	4	4	16	Red
			0	Green

Board	5	3	15	Red
			0	Green

Principal	5	5	25	Red
Executive Team	2	2	4	Green

Principal	1	2	2	Green
Executive team	2	3	6	Amber

Finance Director	3	1	3	Green
SMT	3	3	9	Amber

SMT	3	3	9	Amber
SMT	3	3	9	Amber

Principal	4	3	12	Amber
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Board & SMT	3	4	12	Amber
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Board	3	3	9	Amber
Finance Director	3	3	9	Amber

Board & SMT	4	3	12	Amber
SMT & Curriculum leads	3	3	9	Amber

Board & Executive Team	3	3	9	Amber
Principal	3	2	6	Amber

Principal	4	3	12	Amber
Principal	3	3	9	Amber

Board & SMT	5	4	20	Red
Principal	3	3	9	Amber

	3	4	12	Amber
	3	2	6	Amber

	3	3	9	Amber
Principal	3	3	9	Amber

	3	3	9	Amber
	3	3	9	Amber

	3	3	9	Amber
Principal	3	4	12	Amber

SMT

4

4

16

Red

Risk Trend	Actions To Minimize
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Senior Board and Management have met re estates priorities for the short and medium term. Develop estates strategy as part of 5 year plan for the orgn.

Decreasing

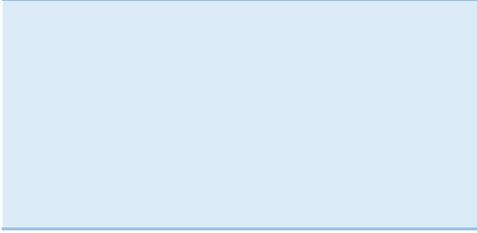
Quality Assurance Committee, review of recruitment procedures and offering, restructured management, role of Curriculum leads

Stable

proactive monitoring of cybersecurity risks at university and academic partner senior management level. Common information security policy framework. Complete Information asset register. Business processes and practice where personal data is handled have been questioned and validated. Sensitive personal data is secured appropriately, handled correctly and accessed carefully by approved users. Partnership and local procedures that implement information security policies and best practice. Mandated information

Dialogue with SFC, H&I
FERB, EO and Scottish
Govt.

Stable



Dialogue with SFC, H&I
FERB, EO, Scottish Govt,
Colleges Scotland, other
relevant stakeholders.
Attempt to increase
income from other
sources.

Decreasing

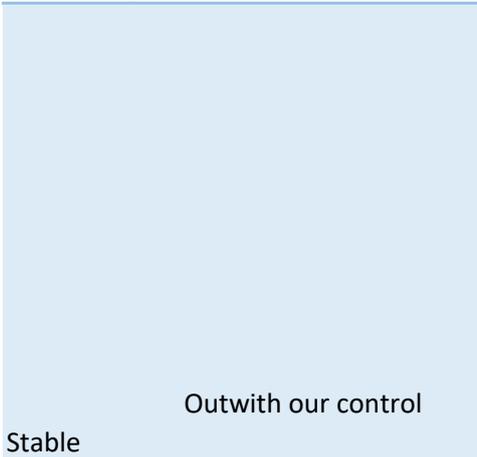


Work with stakeholders

Stable

All actions required for
assigned status
recommendation have
now been accepted as
completed, and
assignation has been
recommended.

Decreasing



Outwith our control

Stable

Work with UHI EO to ensure financial info from Sage system remains appropriate and adequate

Decreasing

Ensuring college has good reputation to drive students to come to us

Stable

Ensuring college has good reputation to drive students to come to us

Stable

By having good governance, maintaining good external communications, dialogue with stakeholders, ensuring positive outcomes for students

Stable

Discussions starting to take place at Board level re succession planning for ET.

Decreasing

Staff training, use of expert consultants to keep the college informed & sharing good practice and learning with partner organisations.

Decreasing

Continue to monitor attendance and skills matrix, annual self-evaluation of Board members

Stable

Devolving and developing budget responsibility with ownership at delivery level where relevant.

Decreasing

Additional capital/backlog maintenance funding recently approved for 2019/20. Develop strategy and funding opportunities for all premises.

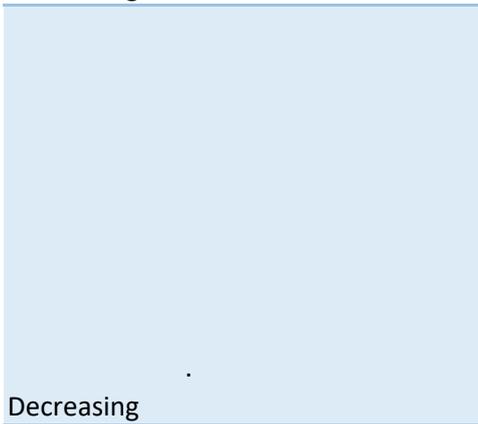
Increasing

New Curriculum Lead role devolving academic leadership closer to delivery

Decreasing

IT staff now working more closely with LIS, IT systems have seen a definite improvement. Ensure students benefit from favourable staff:student ratios

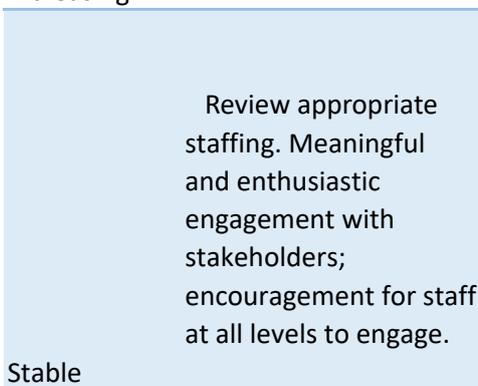
Decreasing



Decreasing

Ongoing Review of nursery function, investigation of costs and income will be carried out.

Increasing



Stable

Continue to investigate wide/alternative sources of funding

Increasing

Engagement with councils, DYW and key employers

Decreasing

Engage positively in reform agenda

Decreasing

Encourage staff to engage and build partnerships wherever they arise.

Decreasing

Use of technology and maximise face to face meeting opportunities as they occur.

Decreasing

Health & Safety consultant's work, auditing and roll out of improved staff training

Decreasing

Make the case for revised allocation approach.

Decreasing

Immediate focus is local.

Decreasing

proactive monitoring of cybersecurity risks at university and academic partner senior management level.

Common information security policy framework.

Complete Information asset register.

Business processes and practice where personal data is handled have been questioned and validated.

Sensitive personal data is secured appropriately, handled correctly and accessed carefully by approved users.

Partnership and local procedures that implement information security policies and best practice.

Decreasing

Mandated information

Continue to liaise with UHI.

Decreasing

Stable Continue business
 continuity and
 mitigation planning

Future Mitigating Actions

Develop Estates Strategy

Review of course delivery as part of planning process

Continue meeting with relevant stakeholders

Continue dialogue with SFC on shadowing of NRPA

Monitoring of potential spend related to student finance against allocation

Continue to monitor

Remain informed on position with accounting systems convergence.

Continue to review relevance of curriculum

Continue to review relevance of curriculum

Focus on Quality at all levels of the organisation

Continue discussions at Board level re continuity/succession planning

Ensure that good practice is embedded at all levels in the college

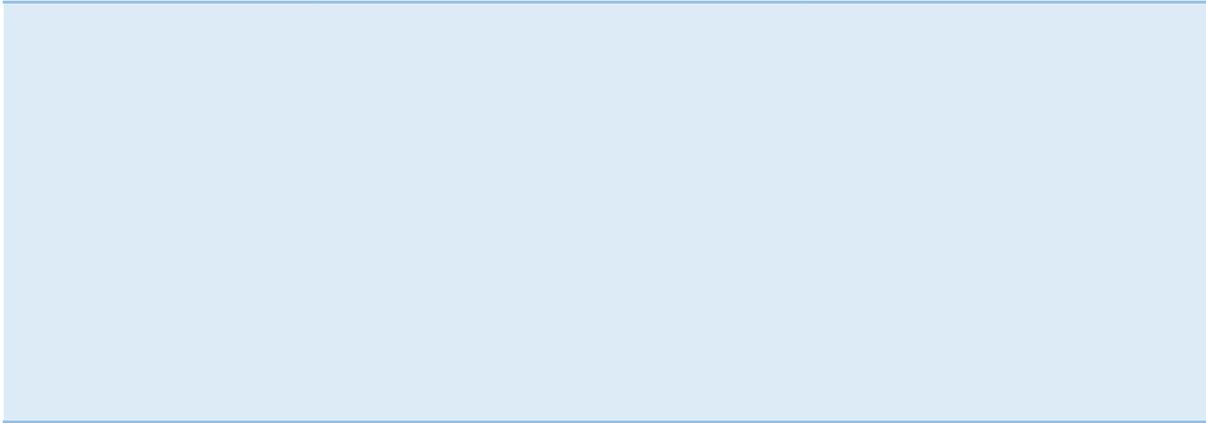
Use of skills matrix and monitor at Board meetings

Build up annual budgets based on departmental needs

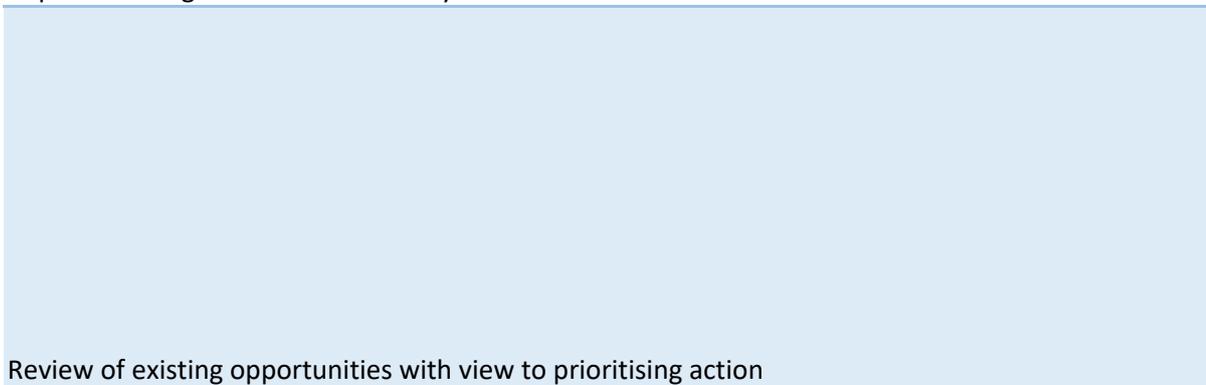
Work with HIE and other partners to identify potential new premises.

Ongoing staff development

Work with Local Authority, HIE, SFC and Executive Office to develop accommodation



Improve management information system



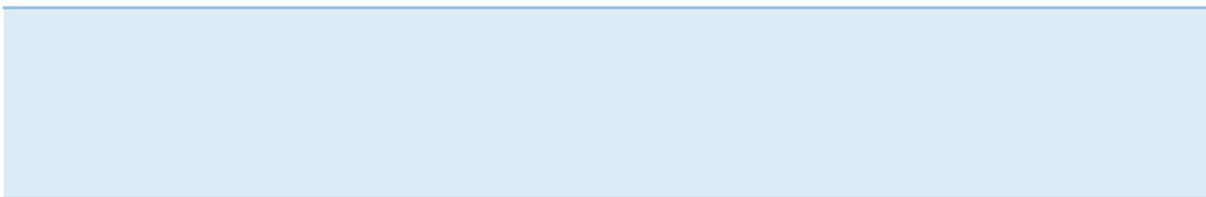
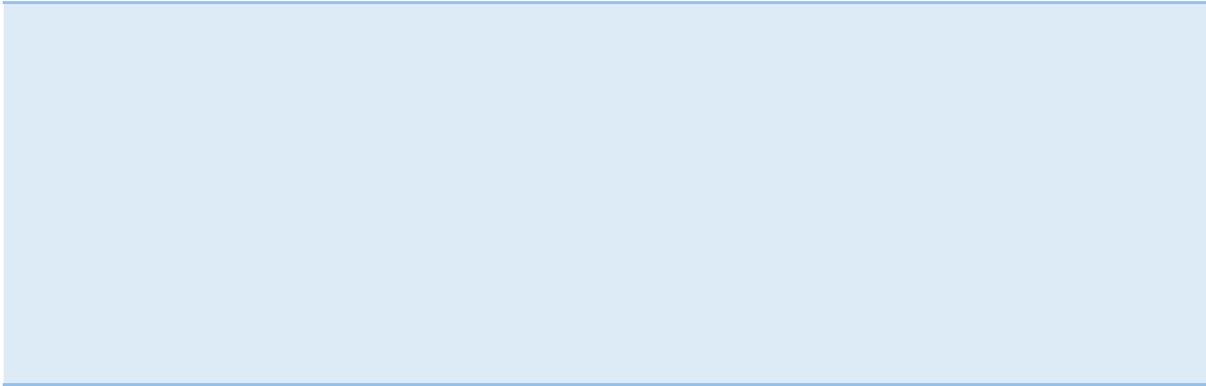
Review of existing opportunities with view to prioritising action

Better organised business development role in the college. Encouragement of staff at all levels to enj

Review recruitment approach for SMT members

Better use of intelligence sharing amongst staff of near misses etc

In relation to strategic developments, engage with SFC



Action Owner	Completion
Executive Team	01/12/2020

SMT	31/12/2020
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Principal

Ongoing

Principal

31/12/2020

Head of Student Services

31/12/2020

Principal/Finance Director

31/12/2020

Finance Director 31/12/2020

SMT 31/12/2020

SMT 31/12/2020

All staff 31/12/2020

Principal 31/12/2020

Executive team

Board Secretary

Finance Director

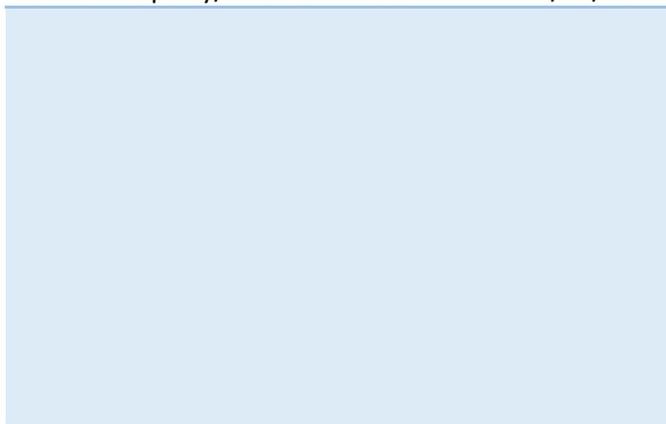
30/06/2021

Executive Team

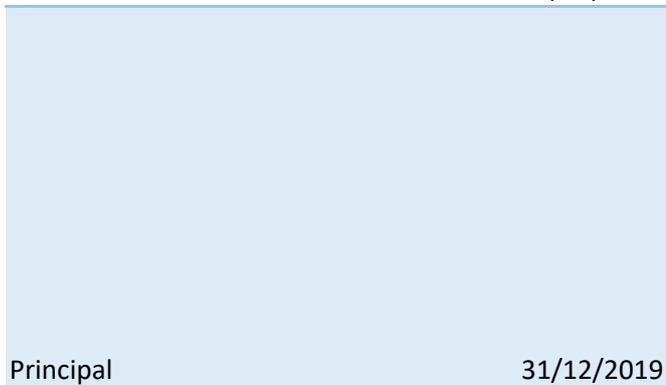
31/12/2020

SMT

Head of Property/Finance Director 31/12/2020



Finance Director 31/12/2019



Principal 31/12/2019

Principal

31/10/2020

Principal

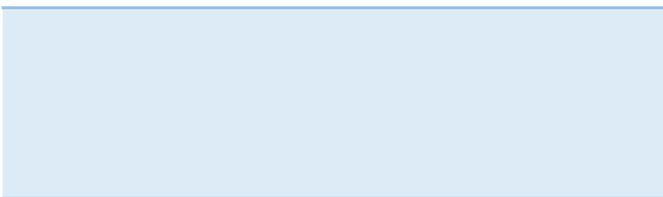
30/06/2020

Principal

30/10/2020

Principal

30/09/2020

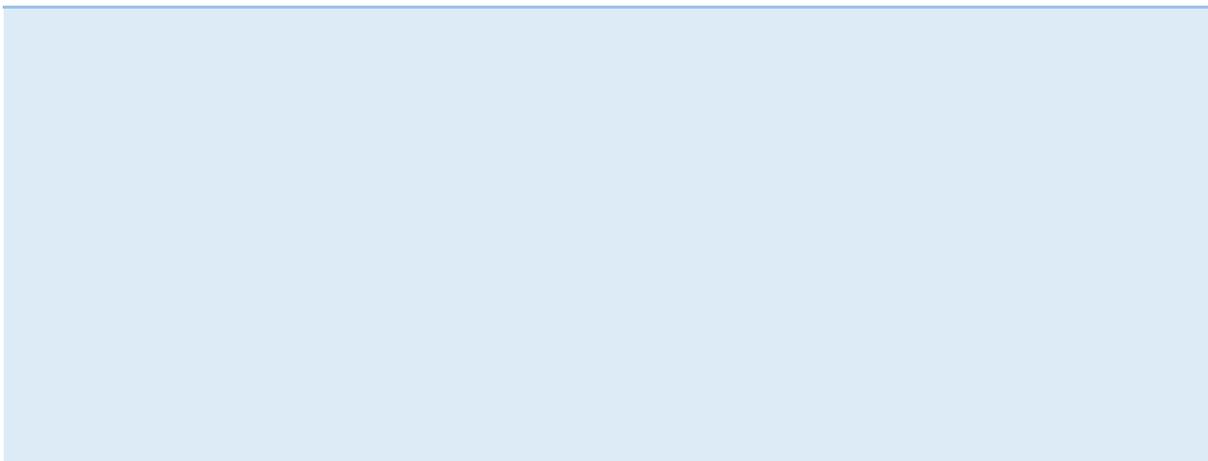
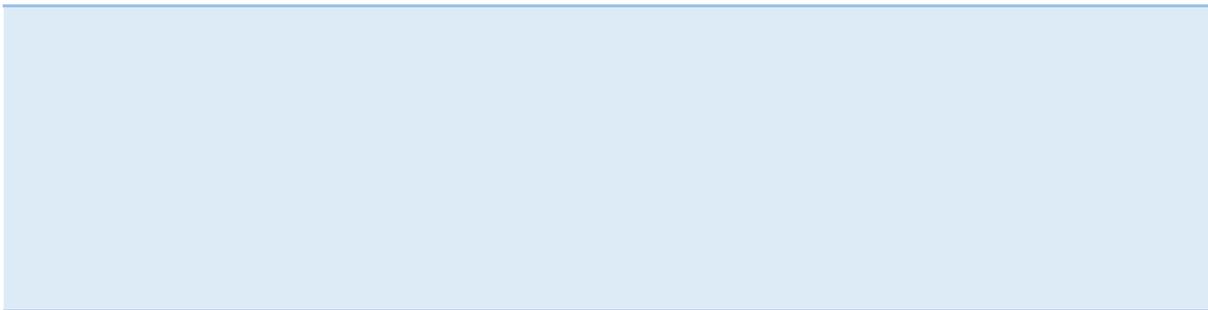
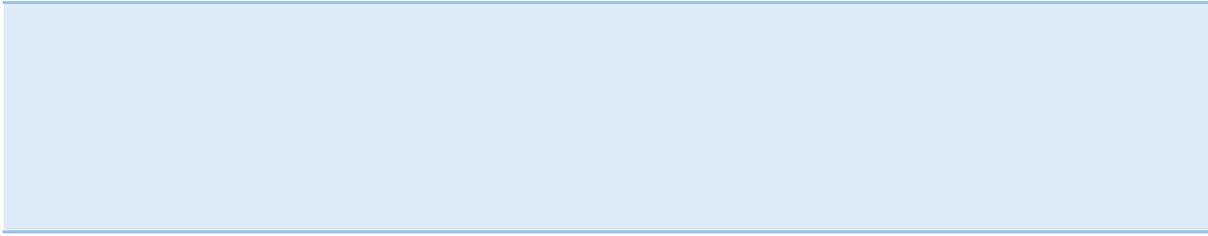


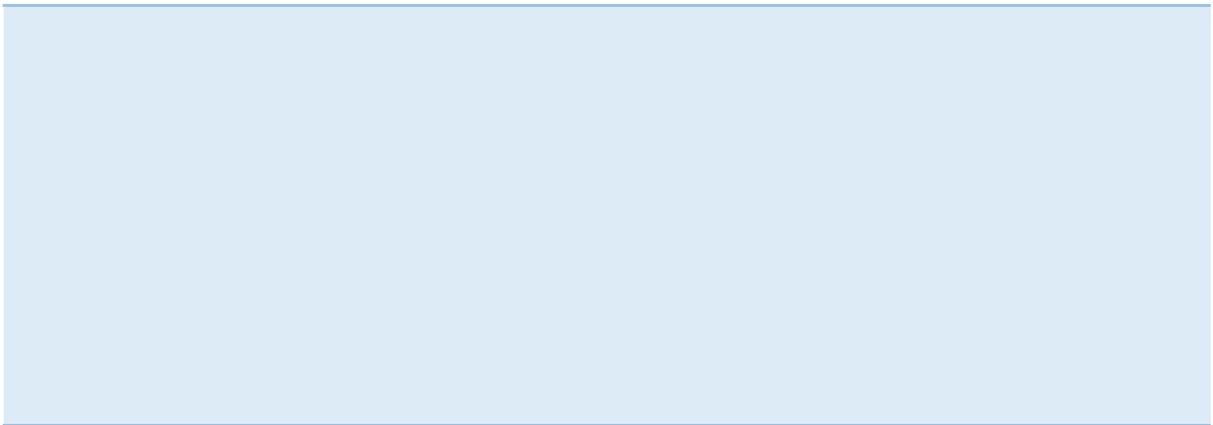
Ongoing

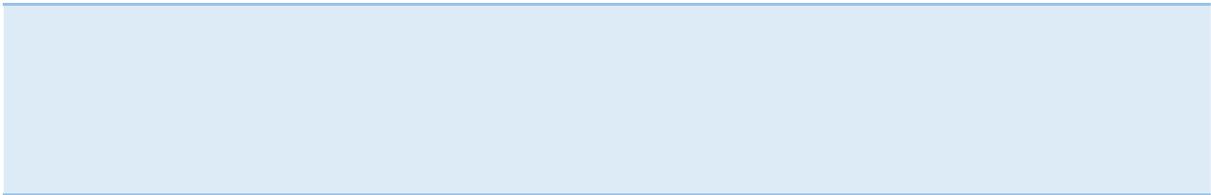
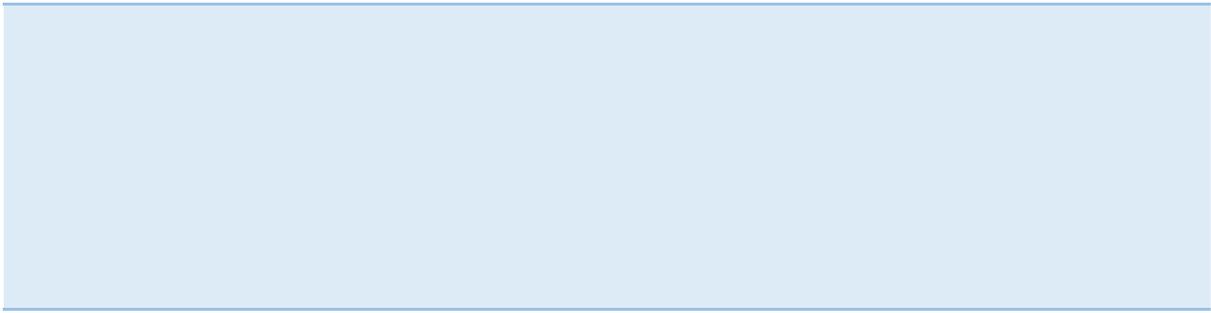
Future Mitigating Actions 2

Continuing discussions with local authority and other relevant agencies over available premises in ot

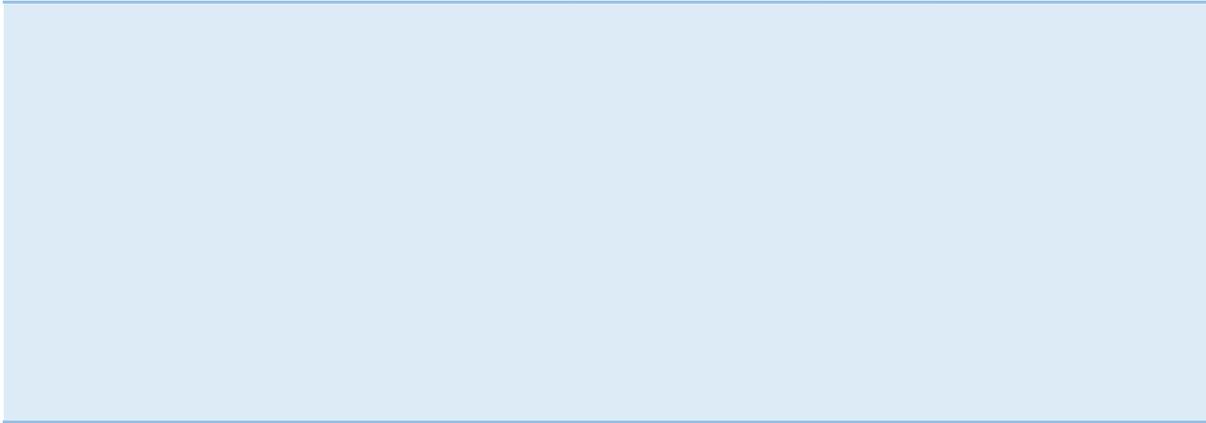
Explore more partnership/networking opportunities with partner and other colleges



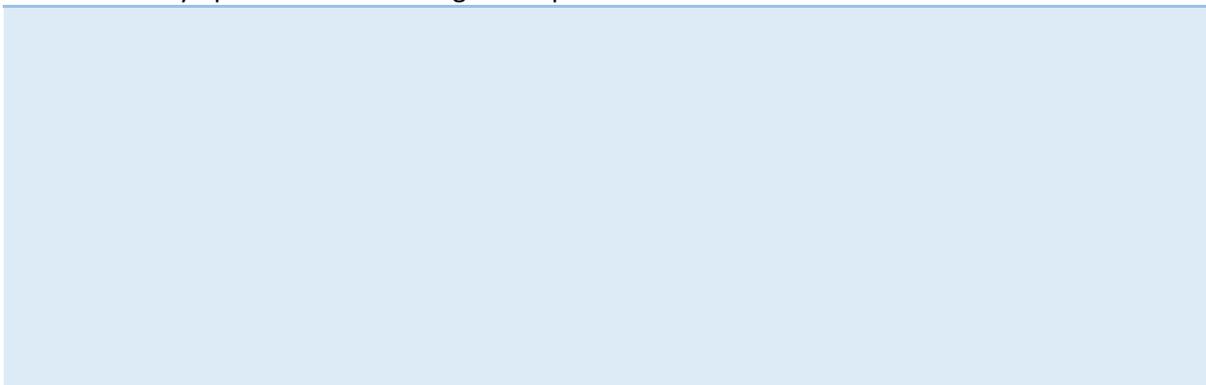




Continue to invest in IT and be aware of developments in technology, develop BYOD, etc



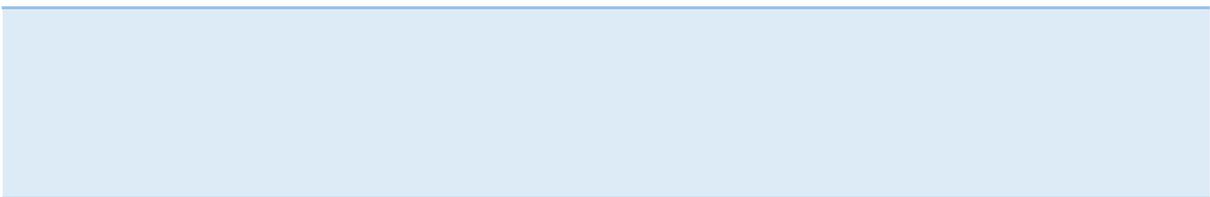
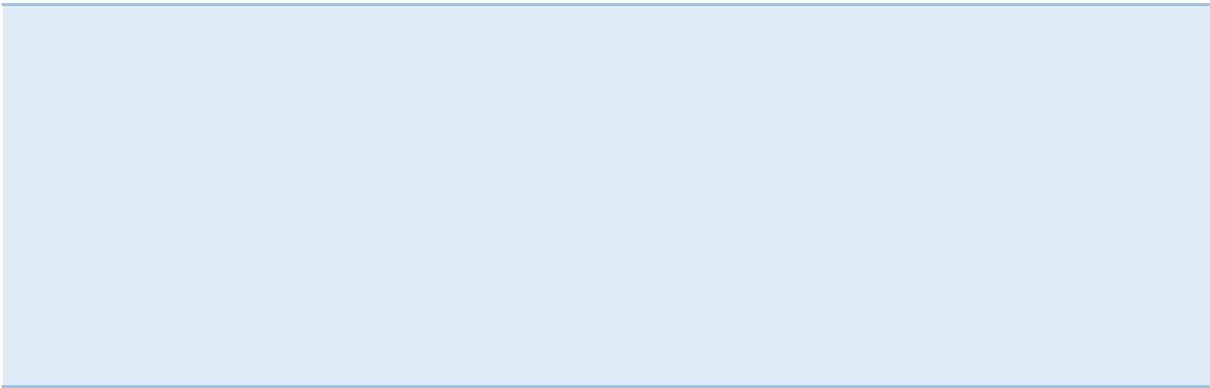
Review nursery operations and management processes



[Redacted]

[Redacted]

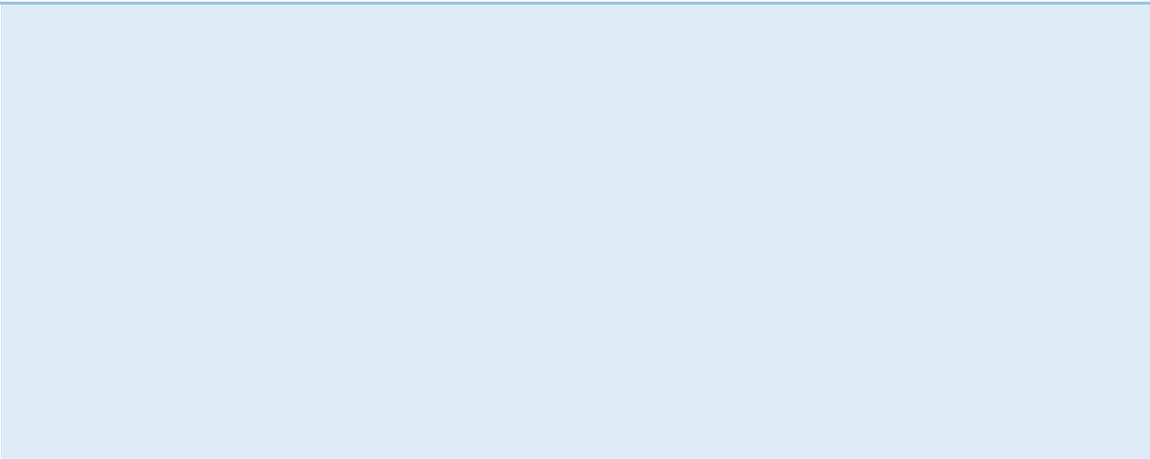
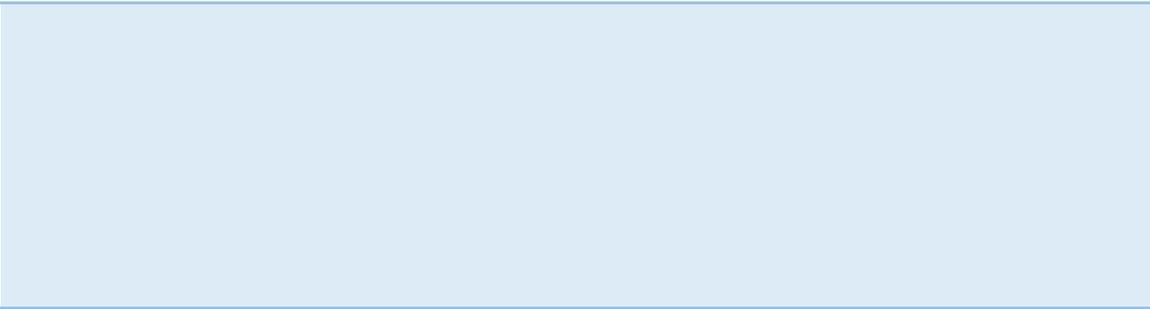
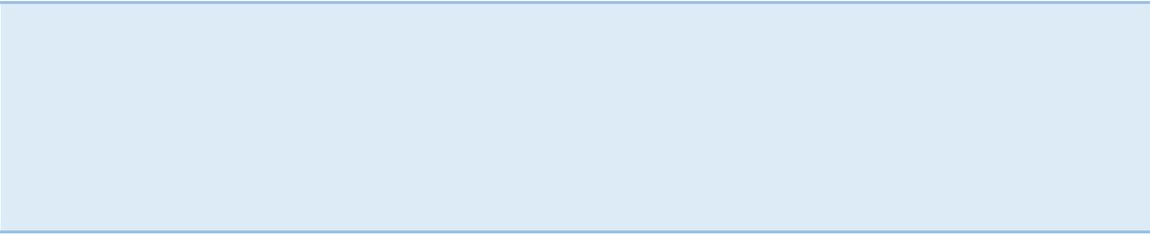
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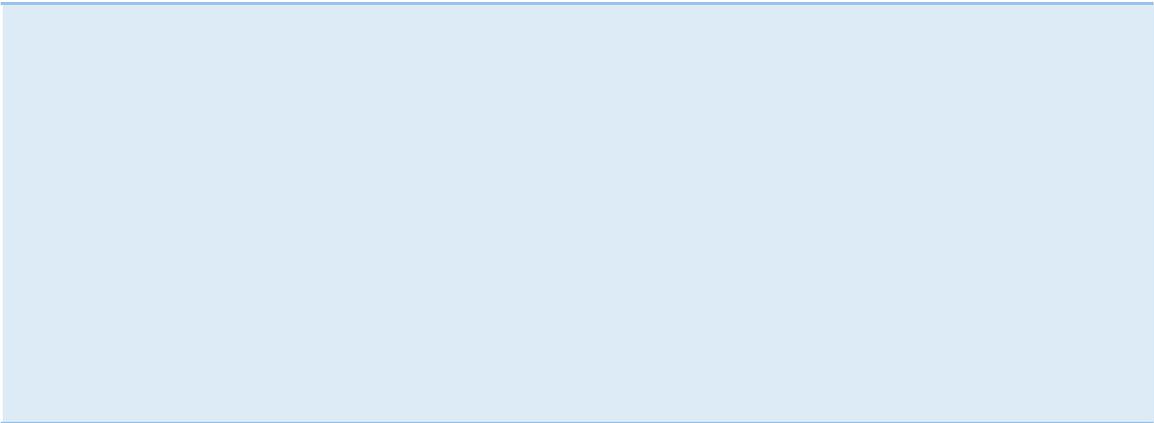


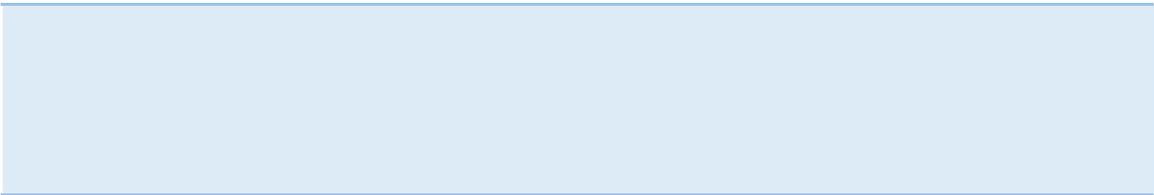
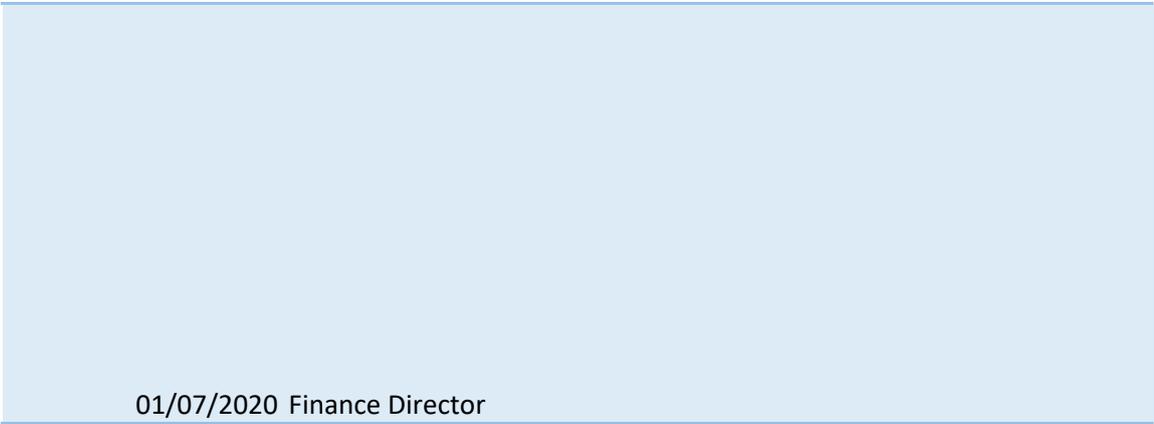
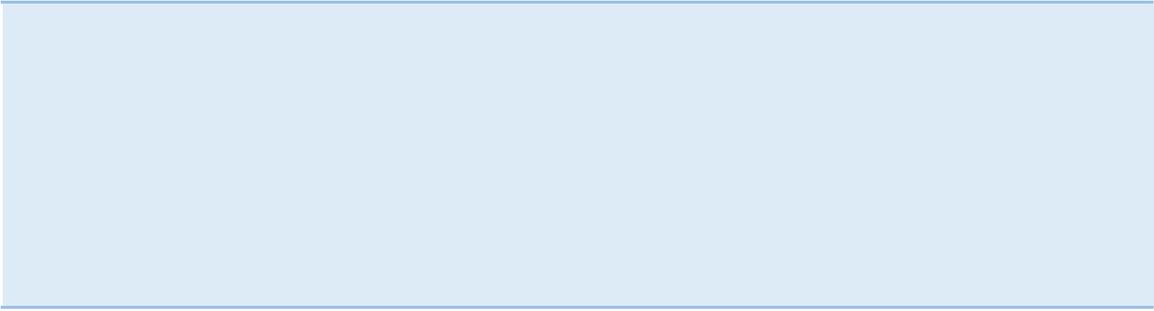
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31/12/2020 Principal			

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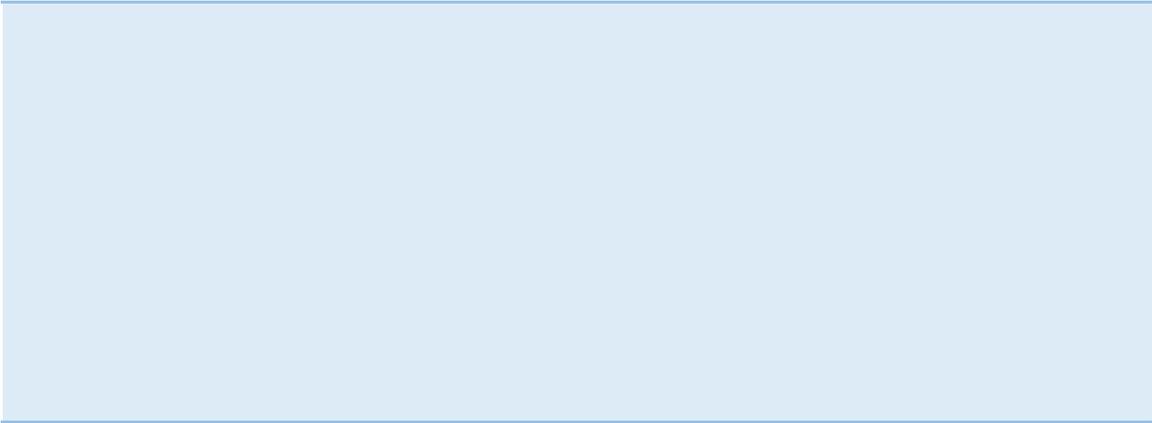
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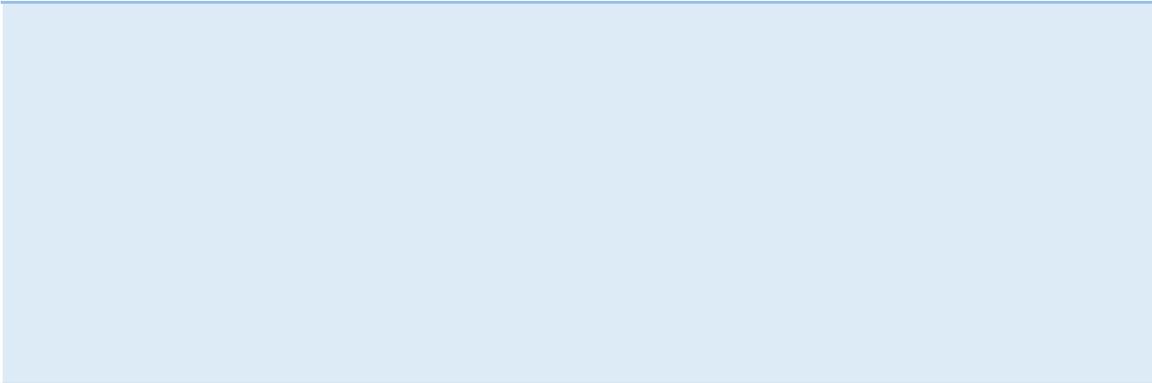


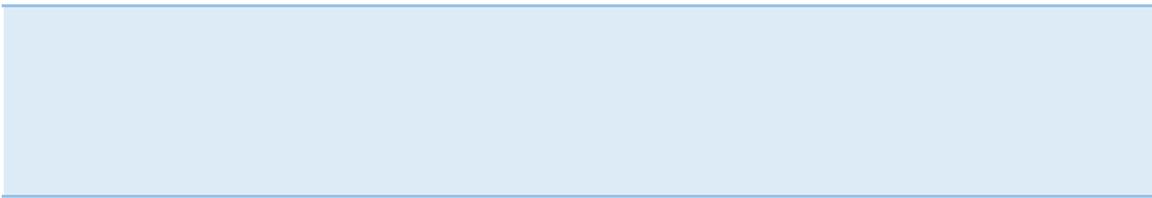
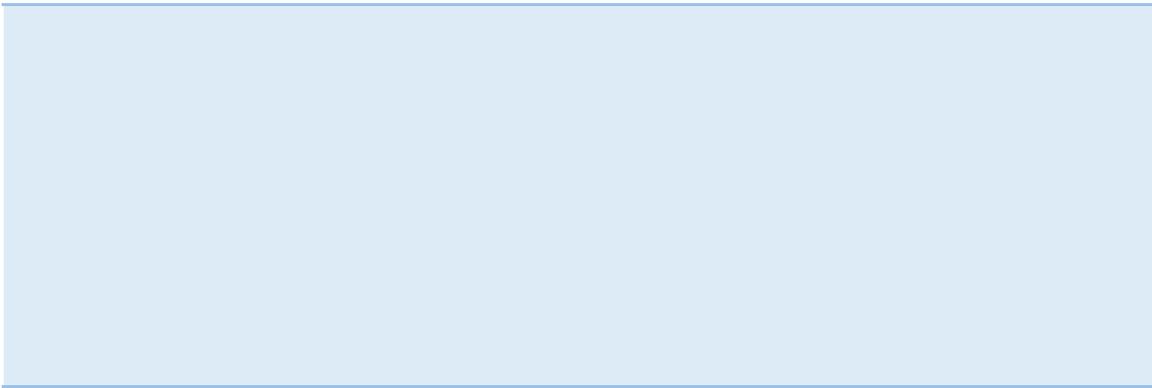


31/07/2020 Finance Director



31/12/2019 Executive Team





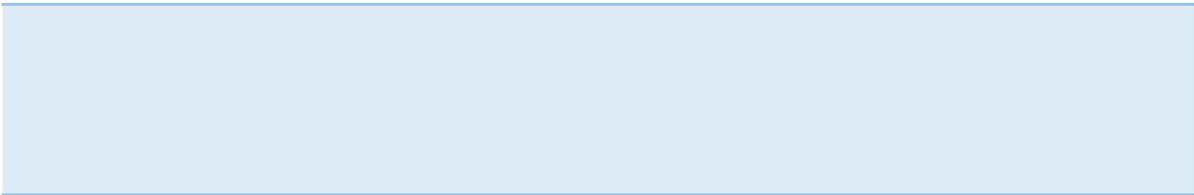
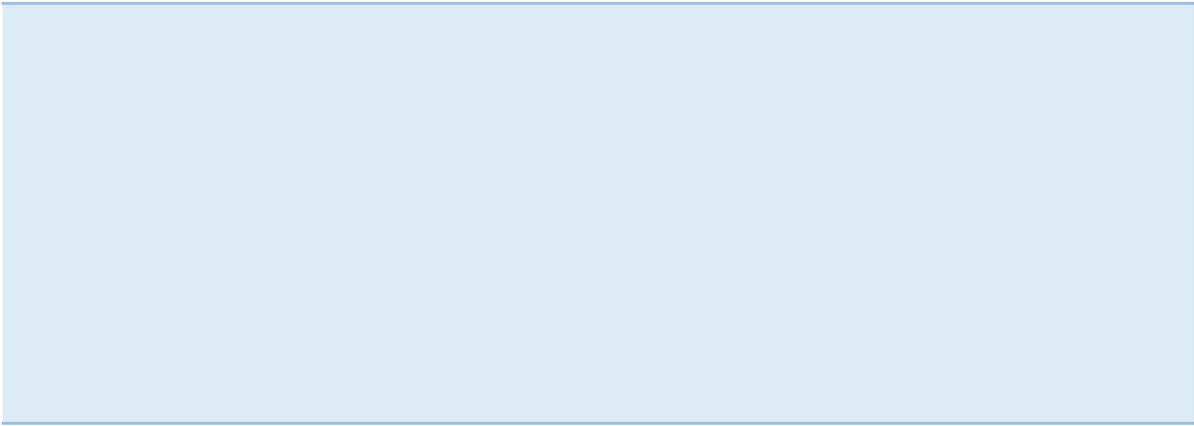
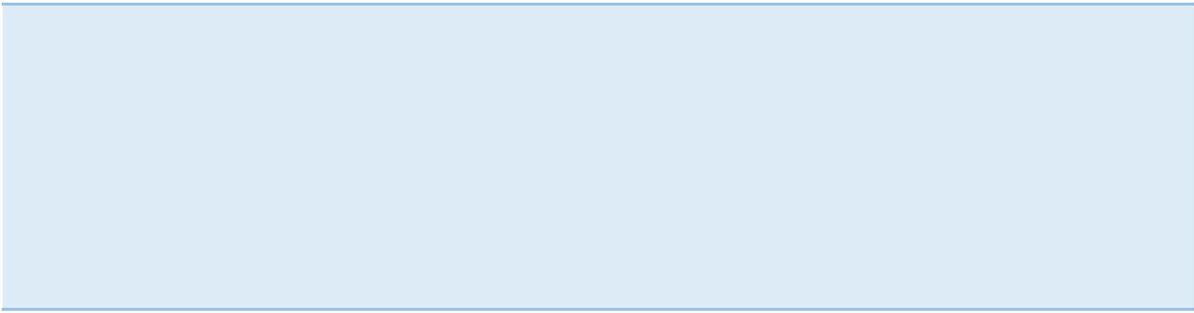
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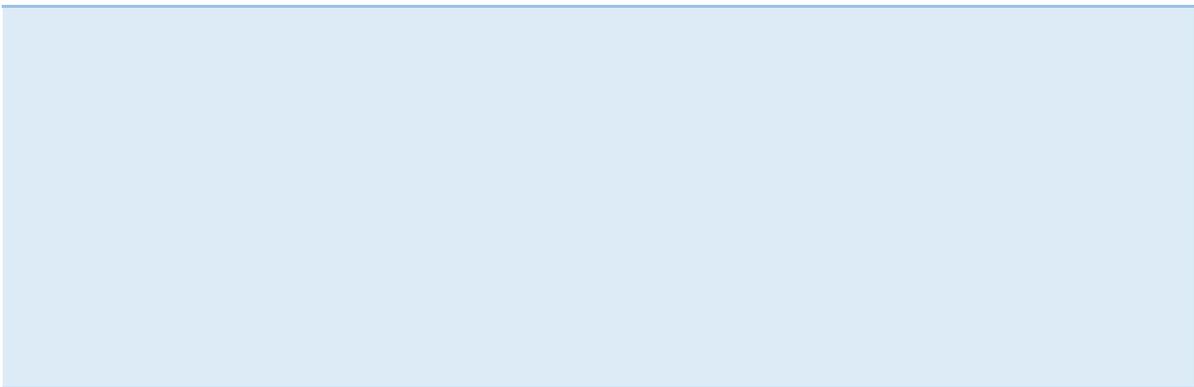
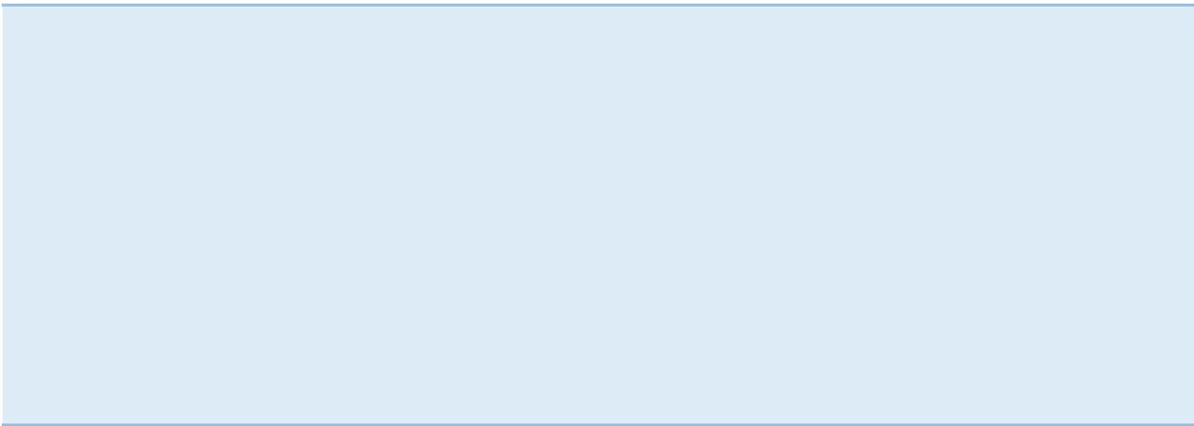
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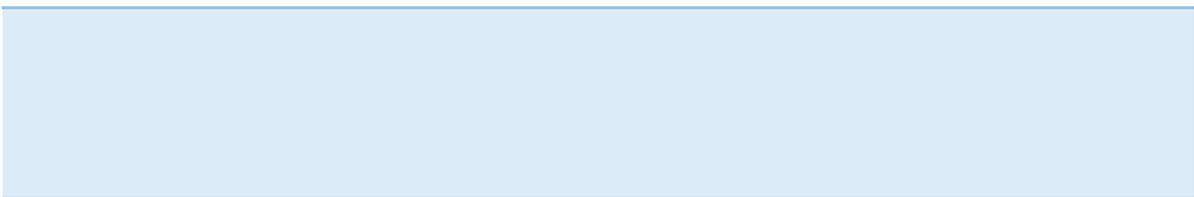
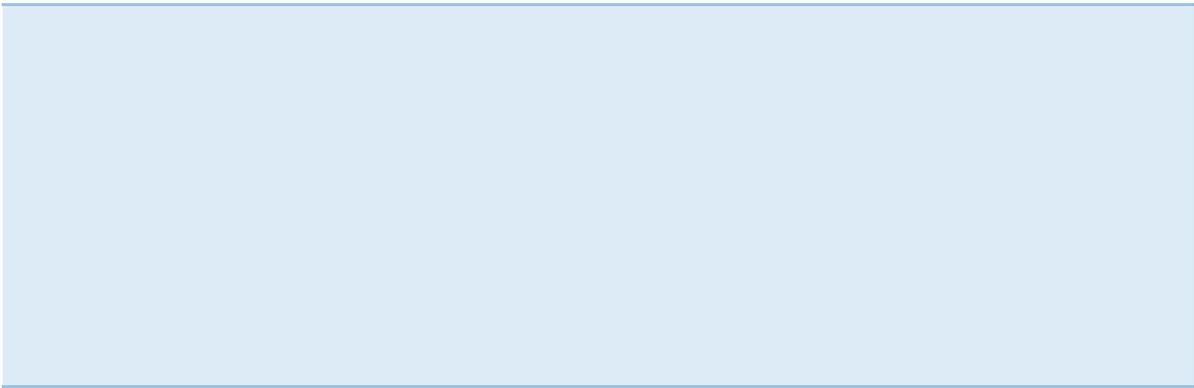




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Commonrisktoggle	Common Risks	Item Type	Path
No		Item	sites/riskregister/Risks
Yes	9.Academic quality	Item	sites/riskregister/Risks
		Item	sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

No

Item sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

Yes 1.HE Targets Item sites/riskregister/Risks

Yes 2.FE Targets Item sites/riskregister/Risks

Yes 3.Reputation Item sites/riskregister/Risks

Yes 4.Key Staff Item sites/riskregister/Risks

Yes	5.Compliance	Item	sites/riskregister/Risks
Yes	6.Governance failure	Item	sites/riskregister/Risks
Yes	7.Financial failure	Item	sites/riskregister/Risks
Yes	8.Estates	Item	sites/riskregister/Risks
Yes	9.Academic quality	Item	sites/riskregister/Risks

Yes 11.Student Experience Item sites/riskregister/Risks

Yes 10.Research quality Item sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

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No

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Item sites/riskregister/Risks

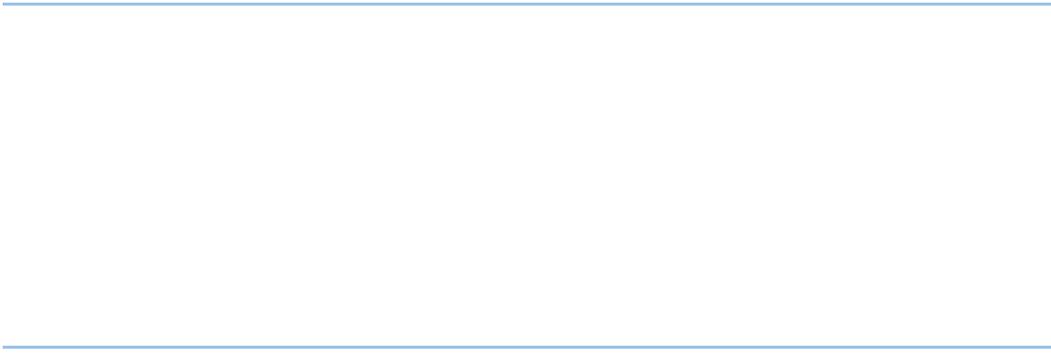
Item sites/riskregister/Risks

Item sites/riskregister/Risks

Item sites/riskregister/Risks

Yes 12.Data breach Item sites/riskregister/Risks

No Item sites/riskregister/Risks



Argyll College UHI Ltd

Staff Development

Internal Audit Report No: 2020/02

Draft Issued: 11 September 2020

Final issued:

LEVEL OF ASSURANCE

Requires Improvement

Contents

	Page No.
Section 1	Management Summary
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Section 2	Main Findings and Action Plan 4 - 12

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

Requires Improvement	System has weaknesses that could prevent it achieving control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Argyll College UHI Ltd ('the College') Register:

- 14 – Disruption to services/projects and/or partnership working resulting from loss (temporary or permanent) of a key staff member (risk rating: medium)

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's staff development arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Governors and Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Within the College sector recruitment and retention of key staff is of vital importance. The College must ensure that it has the organisational capacity to implement its strategic plans and make full use of the abilities of its staff. It should therefore explicitly relate its staffing requirements to its strategic and operational objectives in terms of numbers, skills, knowledge, deployment, structure, etc.

The College should ensure that all staff are managed effectively and efficiently. Managers should communicate business priorities and objectives to staff and ensure that those objectives are translated into tasks that teams and individuals undertake. Staff should know what is expected of them; their performance should be regularly assessed; and they should be assisted in improving their performance.

Scope, Objectives and Overall Findings

This audit considered whether the College is making best use of its staff and included a review of workforce planning; training; and the personal development plan system.

The table below notes the objective for this review and records the results:

Objective	Findings			
The specific objective of this audit was to obtain reasonable assurance that:		1	2	3
1. the College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these.	Satisfactory	0	0	1
2. the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.	Requires Improvement	0	2	1
3. the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact.	Satisfactory	0	0	1
4. there is a systematic approach for translating business objectives into actions / tasks for members of staff.	Satisfactory	0	0	1
5. a systematic approach is used for communicating objectives and performance expectations to staff.	Good	0	0	0
6. a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.	Good	0	0	0
Overall Level of Assurance	Requires Improvement	0	2	4
		System has weaknesses that could prevent it achieving control objectives.		

Audit Approach

The HR Officer and Director of Finance were interviewed, and the College's policies, procedures and structure reviewed, to assess compliance with the above objectives.

Summary of Main Findings

Strengths

- The College continually monitors student and staff numbers to ensure that sufficient staff resources are attached to each course.
- The College has a dedicated Learning and Development (L&D) Coordinator who coordinates training and development activities delivered across the College.
- The College provides a range of learning and development opportunities for staff, including supporting staff in undertaking the Professional Development Award in Teaching Practice.
- Staff have access to a suite of online training modules which provides them with flexible opportunities for learning and development.
- Staff Development Request Procedures are in place which outline the application, review, and approval process for training requests.
- There are mechanisms in place to communicate the College's objectives to departments and to staff and to review departmental and College performance.

Weaknesses and Opportunities for Improvement

- The College has not developed a Workforce Plan which reflects the College's medium-term strategy for managing its workforce (including the provision of support through learning and development). Such a Workforce Plan would include an analysis of the current workforce and identify future staffing requirements (as well as setting out a strategy describing how any potential gaps could be addressed).
- The Staff Development Committee is responsible for approving staff development requests. Our review noted that the Staff Development Committee was chaired by a Head of Curriculum and previously met every six weeks. However, the committee has not convened since August 2019.
- Although guidance is available to staff on the appraisal process, and information is available on a range of learning and development activities, the College has not established an overarching staff Learning & Development policy which clearly outlines the College's aims and objectives or outlines the responsibilities of staff, line managers, senior management and the Board in relation to staff training.
- The current staff development request form requires staff to document how the College will benefit as well as what the individual hopes to gain from attendance at a training event. However, there is scope to expand this to document the expected learning outcomes which would later allow a formal evaluation of the impact of training received by requiring staff to revisit the expected learning outcomes recorded on the development request form a period of time after having received the training in order to confirm that the learning needs have been met.
- The staff appraisal form, and associated guidance notes, do not provide a clear linkage between the training needs identified on the appraisal forms and the departmental operational or College Strategic Plan objectives.

Acknowledgements

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



Main Findings and Action Plan

Objective 1: The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these.

Our review found that although there is no formal workforce plan or skills database currently in place (see **R1** below) there are alternative processes in place which ensure that staff resources are available to meet commitments.

There is an approved establishment list and staffing budgets are based on approved posts. Management conduct recruitment in line with available budgets and approval for new posts. Management monitor student and staff numbers to ensure that sufficient resources are aligned to each curriculum area and support service so that operational commitments and service levels can be met. Skills gaps are filled, either through redeployment of staff, by supporting staff through further training or, where necessary, through external recruitment in line with the staff budget model. During the last 12 months the College has undertaken some re-organisation, particularly within curriculum teams, to ensure that the right staffing structure and capabilities are in place to meet the College's needs going forward and to address identified succession planning challenges.

Staff Development - DRAFT

Objective 1: The College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these.

Observation	Risk	Recommendation	Management Response
<p>The College has not developed a Workforce Plan which reflects the College's medium-term strategy for managing its workforce (including the provision of support through learning and development). Such a Workforce Plan would include an analysis of the current workforce and identify future staffing requirements (as well as setting out a strategy describing how any potential gaps would be filled).</p>	<p>Without a Workforce Plan there is a risk that changes to the way the College delivers services in one curriculum or support area may have unplanned or unintended effects on other curriculum or support areas; and the College may not be able to manage workforce changes to ensure that it is making best use of its staff resources to achieve its objectives.</p>	<p>R1 In order to meet the anticipated future challenges around curriculum delivery and College budgets, the College should consider undertaking an exercise to forecast expected staff numbers and staff costs and also identify skill needs aligned to the future shape of the curriculum portfolio on a rolling three-year basis, using scenario planning where necessary.</p>	<p>Prior to this report, it had been recognised that there are insufficient resources and organisational development expertise within the SMT to provide the necessary strategic leadership in order to fully address the training and development plans and needs of an organisation which has at its heart learning and development. This recognition, brought into sharp focus by the recommendations of this report, means that the college will bring forward its review of HR/OD (including the potential for additional staffing) to allow this be developed fully and properly and where necessary seek Board approval for additional resources.</p> <p>All subsequent recommendations have been responded to with this additional resource seen as an integral part of the responses.</p> <p>To be actioned by: SMT</p> <p>No later than: Feb 2021</p>

Staff Development - DRAFT

			Grade	3
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Objective 2: The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.

The skills of new staff are considered during the recruitment process to ensure that they have adequate skills for undertaking the relevant role being filled. All permanent teaching staff are required to undertake a teaching qualification, either the Teaching Qualification Further Education (TQFE) or a suitable Professional Development Award. If new staff do not possess a teaching qualification the College will provide support to staff to achieve this qualification.

All new staff must complete a mandatory induction programme, which consists of online training modules covering areas of statutory compliance including health and safety and data protection. Induction also includes a departmental induction provided by the relevant staff member's line manager.

Training needs can also be identified by individual staff members or managers as part of the annual staff appraisal process or at any time during the year.

Our review noted that the College provides a range of learning and development opportunities for staff, including:

- two days of structured Continuing Professional Development (CPD) activity each year to all staff.
- staff are provided access to a suite of online learning modules.
- staff have access to the College Virtual Learning Environment where they can find training information.
- staff can apply to attend an external training course where there is a valid justification; and
- teaching staff can apply to undertake the Professional Development Award in Teaching Practice.

Objective 2: The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.

Observation	Risks	Recommendation	Management Response
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Staff Development - DRAFT

<p>Staff Development Request Procedures are in place which outline the application, review, and approval process for training requests. The procedures describe that:</p> <ul style="list-style-type: none"> the Staff Development Committee is responsible for approving staff development requests. costs of training events up to a maximum amount of £200 can be approved by the Chair of the Staff Development Committee, with requests above this limit needing approval by the full committee. the process for evaluating staff development activity, including issuing training evaluation forms to staff following training; and evaluation forms are reviewed by the Staff Development Committee at their regular meetings, as a standing agenda item, in order to inform any changes in the scope or form of future occurrences of the same training session as well as informing the overall College staff development plan. <p>Our review noted that the Staff Development Committee was chaired by a Head of Curriculum and previously met every six weeks. However, the committee has not convened since August 2019.</p>	<p>Staff development opportunities are restricted due to a failure in the approval procedures.</p> <p>Failure to evaluate the effectiveness of training could lead to poor use of resources by continuing training that does not result in more efficient or effective working practices or provide value for money.</p>	<p>R2 Ensure that the Staff Development Committee operates as outlined in the Staff Development Request Procedures. A review should be conducted to clarify the circumstances which have led to the committee not convening since August 2019 and to identify any barriers which may prevent the committee convening (including timing of meetings, composition of the committee and use of technology).</p>	<p>It is felt that the current arrangement needs to be better linked into other systems currently being reviewed and improved – ie staff induction and staff appraisal systems, and to clearly link with college strategy and direction.</p> <p>The Staff Development Committee will be reviewed by SMT and through consultation with unions as appropriate to identify how it can be best organised to reinvigorate training and development within the organisation. An annual training and development plan will be prepared for the forthcoming academic year for agreement by SMT and this will be devolved to managers/staff development committee to ensure that all staff are clear that training undertaken is for the benefit of the students/ student experience, and in the achievement of the stated aims and objectives of the college as a whole.</p> <p>To be actioned by: SMT</p> <p>No later than: May 2021</p>
<p>Grade</p>	<p>2</p>		

Staff Development - DRAFT

Objective 2: The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued).

The identification of training needs is not currently directly aligned with the College's annual budget setting cycle. This misalignment creates a weakness whereby budgets are assigned for training costs without the identification of training requirements for the year ahead. Although this does create a potential risk that insufficient budgets are allocated to meet training and development needs, the Director of Finance expressed confidence that the budget available is sufficient to meet existing training needs. If there was an urgent training requirement, such as to satisfy legal compliance, then management would be committed to the identification of resources to deliver the necessary training.

Staff appraisals are conducted annually by managers and any training needs are identified from this process and recorded on the forms provided which are then shared with the Learning & Development (L&D) Coordinator to aid future planning of L&D activities.

All new staff are required to complete a corporate and departmental induction. The induction process is coordinated by managers and covers all service areas. The College makes use of a suite of e-learning modules which must be completed by all new staff. The results of completion of e-learning modules are recorded on individual employee training records.

Observation	Risk	Recommendation	Management Response
Although guidance is available to staff on the appraisal process, and information is made available on a range of learning and development activities, the College has not established an overarching staff L&D policy which clearly outlines the College's aims and objectives or outlines the responsibilities of staff, line managers, senior management and the Board in relation to staff training.	The College's policy and ethos on training is not clearly communicated resulting in variations in approach across the College.	<p>R3 A Staff Learning & Development Policy should be created which outlines:</p> <ul style="list-style-type: none"> the scope aims and responsibilities in relation to learning, development and training. options for learning and development available to staff. how training and development is prioritised. specific areas of learning which are essential for all staff. responsibilities in terms of recording, monitoring, and evaluating learning; and 	We are aware that the limited management resources within the college has meant that learning and development has ended up being devolved to the Staff Development Committee and that this operated without a clear plan, and was reactive to training requests. A Staff Learning and Development policy will be created for consultation and agreement with all relevant parties. We also will carry out an existing skills assessment.

Staff Development - DRAFT

		<ul style="list-style-type: none">• Personal Development Review arrangements.	<p>To be actioned by: SMT</p> <p>No later than: May 2021</p>		
			<table border="1"><tr><td>Grade</td><td>2</td></tr></table>	Grade	2
Grade	2				

Staff Development - DRAFT

Objective 2: The College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps (continued).

Observation	Risk	Recommendation	Management Response
<p>The College does not make use of skills databases at either an organisational level (i.e. through the L&D team) or at a departmental level, which can be utilised to identify any skills or knowledge gaps in departments or for individual members of staff.</p> <p>Our review noted that the identification and recording of training needs across the College is currently a largely manual (and therefore less efficient) process. L&D staff are required to analyse employee appraisal forms to identify training needs, which are then scrutinised to determine if there is a business justification for the training. This relies on L&D staff maintaining an understanding of staff roles or seeking clarification from line managers on the need for specific training. Once training has been provided, L&D staff must manually add training records into the Cascade HR system based on a review of several different records, such as course attendance sheets and training application forms.</p> <p>It would be more efficient to identify a base level of training expected for each post and utilise this data to populate Cascade. As employee training records are added to Cascade they can then be matched to the training requirements established for each post. This could allow L&D to identify skills gaps and target training to specific groups or to individual staff members. As the curriculum portfolio changes, any changes in staff skills mix should also be notified to L&D to allow Cascade to be updated. This would allow L&D to identify any revised training needs across the College.</p> <p>Refresher training, such as health and safety training, is currently recorded separately on spreadsheets. However, the information is then recorded in Cascade to provide a historic record of training received. Potentially, Cascade could be utilised in a more proactive manner whereby L&D could identify the refresher training due in the next 12 months. This would allow more efficient forward planning in terms of developing a training plan and the associated budget.</p>	<p>Information is not available to identify where training requirements or skills gaps exist.</p>	<p>R4 Conduct a training needs assessment across the College to identify the basic training and skills requirement associated with each post. The data obtained from the training needs assessment should then be used to populate Cascade, which will allow L&D and management to identify training gaps as staff training records are updated.</p>	<p>HR will be asked to conduct this training needs assessment for each member of staff to identify basic skills and training requirement, to organise the basic training required and to document this in our HR system. We will also carry out an existing skills assessment, where we will identify and record all the skills current staff have already, so we can easily search this before looking to recruit externally for new posts</p>

Staff Development - DRAFT

			To be actioned by: HR/SMT No later than: May 2021
			Grade
			3

Objective 3: The College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact.

Staff Development - DRAFT

Observation	Risk	Recommendation	Management Response		
<p>Discussions with staff, and review of appraisal procedures, identified that there is a formal means of evaluating the impact of previous training provided on staff performance through the staff appraisal process, and also an informal mechanism through regular one to one meetings held with staff. However, it was also identified that there is no formal means of obtaining feedback on the quality, relevance or usefulness of the training activity undertaken.</p> <p>The current staff development request form requires staff to document how the College will benefit as well as what the individual hopes to gain from attendance at a training event. However, there is scope to expand this to document the expected learning outcomes which would later allow a formal evaluation of the impact of training received by requiring staff to revisit the expected learning outcomes recorded on the development request form a period of time after having received the training in order to confirm that the learning needs have been met.</p>	<p>Failure to evaluate the effectiveness of training could lead to poor use of resources by continuing training that does not result in more efficient or effective working practices or provide value for money.</p>	<p>R5 Work should be undertaken to expand the current development request form to capture expected learning outcomes. This will provide the opportunity for staff to subsequently formally evaluate the achievement of anticipated learning outcomes and to record feedback after attending the relevant training course. Completed forms should then be signed-off by managers and form part of the staff appraisal process. Feedback provided on the forms should also be reviewed, and the results used to inform future selection of training providers and an analysis of training spend and benefits derived to ensure that best value is being achieved from training spend.</p>	<p>Agreed, we will action the recommendation as described</p> <p>To be actioned by: SMT</p> <p>No later than: August 2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

Objective 4: There is a systematic approach for translating business objectives into actions / tasks for members of staff.

Staff Development - DRAFT

The College's Strategic Plan is used as the basis for developing departmental operational plans, which are prepared annually around September / October, and which link to the key objectives in the College Strategic Plan.

Our review confirmed that there are a range of mechanisms in place to communicate the College's objectives to departments and to staff, including:

- the staff appraisal process.
- informal one-to-one discussions held between senior management and Heads of Curriculum and other senior managers.
- the annual departmental self-evaluation review process facilitated by the College's Quality team.
- faculty meetings which are held several times a year; and
- annual staff development events.

Observation	Risk	Recommendation	Management Response	
The staff appraisal form, and associated guidance notes, do not provide a clear linkage between the training needs identified on the appraisal forms and the departmental operational or College Strategic Plan objectives.	Learning and development activities are not effectively linked to the departmental operational objectives and/or to the College strategic objectives.	R6 As part of the staff appraisal process a review should be completed on how staff learning and development actions can be more clearly linked to departmental objectives on the staff appraisal forms.	<p>Agreed. As appraisals as carried out by CL and other managers we will incorporate this into business plans and monitoring</p> <p>To be actioned by: SMT</p> <p>No later than: August 2021</p>	
			Grade	3

Staff Development - DRAFT

Objective 5: A systematic approach is used for communicating objectives and performance expectations to staff.

Objectives are communicated to staff via a range of mechanisms, including through one to one meeting, team meetings, and the annual staff review process. Performance expectations should be clearly set out by line managers as well as formally through job descriptions. Where there is a need to clarify performance expectations then this should take place through ad hoc discussions with staff, through the staff review process, or if necessary, through the Performance Improvement Policy and Procedure

Each member of staff undergoes an annual staff appraisal with their line manager to discuss performance against previously agreed objectives; to agree objectives for the coming period; and identify training and development needs. Performance and training objectives are then agreed for the next 12-month period. As noted above, staff objectives are linked to the departmental operational plans with individual responsibility assigned. A key objective of the staff appraisal is to offer each member of staff a formal means to clarify and review their responsibilities and relationships and to embrace the opportunities for training and development.

Objective 6: A systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.

Ad hoc issues should be dealt through regular contact between the line manager and the staff member concerned.

If there are concerns around staff performance, then these should be dealt with through the Performance Improvement Policy and Procedure. We reviewed this procedure and confirmed that it provides a robust framework for dealing with performance issues. We also noted that it allows for a range of informal and formal means for addressing issues and has appropriate options including discussion, escalation, warnings, suspension, and dismissal.

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Argyll College UHI Ltd

Health and Safety

Internal Audit Report No: 2020/03

Draft issued: 26 November 2020

Final issued:

LEVEL OF ASSURANCE

Requires Improvement

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Section 2	Main Findings and Action Plan 4 - 9

Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

Requires Improvement

System has weaknesses that could prevent it achieving control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Argyll College ('the College') Strategic Risk Register:

- Non-compliance with relevant statutory regulations (risk rating: amber); and
- Failure to embed a pervasive culture of Health & Safety awareness (risk rating: amber)

Background

As part of the Internal Audit programme at the College for 2019/20 we carried out a review of the College's Health and Safety (H&S) arrangements. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Governors and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Within the College sector it is important to demonstrate full implementation and embedding of H&S legislation. It is important that H&S is considered by all staff, management, and Board members at the College in order to reduce the risks related to accidents and occupational health. Furthermore, all staff should understand that H&S is their responsibility, and not only that of management and the Board.

Scope, Objectives and Overall Findings

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

The main objective of this audit was to review the College's overall arrangements for dealing with H&S issues and to consider whether these are adequate and operating effectively in practice at each campus site.

The table below notes the specific objectives for this review and records the results:

Objective	Findings			
		1	2	3
The specific objectives of this audit were to obtain reasonable assurance the College has:				
1. a H&S policy and documented procedures which are communicated to all staff.	Good	0	0	0
2. a formal risk identification and assessment process.	Requires Improvement	0	1	0
3. a H&S training programme which includes induction training, refresher training and training for new equipment and legislation.	Requires Improvement	0	1	1
4. regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive.	Good	0	0	0
5. an incident and accident recording system with follow-up and implementation of new controls where required.	Good	0	0	0
6. regular reporting of H&S to senior management and to the Board of Management.	Satisfactory	0	0	1
Overall Level of Assurance	Requires Improvement	0	2	2
		System has weaknesses that could prevent it achieving control objectives.		

Audit Approach

From discussion with the Health and Safety Officer, and review of procedural documentation, we identified the internal controls in place and compared these with expected controls. A walkthrough of key systems was undertaken to confirm our understanding, and this was followed up with compliance testing where considered necessary. We have reported on any areas where expected controls were absent, not operating effectively or where controls could be further strengthened.

Summary of Main Findings

Strengths

- The College has a comprehensive H&S Policy in place, which is circulated to staff annually following any updates, and is available at all times via the staff intranet.
- The College make use of an external H&S Consultant to access relevant H&S expertise. The H&S Consultant carries out annual H&S audits.
- The College has a Health and Safety Committee which meets at least three times per year and H&S is a standing agenda item at each Board meeting. A verbal update is provided on all relevant H&S issues across all campuses and relevant issues are discussed. The H&S Committee includes members of the Executive Team, Senior Management Team, departmental representatives, and the external H&S Consultant which ensures a breadth of representation which is well placed to respond to the H&S risks identified and make improvements to its culture within the College.
- Through discussions with management and staff during our review we noted a desire to improve the current H&S approach and to address any weaknesses in its application across the College.

Weaknesses

- The College does not maintain a risk assessment register, which highlights the areas of activity within the College where a risk assessment is required, and provides confirmation that these have been approved; the dates that these are due to be updated; and action plans to address any concerns or improvements identified.
- For a sample of 10 risk assessments, we noted that: nine had not been signed and dated as approved; two did not have a review date set; and one was past the recorded review date and but had not been reviewed.
- Although completion of induction training, including H&S training, is a mandatory requirement for staff, the College training records do not readily identify which staff have completed induction training and there is no record to show whether additional H&S training needs have been identified for specific roles.
- Although there is a H&S Committee in place, and H&S is discussed as a standing item at Board meetings by way of an oral update, there is no formal reporting of H&S statistics to the Board or H&S Committee on a regular basis.

Acknowledgements

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



Main Findings and Action Plan

Objective 1: A H&S policy and documented procedures which are communicated to all staff.

The College has a H&S Policy in place which includes a H&S Policy Statement setting out the College's H&S objectives. This is reviewed annually and was last signed off by the Principal and the Chair of the Board in February 2020. The Policy outlines the responsibilities and arrangements for the management of H&S within the College. The responsibility for implementing the policy is shared between the Principal and Depute Principal, Board, managers, and staff. The responsibility for keeping up to date with legislation and sharing this knowledge with the College is delegated to the Head of Property. The College also utilise an external H&S Consultant for advice on specific H&S issues. The external H&S Consultant also undertakes an annual review of the College's H&S arrangements and provides advice on any changes in legislation or best practice.

The H&S Policy is made available to staff on the College intranet. It is also circulated to all staff and tutors by email on an annual basis (and any time that the policy is amended). H&S procedures are also communicated to staff and students using posters and signage across the College estate.

The Health and Safety Law poster and the current Employers Liability Compulsory Insurance certificate are displayed at each learning centre and signage is displayed as specified within fire and general risk assessments conducted by the external H&S consultant.

Copies of the relevant policies and procedures were reviewed as part of our audit. This was supplemented by discussions with the Head of Property to understand and evaluate the practical application of these policies and procedures across the College. These were considered to be adequate.

Health and Safety - DRAFT

Objective 2: A formal risk identification and assessment process.

The College maintains a Risk Register, which includes a specific risk on failure to comply with relevant statutory regulations, including H&S requirements. The responsibility to ensure ongoing review, updating and mitigation of this risk has been delegated to the Board & Executive Team. The Risk Register includes details of actions that the College takes to mitigate the H&S risk. The College also maintains a specific H&S risk register detailing the H&S risks faced by the College and the actions in place to minimise the risks. Copies of the College Risk Register and the H&S risk register were obtained during the audit and we confirmed that the risks identified, and the associated mitigating actions, appear reasonable.

The College has a H&S Committee which meets at least three times per year. The Committee is chaired by the Head of Property and includes the Finance Director, the external H&S Consultant, and up to four employee representatives (who are elected for a two-year term). The remit and copies of the minutes of the most recent Committee meetings were obtained during our audit and we noted that there was evidence of discussion of H&S issues with actions being raised to address any weaknesses identified.

Observation	Risks	Recommendation	Management Response		
<p>For a sample of 10 risk assessments completed by the College we noted that: nine of the 10 risk assessments had not been signed and dated as approved; two did not have a review date set; and one was past the recorded review date but had yet to be reviewed and updated.</p> <p>We also noted that there is no risk assessment register in place which identifies all of the areas and activities within the College which require a risk assessment to be completed, records when these will need to be updated, or includes action plans to address any weaknesses/improvements identified. Staff conduct risk assessments for the areas for which they are responsible, unless the area is high risk in which case these are completed by the Head of Curriculum , with the external H&S and consultant assisting with risk assessments in non-academic areas.</p>	<p>Risk assessments are not completed, approved, or updated as required and any concerns or improvements identified are not followed up.</p>	<p>R1 Develop a risk assessment register which identifies the areas and activities for which a risk assessment is required, and records confirmation that these have been approved; the dates that these will require to be updated; and action plans to address any concerns or improvements identified.</p>	<p>Agreed this would be put in place</p> <p>To be actioned by: Head of Property</p> <p>No later than: 31/02/2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td style="background-color: #FFD700;">2</td> </tr> </table>	Grade	2
Grade	2				

Health and Safety - DRAFT

Objective 3: A H&S training programme which includes induction training, refresher training and training for new equipment and legislation.

The Health and Safety at Work Act 1974 places a general duty on employers to provide such information, instruction, training, and supervision as is necessary to ensure, so far as practicable, the H&S at work of its employees.

All new staff at the College receive induction training, which includes e-learning modules on relevant H&S issues. The College also implements further training for staff which consists of online modules through the software package “Learn Upon”. An external H&S Consultant has also delivered specific training to staff on topics such as Risk Assessments and Fire Marshall training.

Observation	Risks	Recommendation	Management Response
<p>Our audit testing included a review of induction training records for a sample of 10 staff to confirm that they had completed the appropriate H&S induction training modules within one month of their start date, and that any further job specific H&S training requirements had been identified. We noted that in each instance training records did not readily identify which staff had completed the mandatory H&S training or identify any additional H&S training associated with specific job roles.</p> <p>The external H&S consultants also deliver aspects of H&S training to College staff. Our review noted that records of attendance of these training events is held by the external consultants with individual staff that have attended responsible for updating their own training records in the HR system.</p> <p>Internal audit report 2020/02 Staff Development, issued in November 2020, identified that the College has not undertaken a training needs assessment which identifies the basic training associated with each post.</p>	<p>Without visibility and confirmation that staff have completed the relevant H&S training there is a lack of assurance that the College is complying with the requirements of the Health and Safety at Work Act 1974.</p>	<p>R2 The Head of Property should work collaboratively with HR to conduct a H&S training needs assessment to identify all specific H&S training associated with each job role. A review of training records should then be undertaken to ensure that staff have completed the mandatory H&S training, as well as any job specific training. Training should be arranged to address gaps to ensure that H&S training compliance is maintained.</p>	<p>Per the staff development audit we have identified the need for a training and development plan and for the need to ensure that mandatory training is carried out by all staff, and that this is recorded and regularly updated. We feel that general & mandatory H & S training should be identified by Head of Property, but that need for job specific training should be identified by line managers in conjunction with the H&S consultant, and also with input from the H&S union reps.</p> <p>To be actioned by: Head of Property/HR/SMT</p> <p>No later than: 31/05/2021</p>

Health and Safety - DRAFT

			Grade	2
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Objective 3: A H&S training programme which includes induction training, refresher training and training for new equipment and legislation. (continued)

Observation	Risks	Recommendation	Management Response	
We also noted that there was a lack of clarity between HR and the Head of Property in terms of responsibility for monitoring H&S training compliance.	Without visibility and confirmation that staff have completed the relevant H&S training there is a lack of assurance that the College is complying with the requirements of the Health and Safety at Work Act 1974.	R3 Ongoing monitoring of H&S induction training, and delivery of other H&S training activity, should be undertaken regularly by the Head of Property and areas of non-compliance followed up with departmental managers. The Head of Property should report H&S training compliance data to each meeting of the H&S Committee.	<p>Agreed. A process will be agreed by Head of Property to capture and record this information through liaison with HR, and a suitable report for both the H & S committee and the SMT prepared on a quarterly basis.</p> <p>To be actioned by: Head of Property</p> <p>No later than: 31/01/2021</p>	
			Grade	2

Health and Safety - DRAFT

Objective 4: Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive.

Annual H&S audits are conducted by the external H&S Consultant covering all College premises. These cover a general risk assessment of the College workshops and a fire risk assessment only. The H&S consultants compile an audit programme and send this to the Head of Property for approval. The audit process includes pre-audit meetings, audit interviews with College staff, and review and verification that the College H&S procedures are operating effectively. An audit report with findings and recommendations is then presented to the Head of Property. Audits and subsequent actions are discussed between the Head of Property and the relevant learning centre manager and, if required the H&S Consultant, and an action plan is established to resolve any issues identified. Recommendations are subsequently followed up by the external H&S consultants.

Any routine H&S audit visits which were scheduled after March 2020 were not fulfilled due to the COVID-19 pandemic, although our review did confirm that routine H&S audits were conducted regularly prior to March 2020.

Objective 5: An incident and accident recording system with follow-up process and implementation of new controls where required.

Discussions with the Head of Property confirmed that the College currently has a paper-based accident reporting process. Accident Books are located at each learning centre and these should be used by centre managers to record accidents, near misses and first aid callouts. Forms are scanned and sent to the Head of Property for review who will consider whether further investigation or notification to the Health and Safety Executive (HSE) is required. We noted that there were no incidents reported to or investigated by the HSE during academic year 2019/20.

Health and Safety - DRAFT

Objective 6: Regular reporting of H&S to senior management and to the Board of Management.

Discussions with management, and review of meeting minutes, confirmed that verbal updates on H&S activity are provided to every H&S Committee and H&S is a standing agenda item at every Board meeting.

UHI Academic Partners are required to demonstrate compliance with applicable legislation to the UHI Executive Office. In October 2019, the College submitted a H&S Checklist to the UHI Executive Office for the period August 2018 to July 2019, which confirmed that that high-level H&S controls were in place, including governance arrangements, risk assessments, occupational health, training and summarised the number of accidents during the period. The checklist was reported to the College Board and H&S Committee in December 2019.

Observation	Risks	Recommendation	Management Response		
<p>A detailed annual H&S report to the Board, containing a summary of H&S training, accidents, including a short summary of all reportable incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and information on near-miss incidents, and other H&S developments in the year was not prepared for 2019.</p> <p>From our discussions, it was noted that it would be useful to provide this information quarterly, so that Board members and H&S Committee members have updates throughout the year rather than an annual update.</p>	<p>Board members and the H&S Committee will not be provided with an accurate picture of the accidents and incidents occurring within the College and will therefore not have ready access to the assurance they require that H&S risks are being identified and managed appropriately.</p>	<p>R4 Ensure that a detailed annual H&S report is prepared for the Board which includes a summary of:</p> <ul style="list-style-type: none"> • H&S training. • Accidents. • Incidents, including RIDDOR and near misses. • Trend analysis of training, accidents, and incidents; and • Other relevant H&S developments. <p>Summary information should also be reported quarterly to the H&S Committee and Board.</p>	<p>Agreed. These reports will be put in place.</p> <p>To be actioned by: Head of Property</p> <p>No later than: 28/02/2021</p> <table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

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Argyll College

HR / Payroll

Internal Audit Report No: 2020/04

Draft issued: 27 November 2020

Final issued: 27 November 2020

LEVEL OF ASSURANCE

Requires Improvement

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

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

Action Grades

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

Management Summary

Overall Level of Assurance

**Requires
Improvement**

System has weaknesses that could prevent it achieving control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the Argyll College UHI Ltd ('the College') Register:

- Non-compliance with relevant statutory regulations. (risk rating: amber)
- Going over budget on expenditure - Financial failure/operating loss. Failure to implement savings as outlined in FFR (risk rating: amber).

Background

As part of the Internal Audit programme at Argyll College for 2019/20 we carried out a review of the HR / payroll 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 of Governors and Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Scope, Objectives and Overall Findings

The scope of this audit was to consider the key internal controls in place over the College's spend on staff costs of approximately £1.25m per annum. Our audit covered the procedures in place within both Human Resources and Finance.

The table below notes the objectives for this review and records the results:

Objective	Findings			
	1	2	3	
The objective of our audit was to obtain reasonable assurance that systems are sufficient to ensure:	No. of Agreed Actions			
1. Correct calculation of gross pay and deductions.	Requires Improvement	0	1	0
2. Correct calculation of employer national insurance and superannuation contributions.	Good	0	0	0
3. Part-time lecturers, overtime and travel & subsistence payments are properly authorised.	Requires Improvement	0	1	0
4. Approval and checking of changes to employee standing data.	Satisfactory	0	0	1
5. Starters and leavers are properly treated and enter and leave the system at the correct dates.	Satisfactory	0	0	1
6. Proper authorisation, processing and recording of payments.	Satisfactory	0	0	2
Overall Level of Assurance	Requires Improvement	0	2	4
		System has weaknesses that could prevent it achieving control objectives.		

Audit Approach

From discussion with Finance and Human Resources staff, and review of procedures documentation, we identified the key internal controls in place within the College's Human Resources / Payroll systems and compared these with expected controls.

Compliance testing was then carried out to ensure that the controls in place are operating effectively, concentrating on starters, leavers, and variations to pay.

Summary of Main Findings

Strengths

- From our sample testing we confirmed that gross pay had been correctly calculated, and salaries, hourly rates and rates for salary sacrifice deductions agreed to the standing data held in the HR / Payroll system.
- From our sample testing we confirmed that employer national insurance and superannuation contributions had been correctly calculated.
- For a sample of starters and leavers tested we confirmed that they had entered and left the HR / Payroll system at the correct date.
- The College has a process in place to ensure all timesheets are authorised for part-time lecturers and staff working additional hours, although the scope of our detailed testing was limited for a small number of items included in our sample due to physical records being unavailable as a result of COVID-19 restrictions.

Weaknesses

- Whilst most pension schemes use a net pay approach for calculating tax, NEST does not, and tax is calculated based on gross income. Tax relief is then added "at source" by E ST. We noted through reperformance of deductions processed in April 2000 that the correct treatment of PAYE had been applied by the College, however in testing of deductions for members of the NEST scheme in August 2019 and December 2019 we found that the employee's PAYE had been calculated using a net pay approach. From discussion with the Director of Finance, we identified that PAYE for all employees in the NEST pension scheme had been calculated using a net pay approach in error up to March 2020. This error has resulted employees underpaying PAYE during the year up to March 2020, having received tax relief through the monthly payroll as well as at source through the NEST scheme.
- We reviewed a sample of 10 travel claims and agreed amounts to supporting documentation. All claim forms provided were electronic and hence were not signed by the employee or by the designated signatory to evidence authorisation. Staff explained that when electronic claims are submitted, these would be emailed to line managers for authorisation before being forwarded alongside copies of receipts for payment. No email authorisation or receipts could be provided for all 10 items in our sample.
- We noted that there is no secondary checking of changes made to the HR / Payroll system by Finance.
- We noted starter forms are limited to information on personal details such as address and marital status, as required by HMRC. We noted that details of Full Time Equivalent (FTE) / contracted hours, annual salary / hourly rate or start date are not recorded on the starter form. This meant that we were unable to check whether the new starts had been correctly entered on to the HR / Payroll system and paid from the agreed start date. We also noted that the lack of detail on the new start forms means that finance staff are not able to independently check these details prior to each monthly payroll being processed. We also noted that starter forms are not currently signed off by a member of SMT to confirm they have been approved in line with the College's procedures.
- We reviewed a sample of five payment runs processed in 2019/20 and noted that two payment runs had been prepared by the Director of Finance and therefore had not been independently authorised. Discussion with the Director of Finance noted that payroll payments had been processed and authorised for payment by the Director of Finance on several occasions in 2019/20 due to long term staff absences within the Finance team during the 2019/20 financial year.
- We noted that payroll exception reports are not routinely run as part of monthly payroll processes. Staff explained that until recently the effectiveness of exception reports as a key control was limited due to the number of staff on variable hour contracts, however as staff have now transferred to FTE contracts, this control would now be much more meaningful.

Acknowledgments

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

Main Findings and Action Plan

Objective 1: Correct calculation of gross pay and deductions.

We reviewed the systems and procedures in place to ensure that staff on the College payroll are paid the correct amounts, including controls over increases in pay grades and that deductions are made at the correct rates.

A sample of 10 employees was selected at random from the payroll and gross pay was verified to annual salary rates within the combined HR and Payroll system, Cascade. As part of our audit testing for these employees, the calculation of statutory deductions (PAYE and national insurance) was re-performed and checked for accuracy. In addition, a sample of salary sacrifice deductions were checked back to source documentation to ensure accuracy.

Observation	Risk	Recommendation	Management Response		
<p>Whilst most pension schemes use a net pay approach for calculating tax, NEST does not, and tax is calculated based on gross income. Tax relief is then added "a s u c e" by E ST. We noted through reperformance of deductions in April 200 that the correct treatment of PAYE had been applied by the College, however in testing of deductions for members of the NEST scheme in August 2019 and December 2019 found that the employees PAYE had been calculated using a net pay approach. From discussion with the Director of Finance, we identified that PAYE for all employees in the NEST pension scheme had been calculated using a net pay approach in error up to March 2020. This error has resulted employees underpaying PAYE during year up to March 2020 having received tax relief through the monthly payroll as well as at source through the NEST scheme.</p>	<p>PAYE is calculated incorrectly, and employees have underpaid tax liabilities, which may require to be repaid later.</p>	<p>R1 The College should undertake a review of the PAYE underpayment for employees in the NEST pension scheme prior to March 2020. This should be quantified, and appropriate follow-up action determined.</p>	<p>Agreed.</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/01/2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td>2</td> </tr> </table>	Grade	2
Grade	2				

HR / Payroll

Objective 2: Correct calculation of employer national insurance and superannuation contributions.

The calculation of employer national insurance contributions for the 10 employees in our audit sample were re-performed and checked for accuracy. The results of our testing in this area proved satisfactory.

Employees are now automatically opted into the Strathclyde Pension Fund (SPF), NEST or the Scottish Public Pensions Agency (SPPA) and only contact HR if they want to opt out. For the 9 employees with pension deductions, within our sample, we agreed that the SPF, NEST or SPPA employer and employee contributions had been correctly calculated in line with the agreed contribution rates and noted no exceptions.

Objective 3: Part-time lecturers, overtime and travel & subsistence payments are properly authorised.

Staff with variable contracted hours and staff working hours, additional to those stated in their contract of employment, are required to submit timesheets. The College procedures require that appropriate documentation, such as timesheets, are completed and signed by the employee and designated signatory. Authorised documents are then passed to the HR department. Details are input to the Monthly Salaries Spreadsheet then passed to Finance for processing.

We selected 10 employees who worked variable hours or overtime and agreed the amounts claimed to the relevant supporting documentation. We were unable to obtain physical timesheets for our sample of employees due to COVID restrictions preventing access to records held in College premises. Although the College was able to provide alternative sources of evidence, which verified authorisation of hours being claimed for seven instances, we could not verify hours claimed to any appropriate supporting evidence in three instances. Details of timesheets are independently reviewed and input into the Monthly Salaries Spreadsheet by HR staff, which reduces the risk of payments for unauthorised hours being processed in the payroll system.

We obtained the support staff and teaching staff grades and spinal point annual salaries for the sample of 10 employees tested and agreed these to the HR / Payroll system with no issues noted.

HR / Payroll

Objective 3: Part-time lecturers, overtime and travel & subsistence payments are properly authorised (continued).

Travel and subsistence claims must also be signed by the employee and authorised by their line manager. All expenses reclaimed must be claimed on the Travel and Subsistence Claim form and all original receipts should be attached.

Observation	Risk	Recommendation	Management Response		
We reviewed a sample of 10 travel claims and agreed amounts to supporting documentation. All claim forms provided were electronic and hence were not signed by the employee or by the designated signatory to evidence authorisation. Staff explained that when electronic claims are submitted, these would be emailed to line managers for authorisation before being forwarded alongside copies of receipts for payment. No email authorisation or receipts could be provided for all 10 items in our sample.	<p>Insufficient backup is held to support travel and subsistence claims.</p> <p>Fraudulent claims are made for travel and subsistence claims.</p>	<p>R2 In future copies of email authorisation and receipts for electronic travel and subsistence claims should be retained in line with HMRC retention requirements.</p>	<p>We would point out that we do retain copies of receipts for travel and subsistence claims, however, as the college was in lockdown when the information was requested, getting access to the receipts was not possible. We have used electronic versions of the travel claims for ease due to our centres and staff being spread across Argyll, but will give consideration to changing that to only accepting hard copies of forms, with appropriate signatures. For historic reasons, the T & S process has been within the remit of Head of Property, but we will be moving that process to the Accounts dept.</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/05/2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td>2</td> </tr> </table>	Grade	2
Grade	2				

HR / Payroll

Objective 4: Approval and checking of changes to employee standing data.

Staff have self-service access to the combined HR and Payroll system and have permissions to change key standing data which impacts the payroll aspect of the system, such as their bank accounts. Any changes to critical employee standing data such as this are notified to the HR staff who authorise the changes made.

We selected a sample of five changes to employee standing data and confirmed that all were appropriately authorised and applied correctly to the Payroll data.

Observation	Risk	Recommendation	Management Response	
<p>We noted that there is no secondary checking of changes made to the HR / Payroll system by Finance.</p>	<p>Without independent checks of staff data changes there is an increased risk of inappropriate payments and undetected internal fraud.</p>	<p>R3 On a monthly basis, a report showing any changes to employee standing data should be obtained and reviewed by staff independent of HR. This review should include checks to ensure that there is evidence to confirm that employees have requested / authorised any changes to their standing data.</p>	<p>We are making enquiries with our HR/Payroll software suppliers to identify whether there is a report that the system can produce for this check to be carried out.</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/01/2021</p>	
			<p>Grade</p>	<p>3</p>

HR / Payroll

Objective 5: Starters and leavers are properly treated and enter and leave the system at the correct dates.

A sample of five new starts and five leavers during financial year 2019/20 was selected at random from a new starts and leavers report generated from the HR / Payroll system.

Each leaver was successfully traced to their notice of termination. It was found that the leavers had been appropriately removed from the Payroll system in line with the last day of employment.

Observation	Risk	Recommendation	Management Response		
We noted starter forms are limited to information on personal details such as address and marital status, as required by HMRC. We noted that details of Full Time Equivalent (FTE) / contracted hours, annual salary / hourly rate or start date are not recorded on the starter form. This meant we were unable to check whether the new starts had been correctly entered in the HR / Payroll system and paid from the agreed start date. We also noted that the lack of detail on the new start forms means that finance staff are not able to independently check these details prior to each monthly payroll being processed. We also noted that started forms are not currently signed off by a member of SMT to confirm they have been approved in line with the C llege's procedures.	Without independent checks of staff data changes there is an increased risk of inappropriate payments and undetected internal fraud.	R4 Starter forms should be reviewed to ensure they include all details required for Finance to carry out secondary checking of the information input to Cascade by HR staff. These should be authorised by SMT prior to new starts being included on the payroll, as required by the C llege's p cedures.	<p>Agreed</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/01/2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

HR / Payroll

Objective 6: Proper authorisation, processing and recording of payments .

The Monthly Salaries Spreadsheet is prepared by the HR department and is then passed to Finance to be processed through Cascade Payroll. Once all entries are processed, the gross pay figure is checked against the salaries spreadsheet. Payment runs are prepared by the Accounts Officer and are authorised by the Director of Finance.

Observation	Risk	Recommendation	Management Response		
We reviewed a sample of five payment runs processed in 2019/20 and noted that two payment runs had been prepared by the Director of Finance and therefore had not been independently authorised. Discussion with the Director of Finance noted that payroll payments had been processed and authorised for payment by the Director of Finance on several occasions in 2019/20 due to long term staff absences within the Finance team in the 2019/20 financial year.	Without independent checking of payment runs, there is an increased risk of inappropriate payments and undetected internal fraud.	R5 Ensure that secondary authorisation is obtained from another member of the Executive Team for payroll payments in instances where staff numbers do not allow sufficient segregation of duties when processing the payroll.	<p>Agreed</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/12/2021</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				

HR / Payroll

Objective 6: Proper authorisation, processing and recording of payments (Continued)				
Observation	Risk	Recommendation	Management Response	
We noted that payroll exception reports are not routinely run as part of monthly payroll processes. Staff explained that until recently the effectiveness of exception reports as a key control was limited due to the number of staff on variable hour contracts, however as staff have now transferred to FTE contracts, this control would now be much more meaningful.	Without checks of pay variances, there is an increased risk of inappropriate payments and undetected internal fraud.	R6 On a monthly basis, a payroll exception report should be produced and reviewed by a member of staff independent of HR. This review should include checks that any variances in pay have been appropriately investigated and authorised. Evidence of these checks should be retained.	<p>Agreed</p> <p>To be actioned by: Finance Director</p> <p>No later than: 31/01/2021</p>	
			Grade	3

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Argyll College UHI

Follow-Up Reviews

2019/20

Internal Audit Report No: 2020/05

Draft issued: 26 November 2020

Final issued: 27 November 2020



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1. Management Summary

Introduction and Background

As part of the Internal Audit programme at Argyll College UHI ('the College') 2019/20 we carried out a follow-up review of the recommendations made in Internal Audit reports issued during 2018/19 and reports from earlier years where previous follow-up identified recommendations outstanding. These were:

- ICT Review of General Data Protection Regulation
- Assurance Review of Budgetary Control
- Assurance Review of Management and Board Reporting; and
- Follow-Up Reviews.

The following Internal Audit Reports, which were issued by the previous internal auditors, TIAA, in 2018/19, were not followed-up as these reports did not contain any recommendations:

- 2018/19 Annual Plan; and
- 2018/19 Annual Report.

Audit Scope and Objectives

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

Audit Approach

For the recommendations made in the reports referred to above we ascertained by enquiry and review of supporting documentation, as appropriate, whether they had been completed or what stage they had reached in terms of completion and whether the due date needed to be revised.

Action plans from the original reports, updated to include a column for progress made to date, are appended to this report.

Overall Conclusion

The College has made limited progress in implementing the recommendations followed-up as part of this review with four of 17 recommendations reviewed classified as 'fully implemented'. Nine recommendations were assessed as 'partially implemented', and hence as 'limited progress made'.

Follow-Up Reviews 2019/20

Overall Conclusion (continued)

One recommendation was assessed as 'considered but not implemented'.

We will follow-up the outstanding recommendations as part of the next follow-up review in 2020/21.

Area	From Original Reports		From Follow-Up Work Performed			
	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered But Not Implemented
ICT Review of General Data Protection Regulation	1	-	-	-	-	-
	2	3	2	1	-	-
	3	1	-	1	-	-
Total		4	2	2	-	-
Assurance Review of Budgetary Control	1	-	-	-	-	-
	2	2	-	-	1	1
	3	1	-	-	1	-
Total		3	-	-	2	1
Assurance Review of Management and Board Reporting	1	-	-	-	-	-
	2	3	-	3	-	-
	3	3	-	2	1	-
Total		6	-	5	1	-
Follow-Up Reviews	1	-	-	-	-	-
	2	4	2	2	-	-
	3	-	-	-	-	-
Total		4	2	2	-	-
Overall Total		17	4	9	3	1

Overall Conclusion (continued)

The grades, as detailed below, denote the priority grading that should have been given to each recommendation as defined by the College's previous Internal Audits:

1	Urgent	Fundamental control issue on which action should be taken immediately.
2	Important	Control issue on which action should be taken at the earliest opportunity.
3	Routine	Control issue on which action should be taken.

Acknowledgments

We would like to thank all staff for the co-operation and assistance we received during our reviews.



Appendix I - Updated Action Plan: ICT Review of General Data Protection Regulation (issued 2018/19)

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
Data Protection training be included within new staff induction.	2	We agree that whilst training was carried out in Sep 2018, this has not necessarily been carried out for new starts. Induction in future will ensure that training on GDPR is part of induction and also that there is a way of capturing that all staff undertake mandatory refresher training on GDPR on an annual basis.	Depute Principal	31/07/20	Data Protection / GDPR is now included as part of the new staff induction training. We recognise that improvements are required in our training and development processes, which has been further brought into focus by the recommendations of internal audit report on staff development (Internal Audit report 2020/02 – Staff Development, issued in November 2020). Fully Implemented
Procedures for managing and responding to Subject Access Requests be documented.	2	Procedures for managing and responding to Subject Data Access Requests will be added to the Data Protection Policy. Subject access request are reported quarterly to the Scottish Information Commissioner at the same time as Freedom of Information requests. There has only been one SAR in the last 10 years.	Depute Principal	13/12/19	A procedure has yet to be added to the Data Protection Policy for Subject Access Requests. This will be completed before the end of the calendar year. We have now updated details with the What do they know website which is commonly used as a conduit for FOI requests. Revised Completion Date: 31 December 2020 Partially Implemented

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
Data sharing arrangements be reviewed with a view to establishing data sharing agreements where necessary.	3	Agreed that this should be reviewed.	Principal	31/07/20	<p>These have been reviewed on an ad hoc basis driven by operational need in the last year. We recognise the need to do this systematically.</p> <p>Revised Completion Date: 31 July 2021</p> <p>Partially Implemented</p>
A CCTV Policy be developed, and CCTV usage be recorded within the data maps with consideration given to its impact and legal basis.	2	Agreed this is required particularly as it is intended for security purposes that CCTV will be installed.	Finance Director	31/03/20	<p>There is a UHI wide policy for CCTV usage, and we are currently reviewing signage where we have CCTV installed.</p> <p>Fully Implemented</p>

Appendix II - Assurance Review of Budgetary Control (issued 2018/19)

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
The Financial Procedures be reviewed to ensure these are up to date and reflective of current practice.	3	These will be reviewed at the F & GP meeting in March 2020.	Finance Director	31/03/20	<p>Owing to long term staff absence in the Accounts department from February 2020, this review did not take place. A new Accounts Assistant has recently been employed (October 2020) and this will allow the Accounts department to review, update and improve procedures. This will be taken to the Board in March 2021.</p> <p>Revised Completion Date: 31 March 2021</p> <p><i>Little or No Progress Made</i></p>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
Budget holders be identified and assigned responsibility for budget monitoring and control.	2	Size of college, restructure and changes in management responsibilities over the past two years has meant that budgets have not been delegated and budgetary control has been with the Exec Team. Once the College Strategic Plan and Operating Plan for 2020/21 and onwards has been finalised, it is planned that budgets will be devolved.	Finance Director	01/08/20	<p>COVID, and various other demands on management time during 2020 has meant that the strategic plan is still to be finalised.</p> <p>The college has recently signed up to NRPA and will be undertaking an exercise reviewing the curriculum management arrangements. When this is completed, agreement on the devolvement of budgets will be agreed.</p> <p>Revised Completion Date: 31 July 2021</p> <p><i>Little or No Progress Made</i></p>
Spend to date be compared to budget to date and variances be calculated within the management accounts.	2	This will be put to the Board/SMT to establish their interest in having this incorporated or otherwise into management accounts.	Finance Director	12/12/19	<p>The Board discussed this and there was felt to be no real need for this further detail within the management accounts.</p> <p><i>Considered But Not Implemented</i></p>

Appendix III - Updated Action Plan: Assurance Review of Management and Board Reporting (issued 2018/19)

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
The Terms of Reference for the Board of Governors and sub-committees be reviewed.	3	These will be reviewed at the Board and Board sub-committee meetings at first round of Committee meetings in March 2020.	Board Secretary	31/03/20	<p>Due to lockdown, this was not taken to Board/committees in March, though they were reviewed by the Board Secretary. The ToRs will be reviewed by the Committees on 27 November 2020, and by the Board on 11 December 2020.</p> <p>Revised Completion Date: 31 December 2020</p> <p><i>Partially Implemented</i></p>
A set agenda and structure be agreed in respect of monthly SMT meetings.	3	The geographic dispersal of the SMT creates a challenge to regular meetings which is longstanding. Since the change in Principal, the membership of SMT has been reviewed and is now expanded to include HR representation. A monthly pattern has been established with an agenda which has a number of standing items.	Principal	31/07/20	<p>Again, COVID has placed a huge amount of demand on management time this year, and meetings have been arranged sporadically when time and availability of all SMT members has allowed, and by necessity have predominantly had to be virtual. When normal service is resumed, we will resume monthly meetings with standing items on agenda.</p> <p>Revised Completion Date: 31 July 2021</p> <p><i>Little or No Progress Made</i></p>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
A Strategic Plan including strategic objectives be developed and approved for 2019/20 onwards.	2	Senior management are acutely aware of the need for Strategic Plan to be documented. In the past year, there have been a number of major, unplanned, operational issues to be dealt with which have necessarily taken precedence. That said, work has progressed on the basis for a strategic plan, the next stage of which is to share with the Board in December.	Principal/SMT	31/07/20	<p>COVID and other ongoing unplanned operational issues continue to provide challenges to the limited resources of the management team. We have just employed a Strategic Projects Co-ordinator and this role will provide additional resources and research to enable us to complete the plan. With union involvement on the staff side, this may now take longer than previously envisaged to allow all necessary and desired consultation to be carried out.</p> <p>Revised Completion Date: 31 March 2021</p> <p><i>Partially Implemented</i></p>
KPIs be developed which are linked to the College's strategic objectives. A framework be devised for all KPIs which documents ownership, clear definition of the KPI and measurement and documented procedures be introduced for the collection and calculation of the information.	2	See above. As the strategy is developed, appropriate KPIs will be defined and agreed.	Principal/SMT	31/07/20	<p>As above.</p> <p>Revised Completion Date: 31 March 2021</p> <p><i>Partially Implemented</i></p>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2020
An Action Tracker be introduced for Board and sub-committee meetings to track actions until completion.	3	This will be introduced at the set of Committee/Board meetings in the first quarter of 2020 calendar year.	Board Secretary	31/03/20	<p>This has not been implemented, purely due to time pressures. It will be implemented from November 2020 onwards, and a copy of the tracker for the 27 November 2020 meetings will be forwarded when it is completed.</p> <p>Revised Completion Date: 30 November 2020</p> <p><i>Partially Implemented</i></p>
It be ensured that Board and sub-committee papers are provided to members in a timely manner to provide sufficient time for review.	2	The Executive Team are aware of the need for papers to be sent out one week in advance of the meetings. However, given the very limited staff resources within the organisation, and in particular within the SMT and the workloads of the members of that team, other calls on their time will continue to mean that papers may not always be finalised at the desired time.	Executive Team	N/A	<p>The original management comments remain the position.</p> <p>Revised Completion Date: 31 July 2021</p> <p><i>Partially Implemented</i></p>



Appendix IV - Updated Action Plan: Internal Audit Report 2019/07 – Follow-Up Reviews

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2019	Progress at November 2020
HR Management (issued 2017/18)						
Management be reminded of the induction processes to be followed and ensure that HR and Cascade are updated with details of completion.	2	Will be included in Curriculum Lead training. HR will ensure compliance and will run monthly reports from Cascade.	HR Officer / HR Administrator	01/09/2018	<p>It was advised that an induction checklist was in use but sample testing found that only one of the four new starts had a completed induction checklist on file.</p> <p>Revised completion date: 31/07/20</p> <p><i>Partially Implemented</i></p>	<p>HR Officer is now carrying out induction process with all new staff members. There were very few new starts over the period since the COVID-19 lockdown in March 2020 and all new starts from September 2020 will now go through the induction checklist with HR and appropriate line manager.</p> <p>Revised Completion Date: 31 July 2021</p> <p><i>Partially Implemented</i></p>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2019	Progress at November 2020
HR Management (issued 2017/18)						
An appraisal process be established for review of staff performance and development with processes in place for recording completion and outcome of this.	2	Process is in place but training required for line managers. Training dates identified by 30/5/18 HR will implement a system for tracking appraisals have taken place and informing line managers of what staff are due an appraisal.	HR Officer / HR Administrator	01/09/2018	It was advised that this recommendation has not yet been implemented due to other priorities. Revised completion date: 31/07/21 <i>Partially Implemented</i>	Appraisal procedure and guidance notes implemented in 2019/20. Due to a lack of available management resources in 2019/20, and the impact of Covid-19, the appraisal procedure has not been fully implemented. A review of the curriculum management structure is currently being undertaken, and once complete the appraisal process will be re-established. Revised Completion Date: 31 July 2021 <i>Partially Implemented</i>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2019	Progress at November 2020
Internal Communications (issued 2017/18)						
Operational procedures be developed to guide staff in the delivery of the internal communications arrangements.	2	This will be considered by the new Senior Management Team which has replaced the Operational Management Group, when the new Principal is in post, agreement will be reached on whether operational procedures is the correct way to go on this.	SMT / Head of Communications (HoC)	31/01/2019	The College has documented a Communications and External Relations Strategy, but this does not cover operational procedures. Revised completion date: 31/07/20 <i>Partially Implemented</i>	Procedures are now in place to monitor and approve internal communications to our larger staff distribution groups; e.g. any emails to 'all staff' 'all teaching staff' 'all students' must be approved by Executive Management before distribution. Guidance on internal communication is given during staff induction. <i>Fully Implemented</i>

Follow-Up Reviews 2019/20

Recommendation	Grade	Original Management Comments	To Be Actioned By	No Later Than	Progress at November 2019	Progress at November 2020
Website Administration (issued 2017/18)						
Documented procedures be developed to provide guidance to staff on the approved process for creating and maintaining website content.	2	The website is currently being substantially revised and upgraded. Once this is completed, we will develop and document suitable procedures for ongoing updating and maintenance of the site.	Head of Student Services	31/03/2019	It was advised that this work is still ongoing as the website is still being revamped and upgraded. Revised completion date: 31/07/21 <i>Partially Implemented</i>	Staff roles and job descriptions within the marketing team have been revised and responsibilities for maintaining and updating web information have been strengthened. An online request process has been established to record and monitor requests for web updates and the time taken by marketing team to respond. <i>Fully Implemented</i>

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Argyll College UHI Ltd

**Annual Report to the Board of Governors and
Principal on the Provision of Internal Audit
Services for 2019/20**

Internal Audit Report No: 2020/06

Draft issued: 27 November 2020

Final issued: 27 November 2020



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Annual Report and Opinion

Introduction

- 1.1 We were re-appointed in July 2019 as internal auditors of Argyll College UHI Ltd ('the College') for the period 1 August 2019 to 31 July 2022, with an option available to the College to extend for a further 24 months thereafter. This report summarises the internal audit work performed during 2019/20.
- 1.2 A Strategic Plan, incorporating an 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 2019/20 (internal audit report 2020/01, issued in May 2020). The Strategic Plan was prepared following discussion with the Executive Management Team and the Chair of the Audit Committee, and also review of previous internal and external audit reports, and covered the three-year internal audit cycle from 2019/20 to 2021/22. The ANA was based on the College's Strategic Risk Register and this was supplemented by an assessment of the risks faced by the College. The Strategic Plan was then formulated covering the three-year cycle, and this was approved by the Audit Committee, together with the ANA, at its meeting on 12 June 2020.
- 1.3 The internal audit work undertaken in the year followed that set out in the Strategic Plan for 2019/20.
- 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 shown 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 in a i n ab u he yea 's ac ivi y and he k planned nex yea in his report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 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 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, he evie c n i ed ha he i 's p lici es and p ced u es ela ing to internal audit were compliant with the PSIAS in all material respects. Our annual self-assessment, conducted in may 2020, confirmed that the outcomes of the independent assessment remain valid.
- 1.9 Therefore, 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.

Significant Issues

- 1.10 Internal audit report 2020/02 – Staff Development as g aded as 'Requi es I p ve en'. This report highlighted specific control weaknesses in relation to the Staff Development Committee which is responsible for approving staff development requests. Our review noted that the Staff Development Committee was chaired by a Head of Curriculum and previously met every six weeks. However, the committee has not convened since August 2019. Without a functioning staff development committee, development opportunities could be restricted due to a failure in the training approval procedures. Failure to evaluate the effectiveness of training could also lead to poor use of resources by continuing training that does not result in more efficient or effective working practices or provide value for money.

Significant Issues (Continued)

- 1.11 Internal audit report 2020/03 - Health and Safety as graded as 'Requires Improvement'. This report highlighted specific control weaknesses around the need to maintain a risk assessment register which highlights the areas of activity within the College where a risk assessment is required and provides confirmation that these have been approved, the dates that these are due to be updated and action plans to address any concerns or improvements identified. It was also reported that although completion of induction training, including H&S training, is a mandatory requirement for staff, the College training records do not readily identify which staff have completed induction training and there is no record to show which additional H&S training needs have been identified for specific roles.
- 1.12 Internal audit report 2020/04 - Payroll as graded as 'Requires Improvement'. This report highlighted errors in relation to the calculation of PAYE tax relief for NEST pension scheme members. Whilst most pension schemes use a net pay approach for calculating tax, NEST deductions and tax is calculated based on gross income. Tax relief is then added "as a surcharge" by NEST. We noted through reperformance of deductions in April 2020 that the correct treatment of PAYE had been applied by the College, however in testing of deductions for members of the NEST scheme in August 2019 and December 2019 and had the employee's PAYE had been calculated using a net pay approach. From discussion with the Director of Finance, we identified that PAYE for all employees in the NEST pension scheme had been calculated using a net pay approach in error up to March 2020. This error has resulted employees underpaying PAYE during year up to March 2020 having received tax relief through the monthly payroll as well as at source through the NEST scheme.

Opinion

- 1.14 Based on the work conducted during 2019/20, which is summarised in paragraphs 1.10, 1.11 and 1.12 above, we have identified significant issues in the areas of staff development, health and safety and HR / Payroll. In addition, there has been limited progress in taking forward previous internal audit recommendations during 2019/20. Therefore, we are not in a position to conclude that the College has adequate and effective arrangements for control and governance. We have no issues to raise around the way the College manages risk or the arrangements to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2019/20.

Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2020/01	Strategic Internal Audit Plan 2019 to 2022 and Outline Internal Audit Annual Plan 2019/20	N/A	N/A	N/A	N/A	N/A
2020/02	Staff Development	Requires Improvement	6	-	2	4
2020/03	Health and Safety	Requires Improvement	4	-	3	1
2020/04	HR / Payroll	Requires Improvement	6	-	2	4
2020/05	Follow-Up Reviews	N/A	12 of 17 recommendations required further action	-	7	5

Overall gradings are defined as follows:

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

Recommendation grades are defined as follows:

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



Summary of Results and Conclusions

2020/01 – Strategic Internal Audit Plan 2019 to 2022 and Outline Internal Audit Annual Plan 2019/20

Final Issued – May 2020

The purpose of this document was to present, for consideration by the Audit Committee, the Strategic Plan for 2019 to 2022 and the outline annual internal audit operating plan for the year ended 31 July 2020. The outline scope, objectives, and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Executive Management Team, were set out in the report.

2020/02 – Staff Development

This audit considered whether the College is making best use of its staff and included a review of workforce planning; training; and the personal development plan system.

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

Strengths

- The College continually monitors student and staff numbers to ensure that sufficient staff resources are attached to each course.
- The College has a dedicated Learning and Development (L&D) Coordinator who coordinates training and development activities delivered across the College.
- The College provides a range of learning and development opportunities for staff, including supporting staff in undertaking the Professional Development Award in Teaching Practice.
- Staff have access to a suite of online training modules which provides them with flexible opportunities for learning and development.
- Staff Development Request Procedures are in place which outline the application, review, and approval process for training requests.
- The e a e echanis s in place c unica e he C llege’s bjec ives departments and to staff and to review departmental and College performance.

Weaknesses and Opportunities for Improvement

- The C llege has n devel ped a W k ce Plan h ich e lec s he C llege’s medium-term strategy for managing its workforce (including the provision of support through learning and development). Such a Workforce Plan would include an analysis of the current workforce and identify future staffing requirements (as well as setting out a strategy describing how any potential gaps could be addressed).
- The Staff Development Committee is responsible for approving staff development requests. Our review noted that the Staff Development Committee was chaired by a Head of Curriculum and previously met every six weeks. However, the committee has not convened since August 2019.

Final Issued – November 20202 Overall grade: Requires Improvement

The objective of this audit was to obtain reasonable assurance that:	
1. the College has a systematic approach for ensuring that its staff resources match what is required in order to deliver its commitments. Where gaps are identified, timely action is taken to close these.	Satisfactory
1. he C llege’s app ach aining including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps.	Requires Improvement
2. the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact.	Satisfactory
3. there is a systematic approach for translating business objectives into actions / tasks for members of staff.	Satisfactory
4. a systematic approach is used for communicating objectives and performance expectations to staff.	Good
5. a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance.	Good
Overall Level of Assurance	Requires Improvement

2020/02 – Staff Development (continued)

Weaknesses and Opportunities for Improvement

- Although guidance is available to staff on the appraisal process, and information is available on a range of learning and development activities, the College has not established an overarching staff Learning & Development policy which clearly outlines the College's aims and objectives, outlines the responsibilities of line managers, senior management and the Board in relation to staff training.
- The current staff development request form requires staff to document how the College will benefit as well as what the individual hopes to gain from attendance at a training event. However, there is scope to expand this to document the expected learning outcomes which would later allow a formal evaluation of the impact of training received by requiring staff to revisit the expected learning outcomes recorded on the development request form a period of time after having received the training in order to confirm that the learning needs have been met.
- The staff appraisal form, and associated guidance notes, do not provide a clear linkage between the training needs identified on the appraisal forms and the departmental operational or College Strategic Plan objectives.

2020/03 – Health & Safety

This audit reviewed the arrangements in place within the College to deal with Health and Safety (H&S) issues. The main objective of the audit was to evaluate the College's overall arrangements for dealing with H&S issues and to consider whether these are adequate and operating effectively in practice at each campus site.

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

Strengths

- The College has a comprehensive H&S Policy in place which is circulated to staff annually and following any updates and made available at all times on the staff intranet.
- The College make use of an external H&S Consultant for relevant H&S expertise. The H&S Consultant carries out annual H&S audits.
- The College has a Health and Safety Committee which meets at least three times per year and H&S is a standing item at each Board meeting. A verbal update is given on all relevant H&S issues across all campuses and relevant issues are discussed. The H&S Committee includes members of the Executive Team, Senior Management Team, departmental representatives and the external H&S consultant who are well placed to respond to the H&S risks identified and make improvements to its culture within the College.
- Through discussions with management and staff during our review we noted a desire to improve the current H&S approach and address the weaknesses in its application across the College.

Weaknesses

- The College does not maintain a risk assessment register which highlights the areas of activity within the College where a risk assessment is required and provides confirmation that these have been approved, the dates that these are due to be updated and action plans to address any concerns or improvements identified.
- For a sample of 10 risk assessments, we noted that: nine had not been signed and dated as approved; two did not have a review date set; and one was past the recorded review date and but had not been reviewed.

Final Issued – November 2020 Overall grade: Requires Improvement

We sought to obtain reasonable assurance that the College has:	
1. a H&S policy and documented procedures which are communicated to all staff.	Good
2. a formal risk identification and assessment process.	Requires Improvement
3. a H&S training programme which includes induction training, refresher training and training for new equipment and legislation.	Requires Improvement
4. regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive.	Good
5. an incident and accident recording system with follow-up and implementation of new controls where required.	Good
6. regular reporting of H&S to senior management and to the Board of Management.	Satisfactory
Overall Assurance Level	Requires Improvement

2020/03 – Health & Safety (Continued)

- Although completion of induction training, including H&S training, is a mandatory requirement for staff, the College training records do not readily identify which staff have completed induction training and there is no record to show which additional H&S training needs have been identified for specific roles.
- Although there is a H&S Committee in place, and H&S is discussed as a standing item at Board meetings by way of an oral update, there is no formal reporting of H&S statistics to the Board or H&S Committee on a regular basis.

2020/04 – HR / Payroll

This audit considered the key internal controls in place over the College’s spend on a costs of approximately £1.25m per annum. The audit covered the procedures in place within both Human Resources and Finance.

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

Strengths

- From our sample testing we confirmed that gross pay had been correctly calculated, and salaries, hourly rates and rates for salary sacrifice deductions agreed to the standing data held in the HR / Payroll system.
- From our sample testing we confirmed that employer national insurance and superannuation contributions had been correctly calculated.
- For a sample of starters and leavers tested we confirmed that they had entered and left the HR / Payroll system at the correct date.
- The College has a process in place to ensure all timesheets are authorised for part-time lecturers and staff working additional hours, although the scope of our detailed testing was limited for a small number of items included in our sample due to physical records being unavailable as a result of COVID-19 restrictions.

Weaknesses

- Whilst most pension schemes use a net pay approach for calculating tax, NEST deductions and tax is calculated based on gross income. Tax relief is then added “at source” by E ST. We noted however in April 200 that the correct treatment of PAYE had been applied by the College, however in testing of deductions for members of the NEST scheme in August 2019 and December 2019 and had the employee’s PAYE had been calculated using a net pay approach. From discussion with the Director of Finance, we identified that PAYE for all employees in the NEST pension scheme had been calculated using a net pay approach in error up to March 2020. This error has resulted employees underpaying PAYE during year up to March 2020 having received tax relief through the monthly payroll as well as at source through the NEST scheme.

Final Issued – November 2020 Overall grade: Requires Improvement

The objective of this audit was to obtain reasonable assurance that systems are sufficient to ensure:	
1. correct calculation of gross pay and deductions.	Requires Improvement
2. correct calculation of employer national insurance and superannuation contributions.	Good
3. part-time lecturers, overtime and travel & subsistence payments are properly authorised.	Requires Improvement
4. approval and checking of changes to employee standing data.	Satisfactory
5. starters and leavers are properly treated and enter and leave the system at the correct date.	Satisfactory
6. proper authorisation, processing and recording of payments.	Satisfactory
Overall Assurance Level	Requires Improvement

2020/04 – HR / Payroll (Continued)

- We reviewed a sample of 10 travel claims and agreed amounts to supporting documentation. All claim forms provided were electronic and hence were not signed by the employee or by the designated signatory to evidence authorisation. Staff explained that when electronic claims are submitted, these would be emailed to line managers for authorisation before being forwarded alongside copies of receipts for payment. No email authorisation or receipts could be provided for all 10 items in our sample.
- We noted that there is no secondary checking of changes made to the HR / Payroll system by Finance.
- We noted starter forms are limited to information on personal details such as address and marital status, as required by HMRC. We noted that details of Full Time Equivalent (FTE) / contracted hours, annual salary / hourly rate or start date are not recorded on the starter form. This meant we were unable to check whether the new starts had been correctly entered in the HR / Payroll system and paid from the agreed start date. We also noted that the lack of detail on the new start forms means that finance staff are not able to independently check these details prior to each monthly payroll being processed. We also noted that started forms are not currently signed off by a member of SMT to confirm they have been approved in line with the College's procedures.
- We reviewed a sample of five payment runs in 2019/20 and noted that two payment runs had been prepared by the Director of Finance and therefore had not been independently authorised. Discussion with the Director of Finance noted that payroll payments had been processed and authorised by payment by the Director of Finance on several occasions in 2019/20 due to long term staff absences within the Finance team in the year.
- We noted that payroll exception reports are not run as part of monthly payroll processes. Staff explained that until recently the effectiveness of exception reports as a key control was limited due to the number of staff on variable hour contracts, however as staff have now transferred to FTE contracts, this control would now be much more meaningful.

Internal Audit Annual Report 2019/20

2020/05 – Follow-Up Reviews 2019/20

Final Issued – November 2020

We carried out a follow-up review of recommendations made in the following Internal Audit reports issued during 2018/19:

- ICT Review of General Data Protection Regulation
- Assurance Review of Budgetary Control
- Assurance Review of Management and Board Reporting; and
- Follow-Up Reviews.

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

Overall, we found that the College had made limited progress in implementing the recommendations followed-up as part of this review. Only four of the 17 recommendations followed-up were assessed as 'fully implemented'.

One recommendation from the Assurance Review of Budgetary Control issued in 2018/19 had been 'considered but not implemented'. Following discussion the original recommendation the Board decided that reporting spend to date compared to budget to date and variances within the management accounts was not required.

Two recommendations from the Assurance Review of Budgetary Control and one recommendation from the Assurance Review of Management and Board Reporting, both issued in 2018/19, were assessed as showing 'little progress'. The impact of COVID-19, various other demands on management time and long-term staff absences within the accounts departments during 2020 has delayed the implementation of these actions.

Of the nine recommendations that had been assessed as 'partially implemented' related to the HR Management report, issued in 2017/18 (covered by the previous year's Follow-Up Reviews). Improvements to the new staff induction process and appraisal procedures were implemented during 2019/20, however due to the impact of COVID-19 these have yet to be fully implemented across the College.

2020/05 – Follow-Up Reviews 2019/20 (Continued)

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

Area	From Original Reports		From Follow-Up Work Performed			
	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Considered But Not Implemented
ICT Review of General Data Protection Regulation	1	-	-	-	-	-
	2	3	2	1	-	-
	3	1	-	1	-	-
Total		4	2	2	-	-
Assurance Review of Budgetary Control	1	-	-	-	-	-
	2	2	-	-	1	1
	3	1	-	-	1	-
Total		3	-	-	2	1
Assurance Review of Management and Board Reporting	1	-	-	-	-	-
	2	3	-	3	-	-
	3	3	-	2	1	-
Total		6	-	5	1	-
Follow-Up Reviews	1	-	-	-	-	-
	2	4	2	2	-	-
	3	-	-	-	-	-
Total		4	2	2	-	-
Overall Total		17	4	9	3	1

Time Spent - Actual v Budget

	Report number	Planned days	Actual days feed	Days to fee at Nov'20	Days to spend / WIP	Variance
Reputation						
Health and Safety	2020/03	4	-	4	-	-
Staffing Issues						
Staff Development	2020/02	4	-	4	-	-
Payroll	2020/04	4	-	4	-	-
Other Audit Activities						
Management and Planning)		2	-	2	-	-
External audit / SFC)						
Attendance at Audit Committee)						
Follow-up Reviews	2020/05	1	-	1	-	-
ANA and Strategic Plan	2020/01	1	-	1		
Total		16	-	16	-	-
		=====	=====	=====	=====	=====



Operational Plan for 2020/21

- 5.1 Following our appointment as internal auditors for the period from 1 August 2019 to 31 July 2022 we prepared a Strategic Plan for 2019 to 2022 (internal audit report 2020/01, issued May 2020).
- 5.2 An extract from the revised Strategic Plan, in relation to 2020/21, is attached.

Proposed Allocation of Audit Days

	Category	Priority	Planned 20/21 Days
Reputation			
<i>Publicity and Communications</i>	Gov	M	
<i>Health and Safety</i>	Gov	M	
Student Experience			
<i>Curriculum planning</i>	Perf	M	
<i>Quality assurance</i>	Perf	M	
<i>Student support</i>	Perf	M	
<i>Student recruitment and retention</i>	Fin/Perf	H	4
Staffing Issues			
<i>Staff recruitment and retention</i>	Perf	H	
<i>Staff development</i>	Perf	M	
<i>Sickness absence</i>	Perf	M	
<i>Workforce planning</i>	Perf	M	
<i>Payroll</i>	Fin	L/M	
Estates and Facilities			
<i>Building maintenance</i>	Fin/Perf	M/H	
<i>Estates strategy / capital projects</i>	Fin/Perf	M	
<i>Space management</i>	Perf	M	
<i>Asset / fleet management</i>	Perf	M/H	
Financial Issues			
<i>Budgetary control</i>	Fin	L/M	
<i>Financial planning</i>	Fin	M	
<i>Student fees and contracts / registry</i>	Fin	M	
<i>General ledger</i>	Fin	L/M	
<i>Procurement and creditors / purchasing</i>	Fin	M	4
<i>Debtors/ Income</i>	Fin	L/M	
<i>Cash & Bank / Treasury management*</i>	Fin	M	
<i>Fraud prevention, detection and response</i>	Fin	M	
Commercial Issues			
<i>Business Development</i>	Fin/Perf	M	4
Organisational Issues			
<i>Risk Management</i>	Perf	M	
<i>Business Continuity</i>	Perf	M	
<i>Corporate Governance</i>	Gov	L/M	
<i>Corporate Planning</i>	Perf	L/M	
<i>Performance reporting / KPIs</i>	Perf	M	
<i>Partnership Working</i>	Gov/Perf	L	
<i>Equalities</i>	Gov	M	

Proposed Allocation of Audit Days (continued)

	Category	Priority	Planned 20/21 Days
Information and IT			
Cyber Security	Perf	M	
Data protection	Gov	M	
FOI	Gov	L	
IT strategy	Perf	M	
Other Audit Activities			
Management and Planning)			2
External audit / SFC)			
Attendance at Audit & Risk Committee)			
Follow-up reviews		Various	1
ANA and Strategic Plan			
Total			15
			=====

Key

Category: Gov = Governance; Perf = Performance; Fin = Financial

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University of the
Highlands and Islands
Argyll College

Argyll College UHI

Terms of reference for Board of Governors and its committees.

Policy Number:	AC034
Revision Number:	3
Status:	Final Version
Date of Approval:	23 March 2016
Responsibility for Policy:	Board Secretary
Responsibility for Review:	Board Secretary
Date of Last Review:	31 March 2020
Date of Last Revision:	September 2014
Date of Next Review:	31 March 2023

1 Board of Governors

General

The Board shall observe the Standing Orders and its Articles of Association in all its business.

- 1.1 The Board has responsibility for overseeing the business of the College, determining its future direction and fostering an environment in which the College mission is achieved and the potential of all learners is maximised.
- 1.2 The Board of Governors must ensure compliance with the statutes, ordinances and provisions regulating the College and its framework of governance and, subject to these, take all final decisions on matters of fundamental concern to the College.
- 1.3 The decisions of the Board of Governors will be minuted and published when approved, except, exceptionally, for sections which are confidential or commercially sensitive.
- 1.4 The following items are retained **for approval by the Board**, upon advice from or recommendation by the relevant Committee where appropriate and may not be delegated:
 - i. the planning cycle and calendar for production proposed by the Executive Management Team for the preparation of the College Strategic Plan, and to approve the Plan itself before publication;
 - ii. the annual accounts, following consideration by the Finance & General Purposes and Audit committees (at their annual joint meeting of the year);
 - iii. the college budget proposals, following consideration by the Finance & General Purposes Committee, and to set annually the parameters for College staff pay awards and conditions;
 - iv. the appointment of the Principal and to participate in the appointment process relative to the appointment of members of the College's senior management team;
 - v. any financial packages in excess of statutory provisions, for severance payments, following consideration by the HR and Remuneration Committee;
 - vi. membership of new Board Members - following consideration by the Nominations Committee - and membership of all committees and their Committee chair;
 - vii. To ensure that the arrangements made to implement the College Health and Safety Management System are effective; and
 - viii. To assume responsibility for identifying, evaluating and managing the College's significant risks, and review the operating, financial and compliance controls that have been implemented to mitigate these risks.

Health and Safety

- 1.5 Ensure the health and safety policy of Argyll College is reviewed at least annually.
- 1.6 Receive reports that detail the approach to health and safety in the college and how the college meets the college's legal obligations.
- 1.7 Receive health and safety audit reports and determine any necessary arising actions.
- 1.8 Ensure that action is taken to promote the health and safety of staff, students and others within the college.
- 1.9 Consider any reports from external enforcing authorities under health and safety legislation or other bodies and ensure that issues where weakness is identified are addressed fully by the college.
- 1.10 Consider and agree setting and measuring of health and safety performance standards

Membership

- 1.11 The membership of the Board will be constituted as required by the College Articles of Association.
- 1.12 A quorum shall consist of 8 Directors of the Board with independent members being in the majority at the meeting.
- 1.13 The Board must be chaired by an independent member.
- 1.14 The Board may appoint advisors who are not members of the Board of Governors and who have particular, relevant experience or expertise to attend meetings of the Board and/or its committees. Advisors may not vote in any decisions by the Board and/or committee,
- 1.15 The Board Secretary shall normally be in attendance.

Frequency of Meetings

- 1.16 The Board shall meet no less than four times each year.

Reporting

- 1.17 The decisions of the Board of Governors will be minuted and published whenever possible.

2 Audit Committee

Composition

- 2.1 The Audit Committee will have a minimum of four members of the Board. For a meeting to be quorate, **three members** must be present.

- 2.2 The Committee should have a range of skills and experience and at least one member should be financially qualified or have considerable financial experience.
- 2.3 The Audit Committee has the authority of the Board to investigate any matters within its remit, and full access to any information and personnel required.
- 2.4 The Finance Director, or their nominee, should be in attendance at each meeting. The Chair of the Board, the Chair of the Finance and General Purposes Committee and the Principal *are invited to attend meetings*. The College's appointed internal and external auditors will be invited to send representatives to each meeting.
- 2.5 Members of the Finance and General Purposes Committee, the staff Board members or anyone with executive authority in the College may not be *members* of the Audit Committee.

Frequency

- 2.6 The Committee should normally meet at least three times per year, one meeting of which will be a joint meeting with Finance and General Purposes Committee to consider the annual financial statements and accompanying external auditor report. The Committee will annually hold a private meeting (without College executives present) with the Internal Auditor and External Auditor to discuss audit issues.

Overall Purpose

- 2.7 The purpose of the Audit Committee is to assure the Board of Governors that Argyll College has in place a system of governance, internal control and risk management which is being maintained and developed to meet legislation and regulations applying to the sector.

Remit and Duties Probity

- 2.8 Advise on the selection, appointment, remuneration or removal of the internal audit provider.
- 2.9 Agree an internal audit work programme annually based on an audit needs assessment.
- 2.10 Receive the internal audit reports as per the agreed work programme and ensure that recommendations are adequately responded to by the college.
- 2.11 Receive an annual report from the internal auditor which should include an opinion on the degree of assurance that can be placed on the systems of internal control and any follow-up actions still outstanding which should be closed off by the College.
- 2.12 Review the statement of corporate governance to be included with the annual financial statements.
- 2.13 Approve the Accounting Policies and review the annual financial statements (jointly with the Finance and General Purposes Committee) with a view to recommending them to the Board for approval.

- 2.14 Review the external audit strategy and plan.
- 2.15 Receive the external auditor annual report and management letters and to ensure that any recommendations are adequately responded to by the College.
- 2.16 Monitor the effectiveness of internal and external audit service and promote coordination between the two.
- 2.17 Advise the Board on the terms of reference for the internal audit service including the adequacy of the resourcing of the service.
- 2.18 Review the effectiveness of financial and other control systems ensuring value for money.
- 2.19 Oversee the policies on fraud and irregularity and receive reports on any fraud or irregularity, potential or real, ensuring that action is taken by the college to address these.
- 2.20 Receive an annual report on any matters of whistleblowing or disclosure and ensure that any recommendations from these are adequately responded to by the college.

Risk Management

- 2.21 Monitor and ensure the effectiveness of the college's approach to risk assessment and management through regular review of the Risk Register and other reports and appropriate recommendations to the Board.
- 2.22 Review the prioritisation of risk management taking into account financial, reputational, commercial and other risks
- 2.23 Request reviews by the college of areas of high or escalating risk ensuring that recommendations from these are adequately responded to.
- 2.24 Receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the college's approach to managing the risks is appropriate and adequate.

Value for Money

- 2.25 Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources.
- 2.26 Advising the Board on potential topics for inclusion in a programme of value for money reviews and of action that it may wish to consider in the light of national value for money studies in the further education sector.

Other Matters

- 2.28 Receive and review reports related to the work of the Committee prepared by external bodies.
- 2.29 In the event of the merger or dissolution of the College, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

Reports from the Committee

- 2.30 Report to each Board of Governors meeting the relevant matters discussed within the Committee.
- 2.31 Prepare an annual report from the Audit Chair to the Board of Governors that gives an opinion on the system of governance, internal control and risk management within the college. The report should accompany the year-end financial statements.

3 Finance and General Purposes Committee

Composition

- 3.1 The Finance and General Purposes Committee will have a minimum of four members of the Board, including the Principal and the Chair.
- 3.2 For a meeting to be quorate, **three members** must be present.
- 3.3 The Committee should have a range of skills and experience and at least one member should have a background in finance, accounting or audit.
- 3.4 The Finance Director should be in attendance at each meeting. The Chair of Audit is invited to attend meetings.

Frequency

- 3.5 The Committee should normally meet four times per year, one meeting of which will be a joint meeting with the Audit Committee to consider the annual financial statements and accompanying external audit report.

Overall Purpose

- 3.6 The purpose of the Finance and General Purposes Committee is to assure the Board of Governors that Argyll College has appropriate strategies, plans (including estates plan), budgets and controls in place which manage identified risks and create a sustainable and stable College.

Remit and Duties

Financial Control

- 3.7 Monitor the financial control of the College and to keep the Financial Regulations under review.
- 3.8 Monitor the Treasury Management policy providing a strategy for cash management, investments and borrowings.
- 3.9 Monitor expenditure and income against budget and report to the Board where action is required.

- 3.10 Review and approve the establishment of any arrangements to provide the College with banking facilities. This is subject to the authorisation limits set by SFC for the drawing down of loans.
- 3.11 Approve the policy for fee waivers and the write off of bad debts within limits set in the Financial Regulations.
- 3.12 Consider and recommend to the Board the level of tuition fees and other charges.
- 3.13 Monitor capital expenditure against agreed development plans.
- 3.14 To oversee and advise the Board on insurance arrangements.
- 3.15 Consider financial benchmarking information and monitor unit costs.

Financial Management

- 3.16 Advise the Board on financial strategy.
- 3.17 Approve all strategic decisions in relation to college finance within the scheme of delegation.
- 3.18 Consider and recommend to the Board the College's annual budget.
- 3.19 Consider jointly with the Audit Committee and recommend to the Board the college's annual financial statements.
- 3.20 Ensure the college works within the Financial Memorandum of Understanding with the Scottish Funding Council
- 3.21 Review the effectiveness of financial management.
- 3.22 Consider, and contribute to, the overall risk management strategy of the college and to monitor strategic risks which might have an impact on the financial health of the college.

Estates

- 3.23 Ensure compliance with statutory and regulatory requirements.
- 3.24 Oversight of the college estates strategy and ensure that it is consistent with the college's overall strategy.
- 3.25 Provide assurance to the Board that the estates strategy is fit for purpose and sustainable.
- 3.26 Oversight of the existing buildings and estates are fit for purpose.
- 3.27 Oversight of the maintenance of existing buildings and estates.
- 3.28 Provide a healthy and safe environment for the College's staff, students and visitors.
- 3.29 Receive and review reports on estate related matters.

Commercial

- 3.30 Review the commercial strategy of the college and recommend any action to the Board.

- 3.31 Monitor the performance of the commercial activity against budget.
- 3.32 Receive information on the commercial tenders and contracts and their performance

ICT

- 3.33 Review the ICT strategy of the college and recommend any action to the Board.
- 3.34 Monitor ICT related policies and recommend any action to the Board.
- 3.35 Receive and review reports related to the work of the Committee prepared by external bodies

Reports from the Committee

- 3.36 Report to each Board of Governors meeting relevant matters discussed within the Committee
- 3.37 Report to the relevant Committee of the Board of Governors matters that impact on their remit

4 Human Resources & Remuneration Committee

Composition

- 4.1 The Human Resources & Remuneration Committee will have a minimum of four members of the Board, one of whom shall be the Principal who must withdraw from the meeting where his/her remuneration is discussed.
- 4.2 For a meeting to be quorate, **two members** must be present. The Chair of the Board may be a member but may not chair this committee. At least one member of the committee should, ideally, have a background in human resource management.
- 4.3 The Depute Principal with responsibility for HR, or their nominee, should be in attendance at each meeting except where the Principal's remuneration is discussed.

Frequency

- 4.4 The Committee shall meet three times a year, and no less than twice a year.

Purposes

- 4.5 The purposes of the Human Resources & Remuneration Committee are to assure the Board of Governors that Argyll College has in place appropriate policies and procedures relating to the Board's responsibilities as the employer of the College's staff, ensuring that these promote a positive and inclusive culture and satisfy relevant legislation. The Committee is also responsible, annually, for reviewing and recommending the remuneration package of the Principal following annual appraisal.

Remit and Duties

- 4.6 Ensure the college is operating within all legal requirements relating to Employment Law and other legislation affecting employment.
- 4.7 Review the human resources strategy to ensure fit with the overall strategy of the College.
- 4.9 Review and recommend for Board approval the *College's policy for the remuneration of the Principal*.
- 4.10 Consider and determine all matters relating to the remuneration package, including terms and conditions of employment (and where appropriate, severance payments) of the Principal and other senior staff (as appropriate).
- 4.11 Monitor that the staff structure and associated pay and conditions are determined properly, with due regard for appropriate internal and external parity and that pension arrangements are being managed. This shall include reference to Scottish Government's approach to remuneration within the public sector.
- 4.12 Discuss and agree proposed staff pay increases in advance of the annual Business Plan being submitted for Board approval.
- 4.13 Support the Chair of the Board with an annual review of the performance of the Principal. This may include setting of performance targets or indicators as required.
- 4.14 Receive reports and assurance that the college has developed an appropriate equality impact assessment process and procedure.
- 4.15 Endorse key policies and procedures that affect staff ensuring that these meet legislative requirements and thereafter monitor these policies on a regular basis.
- 4.16 Receive reports on the development opportunities available to staff, the take up of these and the impact on the college
- 4.17 Ensure the College develops and has in place an effective Staff Performance Appraisal framework monitored through regular statistical reports to the Committee.
- 4.18 Monitor policies and practices within the College, including those relating to recruitment and selection, terms and conditions of employment, Discipline and Grievance, Health and Safety, and training and development.
- 4.19 Oversee the development of human resources services within the College, commissioning and monitoring contracts for the provision of external support including Employment Law advice, Occupational Health support, computerised human resources systems.

Other Matters

- 4.20 Receive and review reports related to the work of the Committee prepared by external bodies.

Reports from the Committee

- 4.21 Report to each Board of Governors meeting relevant matters discussed within the Committee
- 4.22 Recommend to the Board any annual pay increase for all staff and remuneration of the Principal.
- 4.23 Report to the relevant Committee of the Board of Governors matters that impact on their remit.

5 Learning, Teaching and Engagement Committee

Composition

- 5.1 The committee will have a minimum of 4 members of the Board, including the Staff representatives and student representative of the Board.
- 5.2 In order to be quorate, **three members** must be present, at least one of whom must be an external (independent) Governor.
- 5.3 The Depute Principal will be in attendance at meetings.

Frequency

- 5.4 The committee will meet at least four times per year.

Overall Purpose

- 5.5 The Purpose of the Learning, Teaching and Engagement Committee is to advise and make recommendations to the Board on all matters relating to learning and teaching, curriculum development and the student experience.

Remit and Duties

- 5.6 Provide oversight to the quality assurance and enhancement processes of the College.
- 5.7 Provide oversight of the College's preparations for Education Scotland annual engagement visit and full review. Receive actions plans resulting from any Education Scotland visit and from any audit from SQA or other awarding bodies.
- 5.8 Promote the adoption of innovative methods of learning and teaching on all courses within the College.
- 5.9 Monitor the implementation of policies relating to student feedback, student complaints, student discipline and academic appeals.
- 5.10 Review minutes and reports from relevant committees and other forums within the College.

6 Nominations Committee

Composition

- 6.1 The Nominations Committee will have a minimum of three independent Board members one of whom will be the Chair of the Board.
- 6.2 For a meeting to be quorate, **two members must be present.**
- 6.3 The Principal shall be invited to attend but should not be a member of this Committee.
- 6.4 The Committee should meet at least once a year.

Overall Purpose

- 6.5 The purpose of the Nominations Committee is to ensure that Argyll College has arrangements in place for the recruitment and selection of Board members.

Remit and Duties

- 6.6 Determine the process for identifying candidates to join the Board.
- 6.7 Select candidates to join the Board of Governors following good practice, making recommendations to the Board on appointees.
- 6.8 Oversee the administration process for appointment of governors.
- 6.9 Review and consider the composition and balance of the Board in relation to equality of representation as well as particular skills that may be required.
- 6.10 Develop policies and procedures for the induction, training and development of Board members.
- 6.11 Oversee the planning of the Board's training and development programme.
- 6.12 Oversee policy in relation to re-appointment of Board members.
- 6.13 Establish succession planning arrangements for the Board and its Committees.
- 6.14 Advise the Board about the Committee arrangements and their effectiveness including arrangements for self -evaluation of the Board, its Standing Committees and its Chairs.
- 6.15 Advise the Board about membership of the Board's committees.
- 6.16 Review the de-selection process at least annually.
- 6.17 Instigate the de-selection process where required.

Other Matters

- 6.18 The Board Secretary will inform the Chair of the Board of forthcoming vacancies as Board Members complete their terms of office.

- 6.19 The Board Secretary will maintain a skills matrix of current Board Members to assist the Committee to determine the skills and experience required of prospective members.

Reports from the Committee

- 6.20 Report to each Board of Governors meeting relevant matters discussed within the Committee.
- 6.21 Report to the relevant Committee of the Board of Governors matters that impact on their remit.