

UHI North Highland Internal Audit

Credits Audit 2022/23
September 2023

TABLE OF CONTENTS

UHI North Highland
Credits Audit 2022/23

Section	Page
1 EXECUTIVE SUMMARY.....	2
2 BENCHMARKING.....	6
3 DETAILED RECOMMENDATIONS	7
4 OBSERVATIONS.....	11
5 AUDIT ARRANGEMENTS	15
6 KEY PERSONNEL.....	16
 Appendix	 Page
A AUDIT CERTIFICATE.....	18
B SUMMARY OF ERRORS	20
C CURRENT YEAR RECOMMENDATIONS.....	20
D GRADING STRUCTURE.....	24

The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for UHI North, West and Hebrides's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

Introduction

A review of the College's student data returns has been carried out in accordance with the "Credit Guidance for Colleges AY 2022-23" issued by the Scottish Funding Council (SFC) on 31 May 2022 and the "FES Return and Audit Guidance 2022/23" issued **30 August 2023**.

The audit certificate, along with the college certificate, was submitted to the Scottish Funding Council on 29 September 2023. This report was submitted to the SFC on 29 September 2023.

UHI North, West and Hebrides is a result of the merger of UHI North Highland, UHI Outer Hebrides, and UHI West Highland. This review of Credits pertains to the academic year 2022/23 for UHI North Highland College which incorporates the Credit funding for UHI West Highland and UHI Argyll.

Scope of Review

The audit procedures have been designed to ensure the College has adhered to the "Credit Guidance for Colleges AY 2022/23". As planned, the audit took 2 days to complete comprising fieldwork carried out by the Auditor and a review by both the Senior Internal Audit Manager and the Partner. All staff involved in the audit had relevant experience.

Our audit sample was selected using analytical techniques and covered a minimum of 5% of the total Credits count with a minimum of 10 courses being tested. Additional sample checks were also carried out on Credits relating to Open/Distance Learning, Infill, Credits spanning academic years, Work Based Learning, Fee Waiver, and non-fundable courses.

The audit process of reviewing the returns being submitted was carried out using the following processes:

- A review of the systems operated by the College for the return;
- Appropriate walk through and compliance checks for the relevant areas;
- Analytical review techniques to ensure testing was undertaken in the most appropriate areas;

1 EXECUTIVE SUMMARY

UHI North Highland
Credits Audit 2022/23

- Reviewing the risk areas, issues raised in 2021/22 and the specific issues for 2022/23 highlighted in the audit guidance;
- Sample checking the data included in the return; and
- Specifically tailored Credits audit programmes.

1 EXECUTIVE SUMMARY

UHI North Highland
Credits Audit 2022/23

Summary of Recommendations

Current Year recommendations

Grading of Recommendations	High	Medium	Low	Total
Credits Audit 2022/23	1	1	1	3

As can be seen from the above table there was 1 recommendation made which we have given a grading of high:

- Fee Waiver.

Prior Year recommendations

Grading of recommendations	High	Medium	Low	Total
There were no recommendations made on the Credits Audit 2021/22.				

1 EXECUTIVE SUMMARY

UHI North Highland
Credits Audit 2022/23

Conclusion

The audit certificate in respect of the 2022/23 return included within Appendix A, is unqualified and is in the format set out in the SFC audit guidance. The audit certificate was submitted to SFC on 29 September 2023.

Overall Conclusion

*The College has reasonable procedures and controls over the collection of data for the Credits return and assurance can be taken that the Credits count for the College is not materially mis-stated. The systems used by the College are satisfactory. The recommendations arising as a result of our review are included within **Appendix C**.*

We have raised 1 high grade recommendation, 1 medium grade recommendation and 1 low grade recommendation relating to the 2022/23 year.

The College Credit target for the academic year 2022/23, agreed between the SFC and the College, was 26,762 Credits compared with an actual total of 26,670 Credits. A summary of the variances is included in the table below.

	Target	Delivered	Variance
Core Credits	26,091	26,105	14
Foundation App	671	565	(106)
Total	26,762	26,670	(92)

2 BENCHMARKING

UHI North Highland
Credits Audit 2022/23

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the year ending 31 July 2022.

Credits Audit 2022/23

Benchmarking	High	Medium	Low	Total
Average number of recommendations in similar audits	0	0	2	2
Number of recommendations at UHI North, West & Hebrides	1	1	1	3

As can be seen from the above table, the College has a higher number of recommendations in comparison to the colleges it has been benchmarked against.

3 RISK AREAS & AUDIT TESTS

UHI North Highland
Credits Audit 2022/23

Non-Fundable Activity

We reviewed, in full, with the College to confirm that all activity which has been classified as fundable has been correctly classified. We reviewed non-fundable activity to ensure that this is complete. ***From our review we found that all courses were accurately treated as either fundable or non-fundable by the College.***

Spanning Programmes

We reviewed in full all courses which spanned the academic year to ensure the College had deferred until next year all Credits for courses spanning 2021/22 to 2022/23. ***Our testing concluded that Credits have been claimed in the correct period.***

Non-Fundable and Fundable Students

We reviewed in full all students classified as non-fundable by the College to confirm accuracy and completeness. Testing was performed to ensure that Credits values have only been allocated to fundable students. ***Our testing indicated that the College are classifying its fundable and non-fundable students correctly.***

Full-Time and Other than Full-Time Classification

A sample of 10 courses were randomly selected from the four modes of attendance. Testing was undertaken to ensure these were correctly classified. ***We can conclude that all courses tested were correctly classified.***

Higher Education and Further Education Classification

The sample selected was the same as the above test. The College has no Higher Education courses. ***Our audit work indicated that courses had been correctly classified.***

3 RISK AREAS & AUDIT TESTS

UHI North Highland
Credits Audit 2022/23

Infill Students

The College have a separate class code beginning with an 'I' to illustrate an infill course but the word 'infill' does not appear in the title of the courses. Please see **Appendix C** for further information.

We tested a sample of 10 students treated as infilling into courses (approximately 59% of total infill students) to ensure that they had been correctly classified, and that Credits had been calculated correctly. ***No issues were found from our testing.***

We also reviewed in full the students the College were classifying as infill students to confirm that Credits were only being claimed for the subjects the students had undertaken. ***No issues were found from our testing.***

Attendance Criteria

For our sample of 10 courses tested, we tested to ensure that the College had correctly calculated and recorded the required date. ***We can confirm that the College has calculated course required dates in line with the guidance.***

For a total of 20 students, we ensured that the College had obtained a valid enrolment form and that where Credits had been claimed, the student had attended past the correct required date. ***We can confirm that for each student in our sample an appropriate enrolment record was available.***

We traced a total of 20 students to attendance registers to ensure that they had attended beyond the required date, where Credits had been claimed for the student. ***No issues were found from our testing.***

We also performed testing on a sample of 10 withdrawals to ensure that these had been processed in accordance with SFC guidance. ***No issues were found.***

3 RISK AREAS & AUDIT TESTS

UHI North Highland
Credits Audit 2022/23

Credits Count

For our sample of 10 courses, we recalculated the individual Credits for each of these courses to confirm the correct value had been allocated by the College. We reviewed the attendance of the students on these courses to ensure that Credits were only attributed to those students who had attended beyond the required date and who were fundable students. ***We found that although the College had correctly calculated the Credits, there was a duplicated student on the Attendance Register who was down to receive full Credits. Please see Appendix C for further information.***

Maximum Credits Claim

All students with more than one enrolment were identified and investigated to ensure Credits were not overclaimed. ***Our testing found that there were no overclaims. We also completed a review of related study courses and found no issues during this testing.***

Fee Waiver

A random sample of 10 fee waived students were initially selected, however due to issues with the coding, we selected a further 3 students to ensure that the College were appropriately recording its students claiming to have their fees waived. We checked to ensure that their eligibility for a fee waiver had been assessed appropriately by the College. This was done by tracing to an enrolment form and where appropriate a fee waiver form and relevant eligibility documentation. We also assessed whether the students had been allocated to the most appropriate fee waiver category. ***We found that there were 3 students who were wrongly coded as fee waived students, please see Appendix C for further information.***

We also performed an analytical review on the College's fee waiver claim, see section 4 for further details.

3 RISK AREAS & AUDIT TESTS

UHI North Highland
Credits Audit 2022/23

Open/Distance Learning

A random sample of 4 students from open/distance learning courses were selected and traced to the enrolment form to ensure each student had a Scottish post code and that the College were correctly claiming Credits. We also traced to evidence of achievement/progression. ***We can confirm that there were no issues noted from our testing.***

Work Based Learning

A random sample of 10 students from work-based learning courses were selected and traced to the students' enrolment form and evidence of achievement/progression to ensure the College were correctly claiming Credits. ***Our testing found that there were no issues with the work based learning students.***

Collaborative Provision

We confirmed with the College that no Collaborative Provision was undertaken in 2022/23.

4 ANALYTICAL REVIEW

UHI North Highland
Credits Audit 2022/23

Credits Analytical Review

We reviewed the Credits per Price Group and compared these with the previous year's Credits per Price Group figures, investigating any significant fluctuations with the College. There are no material variations in the level of teaching activity as shown by the table below. Where there have been movements (positive or negative) these are in line with the forecasted level of delivery as per the 2022/23 curriculum plan.

Price Group	2022/23		2021/22		Variance
	Credits	% of Total	Credits	% of Total	Credits
1	4,321	16.20%	4,662	18.11%	(341)
2	8,151	30.56%	7,950	30.88%	201
3	9,800	36.74%	9,599	37.28%	201
4	3,314	12.43%	2,546	9.89%	768
5	1,084	4.06%	990	3.85%	94
Total	<u>26,670</u>	100%	<u>25,747</u>	100%	<u>923</u>

There has been an increase of approximately 3.7% in the overall Credit delivery. The areas of highest movement are in Price Group 4.

The main reasons for these movements are as follows:

- Price Group 4 – Horse Care tutors were able to offer more places on the Horse Care courses after Covid.

4 ANALYTICAL REVIEW

UHI North Highland
Credits Audit 2022/23

We have also compared the average Credits per student head count for 2021/22 and 2022/23 and found that there was a decrease in the overall average Credits per student of 0.49 (8.73%)

Average Credits	2022/23	2021/22
Credits (excluding ELS)	26,670	25,747
Student Head Count	5,211	4,586
Ave. Credits per student	5.12	5.61

4 ANALYTICAL REVIEW

UHI North Highland
Credits Audit 2022/23

Fee Waiver Analytical Review

We also reviewed the fee waiver claimed per category of fee waiver and compared these with the previous year's figures, again investigating any significant fluctuations with the College. There were no significant variations in the level of fee waiver categories. See below for details of our Fee Waiver analytical review.

Fee Waiver Category	2022/23 (£)	2021/22 (£)
Full time non advanced	564,480	493,920
Income support	226	1,303
Low income	1,190	2,538
Islands Authority fee waiver (excl. Orkney and Shetland)	169	-
Cost borne by college	150,424	127,073
Incapacity benefit	282	-
Severe disablement allowance	-	-
Housing benefit	-	-
Student on a DPG18/PG 5 programme	67,792	59,628
Carer's allowance	169	-
Disability living allowance	-	959
Pension credit	-	113
Working tax credit	1128	2,002
Old FT criteria	21,545	25,665
School pupils	466,273	400,755
Attendance allowance	-	395
Income based job seekers allowance	-	-
Income-related employment and support allowance	705	677
Student in care	-	85
Asylum seeker or spouse or child of an asylum seeker	226	-
Contribution based employment and support allowance	-	-

4 ANALYTICAL REVIEW

UHI North Highland
Credits Audit 2022/23

Personal Independence Payment (PIP)	2,036	1,416
Universal credit (UC)	4,972	5,103
COVID	-	9,249
Short full-term (SFT) course	41,902	-
Total – including cost borne by college	1,323,519	1,130,880
Total – excl. cost borne by college and overclaims	1,173,095	1,003,806

There has been an increase of approximately 16.86% in the fee waiver claim (excluding cost borne by the College and over claims). The most significant fluctuations in fee waiver categories relate to 'COVID and 'Short full-term (SFT) course'.

- *The College had more full time students, school pupils and students on short full time courses in 2022/23 compared to 2021/22.*
- *The College had no students impacted by Covid in 2022/23.*
- *The other categories fluctuate as a result of the type of student enrolled at the College so the totals within the categories will vary from year to year.*

5 AUDIT ARRANGEMENTS

UHI North Highland
Credits Audit 2022/23

The table below details the actual dates for our fieldwork and the reporting on the audit area under review.

Audit stage	Date
Fieldwork start	4 September 2023
Closing meeting	21 September 2023
Draft report issued	29 September 2023
Receipt of management responses	29 September 2023 & 27 October 2023
Final report issued	27 October 2023
Submission to the SFC	29 September 2023 and revised 27 October 2023
Audit & Risk Management Committee	1 November 2023
Number of audit days	2

6 KEY PERSONNEL

UHI North Highland
Credits Audit 2022/23

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Senior Internal Audit Manager	Sue Brook	Senior Internal Audit Manager	susan.brook@wyliebisset.com
Auditors:	Calum Montgomery	Internal Auditor	calum.montgomery@wyliebisset.com
	Kyle McGuiness	Internal Auditor	kyle.mcguiness@wyliebisset.com

UHI North, West and Hebrides			
Key Contacts:	Avril Mckay	Senior Student Awards Officer	avril.mckay@uhi.ac.uk
	Karen MacKay	Registry Officer	karen.mackay@uhi.ac.uk
Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

APPENDICES

A AUDIT CERTIFICATE

UHI North Highland
Credits Audit 2022/23

Auditors' Report to the members of the Board of Management of UHI North, West and Hebrides

We have audited the FES return which has been prepared for UHI North Highland by UHI North, West Hebrides under SFC's Credits Guidance for colleges issued 31 May 2022 and which has been confirmed as being free from material misstatement by the College's Principal in their Certificate dated 26 September 2023.

We conducted our audit in accordance with the 2022-23 guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of data. It also included examination, on a test basis, of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:

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

Signature

Date

29 September 2023

Name of Audit Firm

Wylie & Bisset LLP

Contact Name

Graham Gillespie

Contact telephone number

0141 566 7000.

Date FES returned

29 September 2023

B SUMMARY OF ERRORS

UHI North Highland
Credits Audit 2022/23

The table below highlights the value of Credit errors that the auditor found during the course of the audit and notes that these errors were subsequently corrected in the SFC FES return.

Summary of Error	Number of Raw Credits	Adjusted/Unadjusted in FES Return
Credits claimed for duplicated student	16	Adjusted
Credits claimed for fee waived students who had been wrongly coded	45	Adjusted
Total	61	

C CURRENT YEAR RECOMMENDATIONS

UHI North Highland
Credits Audit 2022/23

Fee Waiver Coding			
Ref	Finding and Risk	Grade	Recommendation
1	<p>All Fee Waiver students should be correctly coded.</p> <p>During our review, we picked a sample of 10 students across the Colleges and it was found that 2 of the students from West Highland College should not be fee waiver but should be College fee waiver. These records have been updated. We then chose 2 more students from West Highland College and again, there was no fee waiver evidence for these 2 and then 1 more included within the original sample.</p> <p>We also found that there were 10 students at West Highland College who had been incorrectly stated as fee waiver. These have now been updated. We then picked another sample of 3 from the new list of fee waiver and found that for 2 of the 3, the fee waiver code on the FES 2 did not match the fee waiver code on the signed fee waiver forms for these 2 students. It was stated that this was an administration error and have now been updated.</p> <p>Where students are recorded as fee waiver students but actually aren't, there is a risk that the College are claiming funds that they shouldn't be.</p>	High	<p>We recommend that the College ensures that all fee waiver students are correctly coded.</p> <p>We also recommend that the College staff take care when matching the fee waiver code from the fee waiver form to the FES 2.</p>

C CURRENT YEAR RECOMMENDATIONS

UHI North Highland
Credits Audit 2022/23

Management Response	Responsibility and Implementation Date
All Fee Waiver samples which were coded wrongly were from West Highland. North Highland have advised them of the issue and will share their Fee Waiver processes.	<i>Responsible officer</i> Registry Officer <i>Implementation date</i> 31 December 2023

C CURRENT YEAR RECOMMENDATIONS

UHI North Highland
Credits Audit 2022/23

Duplicated Students			
Ref	Finding and Risk	Grade	Recommendation
2	<p>There should be no duplication of students.</p> <p>During our review, we undertook sample testing of 10 courses from the 3 College's to ensure the Credits value per student were correct. We found that for 1 course, on the register/attendance list, there were 18 students but on the FES 1 and FES 2, there were 19 students. We queried this with the College, and it was found that there was a duplicated student where both were claiming full Credits (16). This was confirmed by the tutor of the course that it was a duplicated student.</p> <p>We note that this error has now been corrected.</p> <p>Where there is a duplication of students, there is the risk that Credits are duplicated, therefore meaning there will be an overclaim of funding.</p>	Medium	We recommend that records should be checked to ensure there are no duplicated students which results in duplicated Credits claimed.
Management Response		Responsibility and Implementation Date	
We do checks during the year to ensure there are no duplicated students. We will have to be more vigilant when doing them		<p>Responsible officer Registry Officer</p> <p>Implementation date 31 July 2023</p>	

C CURRENT YEAR RECOMMENDATIONS

UHI North Highland
Credits Audit 2022/23

Infill Programme Titles			
Ref	Finding and Risk	Grade	Recommendation
3	<p>It is a requirement of SFC that all infill courses should have the word 'infill' in their title and have an 'i' in the course code.</p> <p>During our review, we found that all infill course do not have the word 'infill' in their title. We do note that there is an 'i' in the course code.</p> <p>Where courses are not appropriately named, it is not clear what type of course they are and Credits could be claimed incorrectly.</p>	Low	We recommend that all infill courses have the word 'infill' in the course title.
Management Response		Responsibility and Implementation Date	
Infill courses now have 'infill' in the title.		<p>Responsible officer Registry Officer</p> <p>Implementation date 30 September 2023</p>	

D GRADING STRUCTURE

UHI North Highland
Credits Audit 2022/23

For each recommendation we make we assign a grading either as High, Medium, or Low priority depending upon the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit & Risk Management Committee and addressed by senior management of the College as a matter of urgency
Medium	Significant issue or weakness which should be addressed by the College as soon as possible
Low	Minor issue or weakness reported where management may wish to consider our recommendation