



Item: 7

Monitoring and Audit Committee: 14 November 2024.

Internal Audit – UHI Orkney College Credits.

Report by Chief Internal Auditor.

1. Overview

- 1.1. UHI Orkney is required to provide a further education statistical return on an annual basis to the Scottish Funding Council. The further education statistical return provides Credits data for the academic year 2023/24 and relates to the activities eligible for Scottish Funding Council funding in that year. The data is used to inform decisions relating to college grant allocations.
- 1.2. The Further Education Statistical (FES) return must be supported by a college certificate, an audit certificate providing an opinion on the further education statistical return and an audit report providing full details of the findings of the review.
- 1.3. The objective of this audit was to assess the adequacy of the college's systems, procedures and controls which underpin the completion of their FES return and provide an independent opinion on the accuracy of the FES return.
- 1.4. The audit provides Substantial assurance that the Further Education Statistical returns are free from material misstatement and that the processes and procedures relating to the collection and recording of student data are operating satisfactorily.
- 1.5. The internal audit report, attached as Appendix 1 to this report, includes four low priority recommendations regarding the review of information prior to the production of the FES reports and improved controls around the process for discretionary funding. There are no medium or high priority recommendations made as a result of this audit.

2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the controls and procedures around data collection and recording in relation to, and confirming the accuracy of, the Further Education Statistical return, in order to obtain assurance that action has been taken or agreed where necessary.

For Further Information please contact:

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Implications of Report

1. **Financial:** None directly related to the recommendations in this report. A Credit is equal to 40 hours of notional student learning and, for the academic year 2023/24, the average funding per credit was £348.68.
2. **Legal:** None directly related to the recommendations in this report.
3. **Corporate Governance:** In terms of the Scheme of Administration, consideration of Internal Audit findings and recommendations and to review actions taken on recommendations made, is a referred function of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** An Equality Impact Assessment is not required in respect of Internal Audit Reporting.
6. **Island Communities Impact:** An Island Communities Impact Assessment is not required in respect of Internal Audit Reporting.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.

Sustainable Development.

Local Equality.

9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.
10. **Risk:** Internal Audit evaluates the effectiveness and contributes to the improvement of the risk management processes.
11. **Procurement:** None directly related to the recommendations in this report.
12. **Health and Safety:** None directly related to the recommendations in this report.
13. **Property and Assets:** None directly related to the recommendations in this report.
14. **Information Technology:** None directly related to the recommendations in this report.
15. **Cost of Living:** None directly related to the recommendations in this report.

List of Background Papers

None

Appendix

Appendix 1: Internal Audit Report – UHI Orkney Credits Academic Year 2023/24.



Internal Audit

Audit Report

UHI Orkney Credits – Academic Year 2023/2024

Draft issue date: 1 October 2024

Final issue date: 5 November 2024

Distribution list:	Principal, UHI Orkney Deputy Principal, UHI Orkney Business Systems Specialist (FE Reporting) Director Education, Leisure & Housing Head of Finance For onward distribution to: Scottish Funding Council
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Audit Opinion

Based on our findings in this review we have given the following audit opinion.

Substantial

The framework of governance, risk management and control were found to be comprehensive and effective.

A key to our audit opinions and level of recommendations is shown at the end of this report.

Executive Summary

This audit reviews UHI Orkney's 2023 to 2024 student activity data return to provide an independent opinion on the accuracy of the Further Education Statistical (FES) return.

UHI Orkney confirmed that there was one claim for discretionary funding in 2023-2024 Academic Year, and this claim was subject to audit.

Our audit found sufficient evidence to give substantial assurance that the FES returns are free from material misstatement. The procedures and controls relating to the collection and recording of student data were found to be operating satisfactorily.

The report includes 4 recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via Ideagen.

Total	High	Medium	Low
4	0	0	4

The assistance provided by UHI Orkney staff members contacted during this audit is gratefully acknowledged.

Introduction

Further education colleges are required to provide a Further Education Statistical (FES) return annually to the Scottish Funding Council (SFC), together with a certificate from the College, an audit certificate and an audit report. The data contained in the FES return is used to inform decision relating to college grant allocations. Accordingly, it is important that the data has been compiled accurately.

The credits data for the 2023/24 academic year (AY) has been generated by the College management information system (SITS) and returned to the SFC through the FES system. This data relates to all activity that is fundable by the SFC in AY 2023/24. A credit is equivalent to 40 hours of learning.

Unaudited 2023/24 student activity data was uploaded to SFC after each quarter: 3 November 2023 for quarter 1, 2 February 2024 for quarter 2 and 28 June 2024 for quarter 3. The quarter 4 return was the final return for the year, and was submitted on 3 October 2024 with acceptance of the 2023-24 FES files on 8 October 2024. This return showed 3,914 credits for the year.

This report has been prepared for the management of the College to communicate the findings of our review. A copy of our Auditor's certificate is included as Annex 3 to this report.

In addition, further education providers are required to complete the student support elements of the FES return to confirm their final spend on student support, and auditors are required to sign off the FES online student support funding report. In 2023/24, UHI Orkney made one grant from its Discretionary Fund, and the relevant certificate, together with the Auditor's certificate is included as Annex 4 to this report.

This review was conducted in conformance with the Public Sector Internal Audit Standards.

Audit Scope

A review of UHI Orkney's 2023/24 student activity data return has been carried out in accordance with the SFC FES Return and Audit Guidance 2023-24 which was issued on 27 August 2024. The review was carried out to provide an independent opinion on the accuracy of the FES return, including whether the return has been compiled in accordance with SFC guidance and that there are adequate procedures in place to ensure the accurate collection and recording of data.

The audit commenced with reviewing and recording the systems and procedures in place, followed by detailed testing to assess the working of the systems and procedures.

Detailed findings arising from the review are included in this report.

Annex 1 is a comparison of the credits claimed per each Price Group (PG) for 2023/24 and prior years. This includes a brief explanation of any major fluctuations in PG credits totals.

Audit Resources

The audit was carried out by the following staff:

Staff Member	Audit Days
Internal Auditor	14
Chief Internal Auditor	1

A management review of the internal audit file was conducted by the Chief Internal Auditor prior to the issue of this report.

The auditor who completed the audit is a qualified member of a Consultative Committee of Accountancy Bodies (CCAB) organisation.

Distribution of Report

This report is for the consideration of the Education, Leisure and Housing Directorate, management of UHI Orkney and the SFC. This report which incorporates management comments will also be presented to Orkney Islands Council's Monitoring and Audit Committee.

The audit work completed has assessed the adequacy of the college's systems, procedures and controls which underpin the completion of the FES return, to provide an opinion on the accuracy of the FES return.

The audit process has provided sufficient evidence to give substantial assurance that the FES returns are free from material misstatement. The procedures and controls relating to the collection and recording of student data was found to be operating satisfactorily.

An error report is included in Annex 2 which details the errors found during audit testing that affected the number of credits claimed. Where materially significant, these errors were corrected by the College prior to submission of the final claim.

Audit Approach and Findings

1. The guidance notes issued from the SFC for both the audit and for the administrative arrangements surrounding the return were obtained and reviewed to ensure the audit included the required tests, and to be able to provide an opinion as to whether the required procedures were being followed for the data returns by College staff.
2. The system in place for maintaining student records and for the completion of the 2023/24 student activity return were documented and tested.
3. Several samples of students and courses were selected to carry out tests as set out in the audit guidance. The total credits included in the samples checked was 1089.289 which was 27.8% of the total credits claimed.
4. The sample for enrolments was selected on a random basis. On this sample of 54 students, the following tests were carried out to check that:
 - There are signed enrolment forms for each student and the date of enrolment agrees to the FES return;
 - Course start, and end dates are agreed from the enrolment form to the FES return;
 - Required dates have been calculated correctly;
 - Students have attended at least once after the required date;
 - Modes of attendance, advanced and non-advanced classifications, and price groups have been correctly applied;
 - Student category and source of funding codes have been correctly recorded;
 - Only fundable students on fundable courses have been included within the claim;
 - The credits have been calculated correctly.

Audit work on this sample identified minor issues which are included in section 6 below.

5. Specific samples for the following areas were also selected and tested:
 - 5.1. All students for which zero credits were claimed were identified. These records were examined to confirm that it was correct to claim zero credits. 8.5% of the population was examined.
 - 5.2. It was confirmed that there were no spanning students during 2023/24. This is due to UHI Orkney splitting courses which would otherwise span academic years into separate courses for each academic year and requiring the student to enrol separately for each course. As a result, there were no courses identified in AY 23/24 which had an end date later than 31 July 2024.
 - 5.3. It was confirmed that there were no infill students during 2023/24. There was therefore no requirement to complete this test.

- 5.4. All students who attended more than one course were reviewed to determine whether the value of the credits claimed was appropriate, and to check that additional part time courses taken were justified. 100% of the population was examined.
- 5.5. A sample of two students (14%) under open learning arrangements other than the International Computer Driving Licence (ICDL) courses, tested separately, were identified from a report supplied by UHI Orkney. Our audit work confirmed that UHI Orkney has procedures in place to agree the likely duration of study, set time-related milestones and monitor student progression for open learning students in accordance with the SFC guidance.
- 5.6. It was confirmed that there were no students studying under a collaborative provision arrangement. There was therefore no requirement to complete this test.
- 5.7. A total of 3 students studying through 3 different work-based learning courses were identified from a report provided by the College and selected for testing, representing a sample of 20%. Evidence was provided for the sampled students of both, progress made throughout the year and regular monitoring of that progress. The students sampled therefore met the criteria set out in the SFC guidance in respect of work-based students.
- 5.8. Three courses were identified by UHI Orkney as being funded from a source other than the Scottish Funding Council (SFC). The relevant criteria for students receiving funding under the relevant schemes was identified and the students' compliance with the criteria checked. All participating students were confirmed to have a zero FES credits claim, therefore no credit funding is being claimed in respect of courses which are funded by a source other than the SFC.
- 5.9. Additional testing was undertaken on 16 non-short courses (11%) to review the classification of courses as full time or part time in accordance with the SFC guidance, and confirm that the correct price group and superclass code had been used. One course, Pathways to Independence, had planned hours of more than 600, the definition of full time per the SFC guidance, but was labelled as part time. However, there were no withdrawals from this course so the required date was not brought into the credit claim calculation. All courses sampled had an appropriate price group and superclass group.
- 5.10. Testing was undertaken on 10 students who had withdrawn from their courses (20% of student withdrawals) to ensure that the credits claim made was correct based on their last date of attendance as supported by the relevant course registers. The credits tested were 31% of the total credits claimed for withdrawals and the sample included three zero credit claims. Although the dates of withdrawal recorded by the tutors on the forms did not always correspond to the last date of attendance shown on the registers, the student record system correctly reflected the registers. Accordingly, all claims, zero or otherwise, for the sampled students were correct.

Issues arising

6. Our audit work identified the following issues in respect of International Computer Driving Licence (ICDL) qualifications, short courses in summer, duplicate entries, fee waivers, availability of registers, enrolment details and required dates. The details below also include any recommendations made in respect of these areas.

International Computer Driving Licence

- 6.1. A sample of 15 students undertaking the ICDL courses was examined to confirm that the correct credits were being claimed in relation to the number of modules which had been completed by the student. The sample covered 100 % of the total number of ICDL students where credits were claimed.
- 6.2. Adjustments were required in three areas in respect of the ICDL courses. The first arose from an administrative error. As these are self-directed study courses, the funding status should be set initially to 'un-fundable' giving zero credits as the default. Once students complete modules the status is amended and the relevant credits for the module given. However, for two students this initial flagging to un-fundable had not taken place, and as a result, credits were initially overstated by 3.45.
- 6.3. The second adjustment in respect of ICDL courses came from notification that three students had completed modules of their course being received after the final meeting of the progression board in June. As a result, three students were allocated credits totalling 3.435.
- 6.4. The final adjustment in respect of ICDL came in respect of one of the students noted in 6.3 above. This student was funded via the Flexible Workforce Development Fund (FWDF) and hence ineligible for FES credits. As a result, credits of 1.725 were overstated.
- 6.5. We recommend that in future the latest position in respect of funding and modules completed for students on ICDL courses be reviewed prior to the production of the FES reports.

Recommendation 1

Short courses in summer

- 6.6. Audit work identified three courses which commenced and completed prior to 1 August 2023. Correctly, no credits had been claimed in respect of these courses in AY 23/24. Reviewing the prior year reports for AY 22/23 showed that no credits had been claimed in respect of these students and courses in the prior year. As a result the credits for AY 22/23 were understated by 6.65 credits.
- 6.7. Further work identified that two day courses listed in the AY 22/23 FES return, totalling 2.493 credits, were completed prior to 31 July 2022. The AY 22/23 return was therefore overstated by this amount, but the amounts involved in the net understatement are not materially significant.
- 6.8. As it is likely that this will be a recurring issue, we recommend that the position in respect of 'summer' short courses be reviewed prior to the production of the FES reports.

Recommendation 2

Duplicate entries

- 6.9. All students whose name was recorded twice against a course title were checked to determine whether they were duplicate entries and that the relevant credits claim was correct. 100% of the population was examined and one duplicate entry was identified (see 6.10 below).

- 6.10. Where there was similarity in students' names for a particular course, UHI Orkney use details of date of birth to distinguish students. The duplication had occurred when a second student ID appeared to have been created by a typo in the initial entering of the date of birth. UHI Orkney have confirmed that the records for this individual will be amalgamated. The total number of credits claimed by this student did not exceed the maximum allowable claim, and accordingly no adjustment to credits is required.
- 6.11. There were four instances where a student appeared to take an annual refresher course twice within the space of 6 months. UHI Orkney informed us that the courses consisted of an initial day course, followed by a three day course. For the students in question, the three day course had been entered in the SITS system with the title and planned hours of the one day course. As a result, and depending on the planned hours for the three day course, there is a maximum potential underclaim of 1.4 credits.
- 6.12. As this appears to be an administrative error resulting from staff inexperience following temporary absences and turnover within the Registry team, rather than a failing in the systems for recording students activity, no recommendation is made.

Fee waivers

- 6.13. A sample of 7 students was selected from all the fee waiver codes from a fee waiver report provided by the College. The records held for these students were checked to confirm that a fee waiver application had been correctly completed, that supporting evidence had been provided by the student and that it had been claimed correctly in accordance with SFC guidance. The 7 selected students represented 100% of the population where evidence is required to be sought to eligibility for a fee waiver.
- 6.14. Audit testing identified that there had been three errors in fee codes within the sample which meant that the students should not have been classified as subject to a fee waiver. One of the errors had already been picked up and an invoice for the fees issued to the student, but the coding on SITS had not been amended to reflect this.
- 6.15. Testing showed that for students with non-automatic fee waivers, there was an appropriate rationale for courses where the cost was borne by UHI Orkney, and appropriate documentation to support fee waiver claims associated with students receiving benefits or being care experienced.
- 6.16. The funding status selected by the student in their application is frequently incorrect, mainly due to the very large number of funding options available for students to select. As a result UHI Orkney finance staff are required to spend a considerable amount of time reviewing and correcting the funding status of students. There are reviews done twice a year to address any funding status issues which have come to light. Accordingly, there is a system in place to ensure that the fee status recorded for students is correct, but the errors found in the area of fee waivers would suggest that this specific area would benefit from a degree of additional scrutiny.

Recommendation 3

Availability of registers

- 6.17. Generally supporting registers were available to review. For one course, run jointly by UHI Orkney and OIC, the day to day administration of the course was done by OIC and course registers were not returned to UHI Orkney. As this was a unique circumstance, no recommendation is made.

- 6.18. Most registers are now held electronically. For one course within the Nature Based Learning department, the tutor used paper registers which were then handed in at the Reception Desk. UHI Orkney have not been able to retrieve these registers. Going forward, the tutor involved will be passing the registers directly to the Registry department. No additional recommendation is made.

Enrolment Details

- 6.19. Audit testing identified minor errors with enrolment forms in respect of paper forms not being countersigned by a college representative (7 of 31 tested), no end date being entered in the form (7 of 54 tested) and 8 students on a jointly run OIC and UHI Orkney course where the incorrect course dates been entered. None of the above gave rise to any adjustments to the credits claim.
- 6.20. Credits had been incorrectly claimed in respect of one student who was not Scots domiciled, and accordingly not fundable. This appears to be an administrative error, and accordingly no recommendation is made.

Required date

- 6.21. There has been a change in the calculation of the required date for full time courses for AY 2023/24. Credits can be claimed for full time courses lasting for over 20 weeks if the student is still active 5 weeks after the course start date. For all other courses, the required date continues to be after a quarter of the course has been delivered.
- 6.22. Our audit testing reviewed all 397 listed courses, identifying those shown as full time based on the descriptor within the course name, and checking the calculation of the required date for both full time and non-full time courses. Any discrepancies were investigated and the response from UHI Orkney noted.
- 6.23. As a result, we found that the course dates for one course had been amended several times, but it appears that the required date was not reviewed and amended following these changes. In addition required dates for a further 3 courses had been inputted incorrectly as a result of human error. In total 4 courses were incorrect giving an error rate of approximately 1%.
- 6.24. There were no withdrawals from the courses identified as having an incorrect required date, so there was no resulting impact on the credits claimed.

Additional adjustments

- 7.1. UHI Orkney have notified us that an additional error in respect of the FES credits claimed has come to light since the commencement of the audit. For 9 students taking OR02048P 1 A Higher Economics, the course was incorrectly set up as a result following a change in the way the credits were assigned for this course. Completion of the course or withdrawal after the required date should result in 4 credits, but has been incorrectly recorded as 7 or 8 credits in the original FES report. As a result, 35 credits have been overclaimed in respect of this course.

Discretionary Funds

- 8.1 There was one application for discretionary funding in the AY 23/24 and no applications for childcare funding, see Annex 4. The SFC guidance on Student Support for AY23/24 was reviewed together with UHI Orkney's application form and supporting notes, the

completed application form, the completed 'calculator' spreadsheet which identified the amount (if any) to be granted, and the supporting documentation submitted by the student.

- 8.2. We found that the systems used to decide on the grant and control the payment of the grant were operating satisfactorily. There were three areas where controls could be improved, set out below.
- 8.3. Supporting bank statements submitted by the applicant included interest income which had been omitted from the application form. This had not been queried with the applicant. We recommend that the internal consistency of the original claim document and supporting evidence should be closely checked, to validate the accuracy of the claim form, and minimise the possibility of manipulation of the application process.
- 8.4. The Finance Manager both approved the grant of funds and authorised payment through the Integra system. Accordingly, there was no segregation of duties between the officers dealing with the approval of the grant and the authorisation of the payment. We recommend that approval of the grant and authorisation of payment via Integra are undertaken separately by the Finance Manager and another member of the senior management team.
- 8.5. The guidance notes on the UHI Orkney application form do not highlight that the funds can be used for buying course related materials and equipment but should not be used for capital expenditure. We recommend that the wording be amended to more closely reflect the SFC guidance.

Recommendation 4

Conclusions

Audit testing has confirmed that there is a satisfactory system in place at UHI Orkney to produce the FES return. Areas where minor administration errors were identified will continue to be monitored as part of the annual audit process.

In addition, the process to deal with applications for discretionary funding and payments of resulting grants is mostly satisfactory, with a few specific areas where controls could be improved.

Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1 We recommend that in future the latest position in respect of funding and modules completed for students on ICDL courses be reviewed prior to the production of the FES reports.	Low	Noting that the ICDL delivery model may change for 24/25, we will undertake to conduct a review of credits for ICDL students prior to the preparation of the FES return.	Principal UHI Orkney and Business Systems Specialist (FE Reporting)	31 August 2025
2 We recommend that the position in respect of 'summer' short courses be reviewed prior to the production of the FES reports	Low	As a general response to this issue we will highlight to Registry staff the importance of verifying the academic year prior to enrolment of students, particularly during the summer period as we transition between academic years. We will also undertake to conduct a review of course start & end dates.	Principal UHI Orkney and Business Systems Specialist (FE Reporting)	31 August 2025
3 We recommend that the funding status of students who are initially classed as fee waivers, but are not part of the group receiving automatic fee waivers should be reviewed prior to the production of the FES report.	Low	As noted within the report, Registry and Finance staff already meet to review fees	UHI Orkney Finance Team and Business Systems	31 August 2025

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		including the allocation of fee waivers. We will undertake to review fee waivers in more detail within the existing process.	Specialist (FE Reporting)	
<p>4 In respect of applications for discretionary funding we recommend the following:</p> <ul style="list-style-type: none"> • We recommend that the internal consistency of the original claim document and supporting evidence should be closely checked, to validate the accuracy of the claim form. • We recommend that approval of the grant and authorisation of payment via Integra are undertaken separately by the Finance Manager and another member of senior management team. • We recommend that the wording around the use of the funds awarded within the UHI Orkney application form and notes be amended to more clearly reflect the SFC guidance. 	Low	<p>Since the claim that was investigated was made the process and guidance associated with the discretionary award has changed.</p> <p>The senior management team will review the revised paperwork to ensure that the new process meets recommendations 4i and 4iii and amend if necessary.</p> <p>We will change the procedure for authorisation to ensure that any payments are authorised by a different member of the senior management team.</p>	UHI Orkney Finance Team	31 August 2025

Key to Opinion and Priorities

Audit Opinion

Opinion	Definition
Substantial	The framework of governance, risk management and control were found to be comprehensive and effective.
Adequate	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
Limited	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendations

Priority	Definition	Action Required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.

UHI Orkney

Annex 1

Report to Management

Collection of 2023-2024 Credits Data

Detailed Analytical Review

Price Group	2024 Credits	2023 Credits	Change in Credits	% Change	2022 Credits	Change in Credits	% Change
01	654	640	14	2.2	615	25	4.1
02	1,226	1,506	-280	-18.6	1,151	355	30.8
03	1,329	1,243	86	6.9	1,465	-222	-15.2
04	266	343	-77	-22.5	147	196	133.3
05	440	258	182	70.4	369	-111	-30.1
Totals	3,914	3,989	-76	-1.9	3,747	243	6.5

Overall, the number of Credits in 2023/24 have decreased from 2022/23 by 76 credits (1.9%). However, this is in the context of SFC's credit allocation of 3,555 to UHI Orkney, and an internal target set of 3,753. The College has achieved 3,914 credits, i.e. 359 credits above the threshold set by SFC and 161 above the UHI target demonstrating healthy delivery despite a difficult financial climate. SFC financial allocations were flat for 2023-24, and in the light of rising costs, resulted in real term drop in income.

The major movements for each price group have been explained as follows:

Price Group 1

No significant movement.

Price Group 2

Overall full time (FT) numbers saw an increase in this price group, mostly comprised by higher FT numbers in the Care Department, and the uptake for a new FT course in Tourism, which has proved popular and has helped to fill a gap in the Business subject area, which has arisen as a result of declining numbers in the FT National Certificate in Admin in PG1. In addition, there were some drops in the Art and I.T. area, including in the part-time courses. These drops, combined with adjustments required as a result of a review of the delivery of SVQ activity, have driven the overall fall in credits in this group. These adjustments were to balance off credit claims for continuing students from 2022/23, particularly in Care subjects.

Price Group 3

Numbers within the Construction subject area have increased due to a strong apprenticeship programme. There has also been a small increase in schools engineering activity including a Skills For Work Energy course introduced in 2022/23 which has grown in 2023/24.

Price Group 4

In 2022/23 a Rural Skills programme ran in schools which was an 'extended' schools course incorporating several awards and consequently generated higher credits than most school courses. This course did not run in 2023/24 due to lack of demand, and whilst a FT level 6 Agriculture course was offered, together with a small increase in SVQ Mixed Farming enrolments, these did not generate the volume of credits required to replace the activity from the schools programme.

Price Group 5

Growth here has been driven predominantly by the new FT Rural Skills course for students with additional learning needs. There was also a small increase in FT enrolments within the Supported Learning department.

Report to Management

Collection of 2023-2024 Credits Data

Error Report

Description of Error	Over/(Under)	Credit Value	Price Group	Value £	Corrected
1 Overclaim resulting from ICDL students not being coded as unfunded.	Overclaim	3.45	2	1,053.56	Yes
2 Underclaim resulting from ICDL students completing modules after the Progression Panel meeting in June.	Underclaim	-3.435	2	1,048.98	Yes
3 Overclaims resulting from ICDL student being funded from another source.	Overclaim	1.725	2	526.78	Yes
4 Amendments to 22/23 credits from courses running in July – no impact on AY 23/24.					
5 Underclaim re three day course being incorrectly recorded in system as a one day course.	Underclaim	-1.4	1	-415.24	Yes
6 Credits claimed in respect of non-fundable student.	Overclaim	0.25	3	88.57	Yes
7 Credits claimed for Higher Economics.	Overclaim	35	1	10,381.00	Yes
		35.59		10,585.69	

Credits

Original claim 3949.934

Adjusted errors above -35.590

Adjusted claim 3914.344

Total Adjusted Errors

Overclaim £12,049.91

Underclaim £1,464.22

£10,585.69

Price Groups and Price Paid per Credit						
						Total Credits
Price Group	1	2	3	4	5	Delivered
Price Per Credit	£296.6	£305.38	£354.27	£452.48	£467.16	
Credits	654.19	1,225.58	1,329.02	265.86	439.70	3,914.34
Total	£194,032.16	£374,267.93	£470,381.92	£120,294.07	£205,410.25	£1,364,836.32
Average Funding Per Credit						£348.68

UHI Orkney**Credits Audit Certificate for AY 2023-24****Auditor's report to the members of the Board of Management
of UHI Orkney**

We have audited the FES return which has been prepared by UHI Orkney under SFC's Credit Guidance issued 12 June 2023 and which has been confirmed as being free from material misstatement by the College's Principal in her certificate dated 9 October 2024, received on 22 October 2024.

We conducted our audit in accordance with guidance contained in the 2023-24 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of the data. It also included examination 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
- We can provide reasonable assurance that the FES return is free from material misstatement.

Signed by:



Date: 22 October 2024

Name of audit firm: Orkney Islands Council, Internal Audit Section

Contact name: Andrew Paterson

Contact telephone number: (01856) 873535 Ext 2107

Date FES returned: 4 October 2024

Annex 4

College Name: Orkney College

College Contact: Andy Coullier

College Number: 6602767

Phone Number: 07505 026000

1st August 2023 - 31st July 2024

Summary Funds Expenditure	(AAC 1) Student under 18 Headcount Expenditure (£)		(AAC 2) Parentally Supported (At home) Headcount Expenditure (£)		(AAC 3) Parentally Supported (Away from home) Headcount Expenditure (£)		(AAC 4) Self-supporting Headcount Expenditure (£)		(AAC 5) Care-experienced Headcount Expenditure (£)		(AAC 6) Universal Credit Headcount Expenditure (£)		(AAC 7) Non-maintenance Headcount Expenditure (£)		Totals Headcount Expenditure (£)	
	Maintenance Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dependents Allowance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Approved Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Residence Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Study Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Educational Needs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bursary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Discretionary Funds Expenditure	(AAC 1) Student under 18 Headcount Expenditure (£)		(AAC 2) Parentally Supported (At home) Headcount Expenditure (£)		(AAC 3) Parentally Supported (Away from home) Headcount Expenditure (£)		(AAC 4) Self-supporting Headcount Expenditure (£)		(AAC 5) Care-experienced Headcount Expenditure (£)		(AAC 6) Universal Credit Headcount Expenditure (£)		(AAC 7) Non-maintenance Headcount Expenditure (£)		Totals Headcount Expenditure (£)	
	FE Discretionary	0	0	0	0	0	0	0	0	0	0	0	0	1	1200	1

Childcare Fund Expenditure	Headcount Expenditure (£)	
Total FE Childcare Fund	0	0 No FE Childcare Funding For 2023/24
Total HE Childcare Fund*	0	0 No HE Childcare Funding For 2023/24

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

	Part-time Headcount Expenditure (£)		Full-time Headcount Expenditure (£)		Totals Headcount Expenditure (£)	
	FE childcare, lone parent	0	0	0	0	0
FE childcare, other	0	0	0	0	0	0
HE childcare, lone parent	0	0	0	0	0	0
HE childcare, other	0	0	0	0	0	0

We have examined the books and records of the above college and have obtained such explanations and carried out such tests as we consider necessary.

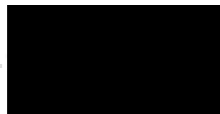
On the basis of our examination and the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

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

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

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

Principal's Signature



Auditors Name (In printed capitals) ANDREW PATTERSON

Auditors Signature.....



Date of Signature..... 4 October 2024