



University of the
Highlands and Islands
Argyll College

Oilthigh na Gàidhealtachd
agus nan Eilean
Colaiste Earra-Ghàidheil

A meeting of
Argyll College Audit Committee
to be held at 12pm on Friday 12 June 2020
by Webex Teams
Tel 07384 246325 Dial-in Code - 148743005@uhi.webex.com

A G E N D A

Item no		Status For:	Papers
20.2.1	Welcome		
20.2.2	Declarations of interest & to identify any items deemed confidential		
20.2.3	Minutes of the meeting held on 13 March 2020	For information	Attached
20.2.4	Matters arising (a) Update on draw down of funding for Helensburgh (b) Update on Nursery	For information For information	Oral Oral
20.2.5	Risk Register	To consider	To follow
20.2.6	SFC Mid Year Return 2019/20	For information	Attached
20.2.7	Draft Budget 2020/21	For noting	Attached
20.2.8	Internal audit plan	For noting	Attached
20.2.9	Update on appointment of external auditor	For information	Attached
20.2.10	AOCB		
20.2.11	Date of next meeting: Friday 11 September 2020 – location TBC.	To note	

Please send any apologies or questions to Vicky (Secretary to Board): victoria.daveney@uhi.ac.uk / mobile: 07384 246325

**FINAL VERSION Minutes of the Audit Committee
held at 11.45pm on Friday 13th March 2020
at CERC, Lochgilphead and by Phone**

Present: Scott Matheson (SM) Chair by VC, Gillian McCready (GMcC), Faye Tudor (FT)
Apologies: Tony Dalgaty (TD),
In Attendance: Steven McNaught (SMcN) Henderson Loggie by VC for 20.1.6, David Archibald (DA) Henderson Loggie by VC for 20.1.6, Ailsa Close (AEC), Vicky Daveney (VD)(Secretary)

No	Item	Action
20.1.1	<p>Welcome and apologies for absence The chair welcomed members to the committee meeting and welcomed Faye Tudor to her first Audit Meeting as Staff Representative. Apologies were received from Tony Dalgaty and Martin Jones.</p>	
20.1.2	<p>Declaration of interest & to identify if any items deemed to be confidential. There were no declarations of interest. 20.1.8 is a confidential item.</p>	
20.1.3	<p>Minutes of Joint FGP and Audit Committee meeting held on 29th November 2019 were approved. The minutes to be signed by Chair as an accurate record of the meeting.</p>	VD/SM
20.1.4	<p>Matters arising</p> <p>(a) Helensburgh update – AEC confirmed that no funding has been received from UHI. MJ has raised it with EO. MJ to give JC information for JC to email EO.</p> <p>(b) Nursery update – AEC confirmed that the nursery is to close on 26th June. Two of the remaining staff have new jobs to go to, 1 is leaving imminently 1 is staying until the nursery closes. AEC reported press coverage had been reasonable, this is testament to MJ’s ability to deal with the situation and take meetings head on with Elaine Munro’s support and Mo McKenna managing PR. SM confirmed that he felt the reporting was balanced and fair and asked what risks there might be with relation to staffing costs or other costs over the next few months. AEC stated that the main issue is maintaining staffing ratios. A key member of staff is currently self-isolating and coronavirus may result in closure. Bad debts are also a risk. GMcC asked what the cost of bad debts is likely to be. AEC confirmed that some are quite high. AEC also confirmed that the Care Inspectorate will not be coming in to do an inspection.</p>	
20.1.5	<p>Risk Register AEC reported that the Risk Register was not available for this meeting but the main changes will be the nursery and coronavirus. SM suggested that the change of auditor should also be added. GMcC asked if staff sickness appears. AEC confirmed</p>	

	<p>that it does. SM to contact MJ to discuss the Risk Register before he meets with the new internal auditors.</p> <p>ACTION: Items to be added to Risk Register – Nursery, Coronavirus and change of auditors.</p>	MJ
20.1.6	<p>Internal auditors discussion with Committee on 2019/20 Audit Plan – by VC</p> <p>Steven McNaught and David Archibald of Henderson Loggie joined the meeting by VC.</p> <p>SM welcomed SMcN and DA to the meeting and told the committee that he has a meeting scheduled with them for w/c 16 March. SM then asked Henderson Loggie to inform the committee of their intended plans and approach as the new Internal Auditors. DA confirmed that they already work with 10 other colleges and a number of UHI Assigned colleges. This gives them an understanding of the wider UHI environment and means they have a tried and tested methodology. After the meeting next week with SM they will be programming 2 distinct blocks of work, the first being to end of July. The audit committee should then make sure they are in agreement with the proposed topics in the plan. SM asked what a good audit committee could give in terms of direction. DA stated that they want to know from the committee which key areas to concentrate on. He also suggested that the Risk Register be used as a guide to changing internal activity as required. He expressed the need for continued dialogue and that they are there to provide positive assurance and help move things forward. The committee agreed it was looking for a proactive approach from the auditors.</p> <p>At this point Henderson Loggie left the meeting and further discussions were held. SM asked AEC for further feedback. AEC felt that previous internal audit reports could have been more in depth or more directive. With Henderson Loggie’s experience of working with colleges there is potential for sharing of good practice. GMcC said that strategic direction has been missing in the past and will be helpful going forward. SM confirmed that SMcN will be speaking to MJ and EM to get their views before he speaks with him w/c 16 March. SM asked GMcC to email him with any suggestions for the audit plan. AEC confirmed that the plan will come to the committee for approval via email due to time constraints.</p>	
20.1.7	<p>Update on appointment of external auditor</p> <p>AEC confirmed that a tender has gone out with a return date of w/c 16 March. Evaluations will then take place. AEC to find out what level of board involvement may be required and keep SM informed should he want to be involved. SM stated that it will require board approval.</p>	
20.1.8	<p>Confidential Item</p>	
20.1.9	<p>AOCD</p> <p>SM thanked GMcC for her time on the committee.</p>	
	<p>Signed by</p> <p>..... Date</p> <p>Chair of Audit Committee</p>	

Risk Status	Risk Description	Causes
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
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?
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.

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
Inactive	Failure to recruit target numbers of students	Lack of resources, student experience, space, and appropriate marketing
Active	NRPA ongoing rollout	Implementation of national pay bargaining and a national pay scale for all staff
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
Inactive	Possibility of failure to achieve assigned status to the region	Difficulty in providing SFC with their required assurance that College meets requirement.

Active	<p>Adverse effects if ONS is imposed on college in future. Costs of potential change of accounting year and potential monthly reporting.</p>	College sector reform legislation
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>
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>
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>
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>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>Active</p>	
<p>Non-compliance with relevant statutory regulations.</p>	<p>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.</p>
<p>Active</p>	
<p>Governance Failure.</p>	<p>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</p>
<p>Active</p>	
<p>Going over budget on expenditure - Financial failure/operating loss. Failure to implement savings as outlined in FFR</p>	<p>Increases in costs, lack of financial control. Impacts of Covid 19</p>
<p>Active</p>	

College estate not fit for purpose. (Support staff). Lack of investment in capital maintenance/new capital project expenditure.

Active

Academic quality is not excellent Difficulty recruiting and retaining high calibre staff.

Active

Poor Student Experience . Dispersed campus with limited facilities for social interaction. Technology failures. Limited teaching/library resources. Poor teaching.

Active

Failure to develop a research culture and any research outputs are sub standard 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.

Active

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.

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.

Active

Missing viable opportunities for development and growth

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.

Active

Implication of outcome of EU Referendum leading to loss of EU Funding.

Political uncertainty over continuation or replacement of previous EU funding

Active

Poor relationship with stakeholders in Argyll, Bute and Arran

Lack of positive strategic engagement and partnership building.

Active

UHI fails to reform into a more efficient, open and accountable partnership in financial and operational terms.

Failure of Programme Board activity

Active

Active	Focus on UHI Partnership eclipses potential opportunities for partnership with other FE and HE institutions.	Inward looking mindset
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.
Active	Failure to embed a pervasive culture of Health & Safety awareness.	Lack of staff engagement and or understanding
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.
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.

Active	<p>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.</p>	<p>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.</p> <p>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.</p>
Active	<p>Helensburgh Project fails to receive approved funding.</p>	<p>Grant funder fails to release monies.</p>
Active	<p>College struggles to operate due to Covid19</p>	<p>Government Lockdown measures and social distancing</p>

Impacts Evidence	Owner	Residual Likelihood	Residual Impact
Increase in full-time and HE students numbers recorded, and learning expectations of students	Executive Team	5	3

KPIs

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	SMT	4	4
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Difficulty in balancing budgets

Board

5

3

Potential reduction of income, failure to provide opportunities for local community, not meeting outcomes of CPP

Potential unsustainable increase in college staffing costs due to agreed national pay bargaining increases. Funding only agreed to end of 2019/20

Principal

5

5

Level of student funding may be less than students get in other regions. This in turn may affect recruitment, retention and achievement.

Executive Team

2

2

College continues to be viewed as a "lesser" partner within UHI

Principal

1

2

Impact would be additional work to meet the reporting requirements driven by SFC through EO, changes to accounting processes

Executive team

2

3

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

Finance Director

3

1

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.

SMT

3

3

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

SMT

3

3

Inability to recruit students or attract and retain high calibre staff, inability to attract funding and/or develop strategic partnerships

SMT

3

3

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.

	Principal	4	3
Loss, injury, financial and reputational damage.	Board & SMT	3	4

The college has been able to recruit an above minimum number of directors but vacancies remain unfilled.

	Board	3	3
Deficits incurred/exceeding budgeted costs/failing to meet income targets	Finance Director	3	3

Having to rent additional space for support staff in Oban, no spare capacity in either Oban or Dunoon centres, poor working conditions for staff

Board & SMT 4 3

High level of withdrawal and poor retention.

SMT & Curriculum leads 3 3

Poor performance in national student satisfaction surveys. Reputational damage. Impact on ability to recruit future cohorts. Risk to core income streams.

Board & Executive Team 3 3

Damage to reputation. Brexit. Poor performance in next REF. Inability to retain staff and research teams. Reduced income.

Principal 3 2

Falling level of fees from previous years. HMI report may lead to reduction in reputation and further reduction in fees/viability.

Principal 4 3

Loss of income; Loss of reputation; Stagnation of curriculum; Missed opportunities for staff; Missed opportunities for students.

Principal 3 3

Student recruitment. Uncertainty over funding arrangements particularly in relation to capital projects

Board & SMT 5 4

Organisations engaging with other educational establishments

Principal 3 3

Adverse financial circumstances. Institutional malaise.

3 4

Opportunities for external partner bidding eschewed.

3

2

Inefficient working patterns, opportunities to meet as a team

3

3

Increased incidents or near misses.
Failure to properly update risk assessments by appropriate staff.

Principal

3

3

Inability to grow curriculum or be rewarded for expansion.

3

3

Status quo prevails

3

3

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

3

3

College forced to shoulder the burden of expenditure already incurred

Principal

3

4

College staff and students forced to stay away from centres either individually or en masse

SMT

4

4

Residual Risk	Res Colour	Risk Trend	Actions To Minimize
15	Red	Decreasing	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.

16	Red	Stable	Quality Assurance Committee, review of recruitment procedures and offering, restructured management, role of Curriculum leads
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0	Green		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
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Dialogue with SFC, H&I
FERB, EO and Scottish
Govt.

15

Red

Stable

0

Green

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

25

Red

Decreasing

4

Green

Stable

Work with stakeholders

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

2

Green

Decreasing

6	Amber	Stable	Outwith our control
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3	Green	Decreasing	Work with UHI EO to ensure financial info from Sage system remains appropriate and adequate
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9	Amber	Stable	Ensuring college has good reputation to drive students to come to us
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9	Amber	Stable	Ensuring college has good reputation to drive students to come to us
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9	Amber	Stable	By having good governance, maintaining good external communications, dialogue with stakeholders, ensuring positive outcomes for students
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			Discussions starting to take place at Board level re succession planning for ET.
12	Amber	Decreasing	
			Staff training, use of expert consultants to keep the college informed & sharing good practice and learning with partner organisations.
12	Amber	Decreasing	

			Continue to monitor attendance and skills matrix, annual self-evaluation of Board members
9	Amber	Stable	
			Devolving and developing budget responsibility with ownership at delivery level where relevant.
9	Amber	Decreasing	

			Additional capital/backlog maintenance funding recently approved for 2019/20. Develop strategy and funding opportunities for all premises.
12	Amber	Increasing	
			New Curriculum Lead role devolving academic leadership closer to delivery
9	Amber	Decreasing	

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

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

12 Amber Increasing

Review appropriate staffing. Meaningful and enthusiastic engagement with stakeholders; encouragement for staff at all levels to engage.

9 Amber Stable

Continue to investigate wide/alternative sources of funding

20 Red Increasing

Engagement with councils, DYW and key employers

9 Amber Decreasing

Engage positively in reform agenda

12 Amber Decreasing

6	Amber	Decreasing	Encourage staff to engage and build partnerships wherever they arise.
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9	Amber	Decreasing	Use of technology and maximise face to face meeting opportunities as they occur.
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9	Amber	Decreasing	Health & Safety consultant's work, auditing and roll out of improved staff training
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9	Amber	Decreasing	Make the case for revised allocation approach.
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9	Amber	Decreasing	Immediate focus is local.
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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.

9	Amber	Decreasing	Mandated information
			Continue to liaise with UHI.
12	Amber	Decreasing	
16	Red	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.

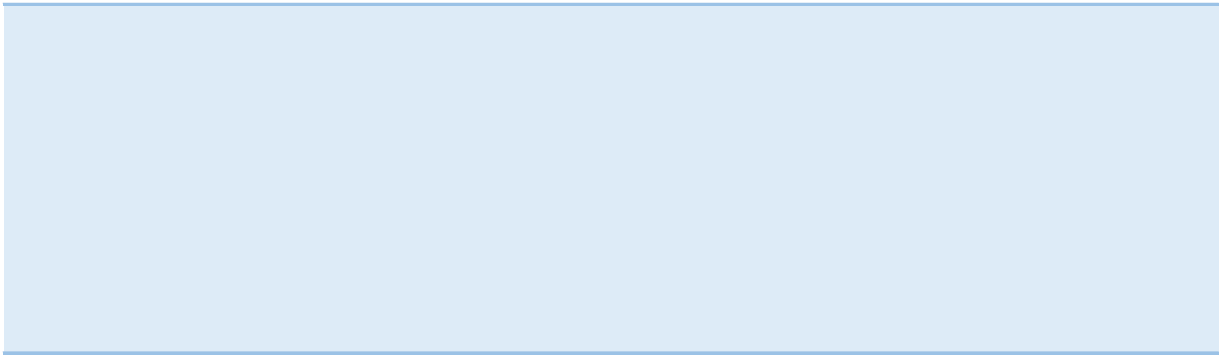
Ongoing staff development

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

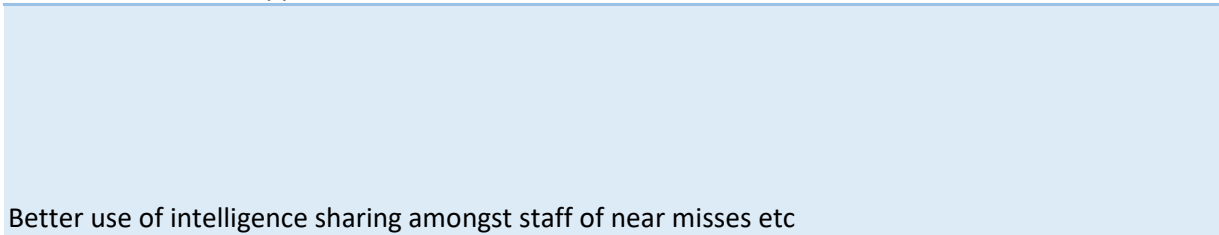
Improve management information system

Review of existing opportunities with view to prioritising action

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

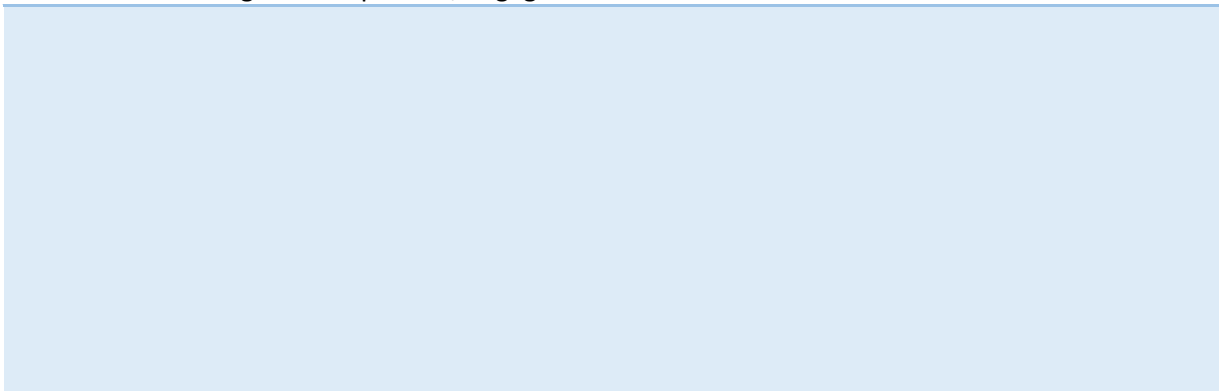


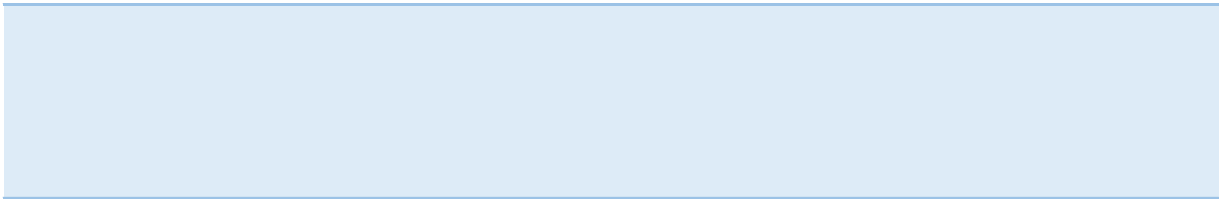
Review recruitment approach for SMT members



Better use of intelligence sharing amongst staff of near misses etc

In relation to strategic developments, engage with SFC





Action Owner	Completion
Executive Team	01/09/2020

SMT 31/12/2020

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Principal

31/07/2020

Principal

31/07/2020

Head of Student Services

31/07/2020

Principal/Finance Director

31/07/2020

Finance Director

31/07/2020

SMT

31/07/2020

SMT

31/12/2020

All staff

31/07/2020

Principal

01/07/2020

Executive team

Board Secretary

Finance Director

30/06/2020

Executive Team

31/07/2019

SMT

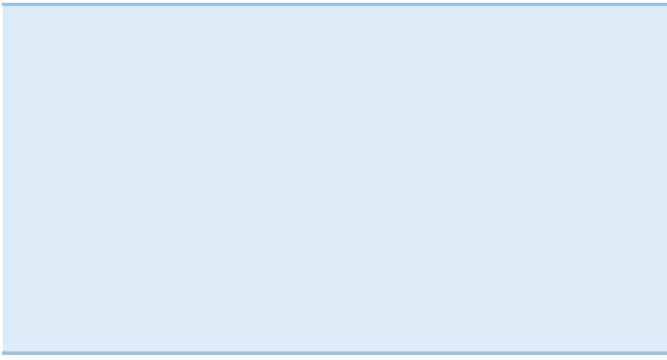
Head of Property/Finance Director

31/12/2020

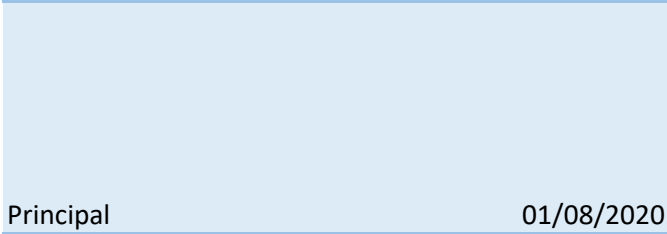
Finance Director 31/12/2019

Principal 31/12/2019

Principal 31/10/2020

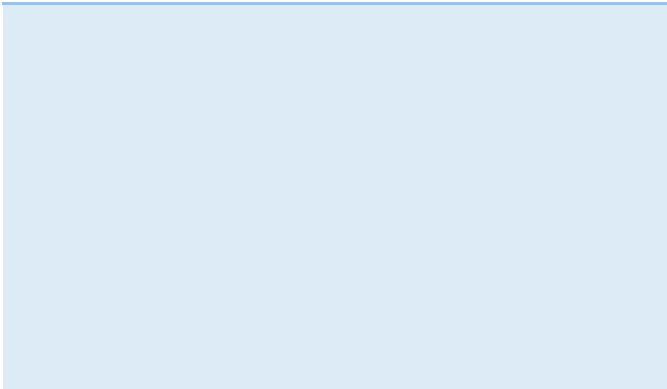


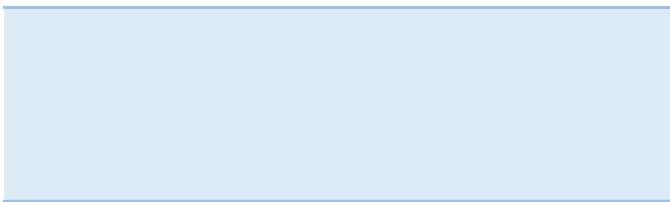
Principal 30/06/2020



Principal 01/08/2020

Principal 30/09/2020



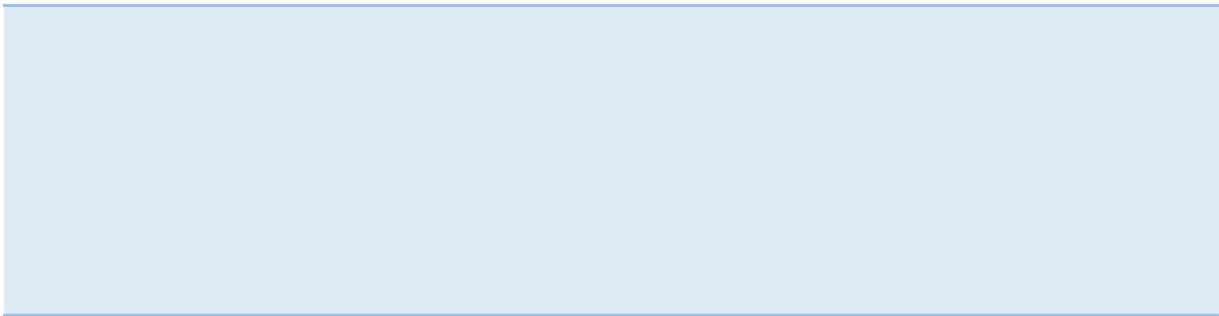
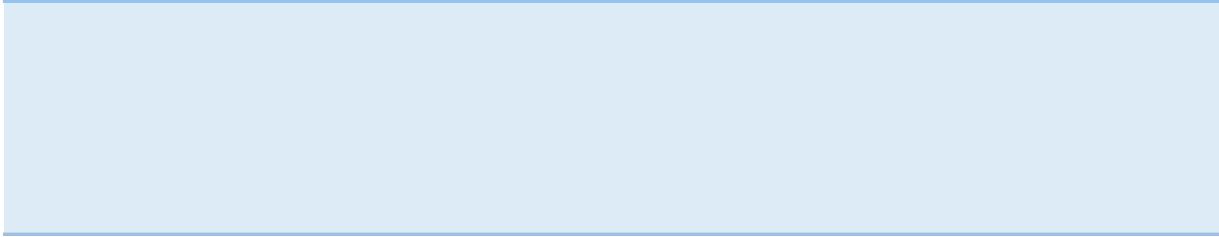


Ongoing

Future Mitigating Actions 2

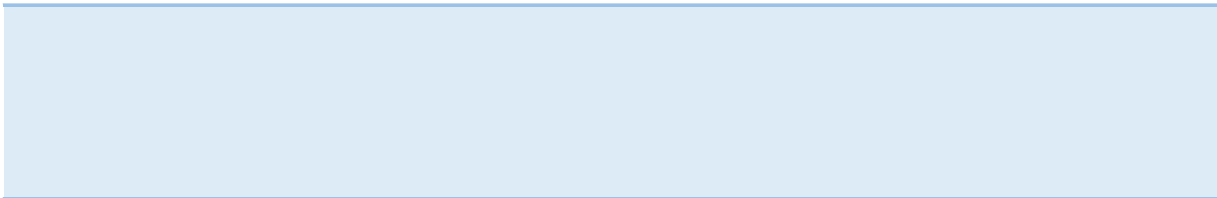
Continuing discussions with local authority and other relevant agencies over available premises in oth

Explore more partnership/networking opportunities with partner and other colleges

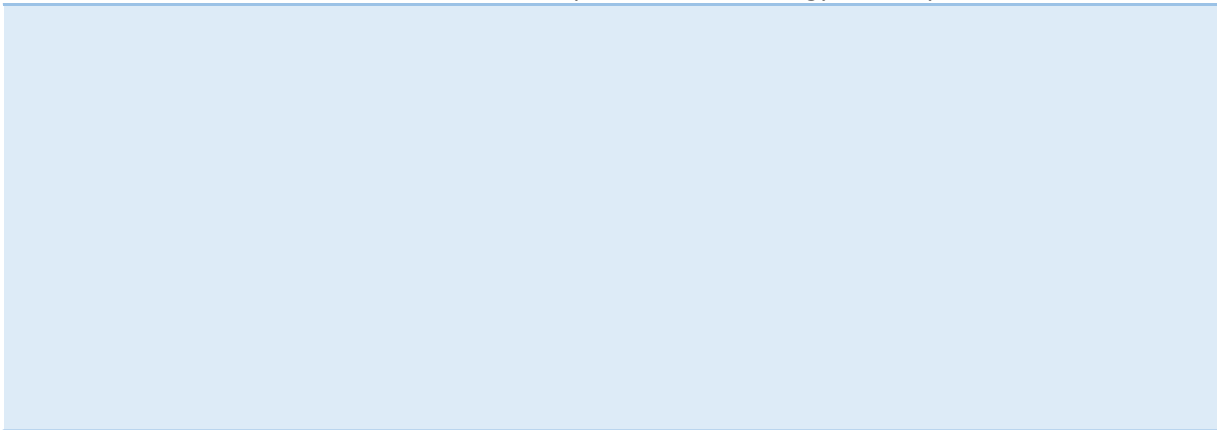


Continue to review college roles and create culture where talented staff are valued and retained.

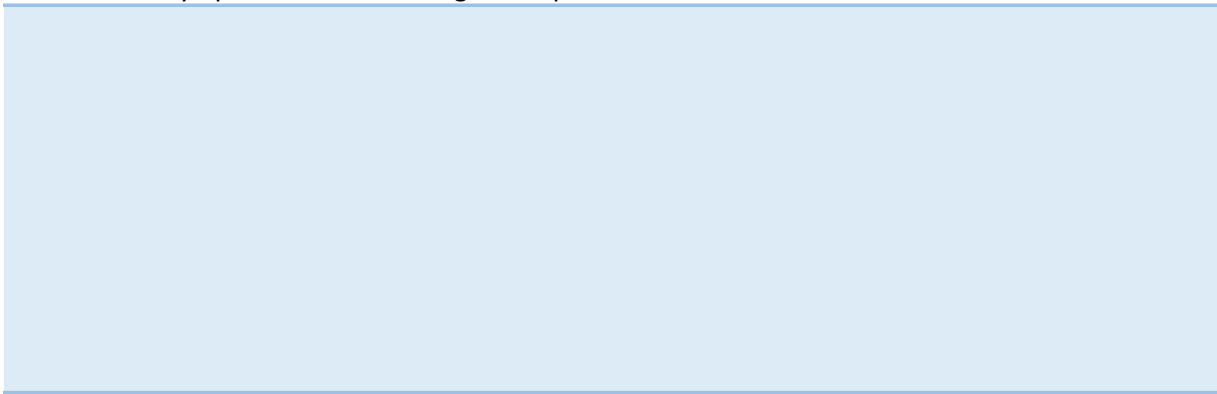
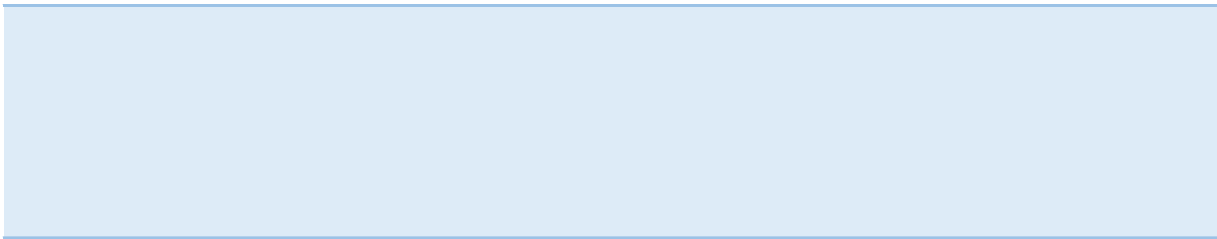
Devolve budget control to Head of Departments in new SMT

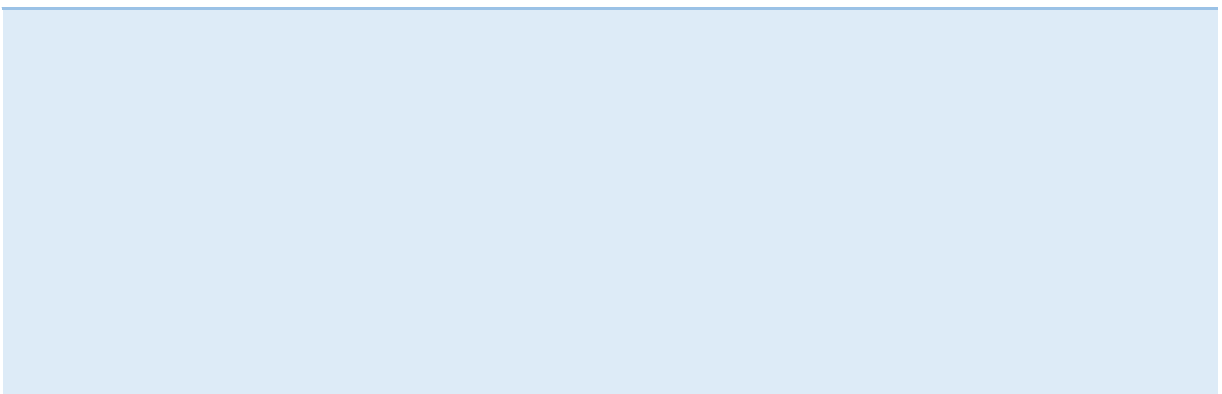
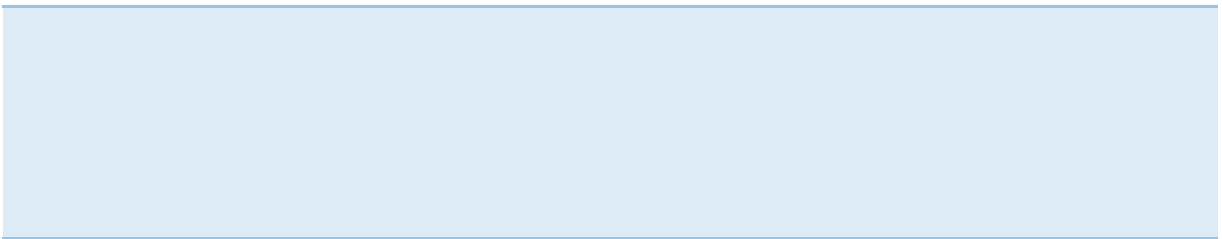
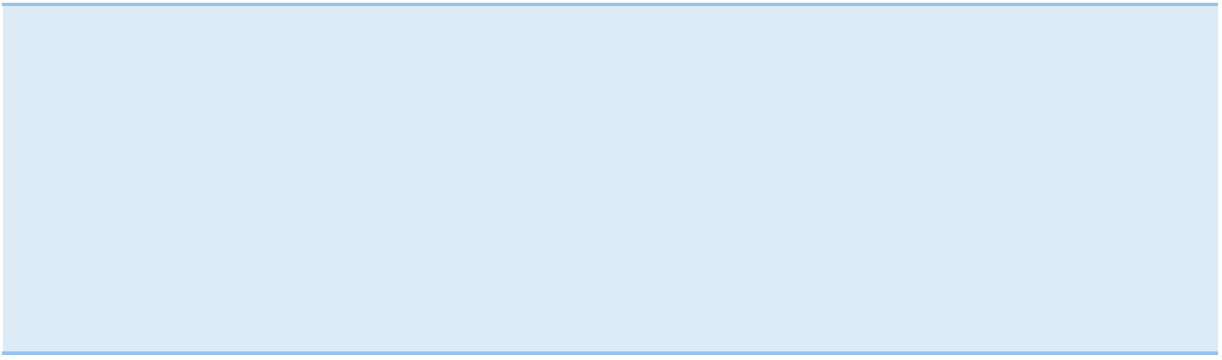


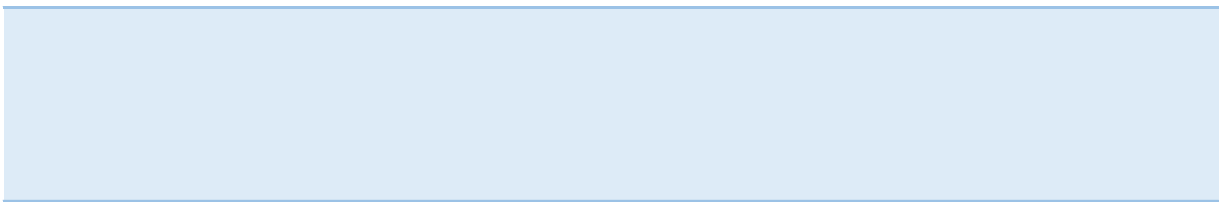
Continue to invest in IT and be aware of developments in technology, develop BYOD, etc



Review nursery operations and management processes

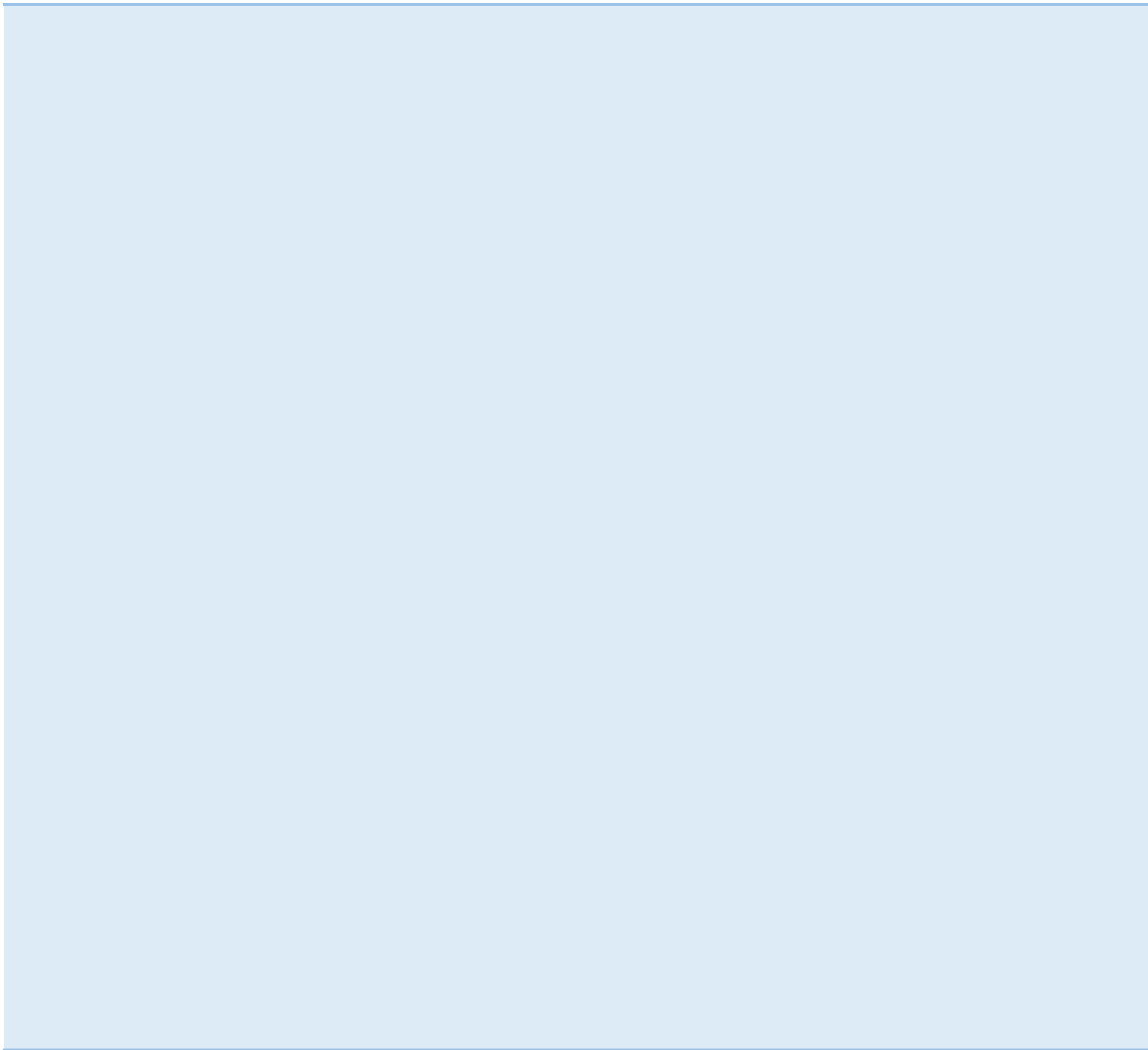
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Completion Date 2	Action Owner 2	Future Mitigating Actions 3	Action Owner 3
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31/12/2020 Principal

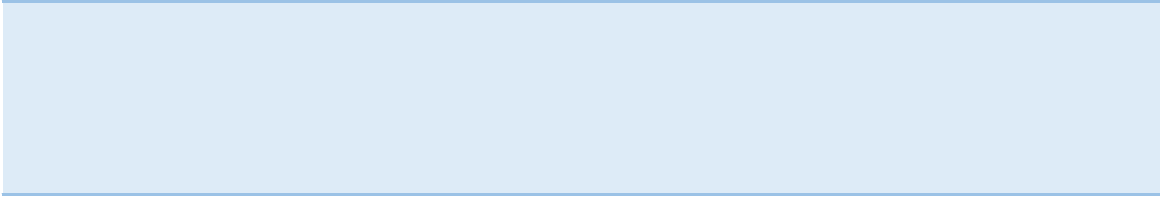


31/07/2020 SMT

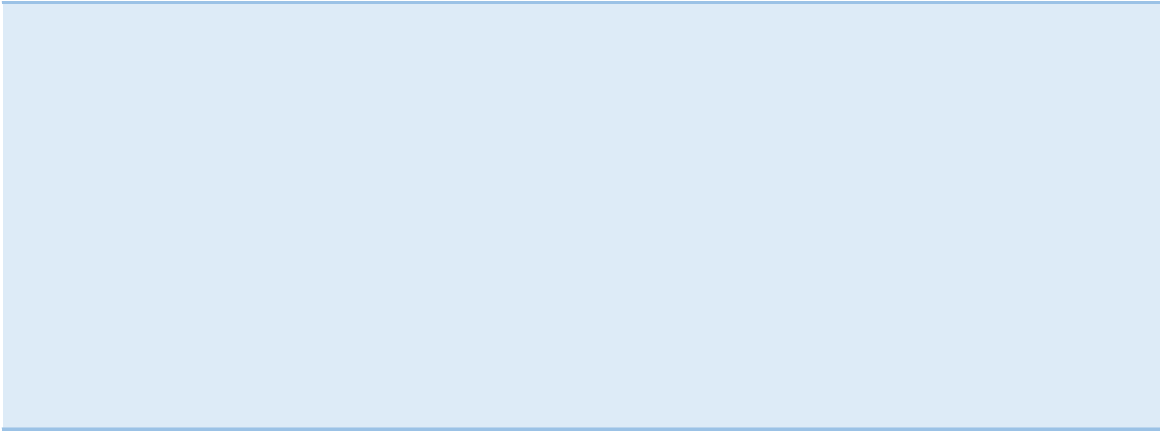


01/07/2020 SMT

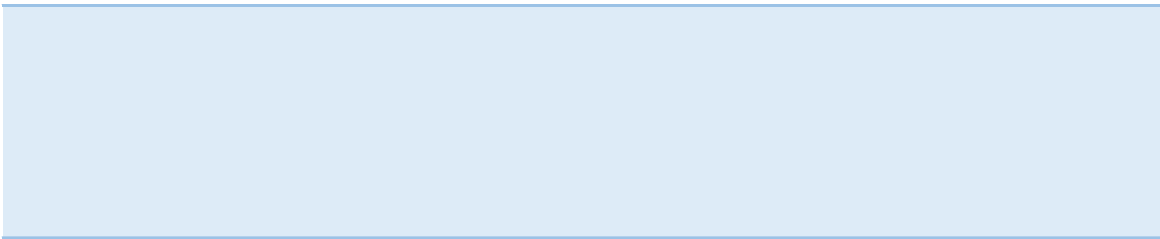
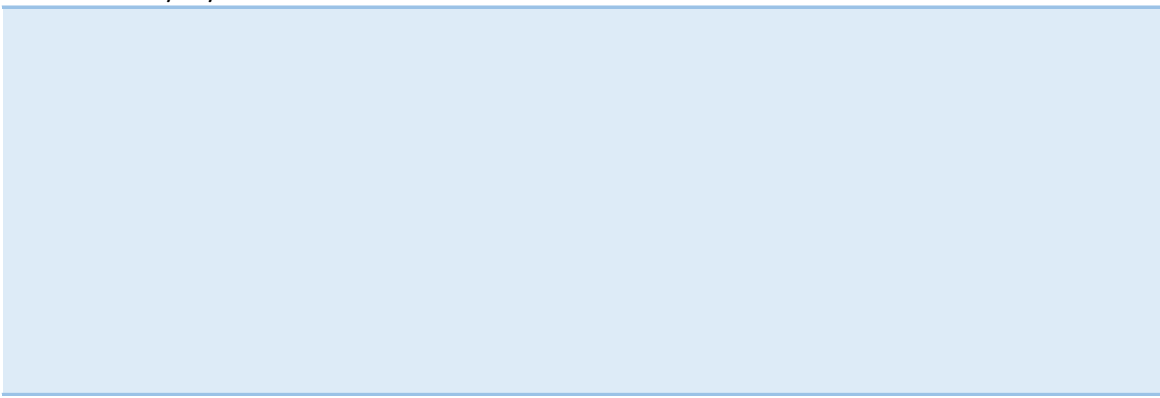
01/07/2020 Finance Director

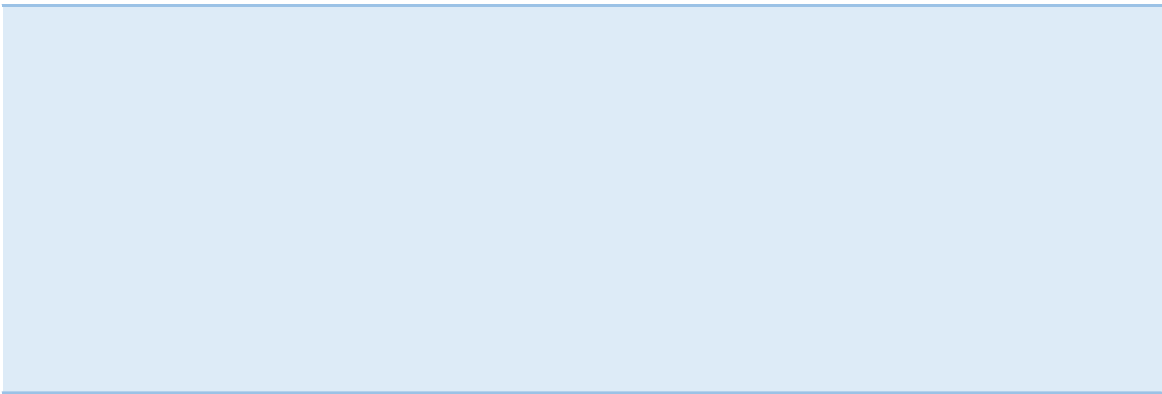
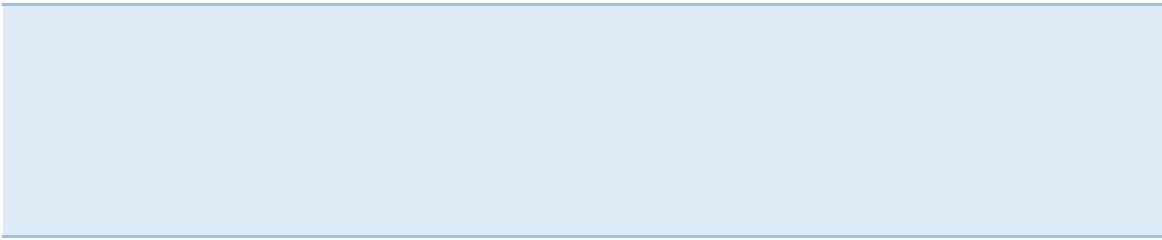
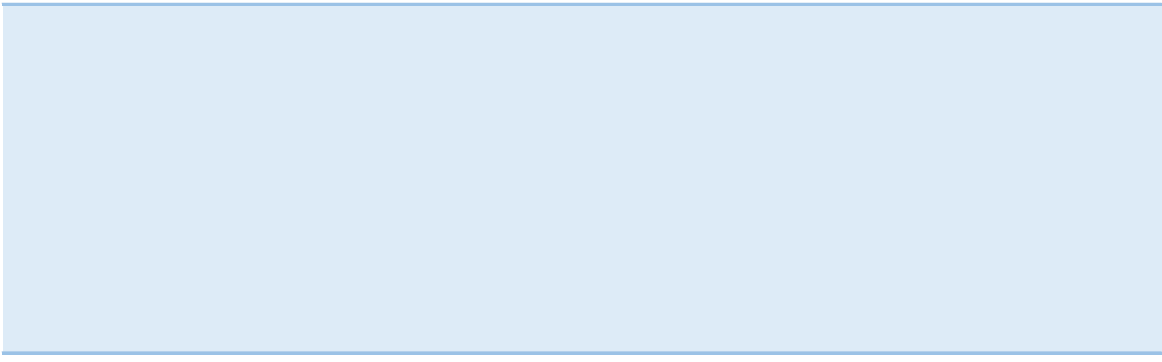
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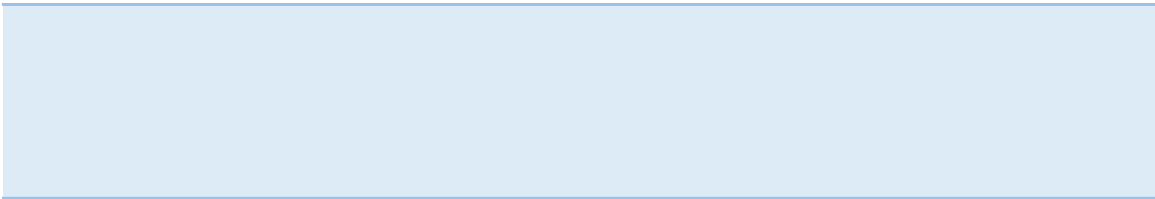
31/07/2020 Finance Director

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31/12/2019 Executive Team

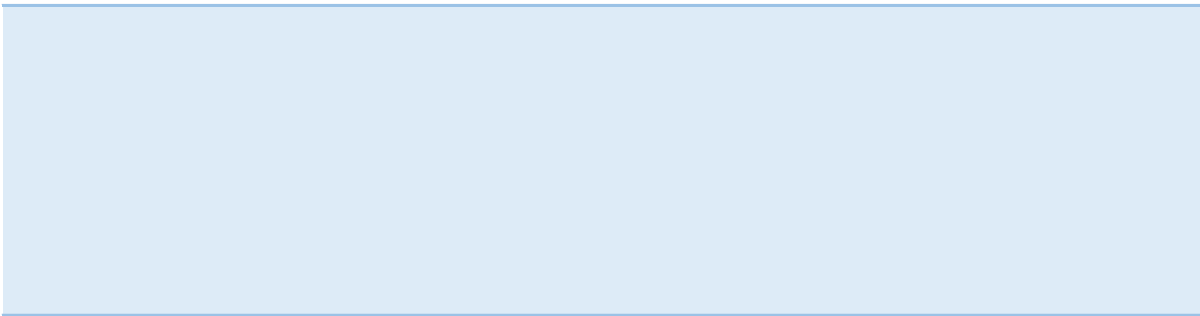
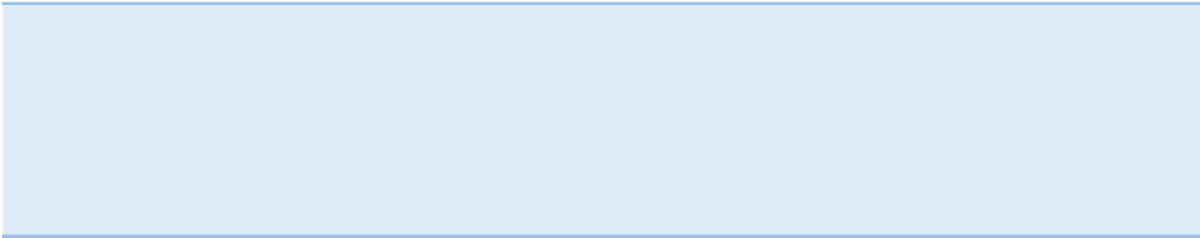


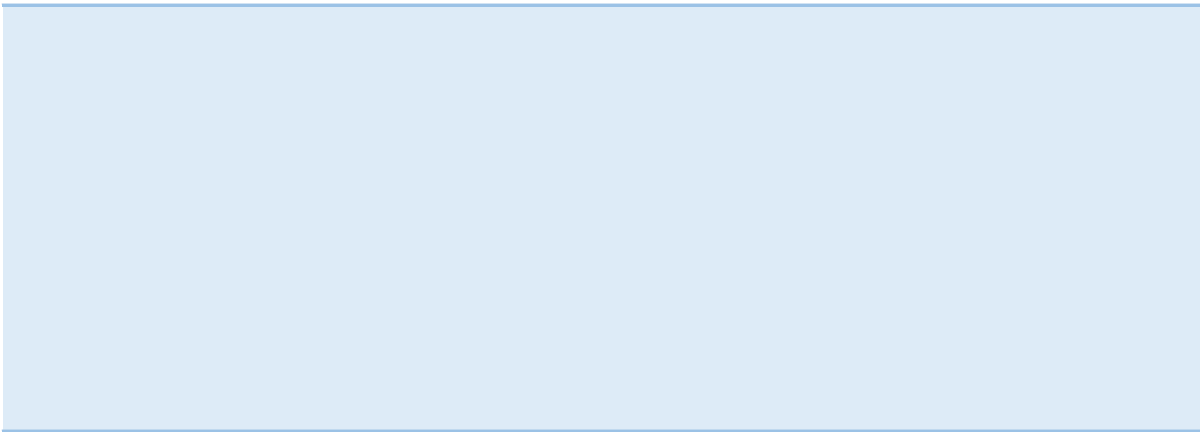
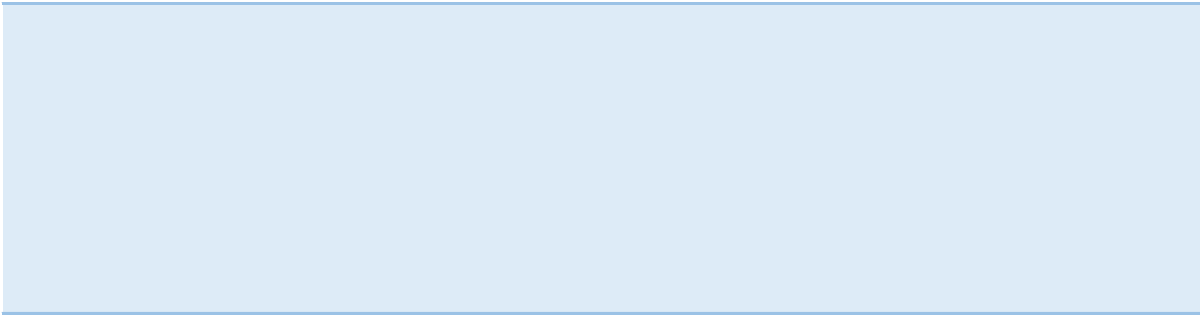


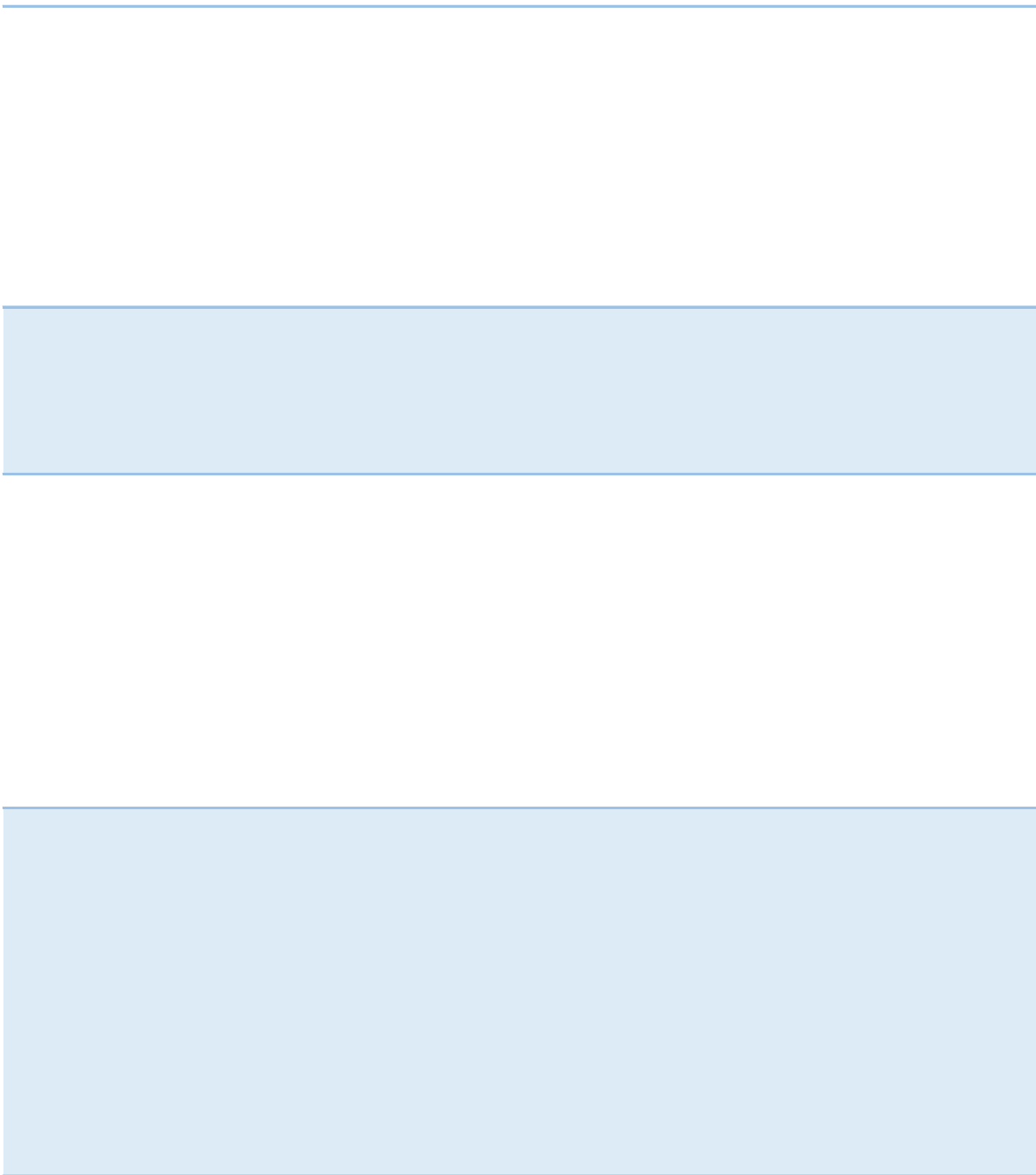


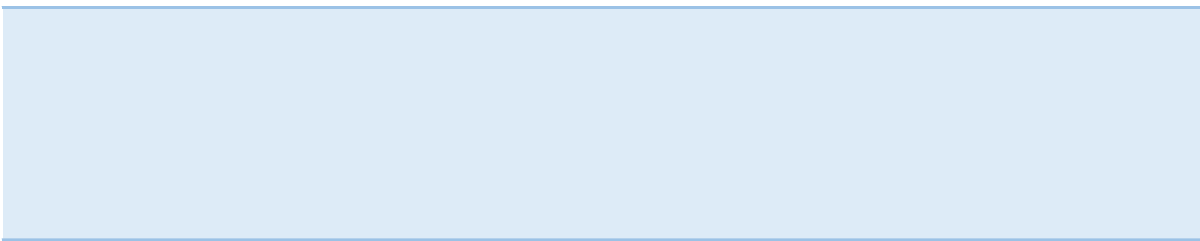
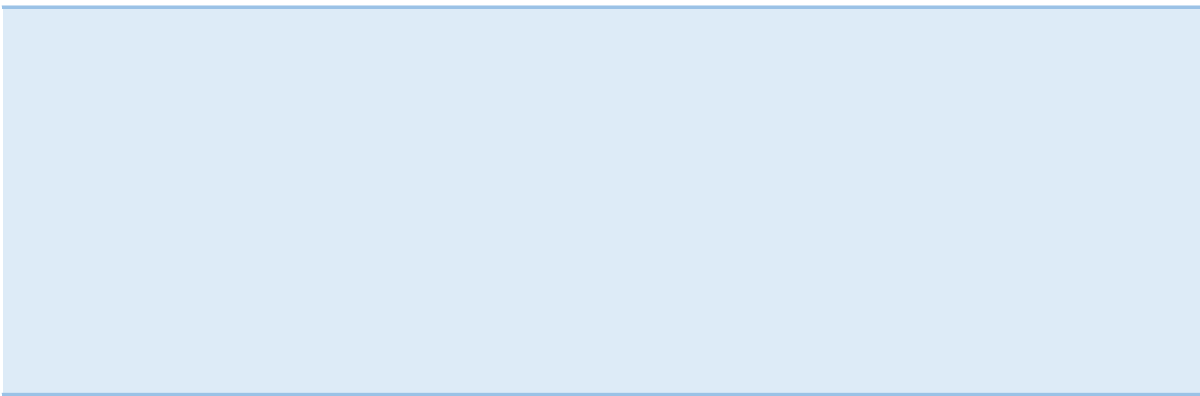
Completion Date 3	Future Mitigating Actions 4	Action Owner 4	Completion Date 4

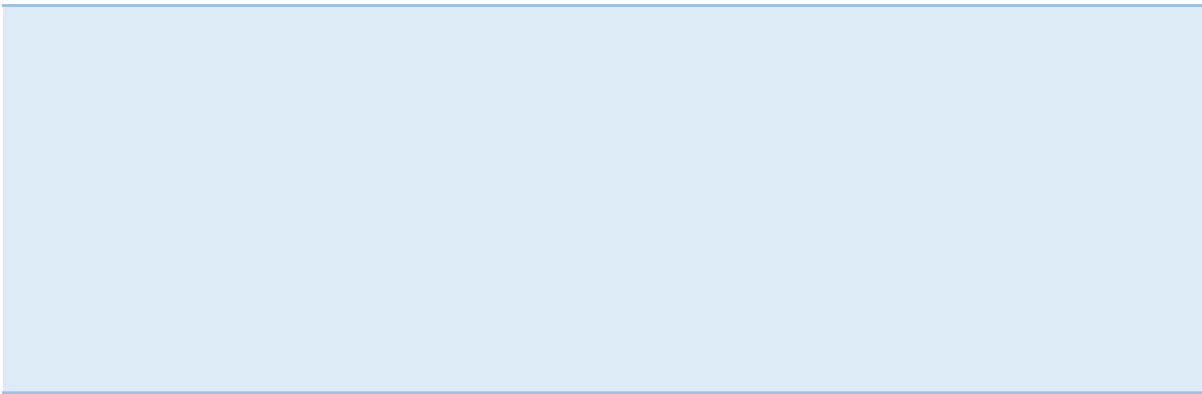
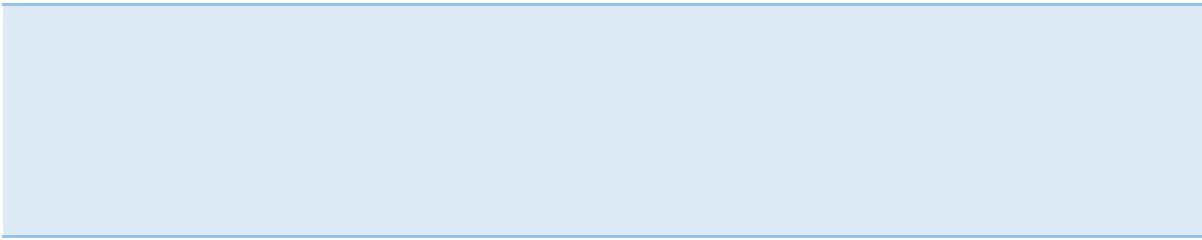
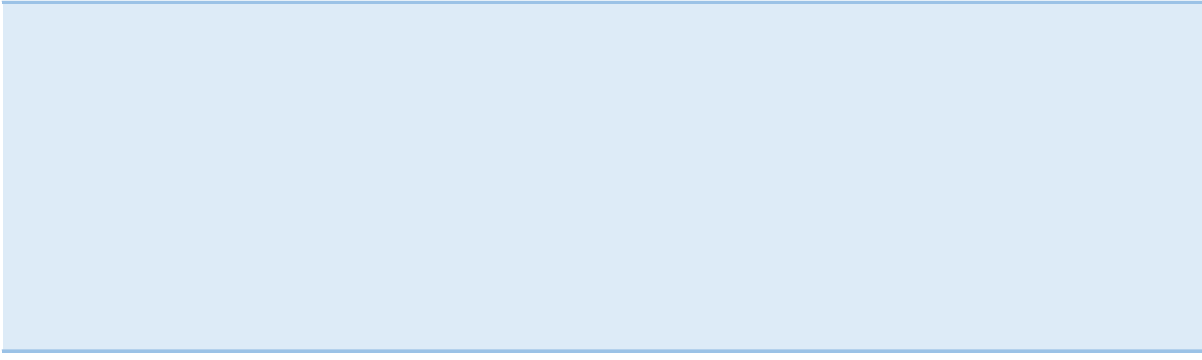
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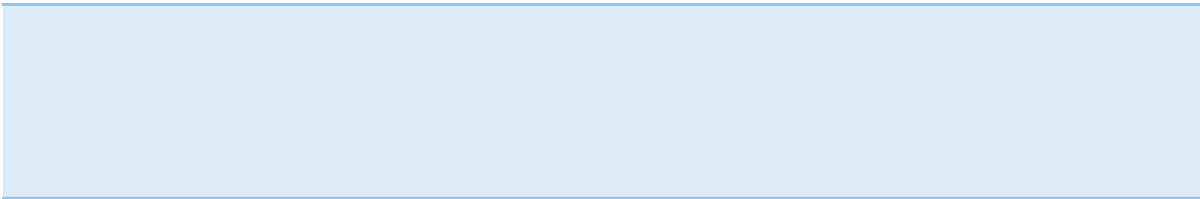












Commonrisktoggle	Common Risks	Item Type	Path
No		Item	sites/riskregister/Risks
Yes	9.Academic quality	Item	sites/riskregister/Risks
		Item	sites/riskregister/Risks

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
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Yes	2.FE Targets	Item	sites/riskregister/Risks
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Yes	3.Reputation	Item	sites/riskregister/Risks
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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
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Yes	9.Academic quality	Item	sites/riskregister/Risks
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Yes	11.Student Experience	Item	sites/riskregister/Risks
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Yes	10.Research quality	Item	sites/riskregister/Risks
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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

Item

sites/riskregister/Risks

Yes	12.Data breach	Item	sites/riskregister/Risks
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No		Item	sites/riskregister/Risks
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Draft Budget 2020/21

The income figures for grants from SFC and UHI are based on figures provided by UHI, so it would appear to be safe to include them in the budget as confirmed and accurate.

We are forecasting income of £5.8m for the year, with almost £1.675m of that for National Bargaining funding.

Pay rise of 1.5% forecast for salaries, and movement of majority of teaching staff to FTE contracts has been budgeted.

Assumptions for other costs has been noted against expense headings.

All figures carry a COVID warning, but we are budgeting for a £35k surplus for 2020/21.

Ailsa Close
05/06/2020

Argyll College UHI Ltd

INCOME	Expected Outturn 2019/20	Budget 2020/21	
SFEFC SUMs Income	2,587,070	2,808,952	Per UHI No funding for ESIF credits due to Region not meeting Credit target in 19/20
UHI Income - RAM less Microram	362,331	383,775	Per UHI
UHI Income - PGDE	47,238	53,831	Per UHI
UHI Income - Other	128,550	129,000	Flatrate £20k, SSC£109k
SAAS Income	259,000	259,000	Based on 2019/20 actual
ILA Income	6,000	6,000	
DYW income	140,000	140,000	
Bursary Income/Student support	50,000	50,000	
Modern/Foundation Apprenticeships	72,000	36,000	Unclear for 2020/21, assumed 50% reduction
Maintenance/Capital Grant income	62,000	106,086	Per UHI HE £26262 FE £119824 less £40k capital expenditure
MITC funding	13,000	52,000	From Council for staffing
Bank Interest Received	3,000	2,000	Interest rates minimal
FE Student Fees	95,000	66,500	Expected reduction of 30% due to COVID
HE Student Fees - Taught	35,000	24,500	Expected reduction of 30% due to COVID
Commercial Training Activity	17,000	8,500	Expected reduction of 50% due to COVID
Commercial Training Activity - CSCS Income	1,500	750	Expected reduction of 50% due to COVID
Nursery Income - Fees	105,000	0	
Property Lease Income	3,959	0	
Room/Facility Hire - With Own Insurance	929	465	Expected reduction of 50% due to COVID
Room/Facility Hire - Without Own Insurance	810	405	Expected reduction of 50% due to COVID
Vending Machine Income	800	400	Expected reduction of 50% due to COVID
Hairdressing Income - General	5,000	2,500	Expected reduction of 50% due to COVID
Catering Income	5,000	2,500	Expected reduction of 50% due to COVID
Feed-In Tariff	4,000	4,000	
Other income	2,200	0	
National Bargaining Grant funding	1,166,269	1,675,000	Per UHI
Income from Staff	0	700	
Graduation Income	400	550	
Branded clothing income	1,000	700	
	5,174,056	5,813,414	
LESS: EXPENDITURE			
Staffing Costs - Salaries	1,417,333	1,380,093	Payrise of 1.5% included. No nursery staff, but includes DYW
Staffing Costs - Employer's NI	125,560	136,904	
Staffing Costs - Employer's Pension	181,744	298,100	Assumption that everyone is in Local Authority Pension scheme
Staffing Costs - Maternity cover	1,000	0	
Staffing Costs - Sickness cover	10,000	30,000	2 staff members on average on long term sick leave
Staffing Costs - Travel and Subsistence	20,000	10,000	Reduction through COVID for at least half of year?
Staffing Costs - Training	6,000	22,500	Intention to improve staff training and devlpt in 2020/21 Av spend £500 per FTE
Staffing Costs - Disclosure	1,000	1,000	
Staffing Costs - Recruitment	3,000	3,000	Not thought that recruitment will be high this year
Staffing Costs - Other	55,263	18,000	Apprenticeship Levy
Teaching Staff Costs - Salaries	1,713,000	1,935,662	With current staffing levels but move towards FTE contracts 1.5% payrise
Teaching Staff Costs - Employer's NI	134,000	174,210	
Teaching Staff Costs - Employer's Pension	313,000	445,202	Teachers pension contributions are at 23%. Assumed all staff join
Teaching Staff Costs - Maternity cover	1,000	5,000	
Teaching Staff Costs - Sick Pay	10,000	30,000	
Teaching Staff Costs - Travel and Subsistence	12,000	7,000	Reduction through COVID for at least half of year?
Teaching Staff Costs - Training Other	12,000	22,500	Intention to improve staff training and devlpt in 2020/21 Av spend £400 per FTE
Teaching Staff Costs - Disclosure	1,300	2,000	
Teaching Staff Costs - Recruitment	3,000	3,000	Not thought that recruitment will be high this year
Teaching Staff Costs - Other	42,000	12,000	Joint marketing with WHC
Payments to Subcontractors	65,000	25,000	MITC project costs
Learning Resources/Matts	50,000	40,000	COVID reduction expected in materials costs
Student PPE/Kit	10,000	30,000	This may be higher than usual because of COVID
Payments to Awarding Bodies - SQA	60,000	60,000	
Payments to Awarding Bodies - CITB	3,000	5,000	
Payments to Awarding Bodies - BCS	8,000	8,000	
Payments to Awarding Bodies - Activ Training	3,500	3,500	
Marketing and Promotion	50,000	60,000	Increased marketing required to help with student recruitment
Health and Safety Costs	20,000	80,000	Expected to increase exponentially because of COVID requirements
Non Chargeable Catering Costs	2,000	3,000	
Property Costs - General maintenance	40,000	70,000	
Property Costs - Lease Costs	57,500	50,000	Arran, C'town, Bute, Dunoon

Property Costs - Venue Costs	8,000	5,000	COVID reduction
Property Costs - Rates and Water Charges	17,000	17,000	Will be no change
Property Costs - Utilities	65,000	65,000	Lower for 2 months as centres shut until Sep likely
Property Costs - Cleaning	30,000	50,000	Cleaning expected to be intensified when we return
Property Costs - Other Property Costs	4,000	4,000	
Insurance	31,000	31,000	
ICT Maintenance and Support	117,000	117,000	
Equipment repairs	5,000	5,000	
Equipment Lease Costs	40,000	40,000	Printers
Company Vehicle Costs - Fuel	2,500	5,000	
Company Vehicle Costs - Repairs and Maintenance	3,000	3,000	
Company Vehicle Costs - Road Tax	300	300	
Company Vehicle Costs - Other	40,000	40,000	EV lease costs
Supplies and Copying	12,000	10,000	
Postage	4,000	4,000	
Telecoms	18,000	18,000	
Other expenses	4,000	4,000	
Donations	500	0	
Subscriptions	27,000	30,000	HISA, Celcat, Cascade, other software
Professional Fees - Audit and Accountancy	20,000	30,000	New auditors both internal and external
Professional Fees - Legal	30,000	20,000	
Professional Fees - Other	5,000	5,000	
Payments To/On Behalf of Students - Travel & Subsist	20,000	10,000	Lower travel costs through COVID
Payments To/On Behalf of Students - Hardship	10,000	20,000	Higher hardship costs through COVID
Payments To/On Behalf of Students - Sanitary product	3,000	10,000	
Payments To/On Behalf of Students - Graduation	7,000	7,000	
Payments To/On Behalf of Students - Other	3,500	3,500	
Governance Costs - Travel & Subsistence	500	1,500	
Governance Costs - Other	500	500	
Bank Charges	550	550	
Loan Interest - BoS Fixed Rate	2,000	0	Loan paid off
Bad debts	1,500	5,000	
Vending Machine Costs	2,300	2,300	
Hairdressing Supplies - General	500	500	Likely to be low until COVID regulations ease
Hairdressing Supplies - Retail	0	0	
Hairdressing Costs - Other	400	400	
Food Purchases	8,500	8,500	Likely to be limited until COVID regulations ease, no nursery lunches
	4,974,750	5,543,721	
Operating surplus	199,306	269,693	
Non Capital Fixed Assets	15,000	50,000	Move to laptops replacing PCs in centres
Loss on sale of asset (building)	0		
Depreciation	185,000	185,000	
Net surplus/(deficit) for the year	(694)	34,693	



Argyll College UHI Ltd

**Strategic Internal Audit Plan 2019 to 2022 and
Outline Internal Audit Annual Plan 2019/20**

Internal Audit Report 2020/01

Draft Issued: 13 April 2020

Final Issued: 20 May 2020

Now, for tomorrow



Contents

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1. Introduction

- 1.1 We have been appointed as Internal Auditors of Argyll College UHI Ltd ('the College') for the period from 1 August 2019 to 31 July 2022, with an option available to the College to extend for a further 24 months thereafter.
- 1.2 Internal audit primarily provides an independent and objective opinion to the Board and to the Principal on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the College's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the College.
- 1.3 Internal audit also provides an independent and objective consultancy service specifically to help line management improve the College's risk management, control and governance.
- 1.4 The purpose of this document is to present to the members of the Audit Committee the Strategic Plan for 2019 to 2022 and the outline annual internal audit plan for the financial year ending 31 July 2020.
- 1.5 We see completion of the ANA as very much a partnership process in order to ensure that the risks facing the College are fully and properly identified and therefore covered in the work cycle.
- 1.6 Through discussions with management and review of key documentation (including key strategies, the strategic risk register and previous internal and external audit reports) we have built up a picture of the key issues facing the College. This analysis informed discussions between the Executive Management Team and the Chair of the Audit Committee and MHA Henderson Loggie's Head of Public Sector and Internal Audit Services and Audit Manager to discuss the key risks, issues and priorities for the College over the next three years.
- 1.7 Undertaking this work allows us to consider the level of risk and complexity of each area of your operations and to assess the internal audit resources required to allow adequate coverage of the elements of the audit universe where it is appropriate for internal audit to focus attention. The audit universe utilised has been tailored specifically for the circumstances of the College. From this we have drawn up a three year Strategic Plan setting out proposed areas for audit over the routine internal audit cycle.

Introduction (Continued)

- 1.8 The Strategic Plan places the risk based planned coverage under three main strands: Governance, Financial and Performance. The planned coverage should be reviewed annually prior to finalisation of the Annual Plan and the associated detailed audit planning for individual assignments.
- 1.9 There is an expectation by external auditors that some element of review is included in the internal audit programme each year in relation to core financial systems and controls. This has been taken into consideration in formulating the Strategic Plan.
- 1.10 Value for Money (VFM) is an integral part of all audits and has been mentioned at key points within this ANA. Specific VFM reviews will be carried out in areas agreed with management and the Audit and Risk Committee although VFM is considered as an integral part of any audit work that we are undertaking.
- 1.11 We will draw on the experience within our team to provide input on the use of a wide range of business improvement tools, including the use of lean systems and methodologies, where this is appropriate and relevant to the specific audit assignment.
- 1.12 For discussion purposes, at Section 2 we have included proposed coverage for the three years commencing in 2019/20, which has been determined from the ANA process. This considers previous internal audit coverage and other sources of assurance available to the College.
- 1.13 At Section 3 we have included high-level outline scopes for each of the proposed areas to be covered in the 2019/20 internal audit programme.
- 1.14 Separate reports will be issued for each assignment. Recommendations are graded in each report to reflect the significance of the issues raised.
- 1.15 We can confirm that our audit service complies with Public Sector Internal Audit Standards (PSIAS).



2. Strategic Plan 2019 to 2022

The Strategic Plan covers the financial years 2019/20 to 2021/22. Audit days have been allocated to the categories identified from our review of key risk areas in order to produce a rolling programme of internal audit activity. Frequency of visits, the number of days allocated, and the position in the audit cycle has been determined with reference to the combined risk factors identified in the ANA, and also factors in any previous internal and external audit coverage.

Audit Methodology

In all cases the audit work involves:

- Identification of the expected controls.
- Review of systems to identify actual controls.
- Consideration of established Best Practice in the area.
- Testing of controls to ensure they are operating effectively.
- Consideration of VFM issues where appropriate on all audit assignments and conducting specific VFM reviews as agreed with College management and the Audit Committee.
- Consideration of the relevance of business improvement tools, including lean systems and methodologies, to individual audit assignments.
- Discussion of findings and our likely recommendations with the relevant managers and staff involved with the systems. Recommendations will be graded to help management prioritise their importance.
- Issue of a draft report to confirm factual accuracy and obtain official management responses for inclusion in the final report.
- Issue of a final report that summarises audit objectives, work carried out, the implications of the findings for internal control, and an action plan with areas for improvement. The action plan will allocate responsibility for the implementation and will define an agreed timeframe for completion.
- Follow-up of action plans in future years.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Reputation					
<i>Publicity and Communications</i>	Gov	M			
<i>Health and Safety</i>	Gov	M	4		
Student Experience					
<i>Curriculum planning**</i>	Perf	M			4
<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	4		
<i>Sickness absence</i>	Perf	M			
<i>Workforce planning</i>	Perf	M			
<i>Payroll</i>	Fin	L/M	4		
Estates and Facilities					
<i>Building maintenance</i>	Fin/Perf	M/H			4
<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			4
<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			

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

	Category	Priority	Planned 19/20 Days	Planned 20/21 Days	Planned 21/22 Days
Information and IT					
<i>Cyber Security</i>	Perf	M			
<i>Data protection</i>	Gov	M			
<i>FOI</i>	Gov	L			
<i>IT strategy</i>	Perf	M			
Other Audit Activities					
Management and Planning)			2	2	2
External audit / SFC)					
Attendance at Audit & Risk Committee)					
Follow-up reviews		Various	1	1	1
ANA and Strategic Plan			1		
Total			16	15	15
			====	====	====

Key:

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

*reviews to be undertaken at the same time with a single output produced

**reviews to be undertaken at the same time with a single output produced

3. Annual Plan 2019/20 - Outline Scope and Objectives

Audit Assignment:	Health & Safety
Priority:	High
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will review the arrangements in place within the College to deal with Health and Safety (H&S) issues.

Objectives

The main objective of this audit will be 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.

We will seek to obtain reasonable assurance that the College has:

- a H&S policy and documented procedures which are communicated to all staff;
- a formal risk identification and assessment process;
- a H&S training programme which includes induction training, refresher training and training for new equipment and legislation;
- regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive;
- an incident and accident recording system with follow-up and implementation of new controls where required; and
- regular reporting of H&S to senior management and to the Board of Management.

Our audit approach will be:

From discussion with the Health and Safety Officer, and review of procedural documentation, we will identify the internal controls in place and compare these with expected controls. A walkthrough of key systems will then be undertaken to confirm our understanding, and this will be followed up with compliance testing where considered necessary. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Staff Development
Priority:	High
Audit Committee Meeting:	TBC
Days:	4

Scope

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

Objectives

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

- 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;
- the College's approach to training, including induction training, is clearly informed by an assessment of where there are skills / knowledge / performance gaps;
- the College has a systematic approach to evaluating its training to ensure that it is achieving the desired impact;
- there is a systematic approach for translating business objectives into actions / tasks for members of staff;
- a systematic approach is used for communicating objectives and performance expectations to staff; and
- a systematic process is used for providing feedback to staff on performance and agreeing action to improve performance;

Our audit approach will be:

The Depute Principal, Heads of Curriculum, and a sample of curriculum and support staff will be interviewed, and the College's policies, procedures and structure will be reviewed, to assess compliance with the above objectives.

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	HR / Payroll
Priority:	Low/Medium
Audit Committee Meeting:	TBC
Days:	4

Scope

This audit will consider the key internal controls in place over the College's spend on staff costs of approximately £1.25m per annum. Our audit will cover the procedures in place within both Human Resources and Finance.

Objectives

The objective of our audit will be to obtain reasonable assurance that systems are sufficient to ensure:

- correct calculation of gross pay and deductions;
- correct calculation of employer national insurance and superannuation contributions;
- part-time lecturers, overtime and travel & subsistence payments are properly authorised;
- approval and checking of changes to employee standing data;
- starters and leavers are properly treated and enter and leave the system at the correct dates; and
- proper authorisation, processing and recording of payments.

Our audit approach will be:

From discussion with the Finance and Human Resources staff, and review of procedures documentation, we will identify the key internal controls in place within the College's Human Resources / Payroll systems and compare these with expected controls. We will report on any areas where expected controls are found to be absent or where controls could be further strengthened.

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

Strategic Internal Audit Plan 2019 to 2022 and Internal Audit Annual Plan 2019/20

Audit Assignment:	Follow-Up Reviews
Priority:	Various
Audit Committee Meeting:	TBC
Days:	1

Scope

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

Objectives

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

Our audit approach will be:

- for the recommendations made in previous reports ascertain by enquiry or sample testing, as appropriate, whether they have been completed or what stage they have reached in terms of completion and whether the due date needs to be revised; and
- prepare a summary of the current status of the recommendations for the Audit Committee.

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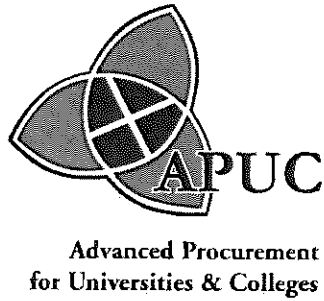
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CONTRACT AWARD RECOMMENDATION REPORT FOR:

**PROVISION OF EXTERNAL AUDIT SERVICE
CS-AC-17500**

FOR ARGYLL COLLEGE

Julie Fraser
APUC Supply Chain Manager
29th May 2020

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Introduction

A contract for Provision of External Audit Service has been tendered by APUC on behalf of Argyll College (AC) to provide a compliant and efficient route for the procurement of a service.

It was agreed the most efficient route to market was through running a Collaborative Mini Competition, CS-UHI-10221 using Framework PFB-1028-AP Lot 3 and was published on Public Contract Scotland on the 24th February 2020, this route was unsuccessful and no bids were received.

Following consultation with the Finance Director and discussion with suppliers the decision was taken to run a Request for Quote by emailed which was done on the 27th March to all suppliers named within the Framework, this resulted in only receiving one bid.

After further consultation with the Finance Director the decision was taken to run an independent Invitation to Tender (ITT) CS-ARG-17500 and publish on Public Contracts Scotland on the 4th May 2020

This report summarises the process undertaken during the procurement exercise and recommends that the Contract is awarded to the following tenderer:

PROCUREMENT TIMETABLE

The Invitation to Tender (ITT) was distributed via the Public Contracts Scotland portal on 4th May 2020

The procurement timetable was as follows:

PROCUREMENT ACTIVITY	DATE
Tender Issued	4 th May 2020
Deadline for Supplier Questions	12:30 8 th May 2020
Deadline for Publication of Question Responses	12:30 13 th May 2020
Tender Return	12:30 22 nd May 2020
Evaluations	25 th – 28 th May 2020
Tender Award	1 st June 2020

PURPOSE

This report summarises the process undertaken during the procurement exercise and recommends that **Armstrong Watson Audit Ltd** be awarded the contract.

The objectives of this procurement are as follows:

- Achieve a value for money solution
- Award to a supplier with the correct technical capabilities

The Contract shall commence on 1st June 2020.

Invitation to Tender

The following suppliers submitted a bid by return through the Public Contract Scotland portal:

Submission received:

Suppliers	Response Date
Armstrong Watson Audit Ltd	22 nd May 2020
Mazars	22 nd May 2020

EVALUATION

The following weightings were used to evaluate the tender submissions. These weightings were communicated to bidders in the ITT documentation.

Award Criteria	Weighting
Technical	40%
Service Delivery Management	10%
Key Personnel	10%
Value Added Services	5%
Quality Assurance & Continuous Improvement	10%
Fair Work Practise	5%
Commercial	60%
	100%

Commercial Evaluation

The tenderers were required to price: Attached Price Schedule



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Commercial Evaluation Results (weighting 60%)

The results of the Commercial evaluation were as follows:
Maximum Score available – 60%

Rank	Supplier	Total Score 60%
1	Armstrong Watson Audit Ltd	60
2	Mazars	39

Armstrong Watson Audit Ltd submitted the lowest commercial bid and therefore received the maximum 60% score, with the remaining suppliers receiving a prorated percentage based on their commercial proposal.

Technical Evaluation:

The Technical Evaluation was undertaken by Ailsa Close on behalf of Argyll College (AC).

The Technical evaluation was conducted by scoring the submissions received against criteria attributed to individual questions detailed within the Invitation to Tender document. The evaluations were conducted electronically using Microsoft Excel.

The Responses were assessed and scored (0-3) in line with the following scoring methodology:

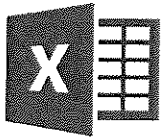
Good	3	The response fully meets the requirement and demonstrates Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services. The response identifies factors that will offer potential added value, with evidence to support the response.
Acceptable	2	The response addresses most of the key points in detail OR the Tenderer has provided all the key points but lacks detail in answering the question fully. The response provides confidence that the supplier is capable of supplying the required equipment/service to the satisfactory level.
Minor Concerns	1	Considerable reservations of the Tenderer's relevant ability, understanding, experience, skills, resource & quality measures required to supply the goods / services, with little or no evidence to support the response.
Major Concerns	0	The Tenderer has failed to address the question, submitted a nil response or any element of the response gives cause for major concern.

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The results of the Technical Evaluation were as follows:
Maximum Score available – 40%

Rank	Supplier	Total Score
1	Armstrong Watson Audit Ltd	30
2	Mazars	20

The technical scores and commercial outcomes are detailed in the attached sheet.



As per the scoring methodology provided to Tenderers in the Invitation to Tender document, all evaluations were carried out using information provided in their original submission, along with clarifications on costings and best and final offers submitted.

AWARD RECOMMENDATION

Rank	Supplier	Commercial Score	Technical Score	Overall Score
1	Armstrong Watson Audit Ltd	60	30	90
2	Mazars	39	20	59

Based on the above evaluation, it is recommended that this contract is awarded to **Armstrong Watson Audit Ltd** as they have provided the most economical advantageous bid to meet the College's requirements.

FURTHER ACTIONS

Award Recommendation Report sign off by 12.30 on 1st June 2020

Award a contract to Armstrong Watson Audit Ltd no later than 1st June 2020 with the work to commence by mutual agreement.

A meeting/teleconference to be held between Ailsa Close and Armstrong Watson Audit Ltd, Ailsa Close to discuss contract implementation plan.

RISKS TO BE MANAGED

Contract/Supplier management is an area that needs to be monitored by AC upon commencement and for the duration of the contract in order to ensure the supplier provides the service agreed within the contract terms.

BENEFITS & SAVINGS

- Compliance obligations under procurement regulations met.
- Using an open procedure to advertise to the market
- Full Audit trail of the process through Public Contracts Scotland
- Saving of £6000 achieved

Award Recommendation Report agreed by Argyll College (AC):

Signed: *Ailsa E. Close*

Name: *AILSA E CLOSE*

Title: *FINANCE DIRECTOR / COMPANY SECRETARY*

Date: *1/6/20*
