

# Cylchlythyr | Circular

## Guidance for Internal Auditors to use in their Annual Internal Audit of HE Data Systems and Processes

**Date:** 25 January 2023  
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**To:** Heads of regulated and/or directly-funded higher education institutions in Wales  
Principals of regulated and/or directly-funded further education institutions in Wales  
Internal auditors of regulated and/or directly funded higher education institutions and further education institutions in Wales  
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This circular provides guidance for internal auditors to use in their annual internal audit of HE data systems and processes.

If you require this document in an alternative accessible format, please email [info@hefcw.ac.uk](mailto:info@hefcw.ac.uk).



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## Introduction

1. This circular provides guidance to the internal auditors of regulated and/or directly funded higher education institutions (HEIs) and further education institutions (FEIs) referred to throughout as higher education providers (HEPs) to use for their annual internal audit of the internal controls relating to the systems and processes in place to produce higher education (HE) data returns, and requests a copy of this internal audit report for each HEP.
2. Previously, external audits were commissioned by HEFCW so that HEPs were externally audited at least once every four years. 2021/22 was the last year of the current external audit contract and as a result we are implementing an interim process until the audits become the responsibility of the Commission for Tertiary Education and Research (CTER), when the process will be reviewed.
3. The interim process will involve, in place of these external audits, members of the HEFCW statistics team meeting with data contacts at each provider, to cover items such as previous external and internal audit findings, readiness for data futures and data quality. As part of this interim process, HEFCW will continue to rely on the annual assurance provided to HEPs and their Audit Committees by their internal auditors about the systems and processes used to produce data returns. Relying on the internal audits will maintain an adequate level of annual assurance in respect of HEP's data returns.
4. The internal audit will provide an opinion as to the adequacy and effectiveness of the controls in place to manage the risks relating to the accuracy of data submitted by the HEP to the Higher Education Statistics Agency (HESA), HEFCW and Welsh Government (WG), including data used in calculations for the following funding streams:
  - Teaching funding (currently comprising per capita and premium funding and part-time (PT) undergraduate (UG) credit-based funding);
  - Research funding comprising Quality research (QR) funding and Postgraduate research (PGR) training funding;
  - Research Wales Innovation Funding (RWIF).the data used to allocate the following funding streams:
  - HEFCW's part-time fee waiver scheme;
  - PGT Master's bursaries allocations;
  - Well-being and health funding;
  - Race equality funding;
  - Targeted employability support funding.and the data used to monitor the following funding streams:
  - HEFCW's part-time fee waiver scheme;
  - PGT Master's bursaries allocations;
  - HEFCW funded Degree Apprenticeship allocations.
5. The internal audit should also provide assurance over the controls in place to ensure the accuracy of data used in the monitoring of performance, including key

performance indicators such as the National Measures, and if applicable, data included by HEPs as part of the fee and access plan reporting requirements.

6. Auditors should provide opinions on the preparations being made for and controls in place to manage risks relating to the implementation of the HESA Data Futures programme for 2022/23 student data collection, including senior management involvement and awareness, and activity ahead of 2022/23 interim submissions in May and August.
7. This document provides guidance to the internal auditors about the nature of the controls that their audit should address, to assess whether the systems and processes are adequate to provide accurate data returns and data to use in funding and monitoring and also to ensure that internal audits taking place across the sector are carried out on a consistent basis.
8. If the internal audit report's overall conclusion, or the conclusions relating to the adequacy of the design of the methods of control and the application of those controls, provides a negative opinion (e.g. limited or no assurance, unsatisfactory or inadequate controls) and/or the report includes a significant number of recommendations, HEFCW should be notified as soon as the opinion has been agreed. HEFCW will then conduct their own assessment of the issue and/or commission their own external audit as appropriate. This external audit would consider the accuracy of data for the current period and also consider the findings of the internal auditor and aim to assess the extent of potential errors in the data returns and data used for funding and monitoring for prior periods up to the last external audit. The findings of the external audit may result in adjustments to funding and further action may be taken if HEPs are found to be not compliant with their fee and access plans, the supply-side code of practice for data collections or the financial management code.

### **Scope of the Audit**

9. The way in which internal audit work and controls testing is carried out at each HEP will depend on the systems and controls in place and how information is shared within the HEP. However, it is expected that the internal audit work will cover the elements highlighted in this document. Where previous internal audit work has found that the systems and controls in place are satisfactory, it may be considered appropriate by the HEP's Audit Committee for subsequent audits to only cover areas of risk. (See also paragraphs 58 to 60).
10. Auditors should ascertain the processes by which data returns and monitoring information are compiled and document them to the extent necessary to enable an evaluation to be made of the adequacy of the existing controls used by the HEP to ensure that they produce accurate data returns and appropriately compile monitoring data. Examples of the controls that the audit would normally be expected to assess are set out for all the current funding streams, data returns and other areas of audit in the sections below. Many of the controls are common to the data returns for all areas of audit. However, not all of the areas of audit apply to all HEPs, and auditors should refer to the relevant paragraphs.

11. Auditors should note that there are some areas where HEPs may have to return estimates, where information is not known at the time of return or information is not available in the required form. Estimates can be made using methods suggested by HEFCW in its guidance, or if appropriate, HEPs can use their own methods. Where estimates have been made, auditors should review the methods used to calculate them, confirm that they are properly documented, reasonable, consistently applied and tested for reliability.
12. If a HEP is in the process of merging or has recently merged with one or more other HEPs, the auditor should ascertain if procedures have been put in place to integrate their data systems or otherwise ensure that returns for the whole merged HEP can be made.
13. In planning the audit, the Auditor should consider the findings and conclusions of the latest external and/or internal audit reports relating to systems and data returns for the HEP and any follow up reports and correspondence with management to assess the extent of implementation of the reports' recommendations. It is expected that the audit reports will make reference to and comment upon the extent that recommendations made by auditors in the previous internal or external audit reports have been effectively implemented.
14. Additionally any data issues or errors notified either directly to HEFCW by the provider, or identified and communicated by HEFCW, should be referenced in the report together with any action taken to ensure that data systems and processes have been amended where appropriate to mitigate against any such errors in future.
15. It is recommended that internal audit staff with some experience of the HE sector and associated data returns are involved in the visits to HEPs undertaken as part of the review and that auditors are sufficiently briefed on the guidance contained within this circular prior to carrying out the audit. Advice and clarification relating to the guidance in this circular can be obtained from HEFCW via [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk), and HEFCW staff are available to meet with internal audit staff if required.
16. All HEFCW circulars described below are available under 'publications' on the HEFCW website, [www.hefcw.ac.uk](http://www.hefcw.ac.uk) or can be obtained from HEFCW directly via [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk).

## **Funding Methodology and Data Requirements**

17. HEFCW circular W22/27HE [HEFCW's Funding Allocations 2022/23](#) describes the overall funding distribution for academic year 2022/23 including:
  - PGR QR funding (pages 6&7)
  - RWIF (page 7)
  - Teaching funding (pages 8 to 11)W22/27HE also includes funding which is further described in the following HEFCW circulars:

- Well-being and health strategy funding ([W22/29HE](#))
  - Race equality in higher education allocations ([W22/25HE](#))
  - Targeted employability support for students ([W22/21HE](#))
18. HEFCW circular W22/37HE [Higher Education Data Requirements 2022/23](#) informs HE providers of the data used to calculate funding allocations and used for monitoring purposes, as well as student eligibility criteria for:
- Per capita funding (Annex A para 18)
  - Access and retention premium (Annex A para 20)
  - Disability premium (Annex A para 34)
  - Welsh medium premium (Annex A para 36)
  - Expensive subjects premium (Annex A para 41)
  - Higher cost subjects premium (Annex A para 46)
  - Research funding (Annex B)
  - Postgraduate research training funding (Annex C)
  - HEFCW's part-time fee waiver scheme (Annex G)
  - Degree Apprenticeship funding (Annex J)
  - PGT Master's bursaries allocations (Annex K&L)
  - Research Wales Innovation Fund (RWIF) (Annex N)
  - Race equality funding and well-being and health funding (Annex O);
  - Targeted employability support allocations (Annex P);
19. Annex A of this circular contains an outline of the methodology used to calculate the formula driven elements of credit based funding for teaching, RWIF, PGR training funding and QR funding.
20. Annex B contains the criteria for inclusion of data in the allocations of per capita, premium, PGR training funding, race equality funding, well-being and health funding and targeted employability support funding.
21. Annex C contains the eligibility criteria for data used in the calculation of the National Measures.
22. Annex D contains documentation supplied to HEPs to support Fee and Access Plan sign off.
23. Annex E contains a summary of recommendations from previous internal and external audits.

## Teaching funding

24. 2022/23 teaching funding comprises:
- Funding allocated through the credit based teaching funding method for part-time undergraduate taught provision;
  - Per capita funding for full-time and part-time taught provision;
  - Expensive subjects premium funding for full-time undergraduate provision;

- Higher cost subjects premium for full-time undergraduate provision;
  - Access and retention premium funding for part-time undergraduate provision;
  - Disability premium for all modes and levels of study;
  - Welsh medium premium for part-time undergraduate provision.
25. Funding allocated for part-time undergraduate provision through the credit based teaching funding method for 2022/23 is based on 2021/22 Higher Education Students Early Statistics Survey (HESES) credit value data. HEFCW circular [W21/35HE](#) describes the 2021/22 HESES survey.
26. Adjustments to credit based teaching funding are normally calculated using EYM data extracted during the HESA Information Reporting Interface Service (IRIS) process. The latest data extraction is described in the 2021/22 EYM circular [W22/31HE](#).
27. Testing of the systems and processes used to generate figures returned on the HESES survey and EYM data returned on the HESA student record and extracted via HESA IRIS should aim to answer the following questions:
- Is the latest HEFCW guidance being utilised and adhered to, in particular, have changes from the previous HESES surveys been noted and appropriately implemented?
  - Are data on the records system validated (e.g. a comparison of a sample of enrolment forms with data on the system)?
  - Is the method of extraction of data used to make a return to the HESES survey documented?
  - Is there an adequate audit trail to confirm that the method of data extraction for the surveys is being applied as documented?
  - Are details of any manual amendments to data extracted from the system for the HESES survey, or to EYM data extracted via HESA IRIS, documented, with justification and/or appropriate authorisation of the changes?
  - Is a copy kept of the data taken from the system to make the return to the HESES survey?
  - Is the final return to the HESES survey checked against data on the system prior to submission and is there adequate evidence of this checking process?
  - Is the EYM data extraction provided through the HESA IRIS system checked against data on the HEP's internal system and is there evidence of this checking process prior to the data verifications being signed off?
  - Is the verification approved and signed off by an appropriate person?
  - Are the staff resources available, taking into consideration experience and expertise, adequate to ensure that the HESES survey returns are accurately prepared and the EYM extraction from the HESA IRIS system is thoroughly checked?

- Is the documentation of the system and staff resource sufficient to ensure that accurate data returns could be prepared even in the absence of some key staff?
- Is there a risk register in place and are the risks relating to the compilation of accurate data returns, and related controls to manage these risks, adequately assessed and documented together with details of planned action to be taken, where relevant, to strengthen the existing controls?
- Where errors were identified in HESES/EYM returns or sign-offs, by HEFCW or the HEP, have processes been implemented to address these data errors and to mitigate against errors in future returns and sign-offs?
- Are HESES survey returns scrutinised before submission by suitably experienced members of staff other than those compiling the return?
- Are EYM data extracted as part of the HESA IRIS system scrutinised before verification by suitably experienced members of staff other than those that compiled the HESA return?
- Is a summary report of the data returned presented to the HEP's senior management team (e.g. the total numbers of credits and students by mode and level with comparisons to prior years and/or other returns)?
- Is there a suitable process in place to ensure that staff who provide information (e.g. in departments) and staff compiling the return liaise as necessary to ensure that the most up to date information available relating to the survey period is included in the return?
- Is there evidence that validation and credibility checks are completed before returning or signing off data (e.g. scrutinising the credibility checks provided by HEFCW on the Excel spreadsheets; comparing EYM/HESES data against HESES returns made earlier in the academic year or in the previous academic year; use of control totals)?
- Are there procedures for determining the fundability status of students and are checks made on fundability status (e.g. for students located outside Wales); and have the fundability rules contained in HESES been accounted for in the determination?
- For any data relating to years up to and including 2018/19 used in modelling, estimating or monitoring, is the method for assigning Joint Academic Coding System (JACS) subject codes to modules and hence categorising credits into Academic Subject Categories (ASCs) documented and reasonable?
- Is the method for assigning Higher Education Classification of Subjects (HECoS) codes to modules and hence categorising credits into Academic Subject Categories (ASCs) documented and reasonable (for any data relating to 2019/20 onwards)?
- Is there an adequate audit trail to confirm that the method for categorising credits into ASCs is being applied as documented?
- Are processes used by HEPs to calculate estimates (e.g. non-completion rates) reasonable and documented, and is their reliability tested?

- Do processes ensure that evidence of enrolment and attendance available is complete and retained as part of the audit trail (e.g. enrolment forms, online enrolment records, module choice forms)?
- Are franchised out students correctly identified as such on the system, and recorded as such on the returns, and not, for example, as distance learning students (where distance learning students are those that are students of the reporting HEP, where staff employed by the reporting HEP are responsible for providing all teaching or supervision, but who are located away from the reporting HEP and are not part of a franchising arrangement with another HEP or organisation)?
- Are arrangements with franchise partners documented and are there controls in place to ensure that only the franchisor returns the provision?
- If the HEP has recently been formed from a merger are the data systems in place sufficiently integrated to enable the HEP to make returns for the whole HEP and manage the process of validating and verifying data?

For 2022/23 funding, per capita and premium funding is based on data taken from the 2020/21 HESA student record (coding manuals and guidance are available on the HESA website – [www.hesa.ac.uk](http://www.hesa.ac.uk)).

## Data Requirements

28. The fields and criteria used to extract data from the records for 2022/23 funding and monitoring of funding are detailed in the Higher Education Data Requirements circular [W21/31HE](#) (latest version – HEFCW circular [W22/37HE](#). Testing of the systems and processes used to make these returns should aim to answer the following questions:

### HESA student record:

- Do the controls include quality checks on individualised data prior to submission to HESA, in particular for data fields used in funding (e.g. checks that home postcodes have been correctly transcribed; HECoS codes are correctly assigned; fundability status is correct; year of student is correct; those in receipt of disabled students' allowance (DSA) are recorded as such)?
- Where errors were identified in prior returns, by HEFCW, HESA or the HEP, through audit or otherwise, particularly those which led to reductions in funding, have processes been implemented to address these data errors and to mitigate against errors in future returns?
- Where errors have been identified in prior returns, are the relevant data checked prior to final submission of data to HESA to confirm that the error has not reoccurred?
- Is there evidence that the web reports and IRIS output, produced by the HESA data returns system after committing data, are scrutinised, and that any resulting issues are addressed?
- Is a copy kept of the final data submitted to HESA?



- Is the method used to calculate the proportion of a module taught through the medium of Welsh documented, reasonable and consistently applied?
- Are any manual amendments made by HEFCW to exclude Welsh medium modules checked to confirm they have been correctly excluded?
- Are any changes made to include additional information requested, or manual amendments made to the Degree Apprenticeship monitoring extracts, checked to confirm they are accurate and adjusted totals are correct?
- Are any manual amendments made by the provider to the monitoring returns output from IRIS for the part-time fee waiver and PGT Master's bursaries documented and scrutinised before sign-off?
- Are the staff resources available, taking into consideration experience and expertise, adequate to ensure that the data returns are accurately prepared?
- Is the documentation of the system and processes and the staff resource sufficient to ensure that accurate data returns could be prepared even in the absence of some key staff?
- Is there a risk register in place and are the risks relating to the compilation of accurate data returns, and related controls to manage these risks, adequately assessed and documented together with details of planned action to be taken, where relevant, to strengthen the existing controls?
- Are returns scrutinised before submission by suitably experienced members of staff other than those compiling the return?
- Is a summary report of the data submitted to HESA presented to the HEP's senior management team (e.g. numbers of students by mode and level and/or course and subject with comparisons to prior years and/or other returns)?
- Are the HEFCW confirmation and verification reports checked against data submitted to HESA to ensure that the HEFCW reports are accurate according to HEFCW criteria?
- Where, in addition to their directly funded provision, the FEI franchises provision in, are there controls in place to ensure that only the franchisor returns the provision to HESA?
- If the HEP has recently been formed from a merger are the data systems in place sufficiently integrated to enable the HEP to make a HESA student record return for the whole HEP?
- For 2021/22 data, has the [exceptional guidance](#) issued by HESA to take account of issues relating to the pandemic, been noted and used where necessary?

## National Measures

29. The systems and processes used to return data used in the monitoring of National Measures for 2017/18 and onwards, for HEIs, are within the scope of the audit for the following set of measures:

- Widening access;
- Participation;
- Retention;
- Part-time;
- Welsh medium;
- Student mobility;
- Continuing Professional Development;
- Total HE-BCI income per full-time equivalent (FTE) of academic staff
- Spin off activity;
- Start - up activity (graduate);
- Research Staff;
- PGR students;
- PhDs awarded;
- Research income;
- EU/Overseas students;
- EU/Overseas staff;
- Transnational Education.

30. A subset of the National Measures are included in the scope of the audit for FEIs:

- Widening Access;
- Participation;
- Retention;
- Part-time;
- Welsh medium.

31. HESA UK performance indicator (PI) data, which are derived from HESA student record data, were used in the calculation of the participation and retention National Measures. HESA previously produced PIs on behalf of all the HE funding and regulatory bodies of the UK and announced that 2022 will be the last year that PIs will be published and indicators will be reviewed for migration into Official statistics or Open data. However at the present time there are no updates to the UK PIs used to monitor participation and retention. This means that 2020/21 academic year data will be the last used to produce PIs in their current form. More information about the UK performance indicators can be found on the [HESA website](#).

32. The fields and criteria used to extract the data used in monitoring these measures are detailed in the 2022/23 Higher Education Data Requirements circular (HEFCW circular [W22/37HE](#)). Testing of systems and processes used to return data that are used in funding (see paragraph 28 of this circular for the HESA record) will cover most of the testing appropriate for HESA data used in monitoring National Measures. In addition, testing should aim to answer the following questions:

**HESA student record:**

- Do the controls include quality checks on individualised data prior to submission to HESA, in particular for data fields used in monitoring (e.g. checks that the student's mobility experience data is correct)?
- Is there evidence that for National Measures data extracts contained in the IRIS output produced by the HESA data returns system after

committing data, is scrutinised, and that any resulting issues are addressed?

**HESA Higher Education Business and Community Interaction (HEBCI) survey:**

- Are HEBCI survey definitions and guidelines utilised and adhered to?
- Are validation and credibility checks carried out before returning data (e.g. comparisons with previous year's data)?
- Are the methods and processes used to collate and extract data documented?
- Is there an adequate audit trail to confirm that data extraction methods are being applied as documented?
- Are the staff resources available, taking into consideration experience and expertise, adequate to ensure that the data returns are accurately prepared?
- Is the documentation of the systems and processes and the staff resource sufficient to ensure that data returns could be prepared even in the absence of some key staff?
- Is there a risk register in place and are the risks relating to the compilation of data returns, and related controls to manage these risks, adequately assessed and documented together with details of planned action to be taken, where relevant, to strengthen the existing controls?
- Are returns scrutinised before submission by suitably experienced members of staff other than those compiling the return?
- Is a summary report of the data returned presented to the HEP's senior management team (e.g. the items of data used in Corporate Strategy targets with comparisons to prior years and/or other returns)?
- Is there a suitable process in place to ensure that staff who provide information (e.g. in departments) and staff compiling the return liaise as necessary to ensure that the most up to date information available relating to the survey period is included in the return?
- Are processes used to calculate estimates reasonable and documented, and is their reliability tested?
- If the HEP has recently been formed from a merger are the systems in place sufficiently integrated to enable the HEP to make a HEBCI survey return for the whole HEP?
- Do the controls include a reconciliation of the total amount of income recorded on the HE-BCI survey from collaborative research, consultancy, contract research, continuing professional development, facilities and equipment related services, intellectual property and regeneration and development returned with the audited accounts to ensure consistency?

**HESA finance record:**

- Are definitions and guidelines utilised and adhered to?
- Are validation and credibility checks carried out before returning data (e.g. comparisons with previous year's data)?
- Are the methods and processes used to collate and extract data documented?

- Is there an adequate audit trail to confirm that data extraction methods are being applied as documented?
- Is a copy kept of the final data submitted?
- Are the staff resources available, taking into consideration experience and expertise, adequate to ensure that the data returns are accurately prepared?
- Is the documentation of the systems and processes and the staff resource sufficient to ensure that data returns could be prepared even in the absence of some key staff?
- Is there a risk register in place and are the risks relating to the compilation of data returns, and related controls to manage these risks, adequately assessed and documented together with details of planned action to be taken, where relevant, to strengthen the existing controls?
- Are returns scrutinised before submission by suitably experienced members of staff other than those compiling the return?
- Is a summary report of the data returned presented to the HEP's senior management team (e.g. the items of data used in Corporate Strategy targets with comparisons to prior years and/or other returns)?
- Is there a suitable process in place to ensure that staff who provide information (e.g. in departments) and staff compiling the return liaise as necessary to ensure that the most up to date information available relating to the survey period is included in the return?
- Do controls include a reconciliation of the returned Research income values with the audited accounts to ensure consistency?

#### **HESA Staff record**

- Are quality checks carried out on individualised data for data fields used in National Measures (e.g. nationality, academic employment function)?
- Where errors were identified in prior returns, by HEFCW, HESA or the HEP, through audit or otherwise, have processes been implemented to address these data errors?
- Where errors have previously been identified in data used in National Measures, are the data checked prior to final submission of data to HESA to confirm that the error has not reoccurred?

#### **HESA Aggregate Offshore Record**

- Are quality checks carried out on headcount data used in the Transnational Education National Measure?

### **PGR and QR Funding**

33. HEFCW implemented a new funding methodology for the 2022/23 PGR training funding allocation following the outcomes of the consultation on implementing new research funding methods ([W22/23HE](#)). More information on the new method, and how it differs from the previous method is available in [W22/24HE](#): HEFCW's research funding method from 2022/23.

34. PGR training funding for 2022/23 was allocated using data about eligible, fundable student FTEs in REF 2021 units of assessment (UoAs) which qualified for QR funding taken from the 2020/21 HESA student record. Students eligible to be included in the calculation of PGR funding are those in REF 2021 units of assessment (UoAs) that will be included in the QR funding model for 2022/23.
35. The fields and criteria used to extract the data from the record for 2022/23 funding are detailed in the Higher Education Data Requirements circular [W22/37HE](#). Testing of the systems and processes used to record data relating to PGR students on the HESA return should aim to answer the following questions (in addition to those listed in paragraph 28 of this circular for the HESA student record):
- HESA student record:**
- Are quality checks carried out on individualised data for data fields used in calculating PGR funding (e.g. fundability status is correct; UoA is correct; student FTE is correct; postcode and domicile are correct)?
  - Are the HEFCW confirmation reports checked against data submitted to HESA to ensure the HEFCW reports are accurate according to HEFCW criteria?
  - Where errors were identified in prior returns, by HEFCW, HESA or the HEP, through audit or otherwise, particularly those which led to reductions in PGR funding, have processes been implemented to address these data errors and to mitigate against errors in future returns?
  - Where errors have previously been identified in PGR data, are the PGR data checked prior to final submission of data to HESA to confirm that the error has not reoccurred?
36. HEFCW also implemented a new funding methodology for the 2022/23 QR funding allocation following the outcomes of the consultation [W22/23HE](#). More information on the new method, and how it differs from the previous method is available in [W22/24HE](#).
37. Data used to calculate 2022/23 QR funding were taken from REF 2021, from the 2018/19, 2019/20 and 2020/21 HESA finance record using a [mapping](#) of eligible cost centres provided by UKRI.
38. QR funding is allocated only to those HEIs with UoAs submitted to REF 2021 where the UoA has 3 or more classified FTE Category A staff and meets a combined volume and quality threshold.
39. More information relating to fields and criteria used in the calculation can be found in [W22/37HE](#).
40. REF 2021 data is not included in the scope of the audit. Therefore the audit will only include checks on the systems and processes used to return data relating to HESA finance data used in the QR funding method. The questions these checks should aim to answer are outlined in the section above (paragraph 32).

## Research Wales Innovation Fund (RWIF)

41. This funding stream is calculated using data from the HE providers HESA HEBCI survey and from their HESA staff, student and finance records.
42. The details of this process can be found in HEFCW circular [W20/09HE](#) and the allocations for 2022/23 are outlined in HEFCW circular [W22/27HE](#). Testing should aim to answer the following questions (in addition to those listed for other funding streams above):

### **HESA student record:**

- Do the controls include quality checks on data prior to submission, in particular for the data fields used for RWIF (e.g. that student FTE is returned correctly)?

### **HESA Higher Education Business and Community Interaction (HEBCI) survey:**

- See the HEBCI questions in paragraph 32

### **HESA finance record:**

- See the HESA finance record questions in paragraph 32

### **HESA Staff record**

- Are quality checks carried out on data for data fields used in this return (e.g. that academic Staff FTE is returned correctly)?

## **Data returned on fee and access plans and fee and access plan monitoring returns**

43. Fee and Access Plans covering two years were submitted in 2022 for the first time. The approved plans covered the 2023/24 and 2024/25 academic years.
44. Fee and Access Plans were returned in line with guidance included in HEFCW circular [W22/19HE Fee and Access Plan guidance](#). Data required for HEI submissions were limited to total numbers of students forecasted for study at each of the institutions' location of study. Detailed guidance for this can be found in paragraphs 181 to 191 in HEFCW circular [W22/19HE](#). In addition to this, FEIs were required to submit information on total fee income to be received and financial information. Guidance for this can be found in [W22/19HE](#) in paragraphs 179-180 and 192-200 respectively.
45. Fee and Access Plan monitoring has now been incorporated into the annual assurance return process. Institutions' governing bodies are required to sign off the following statements in relation to Fee and Access Plans:
  - No regulated course fees have exceeded the applicable fee limits, as set out in the 2021/22 Fee and Access Plans

- The institution has taken all reasonable steps, in the context of Covid-19, to comply with the general requirements of the 2021/22 Fee and Access Plans
  - The institution to provide documentation to support Fee and Access Plan sign off
  - The institution has taken all reasonable steps to maintain previous levels of investment, including maintaining:
    - the splits between investment to support equality of opportunity and promoting higher education,
    - investment to support the Reaching Wider partnership and student support investment
46. The documentation produced internally that enables the governing body to sign off its annual assurance statement must be submitted alongside the annual assurance return. These documents enable HEFCW to understand the basis on which the governing body was able to sign off the Fee and Access Plan related statements of the annual assurance return. In addition to this, we also require documentation to be submitted to evidence how institutions evaluate the effectiveness of investment to deliver on Fee and Access Plan objectives. Auditors should familiarise themselves with the data required to enable the governing body to sign off this part of the statement and to inform the evaluation of the effectiveness of the Fee and Access Plan. Guidance to inform institutions is provided at Annex D.

### **Other HESA data**

47. Other HESA data not covered in the previous paragraphs that are also under the scope of the audit include data returned on the HESA finance record, aggregate offshore record, Estates Management record, HEBCI survey and data returned on the HESA Unistats record.
48. Testing of systems and processes used to return data that are used in National Measures and RWIF funding (see relevant sections above) will cover most of the testing appropriate for HESA HEBCI survey data and HESA finance record data.
49. The Unistats dataset contains information about courses. Included in the scope of an audit of Unistats data are course related data and accommodation cost data. Testing should aim to answer the following questions:
- Have eligible courses been returned on the Unistats dataset and are the data for those courses accurate?
  - Where data have been estimated, have estimates been made on a reasonable basis and documented?
50. The following funding streams were also allocated:
- Higher Education Research Capital (HERC) Funding 2022/23 ([W22/22HE](#))
  - Capital Funding 2022-23 ([W22/35HE](#))

The audit of systems and processes used in other funding streams is sufficient to also provide assurance for the funding streams listed in this paragraph.

### **HESA Data Futures Programme**

51. Data Futures is HESA's transformation programme for a modernised and more efficient approach to collecting student data, to deliver better output for a wider range of data users. The new data collection system is being implemented for 2022/23.
52. The 2022/23 collection will be an annual collection using the Student-Data Futures data model from 1 August 2022. The 2023/24 collection will be annual similar to the 2022/23 collection. The 2024/25 collection will have an in-year as well as an end of year collection of data. We expect HEPs to be ready for the interim and final data collections for 2022/23.
53. Auditors should familiarise themselves with the [programme and the new requirements](#), and in particular how the HEP is preparing for the change and implementing the new data collection. Information is available on the [HESA website](#).
54. Auditors should determine if the HEP is engaged in the process, has considered and documented the risks associated with implementation and if the provider is ready for the interim and final return of data for 2022/23. In particular, testing should aim to answer the following questions:
  - Does the HEP have sufficient resource, in terms of both finance and suitably skilled staff, or are there plans to ensure that resource is made available when needed, to make 2022/23 interim and final returns successfully?
  - Are senior management engaged and supportive of the programme?
  - Does the HEP keep up to date with communications from HESA containing updates about the 2022/23 return?

### **Interpretation and Guidance**

55. Auditors should familiarise themselves with the latest, at the time of audit, HESES, EYM, HESA guidance (including for the HEBCI survey and finance record), data requirements circular and where available, the fee and access plan process and guidance. Some of the publications may be updated after publication of this circular and auditors should pay particular attention to any changes made to the data collected that imply changes to the way in which systems and processes work and assess whether HEPs have made or intend to make appropriate adjustments.
56. Any further clarification relating to the guidance for making HESES, EYM, HESA returns or extracting EYM data from the HESA student record via the IRIS system or relating to fee and access plan guidance can be obtained from HEFCW via [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk).



## Open University in Wales

57. HEFCW has responsibility for some funding relating to teaching at the Open University (OU) in Wales. Teaching funding allocated to the OU in Wales is calculated using the same funding methodology as other HEIs. As in previous years the systems and processes used to compile data returns to HESA and HEFCW that are used in the calculation of teaching funding are included in the scope of the internal audit. In addition, the OU in Wales is included in the National Measures and so the systems and processes used for monitoring these are included in the scope of the audit. The OU in Wales does not currently receive PGR or QR funding from HEFCW and as the OU are not a HEFCW [regulated](#) institution, do not submit a fee and access plan.

## Reporting

58. The annual internal audit plan should include a review of the controls in place to manage the risks relating to the submission of accurate data returns and where appropriate, data returned in and used to monitor the FAPs. This review should include an assessment of the adequacy of the controls documented in paragraphs 24 to 54 above as relevant. However, the precise scope of the internal audit work completed will be determined by each HEP's assessment of the risks relating to their HEP's data return and it is expected that the internal audit work will focus on the higher risk aspects of the systems and processes, for example, issues identified in previous audits, or aspects not covered in previous audits. Additionally it is expected that the scope would address any data issues or errors found by the HEP or HEFCW in terms of processes in place to correct the errors and to mitigate against any future errors.
59. The timing of the internal audit work should be arranged so that the internal audit report can be completed and presented to the HEP's Audit Committee before a copy of the report is sent by the HEP to HEFCW by **16 June 2023**.
60. Where the Audit Committee's internal audit plan includes only very limited work in relation to data systems and processes, because there is perceived to be low risk in this area, an institutional representative should contact HEFCW to inform us why this area is considered low risk and how annual assurance can be obtained in these circumstances. The representative should contact HEFCW at the point that their Audit Committee finalises their audit plan if this is the case. Similarly, if there are any changes to the cyclical nature of the plan or timing of committees that mean that an audit report will not be available by the deadline of **16 June 2023**, a representative should contact HEFCW to discuss.
61. The internal audit report should include:
- A description of the objectives of the audit and the risks and controls included within the scope of the audit;
  - Details of the audit work completed;

- Details of issues identified during the audit and the recommendations made to address these;
  - Details of processes put in place to correct the errors and to mitigate against any future errors of any data issues or errors found by the HEP or HEFCW;
  - A consideration of the recommendations made in previous audit reports and the extent to which these have been effectively implemented;
  - Management's responses to the report's recommendations and the agreed timescales for their implementation;
  - Details of any disagreements or recommendations which were not accepted by management;
  - A clear conclusion and overall opinion as to the adequacy and effectiveness of the controls in place to manage the risks relating to the accuracy of the data returns included within the scope of the audit.
62. If the internal audit report's overall conclusion, or the conclusions relating to the adequacy of the design of the system of control and the application of those controls, provides a negative opinion (e.g. limited or no assurance, unsatisfactory or inadequate controls) details of the significant exceptions giving rise to this opinion should be provided in the report. In these circumstances the HEP's Audit Committee and HEFCW should be informed of the relevant issues as soon as possible.
63. The HEP's Audit Committee should include reference in its annual report to the reports and assurances that it has received during the year in respect of the controls in place to manage the quality of data returns made by the HEP for funding or monitoring purposes and the controls relating to data returned in and used to monitor the fee plans.
64. An electronic copy of the audit report and any associated correspondence should be sent **by the HEP** to [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk) no later than **16 June 2023**. Note that we do not require a paper copy to be sent to us.
65. Details of the internal audit work and reports completed since the last external audit of higher education data should be retained and be made available to the external auditors during their visits. The HEFCW Audit Service may also wish to review these reports and related papers during their periodic visits to the HEP.

### Further Information

66. Further guidance and information is available from Rachael Clifford (029 2085 9721, [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk)) or Hannah Falvey (029 2085 9720, [hestats@hefcw.ac.uk](mailto:hestats@hefcw.ac.uk)).

## HEFCW Recurrent Funding

The methodology for extracting the data described below is available in more detail in the data requirements circulars (see paragraph 16 of the main part of this circular).

### Funding for Teaching 2022/23

- 1 For PT UG provision, credit-based teaching funding is allocated. Also allocated for PT UG provision are per capita payments and premiums for access and retention and Welsh medium. For FT UG and PGCE provision, funding is allocated through per capita payments, the expensive subjects premium and the higher cost subjects premium. For FT and PT postgraduate taught (PGT) provision, funding is allocated through the per capita payments. In addition, the disability premium is allocated for all modes of attendance and levels of study, including postgraduate research. These funding allocations are described in more detail below.
- 2 The funded credit-based method for PT UG provision is based on a standard Unit of Funding (UoF) for each subject area. The funding is allocated by means of a formula. Funded credit values associated with core funding are based on the number of fundable credit values after adjustment for non-completions, taken from the latest available in year data, and the number of funded credit values for the previous year. Core numbers in each HEP are maximised by making adjustments as far as possible in line with the pattern of enrolment in the in year data. Note that EYM data was used to make this calculation up to and including academic year 2019/20. For 2020/21 funding calculations onwards, HESES in year data is used. In order to calculate UoFs, the UoFs for the previous year are adjusted by an efficiency gain and increased by GDP, subject to availability of funding.
- 3 HEFCW makes two other types of payments for UG provision through per capita and premium payments. PGT provision receives per capita payments and disability premium. All are based on the numbers of enrolments or credits achieved the previous year. Details of criteria for inclusion are given in Annex B.
- 4 Per capita payments recognise the fixed costs attached to all students, those of enrolment, records etc. An amount per undergraduate and postgraduate taught enrolment is made, subject to a minimum study requirement of 10 credit values.
- 5 Premium payments based on HESA data operate in five areas: access and retention, disability, Welsh medium provision, expensive subjects and higher cost subjects. Different types of provision are included in the calculation of each, described in the paragraphs below.
- 6 In 2022/23, the access and retention premium was an amount per PT UG enrolment for students from low participation areas plus an amount per undergraduate enrolment for students whose home postcode mapped to quintiles 1 or 2 of the [Welsh Index of Multiple Deprivation \(WIMD\)](#) 2019, subject to a minimum 10 credit value study requirement. The amount per enrolment depended on whether the HEP has successfully retained the student and the proportion of Welsh domiciles at the HEP who are from Communities First areas.

- 7 The disability premium is an amount per enrolment for students in receipt of DSA, subject to a minimum 10 credit value study requirement. Disability premium payments are made for all modes and levels of study. The Welsh medium premium is a weighting on the funding attracted by modules undertaken through the medium of Welsh and is allocated in respect of PT UG provision only.
- 8 The expensive subjects premium is allocated using data relating to FT UG students only. The premium is an amount per completed credit and is allocated using the number of completed credits in clinical medicine/dentistry and performance element provision at the Royal Welsh College of Music and Drama.
- 9 The higher cost subjects premium is allocated using data relating to FT UG students only taken from the EYM extraction. The premium is an amount per completed credit and is allocated using the number of completed credits in non-clinical medicine/dentistry, science & engineering and technology and mathematical sciences, and IT and computing subjects, taken from the EYM output.

### **Funding for Postgraduate Research Training 2022/23**

- 10 2022/23 PGR training funding was calculated using the HEP's confirmed postgraduate research student FTE figures from 2020/21. Grants to HEPs are calculated pro rata to subject weighted postgraduate research student FTEs. Qualifying FTEs are those in UoAs submitted to REF 2021 where the UoA has 3 or more classified FTE Category A staff and meets a combined quality and volume threshold, i.e. those eligible for QR funding in 2022/23.

### **Funding for Research 2022/23**

- 11 QR funding is allocated to HEPs with UoAs submitted to REF 2021 where the UoA has 3 or more classified FTE Category A staff and meets a combined volume and quality threshold. For 2022/23 funding, data were taken from REF 2021 and the 2018/19, 2019/20 and 2020/21 HESA finance records.
- 12 QR funding has two elements: a main allocation and a charity income allocation. The main allocation is allocated by apportioning the available funding in proportion to research volume weighted for quality and subject. Previously calculated relativities between research costs are used for different subject areas. The charity income element is allocated pro rata to the average charity income awarded through open, competitive processes. Total funding is calculated as the sum of the two elements, further details can be found under the heading "Research funding" on our [Funding Calculations](#) web page.

### Eligibility Criteria for HESA based data used in funding

For all student based data, students should be active within the reporting period (1 August to 31 July) and not incoming exchange. In addition, students should be home and EU fundable by HEFCW. The methodology for extracting the data described below is available in more detail in HEFCW circular [W22/37HE](#) Higher Education Data Requirements, (also see paragraph 16 of the main part of this circular).

#### Per capita funding criteria for inclusion

- Student is studying at least 10 credit values.
- Student is studying on a full-time or part-time course.
- Student is studying at undergraduate or postgraduate taught level.
- Each student is counted only once irrespective of the number of courses the student is studying.

#### Access and retention premium criteria for inclusion

- Student's home postcode is in a low participation area and/or WIMD19 quintile 1 or 2
- Student studying at least 10 credit values.
- Student is studying on a part-time course.
- Student studying at undergraduate level.
- Each student is counted only once irrespective of the number of courses the student is studying.

#### Disability premium criteria for inclusion

- Student is in receipt of DSA.
- Student studying at least 10 credit values, or 8.3% FTE for postgraduate research students.
- Student is studying on a full-time or part-time course.
- Student is studying at undergraduate, postgraduate taught or postgraduate research level.
- Each student is counted only once irrespective of the number of courses the student is studying.

#### Welsh medium premium criteria for inclusion

- Student studying on a part-time course at undergraduate level.
- Student studying at least 2 credits of a module through the medium of Welsh.
- Module is started in the academic year and returned as countable.
- Student not studying on a Welsh language or literature module. (unless the module is part of an Initial Teacher Education course leading to QTS)

#### Expensive subjects premium criteria for inclusion

- Student is studying on a full-time or sandwich year out course.
- Student is studying at undergraduate level.

## Annex B

- Each student is counted only once irrespective of the number of courses the student is studying.
- Module is started in the academic year and returned as countable.
- Module is completed.
- Duplicate modules are excluded.
- Credits are categorised by subject, where subject is in clinical medicine/dentistry or performance element provision at RWCMD.
- All years of study are included.

### Higher cost subjects premium

- Uses total assumed completed credit values from Tables 1a and 1b of the EYM return
- Home and EU fundable
- Full-time and sandwich year out students
- Sandwich year out credits are counted as half
- 
- Credits in the following ASCs are included in the allocation:
- Non-clinical medicine and dentistry: ASCs 1a, 1c
- Science and Engineering and Technology: ASCs 3, 4
- Mathematical Sciences, Engineering, IT and Computing: ASC 6

### Postgraduate research training funding criteria for inclusion

- Studying for a postgraduate research qualification.
- Student FTEs must be in UoAs submitted to REF 2021 where the UoA is included in QR funding eligibility calculations.

### Race equality funding and Well-being and health funding criteria for inclusion

- Students counted within the HESA standard registration population;
- Students studying on all modes, levels and domiciles;
- Each student is counted only once irrespective of the number of courses the student is studying.

### Targeted employability support funding criteria for inclusion

- Students counted within the HESA standard registration population;
- Students studying on all modes, levels and domiciles;
- Students studying on initial teacher education (ITE) courses are excluded;
- Students studying at greater than 50% FTE;
- Student's are further categorised as 'Widening Access' if meeting one of the following criteria:
  - have a disability, or
  - from a Black, Asian or minority ethnic group (UK-domiciled only), or
  - are a carer, or
  - are a care leaver, or
  - are from an area of deprivation (Welsh-domiciled undergraduates only), or
  - are from an area of low HE participation (UK-domiciled undergraduates only), or

- have parents with no HE qualifications (UK domiciled undergraduates only).
- Each student is counted only once irrespective of the number of courses the student is studying or Widening Access criteria the student meets.

### QR funding

#### HESA Finance record

- Charity income (awarded through open competitive process), columns 2 (UK-based charities), 9 (EU based charities) and 12 (Non-EU-based charities) of HESA Finance record Table 4

### Research Wales Innovation Fund (RWIF)

Funding is allocated based on a model utilising the following data:

#### HESA Staff record

- Academic Staff FTE (excluding atypical contracts)

#### HESA Finance record

- Total Research Income

#### HESA Student record

- Student FTE
- Undergraduate Student FTE

#### HESA HEBCI data

- Collaborative Research: Total Income
- Contract Research: Total Income
- Consultancy Contracts: Total Income
- CPD Courses and CE: Total Revenue
- Facilities and Equipment Related Services: Total Income
- CPD Courses and CE: Total Learner Days
- Regeneration and Development: Total Income (excl. Capital income)
- Intellectual Property: Total revenue (incl. sales of shares in spin-offs)
- Spin-offs (with some HEP ownership and those not HEP owned): Number still active which have survived 3 years
- Spin-offs (with some HEP ownership and those not HEP owned): Estimated external investment received
- Graduate Start-ups: Number still active which have survived at least 3 years

### Eligibility criteria for data used in National Measures

For all student based data used for monitoring (excluding PGR students and PhDs awarded), students should be active within the reporting period, not dormant, sabbatical or writing up, not primarily studying outside the UK, not leaving within two weeks of their start date or anniversary of their start date and on a course of more than two weeks duration and for all but the overseas indicator, not incoming exchange (HESA standard registration population).

Data used in monitoring the National Measures in the scope of the audit are taken from HESA student record, staff record, finance record, aggregate offshore record and HEBCI survey returns for HEIs. HESA student record data are also used for FEIs. The methodology for extracting the data described below is available in more detail in the data requirements circulars. Students, staff and/or provision, HEBCI data and income data at HEIs are used in the monitoring of the indicators based on the following criteria:

**Widening access** – ‘The number and proportion of undergraduate Welsh domiciled students of all ages studying higher education courses at HEIs and FEIs in Wales who are domiciled in

- a) the bottom two quintiles
- b) the bottom quintile

of Lower Super Output Areas in the Welsh Index of Multiple Deprivation 2014 (WIMD).’

- Student’s postcode is a valid postcode mappable to a LSOA in Wales.
- To be counted in the numerator, the student’s postcode is in the bottom quintile, or the bottom two quintiles of LSOAs in the WIMD.

**Participation** – ‘The number and proportion of all UK domiciled students of all ages studying higher education courses at HEIs and FEIs in Wales who are from UK low participation areas.’

- Data are taken from the HESA UK experimental performance indicators, Tables 1b, 2a, and 2b, which are derived from data collected on the HESA student record.

**Retention** – ‘The proportion of full-time undergraduate students in HEIs and FEIs in Wales present in higher education one year following year of entry for

- a) UK domiciled students;
  - b) students domiciled in the bottom two quintiles of WIMD
- plus, the proportion of part-time first degree students in HEIs and FEIs in Wales present in higher education two years following year of entry, for
- c) UK domiciled students;
  - d) students domiciled in the bottom two quintiles of WIMD.’

- Data are taken from the HESA UK performance indicators, Table 3, for HEIs and from the HESA UK experimental performance indicators, Table 3, for FEIs which are derived from data collected on the HESA student record.
- Measure (a) relates to full-time undergraduate UK domiciled entrants and measure (b) relates to full-time undergraduate entrants domiciled in the bottom



## Annex C

two quintiles of WIMD. Measure (c) relates to part-time first degree UK domiciled entrants and measure (d) relates to part-time first degree entrants domiciled in the bottom two quintiles of WIMD.

**Part-time** – a) ‘The number and proportion of students attending higher education courses in Welsh HEIs and FEIs that are part-time’

b) ‘plus the percentage change year on year in the number of these part-time students compared to the equivalent figure for the UK (sector measure)’

- The student is part-time.

**Welsh medium** – ‘The number of students studying higher education courses at HEIs and FEIs in Wales undertaking

a) at least 5 credits

b) at least 40 credits

of their course through the medium of Welsh, per annum.’

- The module is started in the academic year.
- Students taking some element through the medium of Welsh identified where at least one module has a greater than zero percentage through the Welsh language.
- Credits through the medium of Welsh are counted as the credit points for the module multiplied by the percentage through Welsh.

**Student mobility** – ‘The number and percentage of undergraduate students at Welsh HEIs taking up study, work and volunteering experiences abroad, for

a) all undergraduate students

b) undergraduate students domiciled in the bottom two quintiles of WIMD’

- Student is on a mobility experience
- To be counted in the numerator of measure (b), the student’s postcode is in the bottom two quintiles of LSOAs in the WIMD.

**Continuing professional development** – ‘The total number of learner days delivered by Welsh HEIs for continuing professional development and continuing education, recorded on the HE-BCI survey.’

- The total number of learner days of CPD/Continuing Education courses being delivered taken from part B, Table 2, item 3f of the HESA HEBCI survey.

**Total HE-BCI income per FTE of Academic Staff** – ‘The total amount of income recorded on the HE-BCI survey from collaborative research, consultancy, contract research, continuing professional development, facilities and equipment related services, intellectual property and regeneration and development, divided by FTE of academic staff.’

- Staff contracts that are active during the academic year excluding atypical contracts
- Academic contracts

## Annex C

- HEBCI data for the total amount of income in relation to the following areas are taken from the tables indicated below in part B of the HE-BCI survey and added together:

	Table	Item
Collaborative research	1	1e
Contract research	1	2h
Consultancy	2	1h
Facilities and equipment related services	2	2h
Continuing professional development	2	3e
Regeneration and development	3	1f
Intellectual property	4	3f

**Spin off activity** – ‘New spin-offs and spin-offs still active which have survived at least three years.’

- Data are taken from part B of the HE-BCI survey, Table 4, sub-heading 4a, items i and ii and added together.

**Start-up activity (graduate)** – ‘New start-ups and start-ups still active which have survived at least three years.’

- Data are taken from part B of the HE-BCI survey, table 4, sub-heading 4a, item iv.

**Research Staff** – ‘The number of

- a) all researchers
- b) STEMM researchers
- c) non-STEMM researchers’

- Staff contracts that are active during the academic year excluding atypical contracts
- Academic contracts
- Academic employment function of research or research and teaching
- STEMM includes Science, technology, engineering, mathematics and medicine and dentistry cost centres

**PGR students** – ‘The total number of all PGR students (FTE).’

- Student active within the reporting period, not dormant, not sabbatical, not primarily studying outside the UK and not incoming exchange (HESA session population).
- Student studying postgraduate research qualification

**PhDs awarded** – ‘The total number of PhDs awarded.’

- Student awarded a PhD.

**Research income** – ‘The annual percentage change in income from

a) Research in total; and  
b) Research Councils  
compared to the comparable figure for the UK excluding the 'golden triangle' of Oxford, Cambridge and certain London institutions)

- The data are taken from column 1j) Total Research Council income and column 15) Total Research income, of Table 4 of the HESA Finance Record.
- Data for the Open University are available at UK level only for this measure and therefore Wales-based activity cannot be reported.

**EU/overseas students** – 'The percentage annual change in the number of

a) EU domiciled students (excluding UK)

b) overseas students (excluding EU)

attending higher education courses in Welsh higher education institutions, plus the percentage annual change in the number of these students compared to the equivalent figure for UK higher education institutions (excluding London and the South East).'

- Student's domicile is in the EU or overseas (including incoming exchange).
- The Channel Islands and Isle of Man are not counted as overseas for the purposes of this target.

**EU/overseas staff** – 'The number and percentage of academic staff at Welsh higher education institutions that are

a) EU nationals (excluding UK)

b) Overseas nationals (excluding EU)

plus, the percentage annual change, and the percentage annual change compared to the equivalent figure for the UK.'

- Staff who have one or more contracts active on 1 December within the academic year
- Academic contracts
- Staff nationality is in the EU or overseas

**Transnational Education (TNE)** – 'The number and percentage of students that are transnational education students at Welsh higher education institutions.'

- Students who are registered with or studying for an award from UK universities but study overseas without coming to the UK.
- Students who commence their studies outside the UK and subsequently come to continue their studies within the UK are included up until the point at which they enter the UK, when a full individualised record is required.

### Documentation supplied to HEPs to support Fee and Access Plan sign-off

The following guidance was supplied by HEFCW to HEPs to support their FAP sign off:

Institutions are required to submit documentation produced internally that enables the governing body to sign off its annual assurance statement. In addition to this, we also require documentation to be submitted to evidence how institutions evaluate the effectiveness of investment to deliver on Fee and Access Plan objectives. This provides us with assurance that institutions are delivering on their regulatory duties and will also inform our institutional engagement.

Set out below are our reflections on submissions made last year. We expect institutions to take these reflections into account when making returns in future years, but recognise that it will take time for institutions to build these considerations into their processes. We are providing these reflections to enable institutions to continue to plan and enhance their delivery of regulatory expectations during the period when oversight transitions from HEFCW to the Commission for Tertiary Education and Research. During the transition, and given the strategic aims of CTER, we will pay particular focus to the effectiveness of institutions' investment to deliver on Fee and Access Plan objectives related to:

- Retention of students from under-represented groups;
- Increasing the proportion of students studying through the medium of Welsh;
- Improving the employability and career outcomes of students in Wales.

The features within most institutions' documents which provided us with particular assurance were:

- A clear summary of the institutions' findings.
- Detail of where in the governance structure the substantive documentation had been discussed.
- An overview of the process that provided assurance that fees were not charged in excess of published levels.
- A table setting out the funding spent, providing assurance that the institution has taken all reasonable steps to maintain previous levels of investment.
- Where relevant, a summary of where spending changes were made to commitments, with a rationale.
- Clear illustrations of where data was highlighting trends that were positive or negative: they were in the context of Fee or Access plans targets, where relevant, or National Measures e.g. using Red, Amber and Green ratings.
- Highlighting explicitly to the governing body where the institution has identified activities that are effectively delivering Fee and Access Plan objectives as well as where there were ineffective activities or challenges.

We found the following particularly helpful in some institutions returns that provided further assurance and a better understanding of how institutions' were assessing their work:

- An index of the records of internal documentation that informed the documentation provided to the Council. This has enabled us to request further information to understand a particular issue in further detail.

## Annex D

- Evaluation matrices and summaries of evaluation.
- Reporting on the piloting of new activities and processes that deliver on the Fee and Access Plan objectives.

In the future we expect institutions to evidence more clearly in their documentation:

- What the next steps are where the institution has identified it needs to make improvements. Currently, where institutions have identified areas for improvement or challenges they are not highlighting what they are going to do or change as a result.
- Case studies where effective practice has been identified in institutions.

### Recommendations from previous audits

The following provides a summary of the recommendations made on the internal audit reports submitted to HEFCW in June 2022. Where a recommendation relates to more than one stream of data, the recommendation has been included under all relevant streams. The same or similar recommendation made at more than one HEP is included only once. Findings for past audits can be found in previous versions of these notes.

#### Student data

- The review process for the HEFCW Higher Education Students Early Statistics (HESES) return is fully documented.
- The assurance of statutory returns should be signed by the Vice Chancellor or other suitably senior and independent individual who is independent of the process of preparing the return.
- Reviewing approach to minor external returns, including whether responsibility for independently reviewing some returns should be devolved to faculties.
- Annual reports on data quality should be submitted and scrutinised by relevant groups within the University and by the audit and risk committee.
- Risks relating to resource issues surrounding HE data returns should be included in the risk register.

#### HEFCW funded Degree Apprenticeships

- Degree Apprenticeship enrolment forms should be adapted to capture the data, which is currently manually entered on the Degree Apprenticeship monitoring submission file.

#### HESA Data Futures Project

- Ensure that there is an appropriate and effective project management, governance and reporting framework in place for the HESA Data Futures project.

#### HESA Higher Education Business and Community Interaction Survey

- Include information regarding the graduate start-up estimate within HEBCI process documents to ensure that this part of the process is recorded.
- Implement a series of timetables/trackers to map what needs to be done, by whom and by when to aid in the completion of the returns.

#### HEFCW Fee and Access Plan

- Procedural/how to documents be drafted, approved and implemented to support the completion of the FAP.