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# Cylchlythyr | Circular

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

**Date:** 10 January 2020  
**Reference:** W20/03HE  
**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  
**Response by:** 08 June 2020  
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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. Details of the process of the external audit of higher education data can be found in circular [W18/33HE](#). External audits are commissioned by HEFCW so that HEPs are externally audited at least once every four years. As part of the process, HEFCW will 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.
3. 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 to be 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);
  - Postgraduate research (PGR) training funding;
  - Quality research (QR) funding.
4. 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 Corporate Strategy targets, National Measures, data included by HEPs in their fee and access plans and fee and access plan monitoring.
5. Although the Data Futures programme has been subject to a delay, auditors should provide opinions on the preparations being made for and controls in place to manage risks relating to the new student data collection for this programme, including senior management awareness.
6. 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 monitoring and also to ensure that internal audits taking place across the sector are carried out on a consistent basis.
7. 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 consider commissioning their own external audit. This external audit will 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 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**

8. 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 paragraph 55).
9. 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.
10. 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.
11. 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.
12. 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.

13. 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.
14. 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**

15. HEFCW circular W19/14HE [HEFCW's Funding Allocations 2019/20](#) describes the overall funding distribution for academic year 2019/20 including:
  - Postgraduate Research Training (PGR) and Quality Research (QR) funding ([page 6](#))
  - Teaching funding ([page 7](#))
16. HEFCW circular W19/26HE [Higher Education Data Requirements 2019/20](#) 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 ([page 4](#))
  - Access and retention premium ([page 14](#))
  - Disability premium ([page 20](#))
  - Welsh medium premium ([page 21](#))
  - Expensive subjects premium ([page 23](#))
  - Higher cost subjects premium ([page 25](#))
  - Postgraduate research training funding ([page 33](#))
17. Annex A contains an outline of the methodology used to calculate the formula driven elements of credit based funding for teaching, PGR training funding and QR funding.
18. Annex B contains the criteria for inclusion of data in the allocations of per capita, premium and PGR training funding.

19. Annex C contains the eligibility criteria for data used in the calculation of the Corporate Strategy targets.
20. Annex D contains the eligibility criteria for data used in the calculation of the National Measures.
21. Annex E contains a summary of recommendations from previous internal and external audits.

## Teaching funding

22. The teaching funding method changed in 2012/13 with the introduction of the new fees regime for full-time undergraduate and postgraduate certificate in education (PGCE) provision. 2019/20 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 subject 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 part-time undergraduate and full-time and part-time postgraduate research provision;
  - Welsh medium premium for part-time undergraduate provision.
23. Funding allocated for part-time undergraduate provision through the credit based teaching funding method for 2019/20 is based on 2017/18 End of Year Monitoring (**EYM**) credit value data as extracted from the HESA student record via the HESA Information Reporting Interface Service (IRIS), for most HEPs. HEFCW circular [W18/16HE](#) describes the 2017/18 EYM extraction method in full. For a small number of HEPs, data taken from a supplementary credit value table collected as part of the higher education students early statistics (**HESES**) survey was used in the funding allocation calculation. This is essentially the same data as the EYM data but is updated to 2018/19. Providers were given the opportunity to return this supplementary table and where they chose to, the data were used in place of the EYM data.
24. Adjustments to 2018/19 funding for HE providers are calculated using EYM data extracted from HESA IRIS, the 2018/19 data extraction is fully described in HEFCW circular [W19/19HE](#). Data from the **HESES** survey (HEFCW circular [W19/39HE](#)) other than the supplementary table, are not used in funding calculations, however, the survey is still in the scope of the audit.
25. 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?
- 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?
  - Is the method for assigning JACS subject codes to modules and hence categorising credits into Academic Subject Categories (ASCs) documented and reasonable?
  - 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?
  - For FEIs, is course title information extracted as part of the HESA IRIS system in the EYM raw data tables checked against the agreed portfolio of courses as approved by HEFCW?
  - 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?
26. For 2019/20 funding, per capita and premium funding is based on data taken from the 2017/18 HESA student record (coding manuals and guidance are available on the HESA website – [www.hesa.ac.uk](http://www.hesa.ac.uk)).
27. The fields and criteria used to extract data from the records for 2019/20 funding are detailed in the Higher Education Data Requirements circular [W18/20HE](#) (latest version – HEFCW circular [W19/26HE](#)). 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; 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?
- 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 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?



## PGR and QR Funding

28. PGR training funding for 2019/20 was allocated using data about eligible, fundable enrolments in Units of Assessment (UoAs) which qualified for QR funding taken from the 2017/18 HESA student record.
29. The fields and criteria used to extract the data from the record for 2019/20 funding are detailed in the Higher Education Data Requirements circular [W18/20HE](#) (latest version – HEFCW circular [W19/26HE](#)). 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 27 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)?
  - 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?
  - 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?
30. QR funding is allocated only to those HEIs with UoAs submitted to the 2014 Research Excellence Framework (REF) where the UoA has 3 or more classified FTE Category A staff and meets a combined volume and quality threshold (multiple submissions to UoA 28 and joint submissions are exempt from the volume and sustainability thresholds).
  31. The 2019/20 QR funding method replicates the method used from 2015/16 to 2018/19. Funding was allocated using data from the 2014 REF and data taken from the 2013/14 HESA staff and student records. 2014 REF 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 staff and student data used in the minor volume measures of the QR funding method, details of which can be found in document 'HESA data to be used in 2015/16 QR funding' on our website: [Funding Calculations](#). For 2019/20 funding the model and data used to calculate the allocation are the same as those which were used in 2015/16 so this document has not been updated. The checks should aim to answer the following questions:

- Are quality checks carried out on individualised data for data fields used in extracting minor volume measures (research assistants and research students)?
- 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, have processes been implemented to address these data errors?
- Where errors have previously been identified in minor volume measure data, are the data checked prior to final submission of data to HESA to confirm that the error has not reoccurred?

### **Corporate Strategy targets**

32. Both Corporate Strategy targets and National Measures data are included in scope for audit of data relating to the year 2017/18, as 2017/18 was the last year of monitoring for Corporate Strategy targets, and 2017/18 is the baseline year for monitoring National Measures. Auditors should be aware that there may be considerable overlap in data items used to monitor Corporate Strategy targets and National Measures.
33. The systems and processes used to return data used in the monitoring of the Corporate Strategy targets for 2013/14 to 2017/18, for HEIs, are within the scope of the audit for the following set of indicators:
- Widening Access;
  - Participation;
  - Retention;
  - Part-time;
  - Welsh medium;
  - Overseas students;
  - Initial Teacher Training;
  - Continuing Professional Development;
  - Collaborative Research Income;
  - Research Council income.
34. A subset of the targets are included in the scope of the audit for FEIs:
- Widening Access;
  - Participation;
  - Part-time;
  - Welsh medium;
35. More information about the Corporate Strategy and the targets is in 'HEFCW Corporate Strategy 2013/14 – 2016/17', which can be found on our website: HEFCW [Corporate Strategy](#). It should be noted that the targets were originally to 2016/17 and were extended to 2017/18. Corporate Strategy targets have been replaced by a set of National Measures, therefore 2017/18 is the last year of data to be monitored in the Corporate Strategy targets.

Data from the HESA Destination of Leavers from Higher Education (DLHE) survey is used in the Employment and Employability targets. However, leavers in 2016/17 were the last cohort for whom this survey was conducted, therefore the Employment and Employability targets have not been included in the list above.

36. The fields and criteria used to extract the data used in monitoring these targets are detailed in the 2019/20 Higher Education Data Requirements circular (HEFCW circular [W19/26HE](#)). Testing of systems and processes used to return data that are used in funding (see paragraph 25 for the HESA record) will cover most of the testing appropriate for HESA data used in monitoring the targets. 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 domicile is correct; that the mode and level of study are correct)?
- Is there evidence that for the Corporate Strategy target 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?
- Where errors have previously been identified in data used for monitoring, by HEFCW or the HEP, have processes been implemented to address these data errors?
- Where errors have previously been identified in data used for monitoring, are the data checked prior to final submission of data to HESA to confirm that the error has not reoccurred?
- Do the controls include quality checks on individualised data relating to ITT enrolments submitted to HESA (e.g. checks that the teacher training identifier has been correctly coded; that the student's initial teacher training phase, mode of study, level of study, subject of study and commencement date are correct)?

**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?
- 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?
- 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 Collaborative Research income 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 Research Council income returned with the audited accounts to ensure consistency?

## National Measures

37. 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 indicators:
- Widening access;
  - Participation;
  - Retention;
  - Part-time;
  - Welsh medium;
  - Student mobility;
  - Continuing Professional Development;
  - Total HE-BCI income per 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;
38. A subset of the National Measures are included in the scope of the audit for FEIs:
- Widening Access;
  - Participation;
  - Retention;
  - Part-time;
  - Welsh medium;
39. HESA UK performance indicator (PI) data, which are derived from HESA student record data, are used in the calculation of the participation and retention National Measures. More information about the UK performance indicators can be found on the [HESA website](#). Experimental indicators are used in order to include data for FEIs which is not included in the standard PIs, and in order to use POLAR4 for the participation measure.

40. The fields and criteria used to extract the data used in monitoring these targets are detailed in the 2019/20 Higher Education Data Requirements circular (HEFCW circular [W19/26HE](#)). Testing of systems and processes used to return data that are used in funding (see paragraph 25 for the HESA record) and Corporate Strategy targets (see paragraph 33) 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:**

- 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:**

- Do controls include a reconciliation of the Research Council income and Research income returned 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?

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

41. The process for submitting the fee and access plans (FAPs) to HEFCW changed for the 2017/18 submission ('FAPS' are used to refer to both pre-2017/18 fee plans and fee and access plans for 2017/18 onwards). HEPs were no longer required to include estimates of their contribution to the

HEFCW Corporate Strategy targets, instead HEPs set their own targets which may or may not be based on the HEFCW Corporate Strategy targets. From 2020/21 FAPs, both the National Measures and HEP's own targets could be included. The 2020/21 Fee and access plan guidance in circular [W19/01HE](#) outlines how a HEP should set their targets. Both HEIs and FEIs with approved FAPs are included.

42. Also returned on the FAPs are the fee levels set for the academic year, estimates of average fee levels, additional income expected and, where required, numbers of students with fee levels. The systems and processes used to produce them are included in the scope of the audit. More information can be found in HEFCW circular [W19/01HE](#) Fee and access plan guidance 2020/21.
43. Also in the scope of the audit are the systems and processes used to produce the data returned on the FAP monitoring submission. In the submission, HEPs are required to report on outcomes against their FAP targets and actual fee income for the academic year that the FAP relates to. At the time of audit, the latest monitoring submission will be for either 2017/18 or 2018/19. For 2017/18 and 2018/19 targets are set by the HEP though can be based on the Corporate Strategy targets if a HEP chooses.
44. Testing of the systems and processes used for setting, monitoring or amending forecast targets, setting the fee levels, calculating the average fee, calculating and monitoring the fee income and estimating the number of students at each fee level should aim to answer the following questions:
  - Have targets returned on the FAP been derived from auditable sources of data?
  - Have the methods for setting targets been appropriately agreed and documented and a clear audit trail been maintained to support subsequent monitoring?
  - Has the method of calculating the average fee per full-time undergraduate student been documented and is it reasonable?
  - Has the method of calculating expected total fee income been documented and is it reasonable?
  - Has the method of estimating the numbers of students at each fee level been documented and is it reasonable?
  - Is there a process in place to monitor targets set in the FAP?
  - Are any methods used to calculate figures used in monitoring targets reasonable?
  - Do the monitoring figures reported on the FAP monitoring statement reflect the performance against target for the appropriate year?
  - Is there a process in place to monitor any amendments to forecasts of the targets?
  - Has the monitoring process, including the methods and processes used for obtaining, calculating or amending forecast figures used in the targets been documented and is it accessible by all staff who need to use it?

- Are figures supplied on the monitoring submission crossed checked against those supplied in the FAP?
- Is there a process in place to ensure the reported level of achievement stated for each target in the monitoring statement is accurate?
- Has the method of calculating fee income figures returned on the FAP monitoring submission been documented and is it reasonable?
- Do the fee income figures included on the FAP monitoring submission reconcile with the audited accounts? Has the FAP been presented to and approved by the governing body?
- Do fees charged and fee levels stated on the FAP match and are there processes in place to ensure that fees charged do not exceed fee levels stated on the FAP?
- Is there a risk register in place and are the risks associated with not meeting the targets adequately assessed and documented together with details of planned action to be taken?

### **Other HESA data**

45. 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 and HEBCI survey, other than that identified in paragraph 34, and data returned on the HESA Unistats record.
46. Testing of systems and processes used to return data that are used in Corporate Strategy targets and National Measures (see relevant sections above) will cover most of the testing appropriate for HESA HEBCI survey data and HESA finance record data
47. 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?

### **HESA Data Futures Programme**

48. Data Futures is HESA's transformation programme that will deliver the vision for a modernised and more efficient approach to collecting data, to deliver better output for a wider range of data users. HESA are currently working with stakeholders across the sector to build, pilot and implement this system.
49. Data Futures was scheduled to deploy in academic year 2019/20 but this has been delayed. The revised timeframe for the Data Futures programme to go live has yet to be published at this stage. However, we still expect HEPs to



be planning for implementation of the programme and for HEPs to be engaged in the consultations process.

50. Auditors should familiarise themselves with the background to the [programme](#), and in particular how the HEP is preparing for the change and engaging in the process. HESA have produced a Data Futures preparation assessment tool (available via HESA's [website](#))
51. Auditors should determine if the HEP has used this preparation assessment tool and confirm that the HEP has considered the risks associated with implementation. 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 available in future, to implement Data Futures successfully?
  - Are senior management engaged and supportive of the programme?
  - Does the HEP engage in the consultations process and keep up to date with developments?

### **Interpretation and Guidance**

52. 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 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.
53. 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.

### **Open University in Wales**

54. HEFCW has responsibility for 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 did not

submit a fee and access plan relating to full-time undergraduate and PGCE fees in 2020/21.

## Reporting

55. 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 data returned in and used to monitor the FAPs. This review should include an assessment of the adequacy of the controls documented in paragraphs 25 to 51 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.
56. 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 8 June 2020.
57. 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 8 June 2020, a representative should contact HEFCW to discuss.
58. 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;
  - 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.

59. 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.
60. 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.
61. 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 **08 June 2020**. Note that we do not require a paper copy to be sent to us.
62. 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 / responses to**

63. Further guidance and information is available from James Morgan (029 2085 9724, [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 2019/20

- 1 The method of funding for teaching changed in 2012/13 with the introduction of the new fee regime for full-time (FT) UG and PGCE students. For PT UG provision, funded credit-based funding continues to be allocated. Also allocated for PT UG provision are per capita and premium payments. A small amount of disability premium is allocated for postgraduate research provision. 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. 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 end of 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 end of year data. 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 only. 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 four 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 2019/20, 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 from the 52 Communities First cluster areas identified by Welsh Government in 2012, subject to a

minimum 10 credit value study requirement. The amount per enrolment depended on several factors including 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 in respect of FT and PT PGR and PT UG provision. 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. The higher cost subjects premium is also 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 science, engineering, technology and mathematical and computing subjects.

### **Funding for Postgraduate Research Training 2019/20**

- 9 2019/20 PGR training funding was calculated using the HEP's confirmed postgraduate research enrolment figures from 2017/18. Grants to HEPs are calculated by applying a UoF to postgraduate research enrolments for particular groups of subjects. Qualifying enrolments are those in UoAs submitted to the 2014 REF 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, within prescribed time limits for study: 3 and 2 years for a full-time PhD and MPhil respectively; 6 and 4 years for a part-time PhD and MPhil respectively.

### **Funding for Research 2019/20**

- 10 QR funding is allocated to HEPs with UoAs submitted to the 2014 REF where the UoA has 3 or more classified FTE Category A staff and meets a combined volume and quality threshold (multiple submissions to UoA28 and joint submissions are exempt from the volume and sustainability thresholds). For 2019/20 funding, data were taken from the 2014 REF and the 2013/14 HESA staff and student records as the funding model and the data used are the same as those used in 2015/16 to 2018/19 QR funding allocations.
- 11 QR funding has three elements: a main allocation; a charity income allocation; and a rewarding excellence 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 parts of the volume measure relating to research students (RS), research

assistants (RA), research fellows (RF) and charity income awarded through open, competitive processes (CI) are weighted in the volume measure (weights: RS=0.15; RA=0.1; RF=0.1; CI=0.25/25,000) and for RS and RA are taken from the 2013/14 HESA student and staff records respectively; for RF and CI are taken from the REF data with the data for CI being an average over two years of data from 2011/12 and 2012/13. Research active staff (REF category A) have a weighting of 1.0. Figures for research active staff are taken from the 2014 REF. The charity income element is allocated pro rata to the average charity income awarded through open, competitive processes. The rewarding excellence element is allocated pro rata to subject weighted volume in the 4\* quality level. Total funding is calculated as the sum of the three elements, further details can be found in document 'HESA data to be used in 2015/16 QR funding' on our website: [Funding Calculations](#). Note that this method still applies to 2019/20 funding.

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

- 1 For all student based data, students should be active within the reporting period (1 August to 31 July), not studying the whole programme outside of the UK and not incoming exchange. In addition, students should be fundable by HEFCW. The methodology for extracting the data described below is available in more detail in the data requirements circular (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 postcode is in a low participation area and/or a Communities First area.
- 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 at postgraduate research level, or on a part-time course at undergraduate 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.
- Student not studying on a Welsh language or literature module. (unless the module is part of a 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.

- 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.

### **Postgraduate research training funding criteria for inclusion**

- Studying for a postgraduate research qualification.
- Enrolments must be in UoAs submitted to the 2014 REF where the UoA is included in QR funding eligibility calculations.
- Funding is limited to 3 years for a full-time programme of study leading to a PhD and 6 for a part-time programme. Limits for MPhil programmes are set pro-rata to those for PhDs. Funding against transfers from MPhil to PhD is available only for the balance of time up to the limits for PhD.
- Each student counted only once irrespective of the number of courses the student is studying.

### **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, 1b
- Science and Engineering and Technology: ASCs 3,4
- Mathematical Sciences, Engineering and Computing: ASC 6



## Eligibility criteria for data used in Corporate Strategy targets

For all student based data used for monitoring, 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 targets in the scope of the audit are taken from HESA student record, DLHE survey, finance 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 (see paragraph 8 of the main part of this circular). Students and/or provision, CPD data and income data at HEIs are used in the monitoring of the indicators based on the following criteria:

**Widening Access** – ‘A rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the bottom quintile of Lower Super Output Areas (LSOAs) in the Welsh Index of Multiple Deprivation (WIMD) or in Communities First cluster areas, from 20.1% in 2011/12 to 22.4% in 2017/18 (a rise of 11.6%).’

- 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 of LSOAs in the WIMD or in a Communities First cluster area.
- Each student counted only once irrespective of the number of courses the student is studying.

**Participation** – ‘An increase in the proportion of all UK domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are from UK low participation areas from 33.2% in 2011/12 to 35.3% in 2017/18 (a rise of 6.3%).’

- Student’s postcode is a valid postcode mappable to a ward in the UK.
- To be counted in the numerator, for full-time students aged less than 21, the postcode is in the 40% of areas with the lowest participation as defined by POLAR3, and, for all other students, in the 40% of areas with the lowest participation as defined by the proportion of working age adults with HE level qualifications.
- Each student counted only once irrespective of the number of courses the student is studying.

**Retention** – (a) ‘A decrease in the percentage of full-time undergraduate students no longer in higher education following year of entry from 9.2% in 2011/12 to 8.2% in 2017/18(a drop of 10.7%)’

(b) ‘A decrease in the percentage of part-time first degree students no longer in higher education two years following year of entry from 33.7% in 2011/12 to 30.1% in 2017/18 (a drop of 10.7%)’

- Data are taken from the HESA UK performance indicators, Tables 3a, 3d, and 3e, which are derived from data collected on the HESA student record.
- Target (a) relates to full-time undergraduate UK domiciled entrants and target (b) relates to part-time first degree UK domiciled entrants.

**Part-time Students** – ‘The percentage change in the number of part-time students attending higher education courses in Welsh higher education institutions and further education institutions to be equal to, or greater than, the comparable figure for the UK.’

- The student is part-time.
- Each student counted only once irrespective of the number of courses the student is studying.

**Welsh Medium** – ‘The number of students studying higher education courses at Welsh higher education institutions and further education students in Wales undertaking at least 5 credits of their course through the medium of Welsh, per annum, will rise from 4,335 in 2011/12 to 5,600 in 2017/18, including a rise from 2,269 to 3,030 in the number of those studying at least 40 credits 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.
- Each student is counted only once irrespective of the number of courses the student is studying but all credits taken by the student through the medium of Welsh are counted.

**Overseas Students** – ‘The percentage change year on year in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East of England).’

- Student’s domicile is outside the EU (including incoming exchange).
- The Channel Islands and Isle of Man are not counted as overseas for the purposes of this target.
- Each student is counted only once irrespective of the number of courses the student is studying.

**Initial Teacher Training** – ‘Welsh Government targets for ITT undergraduate primary, postgraduate primary, undergraduate secondary, postgraduate secondary priority and postgraduate secondary other subjects to be met annually.’

- The student is studying on an ITT (QTS) course.

- The student is full-time and started between 1 August and 1 November and did not leave in that period.
- Each student is counted only once irrespective of the number of courses the student is studying.

**Continuing Professional Development** – ‘The total number of learner days delivered by Welsh higher education institutions for continuing professional development (CPD) will rise from 202,498 in 2011/12 to 226,000 in 2017/18 (a rise of 11.6%).’

- 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.

**Collaborative Research Income** – ‘The total amount of income from collaborative research involving both public funding and funding from business will rise from £65,294k in 2011/12 to £72,000k in 2017/18 (a rise of 10.3%)’

- Total collaborative research income taken from part B, Table 1, item 1e of the HESA HEBCI survey.

**Research Council Income** – ‘The annual percentage change in income from Research Councils will exceed the comparable figure for UK higher education institutions (excluding institutions in the ‘golden triangle’ of Oxford, Cambridge and London).’

- Data are taken from Table 5b of the HESA Finance Statistics Record. The Open University is included as a wholly English university.

## 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 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 (see paragraph 8 of the main part of this circular). 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 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 D

- 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	3	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 item 1i) Total Research Council income and item 15) Total Research income, of Table 5 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.

### Recommendations from previous audits

- The following provides a summary of the recommendations made on the internal audit reports submitted to HEFCW in June 2019 and from the external audits carried out in 2018/19. 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

- Procedural guidance notes should be developed with training provided for student data capture, HESA submission and checking. Along with data capture and validation/verifications of HEFCW data returns. Both to staff members involved in the return and others where reliance is placed on one member of staff.
- Enhancements should be made to student data systems to ensure that completion of key student data fields is mandatory upon enrolment, to minimise the number of blank data fields on the system. Software suppliers should be consulted with over whether validation rules could be introduced or improved to control against incomplete records being entered.
- Consideration should be given to having one standalone system that meets the requirements of all aspects of capturing necessary student data. If this is not possible, training should be provided to ensure that comprehensive student data is captured correctly and is migrated across to student data systems on a regular basis.

#### **Welsh Medium:**

- Planning and data departments should be liaising with other provider departments on the use of guidance on calculating Welsh medium percentages for Welsh medium modules. The guidance and relevant forms, should be reviewed with appropriate senior level sign off with communication of requirements on following the documented guidance provided to all required staff.

#### **Data Futures:**

- Following confirmation by HESA of the final requirements and timeline for Data Futures, management should undertake a review of the activities and target implementation dates in the HESA project plan and carry out an assessment of preparedness for the Data Futures submission. Particularly in relation to the student data system in recording essential data fields and extraction and submission to HESA three times per year.
- A risk assessment should be carried out to identify and record the risks associated with the HESA Data Futures project plan and incorporated into the provider's risk register.
- A working/steering group should be formed with clear and agreed terms of reference setting out responsibility and a schedule of business to ensure readiness for HESA Data Futures.



- Management should ensure that momentum continues in the preparation for the implementation of Data Futures.

### **Fee and Access Plans and Fee and Access Plan Monitoring**

- A plan should be produced that identifies and names staff members that are critical to the preparation of the return, so there is clear accountability. It should also outline how the University would prepare the return in a timely and accurate manner, in the absence of these staff members.
- Guidance should be developed which sets out an annual timeframe for extracting, checking, validating and reporting, along with documenting the operational processes involved in calculating fee information and methodologies for estimating student numbers. It should explicitly refer to the processes in place to monitor any amendments to forecasts of the targets.
- Documentation should show, for each FAP target, an audit trail of both origin of the baseline for the target and the calculation of and assumptions for the estimated figure in future years.

### **Other records and general**

#### **HEBCI:**

- A clear and agreed definition of what constitutes in-kind contributions for collaborative research income should be developed, with associated process protocols documented, to ensure complete and accurate recording and reporting of in-kind contributions. Relevant staff should undergo training to ensure that the revised definition and the need for complete recording are understood.
- Procedural guidance for HE-BCI data collation, verification and submission should be developed to support contingency arrangements

#### **HESA Finance record:**

- Finance should record in-kind collaborative research income within the general ledger and reconcile year-end totals to ensure any reconciling differences are identified and resolved.
- Appropriate guidance should be put in place with regard to the Finance Record guidance so that staff are aware how to prepare, check and validate data.

#### **Other:**

- A documented process should be developed with HEFCW and agreed by all parties for the approval of courses outside of the agreed course portfolio (FE colleges only).