

Guidance notes for external auditors of higher education data for the 2021/22 academic year audits

Introduction

- 1 Our process by which data used to calculate funding allocations and the systems and processes used to produce the data are audited for 2018/19 to 2021/22 are set out in HEFCW circular [W18/33HE](#). We are placing reliance on annual internal audits, as well as external audits, carried out by auditors appointed by HEFCW, required at each higher education provider (HEP) at least once every four years. HEPs will be externally audited either on a sample basis or when there is perceived to be a higher risk.
- 2 These notes set out the scope of the external audits to take place in 2021/22 and the reporting requirements of the external auditor. During 2021/22 two sets of audits will be carried out as external audits were not carried out during 2020/21. These notes for guidance relate to the most up to date information and data to form the basis of the first set of audits due to be carried out from September 2021. A further, updated set of guidance notes will be issued for the second set of audits to be carried out from November 2021.
- 3 If any additional information is needed, please contact Rachael Clifford Senior Statistical Analyst (029 2085 9721 hestats@hefcw.ac.uk) or Hannah Falvey, Head of Statistics (029 2085 9720 hestats@hefcw.ac.uk).

Scope of the external audit

- 4 The scope of the audit will be dependent on the areas of interest at the time at the particular HEP being audited and will include a core set of data which is any data used in the calculation of: teaching funding; quality research (QR) funding; postgraduate research (PGR) training funding; Research Wales Innovation Fund (RWIF); and in any funding adjustment required under HEFCW's part-time undergraduate fee waiver scheme.
- 5 In addition, data used in the monitoring of performance, including key performance indicators such as the National Measures, data included by HEPs in their fee and access plans (FAPs) and FAP monitoring, are included in the scope. Data used in the monitoring of the postgraduate taught (PGT) Master's bursaries schemes for Science, Technology, Engineering, Maths and Medicine related subjects (STEMM), Welsh medium and students aged 60 or over, is also included in the scope of the audit.
- 6 The audit will have the following components:
 - An evaluation of the systems and processes used to generate data used in calculating funding or used in monitoring and analysis, though, where

satisfactory, it is expected that the auditor will be able to place significant reliance on the internal audit work and report;

- Substantive testing of the underlying records to ensure the accuracy of data returned. Depending on the areas of interest for the particular HEP being audited, this could include:
 - Fundable registrations and the number of credit values associated with fundable registrations, including registration counts and credit values that are used in the calculation of premium and per capita funding and credit based funding;
 - Data used in the calculation of the Research Wales Innovation Fund (RWIF) which includes Higher Education Statistics Agency (HESA) Higher Education Business and Community Interaction (HEBCI) data; Student; Staff and Finance data;
 - Data related to students eligible for HEFCW's part-time undergraduate fee waiver scheme and associated amounts of waived fees to be used in monitoring;
 - Data relating to the PGT Master's bursaries schemes;
 - HESA data, which includes general data relating to courses (Unistats data), students, student destinations, staff, finance, estates management, offshore enrolments and the HEBCI survey;
 - Data relating to research activity;
 - Data used in FAPs and FAP monitoring which include targets and retrospective and forecast tuition fee income and investment data;
 - Data used in the National Measures;
 - Data used in calculating Reaching Wider funding and monitoring deliverables;
 - Data relating to other policy areas of interest (for example, Welsh medium provision, medicine/dentistry provision, franchised out provision and overseas provision).

- 7 The audit will cover the data described in this document that have been specified for the particular HEP being audited. The specific scope of the audit at each HEP will be discussed with the auditor in the pre-audit meeting held each year.

Preliminary work

- 8 The auditor should familiarise themselves with guidance relating to aggregated student data collected by HEFCW, for 2019/20 through the End of Year Monitoring of Higher Education (EYM) survey (HEFCW circular [W20/25HE](#)), and for 2020/21 through the Higher Education Students Early Statistics (HESES) survey (HEFCW circular [W20/37HE](#)).
- 9 In addition, the auditor should familiarise themselves with coding manuals and guidance relating to Higher Education Statistics Agency (HESA) student (including student destinations and offshore enrolments), staff, Unistats, finance, and estates management data and the HEBCI survey (available on the HESA website: www.hesa.ac.uk).

- 10 Auditors should also familiarise themselves with information relating to data returned on the most recent fee and access plans (FAP). Circular [W17/06HE](#) outlines the FAP process in more detail. Data and preparatory work for the latest approved fee and access plans (2021/22) are included in the scope of the audit with further detail available in circular [W20/07HE](#).
- 11 The most recent guidance on fee and access plan monitoring (for 2018/19, the latest year to be monitored) is contained in HEFCW circular [W19/42HE](#). Note that data and the work carried out by the HEP in preparing the fee and access plan monitoring return are included in the scope of this audit in addition to that of the internal audit. The guidance document for internal auditors (HEFCW circular [W20/03HE](#)) should also be referred to for extra information on fee and access plans and monitoring.
- 12 Information relating to the PGT Master's bursaries schemes for 2019/20 can be found in circulars [W19/27HE](#) and [W19/29HE](#). Verified data used in monitoring are taken from the 2019/20 HESA student record.
- 13 Guidance on HEFCW's part-time undergraduate fee waiver scheme with information on the criteria students need to meet in order to be eligible for a fee waiver under the scheme for 2019/20 can be found in HEFCW circular [W19/28HE](#).
- 14 Guidance on Reaching Wider strategies from 2018/19, including the information they should contain and the funding allocations, can be found in HEFCW circular [W18/14HE](#).
- 15 The fields and criteria used to extract data to be used in funding allocations, monitoring and analysis from HESA records are described in the Higher Education Data Requirements circulars 2018/19, 2019/20 and 2020/21 (HEFCW circulars [W18/20HE](#), [W19/26HE](#) and [W20/30HE](#)).
- 16 The auditor will make arrangements with HEPs in advance of their visits to ensure that the information they require will be available. The auditor should also request copies of the full-time and part-time prospectuses where appropriate.
- 17 Copies of verification reports confirming 2019/20 EYM student record data as extracted via the HESA Information Reporting Interface Service (IRIS) will be supplied by HEFCW to the auditor as will copies of the 2020/21 HESES data verifications as supplied directly by HEPs.
- 18 HESA data to be used in the per capita, premium, QR and PGR funding allocations, data used to monitor HEFCW's part-time fee waiver scheme, and data used for monitoring the 2019/20 PGT Master's bursaries allocations, including lists of student identifiers used in the calculations will be also be supplied along with data used in the allocation of Research Wales Innovation

Fund. Postcodes used in the access and retention premium are available on the HEFCW website – [postcode data](#).

- 19 Copies of the HEP's latest FAP and Annex B of the FAP monitoring statement, relevant data used in monitoring the Reaching Wider funding, and any relevant data sharing agreements will also be provided along with any other data included in the scope of the audit for the particular HEP being audited.
- 20 The auditor will request in advance of their visit, reports from the HEP's management information systems (MIS), together with any appropriate code translations, showing:
 - Courses for the 2019/20 and 2020/21 academic year. As a minimum this should include details such as:
 - number of registrations (see EYM and HESES Annex H) both within the provider and franchised out;
 - number of credit values (see EYM and HESES Annex I), for all provision except postgraduate research provision, both within the provider and franchised out;
 - course number;
 - course title;
 - Academic Subject Category (ASC) and Higher Education Classification of Subjects (HECoS) code (see EYM and HESES Annex E);
 - fundability status (see EYM and HESES Annex D, EYM Annex M and HESES Annex O);
 - mode of study (see EYM and HESES Annex F);
 - level of study (see EYM and HESES Annex G);
 - Students - giving details of payment of fees, changes in courses; start date and date of leaving; and examinations taken;
 - Details of students and modules included in the teaching funding allocations;
 - Postgraduate research enrolments for the 2019/20 academic year in Units of Assessment (UoAs) eligible for funding.
 - Data relating to the particular areas of interest for the HEP being audited, for example, details of courses for the 2019/20 academic year, to be used in any audit of Unistats data, course information for 2013/14 for enrolments to be included in 2021/22 QR funding, information about part-time undergraduate fee waivers given and information on partnership and franchise arrangements for the 2019/20 academic year.
- 21 The auditor will liaise with a senior member of the HEP management team to assist them in obtaining the documents they require. These will include enrolment forms and any other documentation necessary, for example, module choice forms, for the auditor to verify the details of individual enrolments. Other documents might include a copy of the audited accounts for 2019/20 to allow cross checking of income data used in the National Measures or HEBCI return.

- 22 HEPs should provide the auditor with the latest internal and external audit reports and any follow up correspondence. The auditor will be expected to follow up on any recommendations made in those reports, provide commentary on any action that has taken place and make further recommendations where appropriate.
- 23 External audit staff should ensure that they are sufficiently familiar with HEFCW's data requirements and the data that are to be audited at the particular HEP being audited before they attend the provider to carry out audit work.

Review of systems and processes

- 24 The internal audit, required each year at all HEPs, will focus on the systems and processes used to collate data. Circular [W20/11HE: COVID-19 impact on higher education providers: funding, regulation and reporting implications](#), confirmed that our internal audit requirements have been adjusted to reduce burden on Welsh HE providers during the Covid-19 pandemic. Providers are only required to submit a single internal audit report relating to HE data systems and processes covering the period June 2019 to June 2021. If a Welsh HE provider has already submitted an internal data audit report during 2020, they are not required to submit another report during 2021.
- 25 Depending on the period being examined by a provider, the systems and processes examined during the internal audit may therefore be covered in circular [W21/02HE](#) or in the preceding one [W20/03HE](#).
- 26 In assessing the systems and processes used, the auditor will also take account of any reviews carried out at the HEP in addition to the internal audit.
- 27 In reviewing the systems and processes, and in following up on recommendations from previous reports, it may be necessary for the auditor to repeat some of the work carried out by the internal auditors.
- 28 In the case of audit of a HEP formed by a merger of providers, auditors will assess what the impact of the merger has been on the provider and what the HEP's future plans are for integration or otherwise of the systems. For example, is there a plan to integrate the systems, what is the timetable for the process and how will data quality be ensured in the interim? If systems have recently been integrated after a merger, auditor's will assess what processes were in place to ensure quality was maintained during and after the integration process.

Records testing

- 29 The paragraphs below describe the data to be audited. The auditor will report to HEFCW on their quality, accuracy and reliability. In taking samples to be tested, auditors may, where possible, select samples that cover more than one

category of data being audited. For example, a student selected that is studying through the medium of Welsh may be included in the testing for the Welsh medium premium and a HEP defined FAP target or in FAP monitoring.

Data used in teaching funding allocations

- 30 Funding allocated for part-time undergraduate provision through the credit based teaching funding method for 2021/22 is based on 2020/21 HESES credit value data and is included in the scope of this audit. HEFCW circular [W20/37HE](#) describes the 2020/21 HESES survey. The funding allocations for 2021/22 can be found in HEFCW circular [W21/15HE](#).
- 31 Adjustments to credit based teaching funding for part-time undergraduate provision are normally calculated using EYM data extracted during the HESA IRIS process. The latest data extraction for 2019/20 is described in circular [W20/25HE](#). As this is an exceptional year due to the pandemic, HEFCW is not applying adjustments to 2018/19 or 2019/20 funding, though the calculations will still be carried out and 2019/20 data and funding year will be included in the scope for audit.
- 32 The latest HESA data available is for 2019/20 and is used in the majority of funding allocations for 2021/22. In 2021/22, teaching funding comprised:
- Per capita funding for full-time and part-time taught provision;
 - Expensive subject premium funding for full-time undergraduate provision;
 - Higher cost subjects premium funding 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.
- 33 The audit will include checks on the following data used in funding (included in the core set of data to be audited):
- a) 2020/21 HESES fundable part-time undergraduate credit values, after withdrawal:
- part-time undergraduate and franchised out provision (HESES Table 4, column 4 and column 5).

Note that data in columns 1 to 3 of HESES table 4 are not directly used in funding. However, column 4 is the sum of columns 1 and 2 minus column 3 and therefore confirming figures in column 4 will also require some testing on columns 1 to 3. Column 5 is a subset of column 4.

- b) 2019/20 EYM fundable part-time undergraduate credit values, after withdrawal:
- part-time undergraduate and franchised out provision (EYM Table 1c, column 4 and columns 5a and 5b);

Adjustments to the 2019/20 teaching funding are made using the data from columns 4, 5a and 5b) of this table. Note that data in columns 1 to 3 of EYM Table 1c are not directly used in funding. However, column 4 is the sum of columns 1 and 2 minus column 3 and therefore confirming figures in column 4 will also require some testing on columns 1 to 3. Columns 5a and 5b are subsets of column 4.

- c) 2019/20 EYM fundable full-time undergraduate credit values, after withdrawal, taken from EYM Tables 1a and 1b, column 4, used in the allocation of the higher cost subjects premium.
- d) 2019/20 HESA data that will determine the per capita and premium funding allocations for 2021/22. The criteria are detailed at Annex B.
- 34 Enrolments returned for undergraduate, postgraduate taught and postgraduate research provision in EYM Tables 3 and 4 and HESES Tables 1 and 3, and credit value data in EYM Tables 1a, 1b and 1c not described in paragraph 33 above, are not used in any calculation of or monitoring of funding. However, the 2019/20 EYM extraction is used in determining the overall end year picture for 2019/20 and the 2020/21 HESES data is used for early year student numbers and so data relating to all modes and levels of study can potentially be included in the scope of the audit of EYM and HESES data.
- 35 2020/21 HESES fundable full-time ITE enrolments leading to QTS registered between 1 August 2020 and 1 November 2020 (HESES Table 2a), is not used in the allocation of HEFCW funding. It is provided to the Welsh Government and the Education Workforce Council to monitor recruitment against intake targets and in the analysis and future planning of ITE (QTS) provision so is also in the scope of this audit.
- 36 The auditor will test the entries in the verified HESES data supplied by providers, as specified in paragraph 33a by comparing to courses and enrolment reports (see paragraph 20 above) and other working papers.
- 37 The auditor will test the entries in the verified EYM data taken from the HESA student record, as specified in paragraphs 33b and c by comparing to courses and enrolment reports (see paragraph 20 above) and other working papers.
- 38 The auditor will review a selection of any manual adjustments made to the extracted EYM data to ensure that they are reasonable and follow up any discrepancies as appropriate. It is essential that HEPs are able to present to the auditor a verifiable trail from the adjustments made to the EYM data as extracted from the HESA student record and downloaded from the IRIS system

and signed and returned to HEFCW, to the report of courses and enrolments/credit values referred to in paragraph 20 above, or to similar reports.

- 39 There are some areas where estimates have to be made in the extraction of EYM data from the HESA student record. These have been built into the IRIS algorithm by HEFCW, to be applied where actual data were not known when HEPs returned HESA data, for example, completion rates for those registrations with a year of programme finishing after the reporting year. In these cases, it is not expected that the EYM extraction will be a wholly accurate picture of the end of year position. These areas are:
- Modules spanning two academic years. It will not be known at the time of the HESA return whether such modules have been completed by students, therefore, the number of completed credits for such modules will be an estimate.
 - Examination board reports not yet available. If examination board reports are not available at the HESA return date, then HEPs may not be able to determine the completion status of modules for return on the HESA record.
- 40 In these cases, the auditor will determine if any estimates included in the extraction are a reasonable reflection of the actual picture for 2019/20. The method used to determine the number of completions in the data extracted from HESA is documented in an algorithm which will be made available to auditors. The method uses completion rates for similar modules and applies these to modules with an unknown completion rate. It is not expected that estimated data will match exactly with actual figures recorded by the HEP and the auditor is not expected to test whether the EYM data match the actual data, rather that the outcomes are a reasonable reflection of completed provision at the HEP.
- 41 Auditors should also note that estimates made in preparation of the HESES return can be made using methods suggested in circular [W20/37HE](#) Annex A paragraph 20, or if appropriate, using the HEPs own methods. Where estimates have been made, the auditor should review the methods used to calculate them, confirm that they are properly documented, reasonable, consistently applied and tested for reliability.
- 42 By reference to completed student enrolment or registration forms, the auditor will select a sample of enrolments and check that their details have been processed correctly, that they have been allocated to the correct course and mode of study, and that they are correctly included in the reports from the HEP's Management Information System (MIS). Where the auditor has confirmed that effective controls are present, the extent of this testing may be reduced.
- 43 In particular, where a HEP has medicine and dentistry provision, auditors should check on a sample basis whether medicine and dentistry provision has been accurately coded, for example, the coding of provision into clinical or non-clinical provision.

- 44 The auditor will select a sample of records from the HEP's MIS reports and perform substantive tests to check the accuracy of course, mode of study and other classifications back to appropriate source documentation (e.g. enrolment and module choice forms). Appropriate sample sizes depend on the size of the provider, the evaluation of the control environment and the associated compliance or transactions testing, but the exact number is left to the judgement of the auditor.
- 45 The auditor will discuss the interpretation of HEFCW's definitions with HEP management to ascertain their application of these definitions when returning student data to HESA and the auditor will structure their samples to ensure that they are able to test whether HEFCW's definitions have been correctly applied by the HEP.
- 46 When HEPs enter into a franchise arrangement with another provider, generally an FE college, there is a risk that students will be reported as enrolments by both providers. The auditor will obtain details of any franchising arrangements and ensure that students are recorded in accordance with the guidelines set out in circular [W20/25HE](#) or [W20/37HE](#), in the "Franchises" section of Annex C. This includes determining that, where provision is returned as HEFCW fundable, the provider that the course is franchised to is within Wales, or if outside Wales, that the franchisor provider has had permission from HEFCW to include each course at that franchisee provider, and is able to produce evidence of HEFCW's agreement.
- 47 Where a HEP has distance learning students, the auditor will confirm that they are not actually part of a franchise arrangement. Distance learning students are those that are registered as students of the reporting provider, where staff employed by the reporting provider are responsible for providing all teaching or supervision, but who are located away from the reporting provider and are not part of a franchising or other collaborative arrangement with another provider or organisation. In addition, the auditor will determine if the fundability status of distance learning students has been assessed by the HEP and is correct. See the "Distance learning" section of circular [W20/25HE](#) or [W20/37HE](#) Annex C.
- 48 The auditor should note that all ITE (QTS) data is shown in the tables of the HEP delivering the provision.
- 49 The auditor will check that data to be included in the calculation of per capita and premium funding (based on 2019/20 HESA data) are consistent with enrolment records for that year and do not contain errors; and therefore meet HEFCW criteria for inclusion in funding allocations. Details of criteria for inclusion are given in Annex C.
- 50 A sample of records for students meeting the eligibility criteria for the access and retention premium (drawn from 2019/20 HESA data) will be checked against registration forms to ensure that postcodes have been correctly transcribed

- 51 Audits for previous years have highlighted some problems in the audit of data extracted from the HESA records. For such data, the auditor will not be verifying whether HEFCW have extracted data correctly. Instead, they will be verifying that students included as eligible in the calculations have been correctly returned on the records and therefore fit the criteria to be included. In addition, for data used in the calculation of the Welsh medium premium, the auditor will not be judging whether 2 credits or more of a module are delivered through the medium of Welsh, rather that the criteria used by HEPs in calculating the percentage of a module delivered through the medium of Welsh is properly documented and was correctly applied.

Data used in QR and PGR Funding allocations

- 52 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). The 2021/22 method replicates the method used for previous years and 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.
- 53 The audit will include checks on 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](#). Note that 2013/14 HESA data was used to allocate the 2015/16 QR funding, which was subsequently fixed for all years from 2015/16 to 2021/22.
- 54 PGR training funding is allocated to eligible, fundable enrolments in UoAs which qualify for QR funding in 2021/22. The auditor will check that data to be included in the calculation of the PGR training funding, based on 2019/20 HESA data, are consistent with enrolment records for that year and do not contain errors, and therefore meet HEFCW criteria for inclusion in funding allocations. Details of criteria for inclusion are given in Annex C of these guidance notes and in Annex C of the Data requirements circular 2020/21 ([W20/30HE](#)).
- 55 Data used in QR funding, where the data have not been audited since the calculation of the 2015/16 funding, and PGR funding calculations are included in the core set of data for audit.

Data used in Research Wales Innovation Fund

- 56 The Research Wales Innovation Fund (RWIF) allocations for 2021/22 are outlined in HEFCW circular [W21/24HE](#) and are calculated based on a funding model that uses three years worth of data taken from the HESA HEBCI, Staff, Student and Finance records:

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.

- 57 The audit will include checks on 2017/18, 2018/19 and 2019/20 data used in the RWIF funding method for 2021/22. The auditor will check that data verified by the HEI are consistent with records held for that year and do not contain errors.

Data used in monitoring and analysis

HEFCW's part-time fee waiver scheme

- 58 HEFCW's part-time undergraduate fee waiver scheme offers grants to HEPs that waive fees for eligible part-time students who are unemployed and registered jobseekers or are in receipt of Department for Work and Pensions (DWP) benefits. Funding is initially paid on the basis of claims made by HEPs, but amounts are verified and adjusted as necessary once HESA data are available the following year.
- 59 Data used to monitor the actual value of part-time fee waivers claimed by HEPs under the HEFCW scheme are extracted from the HESA student record via the IRIS system. Data extracted via the IRIS system has been signed off by HEPs to confirm the data are correct. The process for last year can be found in

[W19/28HE](#), with further details of the extraction method used for 2019/20 data in Annex H of circular [W20/30HE](#).

- 60 The auditor will check that data on enrolments and fees waived as eligible under the scheme are consistent with records held by the HEP for that year and do not contain errors.
- 61 The auditor will also review any manual adjustments made to the extracted data to ensure that they are reasonable and follow up any discrepancies as appropriate. It is essential that HEPs are able to present to the auditor a verifiable trail from the adjustments made to the part-time fee waiver enrolment figures and amount of fee waived as extracted from the HESA student record, and downloaded from the IRIS system and signed and returned to HEFCW, to those records held by the HEP.

Postgraduate Taught (PGT) Master's bursaries schemes

- 62 Funding for PGT Master's bursaries was allocated for 2019/20 for two schemes: STEM and Welsh medium; and students aged 60 or over. Funding was announced in circulars [W19/27HE](#) and [W19/29HE](#).
- 63 Funding was allocated on the basis of home and EU completed PGT Master's entrants in 2019/20 in each of the three categories. Monitoring has been carried out using actual recruitment in 2019/20 taken from the HESA student record via IRIS. Providers have signed off the numbers in the monitoring report to confirm the data have been correctly extracted and reflect the recruited number of eligible students. Details of the data extracted can be found in Annexes L and M of [W20/30HE](#).
- 64 The auditor will check that data extracted as eligible under the scheme are consistent with the records held by the HEP that year and do not contain errors. The auditor will also review any manual adjustments made to the extracted data to ensure they are reasonable and follow up any discrepancies as appropriate. It is essential that HEPs are able to present to the auditor a verifiable trail from the adjustments made to the recruitment data as extracted from the HESA student record, and downloaded from the IRIS system and signed and returned to HEFCW, to those records held by the HEP.

National Measures

- 65 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 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.
- 66 A subset of the National Measures are included in the scope of the audit for FEIs and the Open University:
- Widening Access;
 - Participation;
 - Retention;
 - Part-time;
 - Welsh medium.
- 67 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](#).
- 68 The fields and criteria used to extract the data used in monitoring these National Measures are detailed in the 2020/21 Higher Education Data Requirements circular (HEFCW circular [W20/30HE](#)).
- 69 Further detail on the specific National Measures applicable to the individual HEP's scope will be supplied to the auditor directly.
- 70 For the National Measures using student related data to include data extracted from the HESA Aggregate Offshore Record (AOR), auditors will be expected to select a sample of students included in the calculation of the measures and check that information relating to the calculation of the measure has been accurately returned on the appropriate record.
- 71 For data relating to income of HEPs, auditors are expected to check a sample of data for consistency with the HEP's audited accounts. For the National Measures which use data from the HE-BCI survey, auditors are expected to take a sample of data returned on the HE-BCI survey and check to ensure they satisfy the criteria to be included in the return.

Unistats

- 72 Unistats data are returned by HEIs, and FEIs to HESA, and contain information about courses. The latest Unistats collection is for 2020/21, and this will be the

year audited if the Unistats dataset is included in the audit. Included in the scope of an audit of Unistats data are course related data and fee levels data.

- 73 Auditors will be expected to select a sample of courses, check if eligible courses have been returned on the Unistats data collection and that data for those courses are accurate, or, where data have had to be estimated, that estimates are made on a reasonable basis.

Welsh Medium provision

- 74 Data relating to Welsh medium provision are provided to Coleg Cymraeg Cenedlaethol for them to use in their analysis of Welsh medium provision at HEPs in Wales. The data provided are detailed in data sharing agreement between HEFCW and the Coleg and are also described in Annex E of the Data Requirements Circular 2020/21 ([W20/30HE](#)). In an audit of these data, auditors are expected to determine on a sample basis that the data extracted from HESA are an accurate reflection of the Welsh medium provision provided by the HEP..

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

- 75 The process for submitting the fee and access plans to HEFCW changed for the 2017/18 submission onwards. HEPs are no longer required to include estimates of their contribution to the HEFCW [corporate strategy targets](#) (CST), instead HEPs set their own targets which may or may not be based on the HEFCW corporate strategy targets (up to 2020/21 FAPs) or National Measures (for 2021/22 FAPs onwards). Paragraphs 108 to 121 and 202 to 213 in the 2021/22 Fee and access plan guidance (circular [W20/07HE](#)) outline how a provider should set their targets, strengthening expectations about the targets they should use. The auditors should determine if the targets have been derived from auditable sources of data, that methods have been agreed and documented with appropriate governance arrangements for approval, and that a clear audit trail has been maintained in the setting of the targets and to support subsequent monitoring.
- 76 Also returned on the fee and access plans and included in the scope of any audit of fee and access plan data are estimates of average fee levels, fee income expected, fee income investment and numbers of students by fee level. Auditors should check that these estimates are made on a reasonable basis and that they are consistent with other forecasts of income and student numbers made by the HEP. For the fee and access plan targets, auditors should also ensure that there are plans in place to enable the HEP to measure whether the targets have been met and to calculate the actual figures at the year end. Targets for the latest FAPs have not been approved or published yet, due to COVID19, and so whilst the plans for measuring whether targets have been met and for calculating actual figures at year end are in the scope, the targets themselves are not. More information can be found in HEFCW circular [W20/07HE](#), Fee and access plan guidance 2021/22.

- 77 Also under the scope of the audit are data returned in the fee and access plan monitoring return. In the return, HEPs are required to report on outcomes against their fee and access plan targets and actual fee income, along with fee income investment associated with a) equality of opportunity and b) promotion of higher education and areas of student financial support (eg fee waivers, bursaries etc) for the academic year that the fee plan relates to. For 2016/17 and previous years, HEPs included both data relating to the Corporate Strategy targets (CST) and any individual targets. From 2017/18 onwards targets are set by the HEP though can be based on the CST if a HEP chooses. Recently we have included stronger expectations that providers align targets to the National Measures (NM). However, the 2018/19 and 2019/20 plans did not include this expectation.
- 78 Background information on and derivation of both the CST and NM can be found in HEFCW circular Higher Education Data Requirements for 2018/19, 2019/20 and 2020/21 (HEFCW circulars [W18/20HE](#), [W19/26HE](#) and [W20/30HE](#)).
- 79 In looking at the preparation of data for the monitoring returns, auditors will be expected to check that, where required, outcomes have been calculated for targets set in the fee plans, whether part of the CST , NM otherwise, that these figures are accurate, based on the description of the target provided by the HEP or the CST or NM description, and that the reporting or intended reporting of whether a target has been met or not met is accurate.

Reaching Wider strategy deliverables and funding

- 80 HEFCW circular Reaching Wider Strategies 2018/19 to 2020/21: Guidance ([W18/14HE](#)) includes an indication of the information that the partnership strategies should contain, and the funding method used to calculate allocations for the Reaching Wider Programme. Paragraphs 40 to 49 of the guidance outline the funding and monitoring processes. If included in the individual provider's scope, specific elements of the monitoring statements will be provided to auditors depending on the provider's role in the partnership, either as a lead or partner. This could include a check that the methods used to set the SMART deliverable outcomes in the strategies have been appropriately agreed and documented; that a clear audit trail has been maintained to support subsequent monitoring; that an audit trail has been maintained in compiling information to provide to the lead partner; and that funding of deliverables and any reported underspend is accurately returned to either the lead partner, or to HEFCW, as part of the monitoring reports.
- 81 The Reaching Wider Strategy period, which was due to end on 31 July 2021, was extended for one further year, to 31 July 2022.

Other data used in funding

- 82 Other data used in funding may also be subject to audit, however the audit of systems and processes via the internal audit, and checks used in other funding

streams is sufficient to also provide assurance for the funding streams listed below.

83 Recently introduced funding streams allocated include:

- Global Challenges Research Fund 2020/21 ([W20/16HE](#));
- Higher Education Research Capital (HERC) Funding 2020/21 ([W20/40HE](#));
- Well-being and health: well-being and health implementation plan funding 2020/21 ([W20/35HE](#));
- Well-being and health: improving safeguarding policies and practices and promoting personal dignity in HE ([W20/08HE](#));
- 2020 Graduate Support Fund ([W20/34HE](#));
- COVID-19 additional financial support for HE ([W20/32HE](#)) and further financial support ([W21/04HE](#)).
- Additional Capital Funding 2020-21 ([W21/09HE](#))
- Capital Funding 2021-22 ([W21/13HE](#))
- Higher Education Research Capital (HERC) Funding 2021-22 ([W21/21HE](#))
- Well-being and health: well-being and health strategy funding 2021/22 ([W21/22HE](#))

Other data used in monitoring and analysis

84 Other data used in analysis may also be subject to audit. For example, data returned to the HEBCI survey which are not part of the National Measures or modelling of RWIF allocations, and other data returned to HESA that are not used for funding purposes or included in any of the above more specific descriptions. Any areas covered will be dependent on particular risks or areas of relevance for the particular year at the HEP being audited.

Annexes

85 The contents of the annexes are as follows:

- Annex A HEFCW recurrent funding
- Annex B Adherence to specified definitions – Summary of EYM/HESES guidance
- Annex C Eligibility criteria for HESA based data
- Annex D HESA data used in Research Wales Innovation Fund
- Annex E Eligibility criteria for data used in National Measures
- Annex F Recommendations from previous audits
- Annex G Error rate table

Reporting requirements

- 86 The independent report submitted to HEFCW, upon which HEFCW will draw assurance, will set out the work carried out and all matters identified with details of how they will be addressed. The report will contain a clear expression of opinion, based on review and assessment of the conclusions drawn from evidence obtained during the course of the audit.
- 87 Details of sample sizes taken must be recorded in an error rate table included in the report. Where significant errors are detected within a sample, evidence should be provided and reported to indicate that the sample has been extended. The number of errors and the size of the extended sample taken should be recorded in the error rate table. An example is shown in Annex G.
- 88 The report will include:
- An introductory paragraph identifying the data that were audited;
 - A statement that the audit has been carried out in accordance with these notes for guidance specifying any additional work that the auditors have considered necessary;
 - An error rate table detailing any samples taken and errors found for quantitative checks;
 - The auditor's opinion on the data returns included in the audit;
 - A follow up of any recommendations from previous internal or external audit reports;
 - Recommendations arising from the audit including agreed timescales for implementation and any response to the recommendations.
- 89 A separate narrative report submitted to HEFCW will consist of a review of the progress of implementing internal audit recommendations within the HEP, a review of systems in place for compiling FAP and FAP monitoring reports, and any other commentary relating to HEP specific items that have been highlighted by HEFCW to be included in the scope that may or may not be included in the assurance report.
- 90 The narrative report will include:
- An introductory paragraph identifying the data that were audited;
 - A description of checks carried out as part of the qualitative aspects of the audit and any observations or recommendations that follow;
 - Any examples of good practice within the provider that can be shared with the whole sector.
- 91 The opinion must clearly indicate whether the HEP's data returns have been prepared in accordance with HEFCW guidance, and whether any data extracted from HESA records that are used in the calculation of funding allocations meet the eligibility criteria to be included.

- 92 Where the findings indicate that significant errors exist in the audited data the auditor will issue an adverse opinion and provide an explanatory paragraph setting out the nature of the errors and the expected impact on the data. Where required amendments to the data are simple and have been agreed with the HEP, the amendments will be made to any summary tables of data in red ink. The audit report will then include 'subject to the amendments in red'.
- 93 Where significant weaknesses in systems or controls are identified, even if returns are found to be substantially correct, these will be brought to the attention of the HEP in the form of a management letter. A copy of this letter will be forwarded to HEFCW with the auditor's report. Where the auditor's recommendations and the HEP's reply comprise separate documents, both will be provided to HEFCW.
- 94 Auditors will seek to agree all amendments and findings with the HEP as the basis for corrective action, prior to reporting to HEFCW. Where uncertainties or disagreements exist, the reasons for concern and any disputed matters will be set out in the auditor's report or management letter as appropriate.
- 95 Copies of the final reports will be sent to the governing body of the HEP concerned, and also to officers at the HEP involved in the audit, at the same time that it is submitted to HEFCW.
- 96 The finalised auditor's reports and any associated correspondence will be returned to HEFCW no later than **31 March 2022**, emailed to hestats@hefcw.ac.uk.
- 97 HEFCW's Audit Service may inspect the papers relating to the external audits during their routine audit of HEPs

Further information

- 98 The audit process for the first set of audits to be carried out during 2021/22 will follow the timetable below:

| | |
|----------------|---|
| September 2021 | Planning meeting between HEFCW and external auditors to discuss scope and reporting requirements of first set of audits. |
| September 2021 | Verified data to be used in 2021/22 funding allocations and verified 2019/20 EYM data extracted from the HESA student record plus other data included in the scope of the audit for the particular HEPs being audited sent to auditors. |
| September 2021 | First set of audits of providers. |

- | | |
|---------------|---|
| January 2022 | Interim meeting between HEFCW and external auditors on progress to date. |
| March 2022 | Meeting between HEFCW and external auditors to discuss final audit reports. |
| 31 March 2022 | Audit reports return deadline. |
- 99 A further set of guidance notes will be issued in October 2021 to set out scope and timescales for the second set of audits to be carried out in 2021/22.
- 100 Further guidance and information is available from Rachael Clifford (029 2085 9721) or Hannah Falvey (029 2085 9721), or by emailing hestats@hefcw.ac.uk.

HEFCW recurrent funding

Funding for Teaching

1. The HEFCW credit based funding methodology for 2021/22 (the latest year of allocation) is based on a standard Unit of Funding (UoF) for each subject area and is allocated with respect to part-time undergraduate provision only. The credit-based funding for teaching is allocated by means of a formula. Associated funded credit values are based on the number of fundable credit values after adjustment for non-completions and the number of funded credit values, for the previous year. Funded numbers in each HEP are maximised by making adjustments as far as possible in line with the pattern of the current year's enrolment.
2. In order to calculate UoFs, the UoFs for the previous year are, where appropriate, adjusted by an efficiency gain and increased by GDP.
3. 2020/21 HESES data as verified by HEPs are included in the scope of the audit and will be used to calculate the credit based funding described in paragraphs 1 and 2, for 2021/22.
4. 2019/20 EYM data extracted from the HESA student record are included in the scope of the audit and will be used to calculate any adjustment to the credit based funding described in paragraphs 1 and 2, for 2019/20.
5. In 2021/22, HEFCW made two other types of payments: per capita and premium. Both are based on the numbers of enrolments or credits achieved in 2019/20. Details of the criteria for inclusion are given in Annex C.
6. Per capita payments recognise the fixed costs attached to all students, those of enrolment, records etc. and are allocated as a fixed amount of money per eligible student, subject to a minimum study requirement of 10 credit values. Per capita payments are made in respect of full-time and part-time undergraduate and postgraduate taught provision.
7. Premium payments operate in four areas: access and retention, disability, Welsh medium, expensive subjects provision and higher cost subjects provision.
8. The access and retention premium is an amount per part-time undergraduate enrolment for students from low participation areas, plus an amount per undergraduate enrolment for students from Communities First areas that are equivalent to the 52 Communities First cluster areas identified by WG in 2012, subject to a minimum 10 credit value study requirement. The amount per enrolment depends 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.

9. 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 all modes and levels of study.
10. 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 part-time undergraduate provision only.
11. The expensive subjects premium is an amount per completed credit allocated with respect to full-time undergraduate modules in clinical medicine, clinical dentistry; and performance element provision at Royal Welsh College of Music and Drama.
12. The higher cost subjects premium is an amount per completed credit allocated with respect to full-time undergraduate modules in non-clinical medicine and dentistry, science & engineering and technology and mathematical sciences, IT and computing. For the higher cost subjects premium, credit value data are taken from the EYM extraction.

Funding for Postgraduate Research Training

13. 2021/22 PGR training funding was calculated using the HEP's confirmed postgraduate research enrolment figures from 2019/20. Funding to HEPs is 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

14. 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 2021/22 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 between 2015/16 to 2019/20.
15. 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](#).

Adherence to Specified Definitions – Summary of EYM/HESES Guidance

- 1 End of year monitoring (EYM) data are extracted from the HESA student and module records via the HESA Information Reporting Interface Service (IRIS) tool. The criteria used to extract end of year data from the HESA student record is contained in the 2019/20 EYM circular, HEFCW [W20/25HE](#).
- 2 Higher Education Students Early Statistics (HESES) data are collected directly from and verified by HEPs. The criteria used in returning HESES data is contained in the 2020/21 HESES circular HEFCW [W20/37HE](#).
- 3 Below is a summary of the guidance for the various categories which are the same across both the EYM and HESES surveys. The summary is intended as an aid to understanding the EYM and HESES definitions and should be used in conjunction with the publication.
- 4 EYM/HESES data relate to the whole of the academic year, 1 August to 31 July. However, some element of estimation is used in both sets of data. In the EYM extraction as whole year data are not always available by the return date to HESA, for example, where examination results are not finalised by exam boards, or resit examinations have not yet taken place. In these situations, there may legitimately be small discrepancies between the actual number of completed enrolments/credit values at the HEP for 2019/20 and those extracted from the HESA student record. HESES data also includes estimates as the survey is carried out in-year, so the number of credit values not completed will have to be estimated.

Recognised HE qualifications

- 5 Recognised HE qualifications include any postgraduate or undergraduate degree, including foundation degrees, accredited HE diploma or HE certificate, including HND and HNC. Other professional or vocational qualifications are included provided they are generally recognised as HE qualifications. Courses, modules or units which enable credit to be obtained towards recognised HE qualifications also fall within the definition.

Fundability Status

- 6 Students eligible for mainstream funding are those that are home or EU domiciled, or who are otherwise entitled to pay home fees, and whose places are not considered ineligible for funding. A place would be considered ineligible for funding if it was being funded from another public source, it was on a full cost or self-financing course, it was based outside Wales and the student was not Welsh domiciled or it was part of a franchise outside of Wales. See EYM/HESES Annex D for full coverage and EYM Annex M and HESES Annex O for a fundability grid.

ASCs

- 7 Enrolments/credit values are assigned to an ASC (after apportionment if necessary for combined and modular courses) using HECoS subject codes, in accordance with the rules set out in EYM/HESES Annex E. Undergraduate and postgraduate taught credit values are assigned according to the subject of the course, module or unit and **not** the subject of the overall qualification aim.

Mode of Study

- 8 There are three modes of study, full-time, sandwich year out and part-time. Students are full-time if they are normally required to attend for periods of a minimum of 24 weeks and a whole full-time fee is chargeable for the current year of programme of study. An exception to this is if they attend for less than 24 weeks but are in the final year of a full-time course and have not changed mode of study.
- 9 Students are sandwich year out if their course falls within the definition of sandwich provided in Part 1 6(1) of The Education (Student Support) (Wales) Regulations 2018 (SI 2018 No. 191) or they are full-time on a study or placement year abroad.
- 10 Part-time students are those who do not fit the criteria to be either full-time or sandwich year out. Continuing education students are included as part-time. See EYM/HESES Annex F for fuller definitions of each mode of study.

Level of Study

- 11 Students are categorised as undergraduate or postgraduate. Undergraduate is further split into undergraduate degree and undergraduate non-degree. Undergraduate degree includes students aiming for a first degree. Undergraduate non-degree includes those students aiming for undergraduate level qualifications other than a first degree, including foundation degrees. Postgraduate is split into postgraduate taught and postgraduate research. Postgraduate taught students are those attending courses which are mainly taught, postgraduate research students are those attending courses which are mainly through research. See EYM/HESES Annex G.
- 12 Credit values are allocated to the level of study of the overall qualification aim of the student.

Enrolments

- 13 Students must be registered, aiming to obtain a recognised HE qualification and studying at least 3 per cent of an FTE to be included in the EYM extraction or returned through HESES. A registration is considered as a binding undertaking to pay a fee to a HEP (unless the fee has been waived). Students are counted once only for each period of up to 12 months of study. See EYM/HESES Annex H.

- 14 Where students repeat a full year on a full-time basis, and have not progressed to the next year of study, they will be counted as a full-time student. Where a student repeats a year or part of a year on a part-time basis, and there has been no progression to the next year of the course, the student will be counted as a part-time student. In both cases, the total length of their course will increase by one year.
- 15 Non-completions occur where students do not complete their studies due to withdrawal, dropout or failure to complete the course or take part in the required assessment procedures. Students who take examinations at the end of the course or year of study and fail them are deemed to be completed and will not be included as non-completions. See EYM/HESES Annex H, paragraphs 8 to 12.
- 16 Students who do not take part in all or some of the required assessment procedures for the year of study, can complete by being assessed after the end of the academic year in order to enable them to progress to the next year or graduate. However, information about the completion status of these students may not be known at the return date of the HESA student record. Therefore, in such cases an estimate of completion status will be made. This is explained in more detail in EYM Annex H, paragraphs 13 and 14 and HESES Annex H paragraph 12 and 13.
- 17 Non-completions are excluded from Tables 3 and 4 of the EYM return and Tables 1 and 3 of the HESES return. Where full-time or sandwich year out students are counted as partial completions they are included in the calculation of the number of completions as 0.5. Partial completions are defined in EYM Annex H paragraph 15 and 16 and HESES Annex H paragraph 14 and 15.

Credit Values

- 18 Credit values associated with modules, units or courses relating to registrations that are eligible to be counted and are home and EU fundable are extracted. All credit values associated with each module/unit are assigned to the year in which the module/unit started. In this way each credit value is only counted once even if the module/unit spans two academic years. Each credit value is ascribed to the ASC of the subject taught in the module or unit. The level of study is that of the qualification aim of the student. Only modules essential for the award of the qualification are counted.
- 19 If a student's course is such that each year of study spans two academic years, and the student is in the final or only year of study, then, in the second academic year that the year of study spans, credit values may be counted where no registration is returned. For example, if a student starts a one year course in May 2019 and starts one module before 31 July 2019 and two modules after 31 July 2019, the student will be counted as a registration on EYM/HESES 2018/19, together with the credit values relating to the module started in the 2018/19 academic year. No registration will be counted on EYM/HESES 2019/20, but credit values relating to the two modules started in the 2019/20 academic year will be counted on EYM/HESES 2019/20.

- 20 Credit values associated with students repeating a full year on a full-time basis, where the student has not progressed to the next year of study, are counted. Similarly, credit values associated with students repeating a semester or part of the year on a part-time basis who have not progressed to the next year of study and are not taking any modules relating to the next year of study, are counted. However, credit values associated with repeat modules where the student has progressed to the next year of study are counted, unless the credit values associated with the module were counted as not completed in the previous year. In such cases, where credit values associated with a repeat module are counted, the maximum number of credit values over the whole course should not exceed those listed in EYM Annex I, paragraph 8 / HESES Annex I, paragraph 11, and in EYM/HESES Annex F, paragraph 3.
- 21 Credit values are considered not completed if the student does not complete all assessment procedures associated with the module, unit or course. See EYM Annex I paragraphs 18 to 21 and HESES Annex I paragraphs 12 to 15.
- 22 Non-completed credit values are excluded from column 4 of Tables 1a to 1c and column 5 of Table 1c of the return. Credit values associated with full-time courses may be counted as partial completions, as defined in EYM Annex I paragraph 22.

Franchised Students

- 23 A franchise is where an HE course is taught at a centre (the franchisee) which is not directly in receipt of HEFCW funding for that course and for which quality assurance is provided by a different Welsh HEI (the franchisor). Data are returned by the franchisor only. Credit values for students franchised to HEPs outside Wales can only be counted if the HEFCW has agreed to their inclusion. Undergraduate franchised out students are collected in a separate category on EYM Tables 3 and 4 and HESES Table 1 and credit values associated with home and EU fundable franchised out students are included in columns 5a and 5b of EYM Table 1c and column 5 of HESES Table 4. See EYM Annex C, paragraphs 14 to 22 and HESES Annex C 18 to 25.

Tables

- 24 The EYM extraction consists of 8 tables in total. Tables 1a to 1c contain data relating to credit values, some of which are used for funding and adjustment to funding. The credit values contained on Tables 1a to 1c are associated with the home and EU fundable enrolments contained in Tables 3 and 4. Table 2 contains data relating to full-time ITE (QTS) enrolments by phase and subject specialism. Table 5 contains new entrants and continuing students (HEIW/NHS funded students excluded). Table 6 contains data relating to performance element provision at University of South Wales only.
- 25 Data included in the core set of data to be audited for EYM are contained in column 4 of Tables 1a to 1c, column 5a and 5b of Table 1c
- 26 The HESES survey consists of 6 tables in total. Table 1 contains all completed registrations for all modes and levels. The credit values contained on Table 4

are associated with the home and EU fundable enrolments contained in Tables 1 and are used in credit based funding. Table 2a, b and c (OU only) contains data relating to full-time ITE (QTS) new entrant enrolments by phase and subject specialism. Table 3 contains new entrants and continuing students (HEIW/NHS funded students excluded).

- 27 Data included in the core set of data to be audited for HESES are contained in column 4 and 5 of Table 4.
- 28 Data in other columns and on other tables from EYM/HESES are also potentially included in the scope of the audit.

Eligibility criteria for HESA based data (core data for audit)

- 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.

Per capita funding criteria for inclusion

- Studying at least 10 credit values.
- Studying at undergraduate or postgraduate taught level.
- Each student counted only once irrespective of the number of courses the student is studying.

Access and retention premium criteria for inclusion

- Postcode is in a low participation area and/or a Communities First area.
- Studying at least 10 credit values.
- Studying at part-time undergraduate level.
- Each student should be counted only once irrespective of the number of courses the student is studying.

Disability premium criteria for inclusion

- In receipt of DSA.
- Studying at least 10 credit values, or 8.3% FTE for postgraduate research students.
- Studying at full or part-time postgraduate or undergraduate level.
- Each student should be counted only once irrespective of the number of courses the student is studying.

Welsh medium premium criteria for inclusion

- Studying at part-time undergraduate level.
- Studying at least 2 credits of a module through the medium of Welsh.
- Not studying on a Welsh language or literature module.

Postgraduate research training funding criteria for inclusion

- Studying for 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.

Expensive subjects premium criteria for inclusion

- Full-time or sandwich mode of study.
- Undergraduate level of study.
- Each student 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, clinical dentistry, or is performance element provision at RWCMD.
- All years of study included.

Higher cost subjects premium criteria for inclusion

- Full-time or sandwich mode of study.
- Undergraduate level of study.
- Module is started in the academic year and returned as countable.
- Module is completed.
- Duplicate modules are excluded.
- Module is in non-clinical medicine, non-clinical dentistry, science & engineering and technology or mathematical sciences, IT and computing.
- All years of study included.
- Credit values are taken from the EYM extraction (Tables 1a and 1b)

Research Wales Innovation Fund (RWIF)

1. Data used in the RWIF allocations for HEIs are taken from various HESA datasets. The methodology for extracting the data described below is available in more detail in the data requirements circular [W20/30HE](#) Annex O. HESA students, staff, HEBCI data and income data at HEIs used in the extraction are:

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

1. 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).
2. 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 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
- 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

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.

Recommendations from previous audits

1. The following provides a summary of the recommendations made on the internal audit reports submitted to HEFCW in June 2020 and June 2019, along with recommendations from the external audits carried out in 2019/20. 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

- Procedures should be in place to cover the data returns process, including details of roles and responsibilities of the staff involved
- The accuracy of student data returns should be identified as a risk due to the potential impact of inaccurate returns. It should therefore be included on the risk register along with the measures taken to control it.
- 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

- Procedures should be in place to cover the compilation of the annual FAP including roles and responsibilities, sources of information and the process by which targets are set.
- 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).

Error Rate Table

- 1 Auditors should provide HEFCW with an error rate table, as in the example shown below, as part of the assurance report returned to HEFCW.

| Data tested | Sample Size | Extended sample size (if applicable) | Total sample size | Number of Errors | Error rate |
|---------------------|-------------|--------------------------------------|-------------------|------------------|------------------|
| | A | B | C = A + B | D | E = D / C |
| e.g. FT UG degree | 30 | 10 | 40 | 8 | 20% |
| e.g. PGR enrolments | 20 | 0 | 20 | 0 | 0% |
| | | | | | |
| | | | | | |