

	PAPER NO: AC.46(12)	
Board/Committee:	Audit Committee	
Date:	27 September 2012	
Paper title:	Progress of the HESA Improvement Project	
Author:	Andrew Fisher, Academic Registrar	
Executive sponsor:	Phil Cardew, Pro Vice Chancellor (Academic)	
Recommendation by the Executive:	The Committee is requested to note the report	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	Board	On: May 2012
Further approval required?	No	
Communications – who should be made aware of the decision?	N/A	

Executive summary

This paper provides an update on the progress of our project to improve the quality and timeliness of HESA Student reporting. It updates previous reports made to the Committee and to the Board.

Progress has been made, and a 2011/12 HESA Student file will be submitted very shortly after this paper was drafted. Resources, management and governance structures relating to the return have been substantially strengthened. Although not all the improvements targeted for the 2011/12 file are likely to be made (modularised data, in particular, have proven challenging), the broad goal of making a return of an acceptable standard has been achieved and we are on track to make a return in 2012/13 which will be more than adequate.

The Committee is requested to note the report.

Background

1. Following the completion of the 2010/11 HESA Student Record, HESA and HEFCE expressed concerns with the quality of the data submitted and their general fitness for regulatory requirements. We were required to resubmit the 10/11 data. We accordingly made reports to Audit Committee in November 2011 and February 2012 and to the full Board in May. More detailed versions of these reports were shared with HEFCE, and we have also provided less formal progress updates to HEFCE from time to time.
2. The timetable for improvement is broadly aligned with three critical returns:
 - a. The 2010/11 data had to be revised and returned afresh by 4 May 2012. This addressed the most critical weaknesses in the 10/11 data and allowed HEFCE to use them for funding and monitoring purposes. We completed this process behind our intended schedule, due to staff sickness, but met HEFCE's deadline of 4 May 2012;
 - b. The 2011/12 data must be returned to HESA in September 2012. The 11/12 data specification is very close to the 10/11 specification, but improved data quality will be expected, particularly in relation to qualifications on entry. We are broadly on schedule with this return although we do not now expect to achieve all the improvements planned for this year;
 - c. The 2012/13 data must be returned to HESA in September 2013. The 12/13 specification includes a number of new and challenging items relating especially to fees and funding, cost centre recoding, equalities data and qualifications on entry. The qualifications on entry requirements in particular will be tremendously challenging for metropolitan new universities such as LSBU, but we have made progress in improving our data capture at admissions and enrolment points.
3. The context is one in which regulators (especially HEFCE) are increasingly relying on precise individual student-level data to make determinations relating to funding, (for instance through the student number control) and returns are therefore increasingly subject to audit.
4. The potential financial consequences of errors in HESA Student data are very large. Whilst changes in HEFCE funding levels will reduce the potential impact of this risk in coming years, the concomitant changes to the funding methodology will very materially increase the likelihood of over- or underpayment because the contract range concept will be abandoned, meaning the materiality threshold for funding changes will be much lower than heretofore. This will therefore remain a very significant risk for the foreseeable future. With regard to the 2010/11 data, the

contract range was still in place, however we made a provision of £288,750 to account for over-recruitment of Home/EU Undergraduates subject to the student number control.

5. Appendix 1 gives the project timeline; Appendix 2 provides a summary of our most recent report to the HESA Project Board; Appendix 3 provides the current operational risk register.

Summary of action taken

6. A progress report on action taken was reported to Audit Committee in February 2012 and to the full Board in May, however progress since November 2011 is included here for convenience.

Additional resources for reporting.

7. The External Reporting team at LSBU historically consisted of two staff, one of whom took early retirement in February 2012, and the other of whom has recently returned from a long period of sick leave. This is insufficient resource, and an inadequate basis for sharing knowledge or managing risk.
8. Since November 2011, the VC has approved an additional three posts, and the External Reporting team has been reorganised so that it forms part of the larger Student Records team. The posts have been filled: a number of these colleagues have direct HESA experience and others have related experience in fields such as Further Education returns. We have also delivered additional training to some of our existing Student Records team members to enable them to use the HESA workbench and make a broader contribution to the returns work. The combination of additional resources and a more team-based approach means that we now have a substantially more robust service. This has been evidenced as the team has:
 - a. Made the Key Information Set (KIS) return, a new and complex requirement introduced in 2011/12;
 - b. Completed the Fixed Database return of 2010/11 data;
 - c. Reviewed and recoded our fixed curriculum data to comply more closely with HESA requirements;
 - d. Progressed the 2011/12 Return; and
 - e. Developed a new approach to our FE returns in collaboration with Westminster Kingsway College.

This has been achieved despite continuing staff sickness, demonstrating the considerably enhanced robustness of the team.

9. We have also developed a dedicated HESA environment within our student record system. This will provide a stable environment from which we can make the HESA Return and through which we can retain the audit trail after the return.

Integration of internal audit within the returns cycle

10. Internal Audit undertook an audit of HESES and HESA data in June and July 2012, between submission to the Fixed Database and the 2011/12 HESA Return. This will in future be a regular process, and will give Governors a much enhanced level of assurance over the external returns process.

11. The audit found:

- a. errors in the standing HESES data, including PT load, student mode of study and inclusion of courses that should not have been returned;
- b. errors in the HESA data, including completion status returned incorrectly and courses that should not have been returned; and
- c. Limited guidance is in place around the production of both the HESA and HESES return for University-specific processes.

12. These confirmed the findings of the internal review undertaken by the Academic Registrar.

Establishment of a HESA Working Group and Project Board

13. In addition to the need to broaden the base of HESA expertise within Registry, there is also a need for better integration of other teams – especially in Faculties – in the HESA project. The high risk fields include areas directly relating to NHS- and TDA-funded activity in HSC and AHS. We have established a HESA Project Group consisting of relevant staff from

- Registry;
- ICT;
- Finance;
- Faculties; and
- Disability & Dyslexia support.

14. This will be a task-and-finish group, which will be reformed annually for each HESA submission round. The chair is Jenny Laws, Deputy Registrar, who has operational responsibility for HESA returns.
15. We have also agreed a basis for more formal project governance of the HESA returns, with the project manager making regular written reports in a defined format to a project board. The project board has met twice in July and August 2012 and received reports on the progress and risk status of the HESA 2010/11 Fixed database and 2011/12 Student Record returns.

Re-submission of 2010/11 data

16. HEFCE required us to resubmit our 2010/11 data by 4 May 2012. Resubmitted data are used for funding, but the original data submitted in November 2011 continue to be used for publications and other purposes (such as league tables).
17. Our target date for completion was 29 February 2012 as we wished to clear this activity away as quickly as possible so as to focus on longer-term improvement projects. This did not prove possible due to staff sickness, emphasising the excessive risks associated with the former team structure and reliance on a very small staff group. As reported above, we have made significant progress in mitigating these risks since February 2012. Although we missed our internal deadline for the return, we have met HEFCE's deadline of 4 May 2012.
18. Between May and September 2012 we went through HEFCE's processes for determining the final grant adjustment. This led to the VC signing off the final data and overrides on 18 September 2012, which was in line with the deadlines set by HEFCE.

Planned improvements to the 2011/12 data

19. The 2011/12 data will be returned to HESA on 21 September 2012, and the data quality checking period will be completed on 31 October 2012. Accordingly the state of the data is changing daily at the moment. Our current assessment is that we will achieve all of the planned data quality improvements except the return of a fully modularised dataset. We are still working on the modularised data, but this is very challenging because the underlying student data is still subject to change (due, for example, to resit results being processed). We have an agreed fallback position whereby module data will be calculated and held by LSBU. We will use these data to calculate the instance-level values such as funding completion

(FUNDCOMP). This will materially strengthen the audit trail for our key funding data but eliminates the risk of errors in the underlying module data derailing our entire HESA timetable. The full module dataset will be returned next year.

Performance Indicators & League Tables

20. The weaknesses in our 2010/11 Student record had a direct impact on our Performance Indicators for that year, specifically those relating to student drop-out. We agreed with HESA and HEFCE that the affected data will be suppressed from publication. Analysis of the league table data showed that this had not been unduly affected. We liaised with HESA to ensure the most favourable data possible were presented in the league tables.

New data requirements for 2012/13

21. The 2012/13 HESA specification includes additional items related to the 2010 Equalities Act and the new fees structure introduced in this year. We have amended our pre-enrolment and enrolment processes in order to capture these data, as well as making changes to our processes for collecting detailed data on qualifications on entry. We expect to make significant progress on qualifications on entry, but the standards being set by HEFCE are increasingly challenging in this area due to their importance to the Government's AAB policy. Enrolment is currently under way.

Planned Action

2011/12 Student Record

22. The 2011/12 Student Record must be submitted on 21 September 2012. The data quality checking period closes on 31 October 2012. As the 2011/12 year is now over, the scope to mitigate issues of missing data is limited. For the 2011/12 file we are concentrating primarily on making a better return of the data we have.

23. This work has had significant implications for staff in Faculties as well as Registry, and has been resourced accordingly. We have put processes in place for the timely award of drop-off qualifications so that they can be included in the return.

2012/13 Student Record

24. The 2012/13 Student Record must be submitted on 15 September 2013. The data quality checking period closes on 31 October 2013. Most of these students have already applied, and enrolled and we have taken steps to ensure better data capture at enrolment. Accordingly we can reasonably expect that the 2012/13 data will be at or close to the desirable (rather than the minimum) standard.

Recommendation

25. The Committee is requested to note the report.

Appendix 1: Project Timeline

2012		
Month	Planned activity	Achieved activity
January	Appointment of new External Reporting and Planning posts	Appointment of new External Reporting and Planning posts
February	Establishment of HESA Working Group Submission of 10/11 data to Fixed Database	Establishment of HESA Working Group Recoding of HESA Course entities to address under-reporting issue
March	Recoding of HESA Course entities Establish drop-off awarding processes with Faculties	Establish drop-off awarding processes with Faculties
April	Generate and evaluate HESA module data. Review with Faculties.	Agreed new governance approach for HESA project. Evaluated fixed curriculum module data.
May	Internal Audit of HESA/HESES data	Submission of 10/11 data to Fixed Database
June	Resolve Schema errors on 2011/12 data	Internal Audit of HESA/HESES data
July	Resolve Business Rules on 2011/12 data	First meeting of HESA Project Board
August	Clearing – ensure adequate capture of 2012/13 data	Clearing is underway Second meeting of HESA Project Board
September	Enrolment – ensure adequate capture of 2012/13 data Return 11/12 data to HESA	Enrolment is underway. Improvements to data capture have been achieved 11/12 data will be returned on 21/9/12 Final sign-off of 10/11 data
October	Data quality checking period for 11/12 data	
November	Validate 12/13 data with Faculties	
December	Return 12/13 data to HESES	
2013		
January		
February		
March	Validate 12/13 data with Faculties (Semester 2)	

April	Establishment of HESA Working Group	
May	Resolve Schema errors on 2012/13 data	
June	Resolve Business Rules on 2012/13 data	
July		
August	Clearing – ensure adequate capture of 2013/14 data	
September	Enrolment – ensure adequate capture of 2013/14 data Return 12/13 data to HESA	
October	Data quality checking period for 12/13 data	
November	Validate 13/14 data with Faculties	
December	Return 13/14 data to HESES	

Appendix 2: Summary of Current Status

HESA Project Report August 2012

Executive Summary

Fixed Database

The areas to resolve for the Fixed Database are:

Issue	Status
HEFCE Funding and Data Reconciliation exercise	Differences between HESES10 and HESA-HESES recreation scrutinised and explanations drafted. Any more detailed work quantifying discrepancies will have an impact on HESA 2011-12.
Overall Risk Status	Time spent on Funding and Data Reconciliation exercise impacting on work on the 2011-12 HESA return.

2011/12 Student Record

The 2011/12 Student Record must be submitted on 15 September 2012. The data quality checking period closes on 31 October 2012. As 2011/12 students have already completed enrolment, the scope to mitigate issues of missing data is limited. For the 2011/12 file we will concentrate primarily on making a better return of the data we have. The areas to resolve in the 2011/12 file are:

Issue	Status
Submission of a complete set of HESA Module entities, rather than dummy modules as presently	Work is progressing. However, there is still a lot of data to come from Faculties – module dates, cost centre, subjects. May have to defer to 2012/13.
Correcting NHS Funding data (DHFUND, DHREGREF, NHSEMP)	DHFUND data entered. DHREGREF and NHSEMP still to be addressed.
Reviewing FUNDCODE coding to ensure that all HEFCE-fundable students are claimed as such	We now have more confidence in the related field MSFUND and validating FUNDCODE should not be too challenging.
Reviewing QTS coding	Not yet in hand.
Completing NOTACT where appropriate	Not yet in hand.
Eliminating spurious ENDDATES and QUALs	This relates to misinterpretation of certain progression codes.
Ensure that drop-off awards are reported to HESA in a timely	We have agreed a process to be operated by Faculties this autumn, but time will be tight.

fashion	
We will need to make as much progress as possible on DISALL	Complete
Need to make progress on qualifications-on-entry	Work is in hand.
Reviewing TYPEYR	HEFCE Funding and Data Reconciliation exercise highlighted problems exist with this field. A review is being undertaken.
Overall Risk Status	Not all the targeted improvements will necessarily be achieved, and timetable is becoming tight.

2012/13 Student Record

The 2012/13 Student Record must be submitted on 15 September 2013. The data quality checking period closes on 31 October 2013. Although most of these students have already applied, they have yet to enrol and there is scope to ensure better data capture at enrolment. Accordingly we can reasonably expect that the 2012/13 data will be at or close to the desirable (rather than the minimum) standard. The areas to resolve in the 2012/13 file are:

Issue	Status
Full return of qualifications on entry for all Home FTUG students, and as many Home PTUG and PG students as possible	Revised processes for data verification at Enrolment have been agreed, but some development work is still needed to implement them
Elimination of unknown DISALL status	Elimination may require some students to be written from 'not known' to 'not in receipt'
Introduce routine validation of the data with Faculties prior to HESES and HESA submissions	In hand through HESA Working Group
Collection at enrolment and return of equalities data as required by the new specification	Changes to pre-enrolment implemented and will go live very shortly.
Recoding of JACs codes and Cost Centres to reflect the new coding frames	In hand
Return of fees and funding data as required by the new specification	Not yet in hand, but not expected to be very challenging given our underlying data
Overall Status	Reasonably well in hand

Appendix 3: Operational Risk Register

An analysis of the risks of adverse funding or other regulatory consequences arising from the HESA returns process has been previously submitted to Audit Committee. The analysis in this Appendix looks at the operational risks to the successful completion of the HESA return (whatever the onward consequences might then be) and is designed as a governance tool to show the level of control and mitigation we have over those risks

Risk	Inherent Risk			Controls <i>(What are you doing to control this risk?)</i>	Residual Risk			Actions <i>(what do you need to do to control this risk?)</i>
	Likelihood (1-4)	Impact (1-4)	Total risk Priority		Likelihood (1-4)	Impact (1-4)	Total risk Priority	
Key staff are unavailable to complete returns due to sickness, better job offers elsewhere, etc.	2	4	Critical	<ul style="list-style-type: none"> A wide group of staff in student records are now involved in HESA returns, so no individual is irreplaceable 	1	2	Low	<ul style="list-style-type: none"> Process documentation will be completed from January 2013
Staff lack skills to complete returns, or lack insight into onward uses so as to complete returns appropriately	2	3	High	<ul style="list-style-type: none"> Use of HESA and HEFCE training opportunities Training from Unit4 Engagement with other QL-using institutions Wider cross-training and cross-working within Student Records team 	1	2	Low	<ul style="list-style-type: none"> Process documentation will be completed from January 2013

Poor communication between teams concerned means an issue is not identified or addressed	3	2	Medium	<ul style="list-style-type: none"> HESA Working Group 	2	2	Medium	
QL System cannot support returns	1	3	Medium	<ul style="list-style-type: none"> The QL product currently provides reasonably effective support for returns Liaison with ICT ensures that non-HESA specific issues (such as performance at enrolment time) which might affect HESA are managed. 	1	3	Medium	<ul style="list-style-type: none"> Creation of a HESA reporting environment separate from QL Live
Poor management oversight of Returns means that risks in the project are not managed effectively	3	2	Medium	<ul style="list-style-type: none"> HESA Project Board and Working Group Better integration of HESA into management structures 	1	2	Low	
Poor quality and/or unstable underlying student data	2	2	Medium	<ul style="list-style-type: none"> Student records group Separate HESA environment addresses stability issues (if not quality) 	2	1	Low	<ul style="list-style-type: none"> Training programme for administrators and Registry staff using QL Development of data quality tools in Cognos

								<ul style="list-style-type: none">• Process project
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