

Audit Committee

Wed 13 July 2022, 16:00 - 18:00

Attendees

Board members

- Lauren Doughton (Chair of Audit Committee)
- Claire Christey (Independent Director)
- Christopher Bolton (Independent Director)

Also in Attendance

- Matt Sierocinski King (Board Secretary)

Staff In Attendance

- Jane Lewis (Principal - Shetland UHI, Present at 11, 12)
- Glenn Gilfillan (Head of Finance, Present at 13, 13.1, 13.2)

Apologies

- Lucy Wilson (Independent Director)

Meeting minutes

1. Welcome, Apologies, and Announcements

Ms Doughton (Chair) welcomed everyone to the meeting, noting Mrs Wilson's apologies.

2. Declarations of Interest

Ms Doughton (Chair) asked members if they had any conflicts of interest with any agenda items. No declarations were made.

3. Minutes of Previous Meeting

As this was the first meeting of Audit Committee, there were no minutes of a previous meeting.

4. Matters Arising

As this was the first meeting of Audit Committee, there were no matters arising.

5. Terms of Reference

Mx Sierocinski King (Board Secretary) introduced the terms of reference and the changes made by board.

The Committee discussed who the Audit Committee should have as regular staff to report to the Committee.

Decision: The Committee endorsed the changes to the terms of reference made by the Board of Management.

Decision: The Head of Finance, UHI Head of Internal Audit, and an appropriate staff member covering risk management are to be invited to attend Audit Committee as regular staff, and to be added to the terms of reference accordingly.

Action: The Board Secretary is to invite the Head of Finance, UHI Head of Internal Audit, and an appropriate staff member covering risk management to meetings of Audit Committee.

Action: The Board Secretary is to add the Head of Finance, UHI Head of Internal Audit, and an appropriate staff member covering risk management to the terms of reference of Audit Committee.

Action: Audit Committee is to review its Terms of Reference at its next meeting, to do a like-for-like comparison with the template terms of reference provided by CDN. The Board Secretary is to present the differences to the committee at the next meeting.

5.1. Increasing membership including Co-Option

Mx Sierocinski King (Board Secretary) introduced the option of co-option to the committee.

The committee discussed the option of co-option to increase the number of members to the committee.

Decision: The committee agreed to seek the co-option of two or three members and to advance this request to Search and Nominations Committee.

Action: The Board Secretary is to add co-option of members to Audit Committee to the agenda of the next Search and Nominations Committee meeting.

Action: The Board Secretary is to investigate whether or not the committee can co-opt audit members from other boards around the UHI partnership.

6. Training for Members

Mx Sierocinski King (Board Secretary) introduced this section of the agenda.

Action: The Board Secretary is to liaise with UHI Head of Internal Audit regarding further training for Committee members.

6.1. CDN Module

Mx Sierocinski King (Board Secretary) introduced the Audit Committee module on CDN: <https://professionallearning.collegedevelopmentnetwork.ac.uk/course/view.php?id=159>

The committee discussed the training module and how to get access.

Note: Ms Christey had already completed the training ahead of the meeting.

Decision: The committee determined that the CDN Audit Committee training was required training for the committee.

Action: All members of the committee are required to complete the training before the next meeting.

Action: Two weeks before the next committee meeting, the Board Secretary is to remind all committee members to complete the training.

7. Agenda Setting

Ms Doughton (Chair) introduced the discussion on a standing agenda for all future meetings. Mx Sierocinski King (Board Secretary) engaged members of the committee on each proposed agenda item one by one.

Decision: The committee determined that risk management is moved to point 7 on the agenda up from point 9.

Action: The Board Secretary shall set up all future meetings of Audit Committee with the agreed agenda items as detailed below in the order as detailed below.

7.1. Welcome, Apologies, Announcements

7.2. Declarations of Interest

7.3. Minutes of the previous meeting

7.4. Matters Arising

7.5. Terms of Reference

7.6. Training for Members

7.7. Risk Management

7.8. Internal Audit

7.9. External Audit

7.10. Audit Plans

7.11. Business Continuity

7.12. Any Other Business

7.13. Date of Next Meeting

8. Meeting Organisation

Mx Sierocinski King (Board Secretary) introduced the proposed dates of meetings for the committee.

The committee discussed the suggested dates of meetings and particularly the timings of meetings.

Decision: The committee agreed the dates as presented with meetings to be timed at 16:30.

Action: The Board Secretary shall add the agreed dates of the committee to the Board paper for approval.

9. Code of Good Governance

Mx Sierocinski King (Board Secretary) introduced the committee to the Code of Good Governance, and took them through a variety of clauses in the Code of Good Governance.

9.1. Audit Committee Clauses

The Committee discussed the Audit Committee clauses in the Code of Good Governance, namely clauses C13 to C19, and their respective responsibilities that are outlined in these clauses.

11. Risk Register Oversight

This agenda item was delayed until the next meeting.

12. Strategic and Operational Plans

Professor Lewis (Principal) introduced the operational plans as developed at Christmas time, and closed off at the beginning of the year.

The Principal confirmed that the operational plans were reviewed by Education Scotland, and commented upon that more needed to be included on Learning and Teaching Plans.

The Principal asked the committee for their thoughts on the plans, and offered the opportunity to members to liaise with staff on the operational plans outside of committee meetings.

Decision: The committee agreed to hold a workshop, with a look at the Workshop being held before 7th September.

Action: Mx Sierocinski King (Board Secretary) shall arrange a workshop for Audit Committee on the Strategic and Operational Plans, ideally before 7th September.

13. Auditors

13.1. Ratification of Finance and General Purposes Committee Appointment

Mr Gilfillan introduced the procurement process for legal services, and external audit.

Mr Gilfillan explained the APUC process, and how it was utilised in the procurement process at Shetland UHI. Mr Gilfillan explained why Thorntons were determined to be suitable for legal services, and why Henderson Logie were chosen for internal auditors.

Decision: The committee approved the decisions made by Finance and General Purposes Committee regarding legal services and internal auditors.

13.2. Governance Auditors

Mr Gilfillan updated the committee on the process and the conflicts of interest in determining an appropriate Governance auditors. He explained that the procurement process has been longer due to conflicts of interest in other firms at the top of the APOC procurement process.

The committee discussed the APOC process and where responsibility lies between the committee and board in appointing external auditors. The committee noted that Board had already approved the internal auditors appointed through an APOC process, and therefore felt board had already endorsed the appointment of auditors.

Decision: The committee delegated Mr Gilfillan the responsibility to appoint external auditors by following the APOC procurement process.

Action: Mr Gilfillan is to appoint external auditors by following the APOC procurement process, and report back to the committee on its completion, or should complications arise.

14. Any Other Business

No other business was announced.

15. Date of Next Meeting - TBC

The date of the next meeting is 7th September at 16:30, to be held on Teams.

Agenda Item	Action	Responsible	Progress
5	Invite the Head of Finance, UHI Head of Internal Audit, and an appropriate staff member covering risk management to meetings of Audit Committee.	Board Secretary	
5	Add the Head of Finance, UHI Head of Internal Audit, and an appropriate staff member covering risk management to the terms of reference of Audit Committee.	Board Secretary	
5	Review its Terms of Reference at its next meeting, to do a like-for-like comparison with the template terms of reference provided by CDN. The Board Secretary is to present the differences to the committee at the next meeting.	Audit Committee and Board Secretary	
5.1	Add co-option of members to Audit Committee to the agenda of the next Search and Nominations Committee meeting.	Board Secretary	
5.1	Investigate whether or not the committee can co-opt audit members from other boards around the UHI partnership.	Board Secretary	
6	Liaise with UHI Head of Internal Audit regarding further training for Committee members.	Board Secretary	
6.1	All members of the committee are required to complete the training before the next meeting.	All members of the Committee	
6.1	Two weeks before the next committee meeting, remind all committee members to complete the training.	Board Secretary	
7	Set up all future meetings of Audit Committee with the agreed agenda items as detailed below in the order as detailed below.	Board Secretary	
8	Add the agreed dates of the committee to the Board paper for approval.	Board Secretary	
12	Arrange a workshop for Audit Committee on the Strategic and Operational Plans, ideally before 7 th September.	Board Secretary	
13.2	Appoint external auditors by following the APOC procurement process, and report back to the committee on its completion, or should complications arise.	Mr Gilfillan	