

# Audit Committee 2022-2023 1/4

*Thu 8 September 2022, 16:30 - 18:30*

Teams

## Attendees

### Chair

- Lauren Doughton (Chair of Audit Committee)

### Board Members

- Lucy Wilson (Independent Director, Absent from 7, 10, 11, 12, 13, 14, 15)
- 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 6, 6.1, 6.2, 6.3)
- Laura Burden (Depute Principal Tertiary, Present at 6, 6.1, 6.2, 6.3)
- Gemma McGregor (Vice-Principal Operations, Present at 6, 6.1, 6.2, 6.3)

## Meeting minutes

### 1. Welcome, Apologies, and Announcements

Ms Doughton (Chair) welcomed everyone to the meeting.

### 2. Declarations of Interest

Ms Doughton (Chair) asked if any member had any interests to declare. None were made.

### 3. Minutes of Previous Meeting

Ms Doughton (Chair) asked members to review the confidential minutes of the previous meeting for matters of accuracy, and asked members to review the non-confidential minutes of the previous meeting for matters of accuracy.  
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**Decision:** The confidential minutes were approved as a true and accurate record of the previous meeting.

**Decision:** The non-confidential minutes were approved as a true and accurate record of the previous meeting.

## 4. Terms of Reference

Mx Sierocinski King (Board Secretary) introduced this agenda item, and took members through the assessment made on the model terms of reference.

The committee discussed the text in amber and red and determined which lines should be added to the terms of reference.

**Decision:** The committee agreed that the following lines of text were to be added to the terms of reference:

- the minutes will go board, with a verbal each meeting, with an annual report.
- "timed to support finalisation of the accounts and the governance statement, summarising its conclusions from the work it has done during the year."
- "anti-fraud policies, whistle-blowing processes, and arrangements for special investigations."
- co-opted members "limited to two two-year terms."
- "procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board."
- "The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee."
- "Audit Committee meetings will normally be attended by the Accountable Officer, the Finance Director, the Head of Internal Audit, and a representative of External Audit (add any others who may routinely attend such as representatives of sponsoring/sponsored bodies);"
- "the Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter;"
- "a report summarising any significant changes to the organisation's Risk Register;
- a progress report from the Head of Internal Audit summarising: work performed (and a comparison with work planned); key issues emerging from Internal Audit work; management response to audit recommendations; significant changes to the audit plan; any resourcing issues affecting the delivery of Internal Audit objectives;
- a progress report from the External Audit representative summarising work done and emerging findings."
- "As and when appropriate the Committee will also be provided with: proposals for the Terms of Reference of Internal Audit; the Internal Audit Strategy; the Head of Internal Audit's Annual Opinion and Report; quality assurance reports on the Internal Audit function; the draft accounts of the organisation; the draft governance statement; a report on any changes to accounting policies; External Audit's management letter/report; a report on any proposals to tender for audit functions; a report on co-operation between Internal and External Audit."

**Action:** The Board Secretary is to draft a new terms of reference with the text added to them in the appropriate places and circulate to the committee for approval before adding to the agenda for the next Board of Management meeting.

## 5. Update on Co-option

Ms Doughton (Chair) introduced the agenda item, and the necessity for the committee to expand its number. Mx Sierocinski King (Board Secretary) added further context, explaining the membership levels of each committee. The committee discussed the contents of the pack presented and the interview process.

**Decision:** The committee determined that co-opted members could serve for two terms of two years.

**Action:** The Board Secretary is to add the contact details of the Chair to the pack, along with term limits.

**Action:** The Board Secretary shall advertise the role.

## 6. Business Continuity

*Present: Jane Lewis (Principal - Shetland UHI), Laura Burden (Depute Principal Tertiary), Gemma McGregor (Vice-Principal Operations)*

### 6.1. Strategic Plans

Professor Lewis (Principal) introduced how the operational plans were determined by the strategy.

*Present: Jane Lewis (Principal - Shetland UHI), Laura Burden (Depute Principal Tertiary), Gemma McGregor (Vice-Principal Operations)*

### 6.2. Operational Plans

Professor Lewis (Principal) informed the committee how the plans were developed and asked for comments from the committee on each of the operational plans presented, to help shape their development further.

The committee first reviewed the Research Enterprise and Knowledge Transfer plan. Doctor Mouat spoke further on the tailoring of the plan as Shetland UHI develops

as an organisation. The committee discussed how the plans could be put in context of the risk register. The committee were advised by the Principal how the risks could be updated to Audit Committee throughout different points in the year. The Committee also discussed the research development opportunities regarding technological innovations such as energy generation and space programmes.

The Committee then reviewed the operational plan for Tertiary Education. The Committee queried the abbreviations, and requested a list of abbreviations to be added to future versions. Ms Burden (Depute Principal Tertiary) spoke of an interest to add more into the plan regarding quality over the coming week. The committee also discussed actions regarding wellbeing to being included.

The committee discussed the Professional Services plan. The discussion focussed around marketing and noted that the Finance Operational Plan remained under development.

**Action:** Mx Sierocinski King (Board Secretary) is to organise a workshop on operational plans alongside the risk register to be held on the same day as the joint meeting of Audit Committee with Finance and General Purposes Committee.

**Action:** Members of Audit Committee are to send further comments to the three owners of the Operational Plans within the next two weeks.

*Present: Jane Lewis (Principal - Shetland UHI), Laura Burden (Depute Principal Tertiary), Gemma McGregor (Vice-Principal Operations)*

### **6.3. Business Continuity Plan**

This item was delayed until the next meeting of Audit Committee.

*Present: Jane Lewis (Principal - Shetland UHI), Laura Burden (Depute Principal Tertiary), Gemma McGregor (Vice-Principal Operations)*

## **7. Risk Management**

Ms Doughton (Chair) introduced the discussion on how Audit Committee wished to manage the committee's function of risk management and the scrutiny thereof.

The Committee discussed how they should receive the detail of the risks to review each meeting. Mx Sierocinski King (Board Secretary) detailed how risks are managed across the other committees. The committee discussed how they could learn how to scrutinise the work of the other committees regarding risks as well as what order to review the risks of Shetland UHI in detail.

**Decision:** The committee determined to review red risks more regularly.

**Action:** The committee determined to have a specific risk register review meeting on 4th October.

## 8. Internal Audit

Mr Gilfillan (Finance Director) confirmed to the committee that BDO had been appointed as the internal auditors.

The Finance Director also updated the committee on FES Student Support funds, and EMA submissions to SFC.

## 9. External Audit

Mr Gilfillan (Finance Director) updated the committee, that, in line with the mandate granted to him by Audit Committee, he had made enquiries to determine the suitability of appointing an External Auditor. He informed the committee that RSM are currently reviewing the relevant documentation to take Shetland UHI on, as a client.

The Finance Director further informed the committee that there is only one company left, A9, on the framework, who have another academic partner within the UHI partnership, as their client. Mr Gilfillan informed the committee, that, should this be unsuccessful, a local firm option would be explored on a one off basis.

**Decision:** The committee endorsed the Finance Director's approach to appointing an External Auditor.

## 10. Matters Arising

Mx Sierocinski King (Board Secretary) went through the actions of the previous meeting. No comments were received.

**Action:** The Board Secretary shall engage with Jason Thurlbeck regarding training for Audit Committee.

## 11. Training for Members

Mx Sierocinski King (Board Secretary) gave a verbal update to members of Audit Committee, drawing their attention to the training modules in the paper provided.

## **12. Audit Plans**

Mx Sierocinski King (Board Secretary) gave a verbal update to Audit Committee on how Audit Plans are developed and actioned.

## **13. Scotland's Colleges Report from Audit Scotland**

Audit Committee discussed the contents of the report

**Decision:** Audit Committee requested that the report goes to full board to note and for a member of the Senior Management Team to speak to the paper to answer any arising questions.

**Action:** Mx Sierocinski King (Board Secretary) is to confer with the Chair of the Board of Management and the Principal to ensure that the paper goes on the agenda to note, and questions can be answered by a member of the Senior Management Team

## **14. Any Other Business**

No additional business was raised.

## **15. Date of Next Meeting**

4th October 2022

<b>Agenda Item</b>	<b>Action</b>	<b>Responsible</b>	<b>Progress</b>
4	Draft a new terms of reference with the text added to them in the appropriate places and circulate to the committee for approval before adding to the agenda for the next Board of Management meeting.	Board Secretary	
5	Add the contact details of the Chair to the pack, along with term limits.	Board Secretary	
5	Advertise the role.	Board Secretary	
6.2	Organise a workshop on operational plans alongside the risk register to be held on the same day as the joint meeting of Audit Committee with Finance and General Purposes Committee.	Board Secretary	
6.2	Send further comments to the three owners of the Operational Plans within the next two weeks.	Members of Audit Committee	
7	The committee determined to have a specific risk register review meeting on 4th October.	All	
10	Engage with Jason Thurlbeck regarding training for Audit Committee.	Board Secretary	
13	Confer with the Chair of the Board of Management and the Principal to ensure that the paper goes on the agenda to note, and questions can be answered by a member of the Senior Management Team	Board Secretary	