

Audit Committee Meeting

Wed 19 April 2023, 17:30 - 19:00

Teams

Attendees

Board members

- Lauren Doughton (Chair of Audit Committee)

Board Members

- Claire Christey (Independent Director)
- Valerie Nicolson (Independent Director)
- Absent: Mason Robbins (Independent Director)

Also In Attendance

- Shelly McInnes (Director of Finance)
- Chloe Main (Internal Auditor, Absent from 10, 11, 12, 13)
- Jane Lewis (Principal - Shetland UHI)
- Matt Sierocinski King (Board Secretary)

Meeting minutes

1. Welcome, Apologies, and Announcements

Doctor Doughton (Chair of Audit Committee) welcomed everyone to the meeting.

2. Declarations of Interest

Doctor Doughton (Chair of Audit Committee) asked if any members of the committee had any conflicts of interest to declare. No declarations were made.

3. Minutes of Previous Meeting

Dr Doughton (Chair of Audit Committee) asked members of Audit Committee to review the minutes of the previous meeting for matters of accuracy.

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

4. Matters Arising

There were no matters arising.

5. *Terms of Reference

Noted: The Committee noted the changes in membership to the committee.

6. Training for Members

Mx Sierocinski King (Board Secretary) spoke to the committee regarding Audit Committee training. The Board Secretary committed to supporting Ms Nicolson (Independent Director) to have access to the training available provided by the College Development Network.

Action: The Board Secretary shall introduce Ms Nicolson (Independent Director) to the CDN training resources and in particular, the Audit Committee Training.

7. Update on Committee Recruitment

Mx Sierocinski King (Board Secretary) delivered an update on the further recruitment of members to Audit Committee, and explained the decision not pursue co-option further, as such members would not have voting rights.

8. Risk Management

Professor Lewis (Principal) gave Ms Nicolson (Independent Director) an introduction on the Shetland UHI approach to the risk register, and the management of the risk register.

8.1. Risk 1 and Risk 2

Mrs Burden (Depute Principal Tertiary) introduced the two risks, and outlined the impact of not meeting the Higher Education recruitment targets and the Further Education recruitment targets. She gave detail on the Higher Education enrolments noting the strength of Full Time Higher Education enrolment, and the Undergraduate Full Time Equivalent numbers against the number of Undergraduate student heads. She noted that this risk was now classed as green.

The Depute Principal Tertiary updated the committee on Further Education enrolments and Further Education credits, and noted the credit target and the Shetland UHI position in relation to the end of the year, as well as the targets. She noted that for risk 2, more work needs to be done before the end of the year, the risk remains at orange.

The Depute Principal Tertiary spoke to the Committee regarding the mitigating actions for both risks, and detailed the impact of each of those mitigating activities.

The Committee discussed the risks, particularly the deadline to get credits registered, and Ms McInnes (Finance Director) noted how the credits were standing across the partnership and explained that the clawback for Further Education applied to the combined Further Education credit partnership-wide figure. Clarifications were made regarding the definitions of Home students, and how these risks interlinked into the staff retention risk. Ms Christey (Independent Director) asked about apprenticeships and the Depute Principal Tertiary responded.

8.2. Risk 5

Professor Lewis (Principal) spoke to the work undertaken regarding risk 5, and detailed what it covered, along with impacts of non-compliance. She spoke to the actions to minimise this risk, namely under the following headings:

- Staff Training,
- Information Available to Staff,
- Document Control,
- Data Register and Annual Audit,
- Keeping Up To Date With New Legislations And Requirements.

She felt that the residual risk pre-action was: 15 (red), but post-action was: 10 (amber).

The Committee discussed the risk actions, with a focus on data retention, along with Health and Safety. The Principal responded to both points. Ms Main (Representative of Internal Auditor) raised the point on adding an action on Data Retention Agreements. The Principal responded and accepted this action. Doctor Doughton (Chair) asked what data retention policy Shetland UHI follow. The Principal responded that Shetland UHI follows the UHI Data Protection Policy at 80 pages long.

Action: Professor Lewis shall make Health and Safety reports available to the committee.

8.3. Risk 7

Ms McInnes (Finance Director) spoke to risk 7, noting the indicative funding figures have been released, and noted the pay agreements are still in dispute, with strike action balloted for. She noted the challenges over the coming year.

The committee discussed the matter, with the Finance Director mentioning the top-slice and other regional solutions, and the recovery plan. Professor Lewis (Principal) mentioned student accommodation and senior phase work and the islands deal, as work on this was ongoing to mitigate against the financial position. The committee discussed the wider financial picture across the sector and the country.

8.4. Update on any changes to the Risk Register as a whole

Professor Lewis (Principal) spoke to the risk synopsis, and spoke about the updates made. Mx Sierocinski King (Board Secretary) spoke about the Governance Risk changes.

Ms McInnes (Finance Director) left the meeting at the start of this item.

Action: The Principal shall add the change in assessment as well as other risk activity to the synopsis.

Action: Governance risk to come to the next meeting of the committee for review.

8.5. Risk Strategy/Policy

Mx Sierocinski King (Board Secretary) introduced this agenda item and spoke about the documents presented. Professor Lewis (Principal) and Mrs Burden (Depute Principal Tertiary) commented further to the committee on the development and history of the Risk Management Policy. Ms Main (Representative of Internal Auditors) gave an update that a draft internal audit report had been sent to the UHI Shetland Senior Management Team on Monday, with a recommendation for the development of such a policy.

Members of the committee discussed the UHI example attached to the papers, along with the UHI West Highland example, provided via a link here: https://www.whc.uhi.ac.uk/t4-media/one-web/west-highland/about-us/governance/policies/Risk_Management_Polic_2020.pdf

Action: Audit Committee members were asked to review the two policies presented, and give feedback to the UHI Shetland Senior Management Team, to allow the Senior Management Team to develop a UHI Shetland Risk Management Policy before the next meeting.

Action: The Board Secretary shall recirculate the UHI risk management strategy and the workshop paperwork to the committee.

Action: The Senior Management Team shall produce a UHI Shetland Risk Management Policy to come to the next committee meeting.

9. Internal Audit

9.1. Audit Plan Update

Ms Main (Representative of Internal Auditors) gave an update on the progress on the internal audit. Thanks were given to Professor Lewis (Principal), Ms McInnes (Finance Director) and Mrs Burden (Depute Principal Tertiary). The Representative of Internal Auditors explained that a variety of Internal Audit Reports would be forthcoming, namely: Risk Management, Staff Management, Student Recruitment, Health and Safety, and Business Continuity Planning. She stated that terms of reference for General Financial

Controls, and Research Governance and Management, are being finalised, with further work meeting on general finance controls to start next week.

The Principal also mentioned the other audits outside of internal audits and external audits.

Action: The Principal is to produce a list of all the audits that Shetland UHI do, and then ask the committee, if they would like to see any listed, and for the list to come to each audit committee from now on.

The Representative of Internal Auditors left the meeting at the end of this agenda item.

10. External Audit

Mx Sierocinski King (Board Secretary) explained this agenda item was present to allow members of the committee to ask any questions of the Senior Management Team, or to pass on any comments to the Senior Management Team, with regards to the External Audit process. No questions or comments were raised.

11. 2022 Code of Good Governance

Mx Sierocinski King (Board Secretary) spoke as to why there remains a delay on the 2022 Code of Good Governance being presented to the committee. Professor Lewis (Principal) also gave supportive comments noting that after assignation the committee will need to review the checklist, as part of its monitoring work. The Board Secretary confirmed that review happens annually at other academic partners. The Committee felt this may happen more regularly for Shetland UHI.

Action: Audit Committee to review the Code of Good Governance checklist once assignation has been achieved.

12. Any Other Business

There was no additional business.

13. Date of Next Meetings

The date of the next Audit Committee is 17th May 2023

Action: Mx Sierocinski King (Board Secretary) shall check with Ms McInnes (Finance Director) whether the Joint Meeting of Audit Committee with Finance and General

Purposes Committee qualifies as one of the four meetings Audit Committee is required to have in the academic year, or if a further meeting of Audit Committee is required.

Agenda Item	Action	Responsible	Progress
6	Introduce Ms Nicolson (Independent Director) to the CDN training resources and in particular, the Audit Committee Training.	Board Secretary	
8.2	Make Health and Safety reports available to the committee	Professor Lewis	On Agenda
8.4	Add the change in assessment as well as other risk activity to the synopsis.	Principal	
8.5	Governance risk to come to the next meeting of the committee for review.		On Agenda
8.5	Review the two policies presented, and give feedback to the UHI Shetland Senior Management Team, to allow the Senior Management Team to develop a UHI Shetland Risk Management Policy before the next meeting.	Audit Committee members	On Agenda
8.5	Recirculate the UHI risk management strategy and the workshop paper work to the committee.	Board Secretary	
8.5	Produce a UHI Shetland Risk Management Policy to come to the next committee meeting.	Senior Management Team	On Agenda
9.1	Produce a list of all the audits that Shetland UHI do, and then ask the committee, if they would like to see any listed, and for the list to come to each audit committee from now on.	Principal	On Agenda
11	Review the Code of Good Governance checklist once assignation has been achieved.	Audit Committee	Ongoing
13	Check with Ms McInnes (Finance Director) whether the Joint Meeting of Audit Committee with Finance and General Purposes Committee qualifies as one of the four meetings Audit Committee is required to have in the academic year, or if a further meeting of Audit Committee is required.	Mx Sierocinski King (Board Secretary)	Complete