

UHI | SHETLAND

Risk Register 6 – Governance failure

Causes

- Governing body does not have an appropriate balance of skills and experience.
- Role of a governor/director is onerous and it is difficult to attract a broad range of high calibre individuals to serve for non-remunerated roles.
- Individuals do not understand their roles.
- College does not adhere to Code of Good Governance.
- Board Secretary vacancy

Board of Management; Chair & Board Secretary

Owner

Impacts

- Board is unable to discharge its duties properly.
- Recruitment and retention of governor/director is challenging.
- Auditors find poor decision making at Board Level
- Auditors challenge the college on its lack of adherence to the Code of Good Governance.

Actions to minimize risk in place (1):

- Board members induction and Board members complete core training. Board Secretary currently updating Training Records and confirming with Directors who has completed training. Ongoing.
- Annual Development Reviews are completed. These are currently ongoing.
- Training and upskilling of Board Secretary.
- Regular meetings between Principal, Secretary, and Chairs.

Actions to minimize risk in place (2):

- Implementation of Code of Good governance. UHI Internal Auditor's Compliance report with update on action progress.
- Completing Assignment to Regional Strategic Body. 11 criteria under Section 7, Clause 2 of F&HE (Scotland) Act 2005 to which UHI must assess. Letter sent to UHI requesting assignment in May 2023.
- Undertaking Audits and Review of Audits by Audit Committee. 2021-22 External Audit Complete. Internal Audit Reports ongoing.

Actions to minimize risk in place (3):

- Register of Interests renewed each year.
Ongoing.
- **Management of Turnover of Directors.**
 - Fisheries Industry Director identified, with checks ongoing.
 - Staff Directors' elections October-November 2023.
 - HISA Shetland Depute President vacant. By-election ongoing now.
 - Board Extensions Policy under implementation now.
 - Ongoing attempts to recruit Chair of Human Resources and Remuneration Committee, and Seafood Industry Director.
 - Board to consider appointment of Trade Union Directors, which would also add 2 more Independent Directors to the Board.
 - Current vacancies of Vice-Chairs for Committees
 - Finance and General Purposes Committee
 - Human Resources and Remuneration Committee
 - Learning, Teaching, and Research Committee

Actions to minimize risk in place (4):

- Regular review of:
 - Board members skills and industry links by Search and Nominations Committee
 - Terms of Reference of Committees by Board of Management
 - Training progress of Directors by Board Secretary
 - Progress with complying with the Code of Good Governance.

Risk Level (Pre- mitigation)

- 20 – Governance Failure is likely, and it would have a catastrophic impact

Once the 2023 Extensions process is complete, the pre-mitigation risk level could be reduced.

Risk Level (Post-

- 9 – Governance Failure remains possible, and would have a significant impact

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Thanks

