

UHI | SHETLAND

# Risk Register 6 – Governance failure

# Causes

- Governing body does not have an appropriate balance of skills and experience.
- Role of a 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 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. Remaining outstanding actions are being progressed
- 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. 2022-23 External Audit in final stages. Internal Audit Reports from 2022-23 ongoing.

# Actions to minimize risk in place (3):

- Register of Interests renewed each year.  
**Ongoing.**
- **Management of Turnover of Directors.**
  - Fisheries Industry Director appointed.
  - 2023 Staff Directors' elections complete.
  - HISA Student role filled. Additional student interest identified.
  - Board Extensions Policy: implementation ongoing.
  - Ongoing attempts to recruit Chair of Human Resources and Remuneration Committee, and Seafood Industry Director.
  - Four Independent Directors declined to seek a full-term extension.
  - Upcoming vacancies for four Committee Chair roles
  - SNC reviewing Trade Union Director addition activities currently.
  - 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

