

UHI SHETLAND

STRATEGIC PLANNING

TERMS OF REFERENCE - FINAL

FEBRUARY 2025

SIGN OFF

ON BEHALF OF BDO LLP

SIGNATURE: CLAIRE ROBERTSON
TITLE: DIRECTOR AND HEAD
OF RISK ADVISORY
SERVICES -
SCOTLAND
DATE: 27 FEBRUARY 2025

ON BEHALF OF UHI SHETLAND

SIGNATURE: Jane Lewis
TITLE: Principal
DATE: 05/03/2025

BACKGROUND

BACKGROUND

As part of the 2024-25 Internal Audit Plan, we agreed that Internal Audit would review the design and operating effectiveness of the controls in place at UHI Shetland (the College) surrounding the strategic planning arrangements.

UHI Shetland aims to engage as many people as possible in the strategic planning process. The first strategic plan was created during the merger and approved by the Board. Consultation was widespread, with many workshops held. UHI Shetland has organised extensive focus group meetings and had numerous discussions to ensure thorough engagement.

The plan is aligned with the University of the Highlands and Islands (UHI) partnership’s strategic plan and the Scottish Funding Council (SFC) requirements. There is no regional outcome agreement in place for 2024/25 as it is outdated. Due to the size of the College, there are no supporting or multiple strategies however, the College has an operating plan that uses the strategic plan as the template.

The College refreshed their plan 18-24 months ago, which was more of a development of the previous plan than a full refresh. UHI Shetland conducted a quick refresh and representation, including a refresh with the Senior Management Team (SMT) and a Board workshop. Key Performance Indicators (KPIs) were included for the first time.

PURPOSE OF THE REVIEW

The purpose of this review is to assess the methodology used to compile UHI Shetland’s strategy and evaluate whether this document considers the operating environment and views of the key stakeholders. We will also check if it clearly articulates the vision, mission, values, and strategies of the College. Additionally, we will assess whether the strategic planning process has resulted in adequate direction and clear objectives with appropriate Key Performance Indicators (KPIs).

EXCLUSIONS/LIMITATIONS OF SCOPE

The scope of the review is limited to the areas documented under the scope and approach, which only includes strategic planning that is directly carried out by the College. All other areas are considered outside of the scope of this review.

We are reliant on the honest representation by staff and timely provision of information as part of this review.

DETAILED SCOPE, RISKS & APPROACH

The table below and on the following pages outlines the areas which will be covered as part of this review, the key inherent risks associated with the areas under review and our high-level approach to test the design of the controls in place to mitigate the risks outlined:

SCOPE AREA	KEY RISKS	APPROACH
Content and Consultation	1. The Strategic Plan may not take into account the operating environment and views of key stakeholders, and may not articulate the vision, mission, values, and strategies of the College.	<ul style="list-style-type: none">• Review the approved Strategic Plan and confirm that the operating environment is considered and that it supports the delivery of the overarching plan.• Confirm that stakeholders, including students, staff, the Senior Management Team (SMT), and the Board, were effectively consulted in the development of the plan and that their views were considered.• Review the plan and confirm that the vision, mission, values, and strategies of the College are clearly articulated.
Communication	2. The Plan may not be effectively communicated internally and externally.	<ul style="list-style-type: none">• Confirm the Plan is publicly available.• Confirm the Plan is made available to staff (e.g. intranet).• Confirm the Plan is included within the staff induction.
Alignment	3. College plans may not align with the Scottish Funding Council (SFC) requirements.	<ul style="list-style-type: none">• Confirm that the plan includes expected alignment, for example, reference to the Scottish Funding Council (SFC) requirements, and a considered analysis of external and internal factors that may impact the College in the next three years.
Strategic Direction	4. The Plan may not contain adequate direction and clear objectives on how the College is measuring success against the plan, or it may not assign adequate resources to achieve the objectives.	<ul style="list-style-type: none">• Confirm that clear objectives and success criteria are agreed.• Confirm whether the level of resources required to deliver the Plan has been considered.
Monitoring and Decision Making	5. There may not be a framework in place to measure and report upon the achievement of objectives within the plan.	<ul style="list-style-type: none">• Confirm there is an effective framework in place to monitor progress against the Plan and its measurable success indicators.• Confirm for a sample of performance monitoring reports whether they are accurate, timely, reported to the correct people, and action is taken when there are variances.

KEY CONTACTS, TIMELINE & LOCATION

KEY CONTACTS			
BDO LLP			
Claire Robertson	Director and Head of Risk Advisory Services Scotland	Head of Internal Audit	E: claire.robertson@bdo.co.uk
Deepasri Selvam	Audit Senior	Engagement Lead	E: deepasri.selvam@bdo.co.uk
Bennet Le Riche	Auditor	Review Delivery	E: bennet.leriche@bdo.co.uk
UHI Shetland			
Jane Lewis	Principal & Chief Executive	Audit Sponsor/Key Contact	E: jane.lewis@uhi.ac.uk
Laura Burden	Deputy Principal	Key Contact	E: laura.burden@uhi.ac.uk

The staff listed above will be contacted during the fieldwork to assist in completion of the assignment. All these staff will be contacted prior to fieldwork to agree the timing of our visit and should be issued with a copy of this terms of reference. It is important that staff involved with the assignment are notified. To assist us in planning the logistics of the assignment, including provision of documents and meeting organisation the above audit coordinator has been nominated.

PLANNED TIMELINE	
AUDIT ACTIVITY	DATE
SCOPING MEETING	21/02/2025
TERMS OF REFERENCE AGREED	05/03/2025
DOCUMENTATION REQUEST DEADLINE	10/03/2025
FIELDWORK COMMENCEMENT	17/03/2025
END OF FIELDWORK	21/03/2025
CLOSING MEETING	28/03/2025
ISSUE OF THE DRAFT REPORT	14/04/2025
RECEIPT OF MANAGEMENT RESPONSES	21/04/2025
ISSUE OF FINAL REPORT	28/04/2025
AUDIT COMMITTEE DATE	TBC
By accepting this Terms of Reference document you are agreeing to the timing of this audit	

LOCATION
We plan to complete this work remotely as agreed with you. We will use a combination of conference calls, video conferencing facilities and emails. We will endeavour to limit the amount of time required of key colleagues via remote working and aim to perform these meetings on site.

ALLOCATION & FEES

ALLOCATION

This is a 6-day allocation, split as follows:

AREA	DAYS
Planning	0.5
Fieldwork	4.5
Reviewing and Reporting	1

FEES			
ACTIVITY	DAYS	RATE (£)	COST (£)
Estimated Cost of Review	6	£550	£3,300

BUDGET & ASSUMPTIONS

We will charge fees for this assignment in line with our agreed Engagement Letter, including any subsequent changes agreed with you. Our fees for this engagement are set at £3,300 (excluding VAT), this includes planning, delivery, report writing and management review. This fee represents a total of 6 days on a blended day rate of £550. See the table to the left-hand side for a full breakdown of the fees.

The fees are based upon our estimate of the time required to complete the engagement. These costs have been calculated on the assumption that we will receive all information outlined on this page by the dates specified and that we will be granted access to all key personnel.

The allocation outlined to the left-hand side above is based upon our estimate of the time required to complete the engagement outlined within this document. If the scope of work changes, we will communicate with management any predicted over-or-underspend, before invoicing. In addition, we assume for the purposes of estimating the number of days of audit work that there is one control environment, and that we will be providing assurance over controls in this environment. If this is not the case, our estimate of audit day allocation may not be accurate.

TIMING CHANGES AND CANCELLATION

In accepting this Terms of Reference document, you are agreeing to the timing of this audit specified in this document. We will make every effort to accommodate timing changes or cancellation of the audit however any changes within 3 weeks of the start of the fieldwork may result in fees being charged in respect of the audit. Changes with more than 3 weeks' notice will be accommodated at no extra charge.

ACCESS TO INFORMATION & COLLEAGUES

Any unreasonable delay in gaining access to required information or key colleagues will place audit timings at risk and may result in additional fees to you. Any such charges would be notified to you and agreed at the time the issue is identified.

APPENDIX A: DOCUMENTATION REQUEST

Outlined below and on the following page is an initial information request relating to this audit. Timely receipt of this information is critical to ensure that the objectives of the audit are met and that the work is completed on time. We have provided an overview of what we require from you. If you can please ensure to present the requested documentation by 10 March 2025 that would be most appreciated. We have tried to be specific wherever possible; however, please do contact us as soon as possible if you are unsure about any of the information required. Please note that this is an initial request and is not exhaustive - further information requiring your attention (including meetings) will be required at the time of our fieldwork.

INITIAL DOCUMENTATION REQUEST LIST	SCOPE AREA
A copy of the latest approved strategic plan	Content and Consultation
Minutes from Board and other committee meetings where the plan was discussed, and related reports	Content and Consultation
Action plans detailing how each strand of the strategy will be delivered	Strategic Direction
Performance reporting on the strategic plan showing progress	Monitoring and Decision Making
Please provide anything else deemed appropriate to the audit.	General

FOR MORE INFORMATION:

CLAIRE ROBERTSON, Director and Head of
Risk Advisory Services - Scotland

+44 (0)7583237579
Claire.robertson@bdo.co.uk

Freedom of Information (FOIA)

In the event you are required to disclose any information contained in this report by virtue of the Freedom of Information Act 2000 (“the Act”), you must notify BDO LLP promptly prior to any disclosure. You agree to pay due regard to any representations which BDO LLP makes in connection with such disclosure, and you shall apply any relevant exemptions which may exist under the Act. If, following consultation with BDO LLP, you disclose this report in whole or in part, you shall ensure that any disclaimer which BDO LLP has included, or may subsequently wish to include, is reproduced in full in any copies.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright © 2025 BDO LLP. All rights reserved. Published in the UK.

www.bdo.co.uk