

# UHI Shetland Audit Committee Meeting, Quarter 2, 2024-2025

Wed 13 November 2024, 16:30-18:30

Teams

## Attendees

### Chair

- Claire Christey (Chair of Audit Committee)

### Board Members

- Mason Robbins (Vice Chair of Audit Committee, Absent from 1, 1.1, 2, 3, 4, 5, 6)
- Lauren Doughton (Independent Director, Absent from 1, 1.1, 2, 3, 4, 5, 6, 7)
- Valerie Nicolson (Independent Director)
- Mark Green (Independent Director)
- Amanda Hawick (Independent Director, Absent from 13, 14, 15, 16, 17, 18, 19)

### Co-Opted Member

- Fiona Macleod (Co-opted Member)

### Management Team Member

- Katrina Short (Head of Finance)

### Staff In Attendance

- Gemma MacGregor (Vice Principal Operations)
- Sowmya Menon (Representative of Internal Auditors, Absent from 13, 14, 15, 16, 17, 18, 19)
- Matt Sierocinski King (Board Secretary)

### Observer

- Tom O'Hara (Observer from Internal Auditors)

### Apologies

- Jane Lewis (Principal - Shetland UHI)

Non-Confidential Meeting minutes

## Opening Items

### 1. Welcome, Apologies, and Announcements

Ms Christey (Chair of Audit Committee) welcomed everyone to the meeting. Tom O'Hara from BDO was attending as an observer.

#### 1.1. Welcome to new members

Ms Christey (Chair of Audit Committee) extended a warm welcome to Ms Hawick (Independent Director) and Mr Green (Independent Director) as it was their first meeting of the Committee.

## 2. Declarations of Interest

Ms Christey (Chair of Audit Committee) asked members of the Committee to declare if they have any conflict of interests regarding items on the agenda. No such declarations were made.

## 3. Minutes of the Previous Meeting

Ms Christey (Chair of Audit Committee) asked members of the Committee to review the Confidential minutes of the previous meeting for matters of accuracy. The Chair of Audit Committee asked members of the Committee to review the Non-Confidential minutes of the previous meeting for matters of accuracy.

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

**Decision:** The Committee approved the Non-Confidential minutes 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 Terms of Reference.

## Committee Matters

## 6. Training for Members

Mx Sierocinski King (Board Secretary) explained the importance of training and how to access the Audit Training. Mrs Nicolson (Independent Director) gave her support to the training.

**Action:** Members of the Committee are to do the training.

## Audits

## 8. Audit and Verification Activity

Mrs MacGregor (Vice-Principal Operations) introduced this paper with a focus on the FES Audit. She highlighted the student attendance records as an area of development, and the risks of overclaiming credits. She moved on to speak about a surprise inspection from SQA, and confirmed that the Curriculum Planning Internal Audit was upcoming and shared confidence of the upcoming completion of the Estates Internal Audit.

The Committee discussed the paper.

Dr Doughton (Independent Director) joined the meeting during this agenda item.

## **9. External Auditors Plan**

Mx Sierocinski King (Board Secretary) confirmed that the paper had been circulated via correspondence, and confirmed that this was the opportunity for the Committee members to record any thoughts on the External Audit plan.

Ms Short (Head of Finance) spoke about the progress made in completing the External Audit process, and mentioned the minor matters that were outstanding as of the close of last week. The Committee discussed the report, and requested to the Head of Finance to confirm what 'management override risk' was.

**Action:** The Head of Finance shall inform the Committee as to what 'Management override risk' is.

## **10. Internal Audit**

### **10.1. 2023-2024 Follow-up Audit**

Mrs Menon (Representative of Internal Auditors) spoke to this paper, and gave thanks to Ms Short (Head of Finance) for her support in its completion. She spoke about the recommendations that remained outstanding to implement.

The Committee discussed recommendations that have not been implemented and why that was the case. The Head of Finance, Mrs MacGregor (Vice-Principal Operations) and the Representative of Internal Auditors responded accordingly. The Representative of Internal Auditors confirmed that the recommendations that haven't been implemented and have been followed up upon, have been agreed to be implemented. Mx Sierocinski King (Board Secretary) explained the situation about the balance of outstanding actions between the last two academic years. The Committee discussed the legionnaires recommendation, to which the Vice-Principal Operations responded to.

The Committee discussed how to complete the outstanding actions and what the timeframe would be to close out these recommendations, to which the Head of Finance and the Vice-Principal Operations responded accordingly, with particular focus on the structure of Shetland UHI within the UHI partnership, along with completing procedural processes.

### **10.2. 2023-2024 Internal Audit Annual Report**

Mrs Menon (Representative of Internal Auditors) introduced the report, which summarised the last year of Internal Audits undertaken. She detailed the content of the report. The Committee discussed moderate ratings of the internal audits.

**Action:** The Representative of Internal Auditors is to add columns of planned processes, so that they can be compared to the actual processes.

### **10.3. 2024-2025 Timeline Update**

Mrs Menon (Representative of Internal Auditors) introduced the paper, and spoke about the progress of the 2024-2025 plan and recapped on the completion of the 2023-2024 plan.

## **11. 2023-2024 Annual Report of Audit Committee to the Board of Management**

This agenda item was postponed to the Joint Meeting of Audit Committee with Finance and General Purposes Committee.

**Action:** Mx Sierocinski King (Board Secretary) is to add this item to the agenda of the Joint Meeting of Audit Committee with Finance and General Purposes Committee.

## **Risk Management**

### **12. Code of Good Governance**

Mx Sierocinski King (Board Secretary) explained the contents of the document on the Code of Good Governance. Mrs MacLeod (Co-Opted Member) spoke about the meeting with the Board Secretary in October, and how the Code of Good Governance works, and the updates to the Code of Good Governance.

The Board Secretary also explained the importance of the Code of Good Governance and highlighted the matters of the vacancies of the Board of Management in the context of the Code of Good Governance.

The Committee discussed reviewing the Code of Good Governance regularly.

Ms Hawick (Independent Director) and Mrs Menon (Representative of Internal Auditors) left the meeting during this agenda item.

**Decision:** These documents are to come back as a standing item for meetings of the Committee.

**Action:** The Board Secretary is to send the Code of Good Governance to the Committee.

**Action:** The Board Secretary is to add an assurance column to confirm they offer their assurance of each clause of the Code of Good Governance.

**Action:** The Board Secretary shall add these documents as part of a standing item on the Code of Good Governance for meetings of the Committee.

### **13. Risks 12 - Cyber Security**

Mrs MacGregor (Vice Principal Operations) presented to the risk to the Committee, with a focus on causes, actions to minimise the risk, and spoke about the previous actions to minimise the risk over the last two academic years. She moved on to speak about the details of each action that had been actioned this academic year. She moved on to speak about the changes to stop users downloading files. Mx Sierocinski King (Board Secretary) spoke about this matter too, regarding Admin Control. The Vice Principal Operations confirmed the risk levels.

The Committee discussed the risk, with a particular focus on the matter regarding the incoming downloading rules.

## 14. Risk 13 - Net Zero

Mrs MacGregor (Vice Principal Operations) spoke about the action plan for this risk. and spoke in detail of each action. The actions focussed around UHI Shetland's working raising awareness of net zero, collaboration with other local and regional organisations, having clear plans and targets to reduce emissions, along with embedding sustainability in within all of its activities.

The Vice Principal Operations confirmed the risk level pre-action was 12 and post-action was 9.

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

Mrs MacGregor (Vice Principal Operations) spoke about the review of the risks as a whole, and detailed the progress in reviewing each of the risks.

## Other Items

### 17. \*Health and Safety Committee Minutes

**Noted:** The Committee noted the latest draft Health and Safety Committee minutes.

## Closing Items

### 18. Any Other Business

There was no additional business.

### 19. Date of Next Meetings

The dates of the next meetings are:

- Joint Audit Committee Meeting with Finance and General Purposes Committee: Wednesday 4th December 2024 at 16:30 on Teams
- Audit Committee Q3: Wednesday 12th March 2025 at 16:30 on Teams
- Audit Committee Q4: Wednesday 4th June 2025 at 16:30 on Teams

Agenda Item	Action	Responsible	Progress
6	To do the training.	Members of the Committee	

9	Inform the Committee as to what 'Management override risk' is.	Head of Finance	
10.2	Add columns of planned processes, so that they can be compared to the actual processes.	The Representative of Internal Auditors	
11	Add this item to the agenda of the Joint Meeting of Audit Committee with Finance and General Purposes Committee.	Mx Sierocinski King (Board Secretary)	Complete
12	Send the Code of Good Governance to the Committee.	Board Secretary	
12	Add an assurance column to confirm they offer their assurance of each clause of the Code of Good Governance.	Board Secretary	
12	Add these documents as part of a standing item on the Code of Good Governance for meetings of the Committee.	Board Secretary	