

Audit Committee, Quarter 1, 2024-2025

Wed 11 September 2024, 16:30 - 18:30

Teams

Attendees

Chair

- Claire Christey (Chair of Audit Committee)

Board Members

- Lauren Doughton (Independent Director, Absent from 1 to 8.4)
- Valerie Nicolson (Independent Director)

Staff In Attendance

- Matt Sierocinski King (Board Secretary)
- Sowmya Menon (Representative of Internal Auditors)
- Jane Lewis (Principal - Shetland UHI)
- Laura Burden (Depute Principal Tertiary)

Management Team Member

- Katrina Short (Head of Finance)

Co-Opted Member

- Fiona Macleod (Co-opted Member)

Apologies

- Mason Robbins (Vice Chair of Audit Committee)
- Mark Green (Independent Director)
- Amanda Hawick (Independent Director)

Meeting minutes

Opening Items

1. Welcome, Apologies, and Announcements

Ms Christey (Chair of Audit Committee) welcomed everyone to the meeting. The apologies, as noted above were announced.

1.1. Welcome to new members

Decision: This agenda item was postponed to the next meeting.

Action: Mx Sierocinski King (Board Secretary) shall add the Welcome to new members agenda item to the agenda of the next meeting.

2. Declarations of Interest

Ms Christey (Chair of Audit Committee) asked members of the Committee to declare any conflicts of interest that they may have with 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 minutes of the previous meeting for matters of accuracy.

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

4. Matters Arising

Mx Sierocinski King (Board Secretary) updated the Committee on the matters arising, with the ongoing actions noted below.

Action: Mrs MacLeod (Co-Opted Member) shall undertake the training.

Action: Dr Robbins (Vice-Chair) shall send his certificate of completion to the Board Secretary.

Action: The Representative of the Internal Auditors shall bring the 2023-2024 Follow-up internal audit to the 2024-2025 Q1 meeting of Audit Committee.

Action: The Co-opted Member and the Board Secretary shall work together on governance matters over the summer.

Action: The Board Secretary shall circulate the latest Health and Safety Committee minutes to the members of Audit Committee.

5. *Terms of Reference

Noted: The Terms of Reference were noted.

Committee Matters

6. Training for Members

Mx Sierocinski King (Board Secretary) reminded members of the Committee to complete the Audit Training Module, if they had not already done so.

Audits

7. Audit and Verification Activity

Professor Lewis (Principal) introduced the paper and explained its purpose. Ms Christey (Chair of Audit Committee) summarised the view of the Committee on the document. Mrs Burden (Depute Principal Tertiary) updated on the actions on the NCAA Audit, and the progress made on development of the recommendations for it.

8. Internal Audit

8.1. Follow-up Audit

Mrs Menon (Representative of Internal Auditors) spoke about the progress made to the Follow-Up Audit report, and that it remains ongoing. Professor Lewis (Principal) spoke to the challenges in accessing the database, and the reduction in the members of staff to completing the Follow-up Audit.

The Committee, with support from Mx Sierocinski King (Board Secretary) discussed the timeline of the Follow-up and the impact upon the Internal Annual Report and the Audit Committee Report to the Board of the Management, with the expectation the Annual report will be completed by the middle of October.

Action: Ms Short (Head of Finance) and the Board Secretary are to update the Committee on the progress as to whether the middle of October date can be achieved.

8.2. Payroll Audit

Mrs Menon (Representative of Internal Auditors) introduced the payroll audit, and spoke about the small number of recommendations. The Committee discussed the design level, and the positive

good findings of the Audit, and the positive comments to the Finance Team in their management of payroll.

8.3. Student Support Audit

Mrs Menon (Representative of Internal Auditors) spoke to this audit, recommendations, and the reliance on a key member of staff. She spoke about the challenges that the reliance posed on the delivery of the Audit.

8.4. Data Protection Audit

Mrs Menon (Representative of Internal Auditors) spoke about the audit and the findings. She spoke about the process undertaken within BDO, to manage the audit.

The Committee discussed the recommendations around Brightspace and that the responsibility belonging with UHI, and the resulting actions. Professor Lewis (Principal) gave the perspective of UHI Shetland on the recommendation made regarding Brightspace, and the local workaround implemented by staff.

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

8.5. 2023-2024 Internal Audit Annual Report

Decision: This agenda item was postponed to the next meeting.

Action: Mx Sierocinski King (Board Secretary) shall add the 2023-2024 Internal Audit Annual Report agenda item to the agenda of the next meeting.

8.6. 2023-2024 Timeline Update

Mrs Menon (Representative of Internal Auditors) updated the Committee on the timeline of progress to completing Internal Audits.

Risk Management

9. Risk 6 - Governance Risk

Mx Sierocinski King (Board Secretary) detailed the Risks owners, causes and impacts, before speaking about the actions undertaken to minimise the risk specifically focussing on recruitment to the Board of Management, the balance of Committee membership, and recruitment to roles of the Board of Management.

The Board Secretary proposed reducing the pre-action risk level down from 20 to 15, due to the increased recruitment of Independent Directors over the previous few months. The Committee also discussed the post-action to reduce to 6, but decided retain it at 9.

The Committee discussed the actions of the Code, and the impact of the recruitment challenge to the role of the Chair of the Board of Management and the recruitment challenge to the role of Vice-Chair of the Board of Management, and the finances UHI Shetland.

Decision: The Committee decided to reduce the pre-action risk level of Risk 6 - Governance, from 20 to 15.

Action: The Board Secretary and Mrs MacLeod (Co-Opted Member) are to discuss the Governance Risk during October.

Action: The Board Secretary is to establish a standing place of the risk register and the Code of Good Governance in Admin Control.

Action: The Board Secretary is to add the Code of Good Governance to the agenda of the next meeting, in place of Risk 6.

10. Risks 1&2 - FE Credits and HE Numbers

Mrs Burden (Depute Principal Tertiary) spoke to these risks, and explained the impact of the risks. She spoke to the causes, and owners of the risk. She moved on to speak about the actions to minimise the risks for both Further Education and Higher Education. She detailed the position of UHI Shetland in terms of credits in relation to our targets for Further Education and the targets for Undergraduate enrolments and the current level of enrolments.

The Depute Principal Tertiary moved on to speak to the over delivery risk in Further Education, and the actions to mitigate against them. She confirmed that further discussion will take place on this next week at Learning, Teaching, and Research Committee.

She confirmed that risk levels post action for both risks were 3, along with the pre-action level for risk 2, while pre-action residual risk for risk 1 was at 9.

The Committee discussed the risks and the enrolment process, and the comparison to the efficient of registry in registering of students. The Depute Principal Tertiary and Professor Lewis (Principal) spoke to the impact of the more efficient actions by registry upon students, with Mx Sierocinski King (Board Secretary) providing comments in support.

11. Risk 5 - Non-Compliance with Statutory Regulations

Professor Lewis (Principal) spoke to the risk, highlighting the causes, owners, and actions to minimise the risk. She drew the committee's attention to the focus points of each action, including a proposed new action around staffing. She confirmed that the risk levels remained unchanged.

The Committee discussed the forthcoming Compliance Co-ordinator role, and its place within the organisation, with the Principal and Mrs Burden (Depute Principal Tertiary) adding explanation to this.

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

Professor Lewis (Principal) spoke the cycle of the risk review, starting this month, and explained that the risks have not been updated, save from the updates on Risks made to this meeting.

Other Items

13. *Companies House Update - (Confidential)

Mx Sierocinski King (Board Secretary) informed the Committee about the changes in registration that had been made with Companies House, and explained why the removal of Mr Souter (former Student Director) had been delayed.

14. *Health and Safety Committee Minutes

Action: Mx Sierocinski King (Board Secretary) shall circulate the Health and Safety Committee Minutes upon their availability.

Closing Items

15. Any Other Business

Mx Sierocinski King (Board Secretary) announced that apologies had been received from Ms Hawick (Independent Director) during the meeting.

16. Date of Next Meeting

The dates of the next meetings are currently scheduled as:

- Q2 meeting of Audit Committee: Wednesday 13th November 2024 at 16:30 on Teams
- Joint Audit Committee Meeting with Finance and General Purposes Committee: Wednesday 20th November 2024 at 16:30 on Teams
- Q3 meeting of Audit Committee: Wednesday 12th March 2025 at 16:30 on Teams
- Q4 meeting of Audit Committee: Wednesday 4th June 2025 at 16:30 on Teams

Agenda Item	Action	Responsible	Progress
1.1	Add the Welcome to new members agenda item to the agenda of the next meeting.	Mx Sierocinski King (Board Secretary)	Complete
4	Undertake the training.	Mrs MacLeod (Co-Opted Member)	
4	Send his certificate of completion to the Board Secretary.	Dr Robbins (Vice-Chair)	
4	Bring the 2023-2024 Follow-up internal audit to the 2024-2025 Q1 meeting of Audit Committee.	The Representative of the Internal Auditors	On Agenda
4	Work together on governance matters over the summer.	Co-opted Member and the Board Secretary	Complete
4	Circulate the latest Health and Safety Committee minutes to the members of Audit Committee.	Board Secretary	
8.1	Update the Committee on the progress as to whether the middle of October date can be achieved.	Ms Short (Head of Finance) and the Board Secretary	Complete
8.5	Add the 2023-2024 Internal Audit Annual Report agenda item to the agenda of the next meeting.	Mx Sierocinski King (Board Secretary)	Complete
9	Discuss the Governance Risk during October.	Board Secretary and Mrs MacLeod (Co-Opted Member)	Complete
9	Establish a standing place of the risk register and the Code of Good Governance in Admin Control.	Board Secretary	

9	Add the Code of Good Governance to the agenda of the next meeting, in place of Risk 6.	Board Secretary	Complete
14	Circulate the Health and Safety Committee Minutes upon their availability.	Mx Sierocinski King (Board Secretary)	