

# UHI | INVERNESS

## **MINUTES of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 04 June 2024**

**PRESENT:** Janette Campbell, James Millar, Michael Beveridge, Innis Montgomery, Amy Goodbrand, Wendy Grindle

**CHAIR:** Janette Campbell

**APOLOGIES:** Chair of the Board of Management, Sally Blyth, Gillian Galloway, Operations and Commercial Manager

**IN ATTENDANCE:** Principal  
Vice Principal – Curriculum, Student Experience and Quality  
Director of Finance and Estates  
Claire Robertson, BDO  
Phil Mason, Deloitte  
Information Systems Manager  
ICT Services Manger  
Operations and Commercial Manager  
Governance Officer

The Chair welcomed everyone to the meeting and introductions were made.

There were no declarations of interests, statements of connections or transparency statements noted.

### **1. MINUTES FOR APPROVAL**

#### **a) Minutes of the Meeting of the Audit Committee held on 14 March 2024**

**Decision:** The Minutes of the Meeting of the Audit Committee held on 14 March 2024 were **AGREED** as a correct record and were **APPROVED**.

**b) Confidential Note of the Meeting (CN-01-032024) held on 14 March 2024**

**Decision:** Confidential Note of the Meeting (CN-01-032024) of the Meeting of the Audit Committee held on 14 March 2024 were **AGREED** as a correct record and were **APPROVED**.

**c) Confidential Note of the Meeting (CN-02-032024) held on 14 March 2024**

**Decision:** Confidential Note of the Meeting (CN-02-032024) of the Meeting of the Audit Committee held on 14 March 2024 were **AGREED** as a correct record and were **APPROVED**.

**d) Confidential Note of the Meeting (CN-03-032024) held on 14 March 2024**

**Decision:** Confidential Note of the Meeting (CN-03-032024) of the Meeting of the Audit Committee held on 14 March 2024 were **AGREED** as a correct record and were **APPROVED**.

**2. a) OUTSTANDING ACTIONS**

- **Risk Register Training – ONGOING** - The Governance Officer advised that UHI Executive Office will be asked to present this to the Committee as part of the March 2024 creative space session.

**Update:** No Creative Space took place in March; the Committee will look at future dates.

- **Creative Space Session – ONGOING** - The Governance Officer will arrange suitable training around Governance and Transparency for the Board of Management.

**Update:** The Chair agreed that Audit training provided in November 2023 covered the Transparency aspect of the ongoing action.

**Decision:** It has been **AGREED** that this item can be removed from the list.

- **Longman Site sold December 2023 – ONGOING** - Audit Committee will monitor for next two years any future sales of the site.

**b) RECOMMENDATIONS LIST – INTERNAL AUDIT (CONFIDENTIAL)**

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-01-062024).

**c) FOLLOW UP DRAFT REPORT 2022-23**

Follow Up Draft Report 2022-23 had been attached for Committee Members' perusal.

The Chair agreed for agenda item 7 CYBER RISK MITIGATION UPDATE (CONFIDENTIAL) to be discussed as next item.

**7. CYBER RISK MITIGATION UPDATE (CONFIDENTIAL)**

*ICT Services Manager joined the meeting.*

The ICT Services Manager spoke to his CONFIDENTIAL report (CN- 02-062024).

*ICT Services Manager left the meeting.*

**3. INTERNAL AUDIT**

**a.) Internal Audit – Progress Report 2023-24**

BDO provided the Committee with the Internal Audit – Progress Report 2023-24 which included the review of performance against operational plan. The Vice Principal – Curriculum, Student Experience and Quality and the Principal provided updates for ongoing actions.

**Decision:** The Committee **APPROVED** the Internal Audit – Progress Report 2023-24

**b.) Internal Audit – Terms of Reference - Follow Up Review 2023-24**

BDO provided the Committee with the Internal Audit – Terms of Reference - Follow Up Review 2023-24 and confirmed that all recommendations will be implemented before due date in July 2024.

**Decision:** The Committee **APPROVED** the Internal Audit – Terms of Reference - Follow Up Review 2023-24.

**c.) Student Support Audit – to follow**

BDO confirmed that Student Support Audit will follow shortly.

**d.) Annual Internal Audit Plan – 2024-25**

The Governance Officer confirmed all bar one departments have agreed with the timeframe proposed by BDO: Fraud Strategy, Core Financial Controls, Staff Wellbeing & Incidence Management.

The Vice Principal – Curriculum, Student Experience and Quality suggested that ICT Services could be audited on a different aspect than proposed Cyber Security, as ICT Manager confirmed in his report agenda item 7, that the ICT Services are already being audited on that on an annual basis.

**Decision:** The Committee **APPROVED** the Annual Internal Audit Plan – 2024-25.

**4. EXTERNAL AUDIT**

The Director of Finance and Estates spoke to his report which provided the Audit Committee with an update on the external audit of the college accounts by Deloitte for the year-ended 31 July 2023.

## ITEM 01.

As confirmed by Deloitte the financial statements are almost complete, however further work is required to take place by Deloitte on the triennial pension valuation of the LGPS through Highland Council.

The Director of Finance and Estates also provided a short update regarding the ongoing communication taking place with Audit Scotland and OSCR to inform them of the delay in completion of the college accounts.

Deloitte confirmed the accuracy of the report provided by the Director of Finance and Estates and added there are plans for July completion of the financial statements.

The Chair asked for a confirmation of the estimate completion date, but this was not provided by Deloitte due to factors outside their control. Deloitte also agreed to contact Highland Council, once details have been provided, in regard to late triennial pension valuation of the LGPS; work to date undertaken by Director of Finance and Estates.

The Committee expressed their concerns in regard to low engagement from Deloitte's side and the speed of their responses to enquiries sent by the Director of Finance and Estates.

In terms of the 2023/24, Deloitte have confirmed that they are not going to be performing any of our planning work for the 2023/24 audit until the 2022/23 audit is concluded. The Chair asked Deloitte to provide a written plan for audit 2023/24, with risks and mitigation aspects from college and auditors perspective identified, for the September Committee meeting.

**Action 1: Deloitte to provide a written plan for audit 2023/24, with risks and mitigation aspects from college and auditors perspective identified, alongside audit's timeframe.**

The Committee expressed their concern in regard to late OSCR return and the serious risk of being red flagged on OSCR's website which could significantly

impact college's charitable status in being seen as an institution at risk, which in long-term could have detrimental aspect on research bids for funding grants.

The Chair asked Deloitte to raise and resolve this issue with OSCR directly. Deloitte agreed to contact OSCR but also to raise this issue with audit partner.

**Action 2: Deloitte to contact OSCR in regard to late financial statements and UHI Inverness being labelled as institution at risk in order to resolve it.**

The Principal raised his concerns regarding recent meeting with Audit Scotland and the possibility of additional charges being applied by Deloitte. Deloitte were unable to comment at this stage.

The Chair thanked the Director of Finance and Estates for his detailed report.

**Decision:** The Committee **APPROVED** the External Audit report.

## **5. RISK MANAGEMENT (CONFIDENTIAL)**

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CSN-03-062024) which provided the Audit Committee with an update on the college risk register.

## **6. KPI MATRIX**

*Operations and Commercial Manager joined the meeting.*

Operations and Commercial Manager spoke to his report which provided the Committee with an update on performance measures year to date as at period 9 April 24.

## ITEM 01.

Twenty-four measures are satisfactory (Green), eleven unsatisfactory (Red), one marginal (Amber), while two measures (GA and Senior Phase enrolments) are being benchmarked this year and have no target.

A short discussion in regard to specific performance measures took place.

The Committee welcomed the confirmation that mental health support target had been achieved despite current financial situation.

The Chair thanked the Operations and Commercial Manager for his detailed report.

**Decision:** The Committee **APPROVED** the KPI Matrix report.

*The Operations and Commercial Manager left the meeting.*

### 8. COMMITTEE EVALUATION

The Governance Officer provided a short update in regard to Committee and Chair Evaluation Exercises which be made available to them via JISC Survey from beginning of July 2024. The survey will stay open till 31 August 2024 and a short report will be presented to the Board in October 2024.

### AOCB

Nothing raised.

### 11. DATE OF NEXT MEETING – Joint Audit and Finance and General Purposes Committee – date to be confirmed.

Signed by the Chair:

*Jarrette Campbell*

Date: 10-09-2024