



MINUTES of the AUDIT COMMITTEE held via Microsoft Teams on Thursday 14 March 2024

PRESENT: Janette Campbell, Sally Blyth, James Millar, Michael Beveridge, Innis Montgomery

CHAIR: Janette Campbell

APOLOGIES: Amy Goodbrand, Gillian Galloway, Vice Principal – Curriculum, Student Experience and Quality

IN ATTENDANCE: Chair of the Board of Management
Principal
Director of Finance and Estates
Sowmya Menon, BDO
Phil Mason, Deloitte
Information Systems Manager
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

Minutes of the Meeting of the Audit Committee held on 05 September 2023

Decision: The Minutes of the Meeting of the Audit Committee held on 05 September 2023 were **AGREED** as a correct record and were **APPROVED**.

2. OUTSTANDING ACTIONS

- **Annual Internal Audit Plan 2023-2024 – COMPLETE** - BDO advised the Committee that as a result of new legislation, there was now a requirement for a different engagement in respect of third-party assurance. The Committee noted that this would mean a disproportionate additional cost to the College and as such, BDO have been liaising with the SFC since May 2023 in respect of this sector wide issue and have produced a paper to them which outlines several different options. BDO advised that they are continuing to liaise with the SFC to agree the scope of their requirements. The Committee discussed the impact if we do not meet the SFC deadline for these audits and noted that this is unknown. The Committee noted that a response from the SFC is expected by 08 September 2023.

Decision: The Committee **AGREED** that this item could be removed from the list.

- **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: CDN will provide a training session in November 2024, date tbc.

- **Internal Audit Strategy – COMPLETE** - The Research and Innovation Sub-Strategy will be taken to the Board of Management on 03 October 2023 for final approval and will then be uploaded onto our website.

Decision: The Committee **AGREED** that this item could be removed from the list.

- **KPI Matrix – COMPLETE** - The Principal to provide, via email, an update in respect of the RIDDOR incident noted within the KPI Matrix.

Decision: The Committee **AGREED** that this item could be removed from the list.

3. INTERNAL AUDIT

a.) Internal Audit Annual Report 2022-23

BDO provided the Committee with the Internal Audit Annual Report 2022-23 which included the review of work undertaken in 2022-23, annual statement of assurance, performance against operational plan and audit performance.

The Committee expressed concerns in regard to low implementation rate and agreed that renewed focus is necessary to ensure the remaining outstanding recommendations are implemented within a reasonable timeframe.

Decision: The Committee **APPROVED** the Internal Audit Annual Report 2022-23.

b.) Internal Audit Progress Report March 2024

BDO provided the Committee with the Internal Audit Progress Report March 2024 which highlighted the areas with limited departmental engagement which led to some actions still marked as outstanding.

The Committee suggested that the action list should be reviewed and updated, with final list coming to Board for approval.

Decision: The Committee **APPROVED** the Internal Audit Progress Report March 2024.

c.) Internal Audit Follow Up Draft Report 22-23

BDO provided the Committee with the Internal Audit Follow Up Draft Report 22-23 which listed recommendation reviewed under agenda item 3.a Internal Audit Annual Report 2022-23.

It had been confirmed that Health & Safety Audit will be concluded next week.

Decision: The Committee **APPROVED** the Internal Audit Follow Up Draft Report 22-23.

d.) Payroll Internal Audit Report Final

BDO provided the Committee with the Payroll Internal Audit Report Final which had been concluded and assurance had been provided in regard to design and operational effectiveness.

Decision: The Committee **APPROVED** the Payroll Internal Audit Report Final.

4. POLICIES FOR APPROVAL

a.) Information Security Policy

Discussion took place in regard to the Information Security Policy and the Committee decided not to approve it and to seek clarification regarding changes in legislation and job titles of this policy.

Decision: The Committee **DID NOT APPROVE** the Information Security Policy.

5. EXTERNAL AUDIT – Updates and Audit Plans

The Director of Finance and Estates spoke to his report which provided the Audit Committee with an update on the progress of the external audit of the UHI Inverness final accounts for the year-ended 31 July 2023, which is being carried out by Deloitte. The plan presented by Deloitte to the Audit Committee on 05 September 2023 set out the delivery timeline for the audit to be complete by end of December, and prior to SFC deadline. The new revised date stated that the audit would be complete by the end of March 2024.

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

Decision: The Committee **APPROVED** the External Audit – Updates and Audit Plans report.

6. External Audit – Assessment of Performance (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CSN-01-032024) which provided the Committee with an assessment of performance by external auditors Deloitte.

7. RISK MANAGEMENT (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CSN-02-032024) which provided the Audit Committee with an update on the college risk register.

8. BUSINESS CONTINUITY (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CSN-03-032024) which provided the Audit Committee with an update on business continuity within the college.

9. LONGMAN VALUED COST REVIEW

The Director of Finance and Estates provided a short verbal report which provided the Committee members with an update in regard to Longman Site sold on 13 December 2023. Audit Committee will monitor for next two years any future sales of the site.

10. KPI MATRIX

Operations and Commercial Manager spoke to his report which provided the Committee with an update on 36 performance measures year to date as at period 7 February 24.

Twenty measures are satisfactory (Green), eleven unsatisfactory (Red), three marginal (Amber), while two measures (GA and Senior Phase enrolments) are being benchmarked this year and have no target. A list with detailed comments on specific measures has also been provided.

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

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

10. AOCB

Nothing raised.

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

Signed by the Chair:

A handwritten signature in blue ink that reads "Jarette Campbell". The signature is written in a cursive style and is positioned to the right of the text "Signed by the Chair:".

Date: 04/06/2024