

BOARD OF MANAGEMENT
Audit Committee
Draft Minutes of Meeting on
Thursday, 1 December 2022
at 14.15pm in the Boardroom and via MS Teams

Present : Jessie McLeman Convenor
 Dawn McKinstrey
 Grenville Johnston
 Leigh Mair

In attendance: Shelly McInnes Via MS Teams
 Grace Scanlin (EY) Via MS Teams
 Scott McReady (WB) Via MS Teams
 David Patterson, for agenda item 5
 Derek Duncan
 Elaine Sutherland Clerk
 Eleanor Melton Minutes

		ACTION	DATE
A.22.05.01	(i) Resignations		
1.1	There have been no resignations.		
	(ii) Appointments		
1.2	There have been no new appointments.		
A.22.05.02	Apologies for Absence		
2.1	No apologies received.		
A.22.05.03	Any Additional Declarations of Interest including specific items on this Agenda		
3.1	There were no additional declarations of interest from the Audit Committee.		
A.22.05.04	Draft Minutes of Audit Committee meeting held on 5 October 2022		
4.1	The minutes were accepted as a true and accurate record and approved by the Committee: Proposed: D McKinstry Seconded: G Johnston		
A.22.05.05	Draft Matters Arising of meetings held on 5 October 2022		
5.1	The status of actions was noted or is covered under relevant agenda items.		

A.22.05.06	Code of Good Governance - RESERVED		
	<p>(i) Statement of Compliance with Code of Good Governance Checklist</p> <p>(ii) Revised Code of Good Governance, September 2022</p>		
6.1	This item is Reserved, and the minutes held in confidence.		
	<i>Grenville Johnston left at 14.25pm</i>		
	<i>Scott McReady and Derek Duncan joined at 14.30pm</i>		
	<i>David Patterson left at 14.35pm</i>		
A.22.05.08	Internal Audit – Wylie Bisset		
	(i) Credits Audit		
8.1	Scott introduced the report provided. The conclusions outline that all credit data was collected appropriately and as necessary and submitted to the SFC on time. The final credit amount was below target; however, it has not yet been confirmed if there will be clawback or not. There were no recommendations made.		
	(ii) Student Support Funds Audit 2021/22		
8.2	As set out in the report provided, Scott confirmed this was a clean audit with no recommendations made. The deadline for submission to the SFC has been met for this year.		
	(iii) EMA Audit 2021/22		
8.3	The audit was undertaken and the certificate issued to the SFC within the timescales set out. As outlined within the report, there was one low grade recommendation made. The college has to ensure the correct amounts are inserted in the offer letter to students. The cause of the issue was found to be a system error, which needs to be rectified.		
	(iv) Annual Internal Audit Report and Opinion for 2021/22		
8.4	The Annual report has been provided. The report summarises all audit work undertaken throughout the year 2021/22. The auditors were able to provide an opinion for the year. In their opinion UHI Moray did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of their audit work. In their opinion, the College has proper arrangements to promote and secure value for money. In total, four recommendations were made, detailed within the report. All meetings held with staff went well. KPIs have been included, and all but two have been met. There have been no issues with reports being presented on time. No further comments were made.		
	(v) Student Retention - Scope and Approach		
8.5	The internal audit plan for this year includes an audit of Student Retention. The audit will look at the processes followed and see if/where suggestions can be made. The		

	convenor requested that training and communications be included within the scope of the audit – it had not specifically been included in the summary scope Following discussion, it was agreed that Shelly provide suggestions for detailed objectives. Kenny would be the main contact for this report. It will be carried out remotely. The scope was otherwise agreed.		
	(vi) Purchases and Payments – Scope and Approach		
8.6	The purchases and payments processes will be looked at in this audit, which will be looking to ensure all procedures are followed correctly. It was explained that there is a range of staff who have access to and use PECOS, the purchasing platform. The scope was agreed by the Committee.		
A.22.05.09	Audit Register		
	(i) Review of Status		
9.1	Jessie commented that the text in each of the subject area tabs does not align with the number of outstanding audit actions in the summary, making it difficult to reconcile. Shelly confirmed that the summary is correct, the text would need to be reviewed and updated as the relevant actions had been closed by WB. Additionally, the recent actions from the EMA audit had not been added, so there should be 7 in total outstanding and not 6 as per the summary table. One of these is overdue and has been outstanding for some time.		
9.2 ACTION	Shelly to update the Audit register to complete the status of closed actions such that the information aligns with the summary and include the EMA action.	Shelly	ASAP
9.3	There was discussion as to what to do with the long-standing action on Risk Register Reporting. The College had obtained new software licenses to allow it to undertake reporting, but the software did not seem to work effectively with the risk register as structured, and that seemed to be the cause of the problem – there were too many errors. Shelly explained to members that she didn't believe the report is providing the information or the accuracy the committee need to see. Risks were showing that weren't within the list. This has all been fed back to Roger Sendall.		
9.4 ACTION	Jessie is to raise the continuing concerns about risk register reporting at the next Audit Chairs meeting, and with Murray Easton, now Chair of the meeting.	Jessie	Next Audit Chairs meeting
9.5	Dawn recommended the risk be closed but kept as a watching brief. Scott agreed and so the Committee agreed to this approach with this specific item.		
9.6 ACTION	, Shelly to write up the actions taken to try to resolve the recommendation, and to submit that to Scott, to review and close if agreeable, to ensure accuracy of the record.	Shelly	ASAP
	Scott McReady left at 3.00pm		

A.22.05.07	Risk Register		
	(i) Review of Risk Register		
7.1	<p>A revised iteration has been provided for discussion. The Risk Register is now aligned with the new Strategic Plan of the Board. A trend analysis will be provided at the next meeting.</p> <p>There was discussion about HE credit targets, and whether this was now an issue, rather than a risk. Shelly commented that the underlying trend following the pandemic was still unclear. There was also discussion about the trend status of all the risks, as looking in the round the great majority were considered as decreasing, and very few were stable or increasing which did not feel right in the current context. This would be considered further in the next iteration.</p> <p>The committee agreed to recommend the revised structure to the Board as aligned with the Board’s new strategic plan. Members briefly discussed the climate change plan following it’s approval by SLT. The plan will be reviewed following submission of the carbon return.</p> <p>Jessie noted that Jason has suggested that Audit Committees may want to look at the processes used to create the annual returns from partners, due to the quality of data inputs looking to be variable.</p> <p>Derek commented that he had been advised not to include the data if it looked to be unreliable.</p> <p>Shelly was thanked for all the work needed to update the register and create the format presented to the Committee. .</p>		
	(ii) Review of Risk Appetite		
7.2	<p>Shelly supported the paper provided. The paper has been produced following an action from the Board risk workshop associated with the development of the five-year strategic plan and sets out the SLT’s thinking. The paper sets out the current and the proposed new levels of risk appetite for comparison. Comments and suggestions were welcomed.</p> <p>There were comments about the descriptions and values associated with the new proposed risk levels, ie what did they actually mean in terms of what would be different from the current situation. Specifically, there was comment about the proposed level of reputational risk. It was not clear why a high level of reputational risk was directly associated with a high level of curriculum risk; the two were different, and changed risk in one did not necessarily mean a read through to the other; there was also comment about the terminology and intention associated with the proposed new financial risk levels; and the descriptions of the organisational impact were unclear.</p> <p>Following discussion and clarification, it was agreed for Shelly to take away and consider further with the SLT.</p>		

	Members discussed what governance the Board might need to have in place to manage any increase in risk appetite, to be looked at when finalised.		
7.3 ACTION	Shelly to consider risk appetite further in light of the discussion and bring back to the Committee.	Shelly	February Committee meeting
A.22.05.10	Policies Due for Review		
	(i) Plan and Timeline for Review of College Policies 2022-23 and Status		
10.1	<p>The plan and timetable of policies due for review this year has been included within the papers. There are some challenges in terms of presenting policies to the relevant committees, and this item will need to be included on committee workplans. Most policies are well established and included within each committees' terms of reference, so there should be no impact on that.</p> <p>Dawn queried the number of policies still requiring updating on SharePoint and the website and how/when this is carried out? Derek assured members that following the approval of a policy, a process is carried out to ensure the policy is updated everywhere.</p> <p>Business Continuity was recently updated to include the current energy situation (specifically in relation to the rumoured power cuts). It was agreed that this policy should sit with FGP and the updated document circulated to all committee chairs.</p>		
10.2 ACTION	Elaine to forward the updated table of policies to the Chairs of Committees so they can see what is coming.	Elaine	ASAP
10.3 ACTION	Elaine to update the Committee workplans with the relevant policies to be approved.	Elaine	ASAP
10.4 ACTION	Derek to double check and confirm which policies belong with which committee, including the Business Continuity policy.	Derek	ASAP
A.22.05.11	GDPR Annual Report - RESERVED		
11.1	This item is Reserved, and the minutes held in confidence.		
A.22.05.12	Cyber Security - RESERVED		
	(i) Annual Report on Information Security Management System and Progress Report on UHI Partnership Cyber Essentials+ accreditation		
12.1	This item is Reserved, and the minutes held in confidence.		
A.22.05.13	Emerging Issues		
	(i) Feedback from Joint AP Audit Chairs and UHI Committee meeting held on 9 November 2022		
13.1	Jessie briefly updated members on the topics discussed at the recent joint Audit Chairs meeting. Topics included Business Continuity planning; work on climate change and achieving net zero; Cyber Essentials Plus accreditation; and		

	cyber security assurance in relation to the EO managed elements, where an independent assessment will now be carried out and forwarded to Audit Chairs.		
13.2	On behalf of the committee, Jessie took the opportunity to thank Grace for all her work over the past 5/6 years. Grace thanked committee members for their work and cooperation over the years.		
	<i>Grace Scanlin left at 15.55pm</i>		
A.22.05.14	Date of Next Meeting		
14.1	The date of the next Audit Committee meeting is planned for 17 February 2023.		
	<i>Shelly McInnes left at 16.00pm</i>		
RESERVED ITEMS			
A.22.05.15	Draft Reserved Minutes of Audit Committee held on 5 October 2022		
15.1	This item is Reserved, and the minutes held in confidence.		
A.22.05.16	Reserved Matters Arising from Audit Committee held on 5 October 2022		
15.1	This item is Reserved, and the minutes held in confidence.		
A.22.05.17	Internal Audit Services		
17.1	This item is Reserved, and the minutes held in confidence.		
A.22.05.18	Draft Annual Report from Audit Committee to the Board		
18.1	This item is Reserved, and the minutes held in confidence.		
	<i>Meeting closed at 16.25pm</i>		