

**Board of Management  
Audit Committee  
Minutes of Meeting held on  
Thursday 16 February 2023  
At 13.30pm in the Boardroom and MS Teams**

**Present:**

Jessie McLeman                                Convener  
Dawn McKinstrey  
Grenville Johnstone  
Leigh Mair

**In Attendance:**

Shelly McInnes  
Susan Brook                                (Wylie Bisset – WB)  
Karlyn Watts                                (Deloitte)  
Derek Duncan  
Eleanor Melton                                (Clerk)  
Audrey Simpson                                (Minutes)

<b>Item</b>		<b>Action</b>	<b>Date</b>
<b>A.23.01.01</b>	<b>Resignations</b>		
1.1	Resignations were received from Elaine Sutherland, Clerk to the Board and Eleanor Melton, Minute Secretary.		
	<b>Appointments</b>		
1.2	Eleanor Melton had been appointed as Clerk to the Board and was congratulated by the Committee on her new appointment.		
<b>A.23.01.02</b>	<b>Apologies for Absence</b>		
2.1	There were no apologies received.		
<b>A.23.01.03</b>	<b>Any Additional Declarations of Interest including specific items on this Agenda</b>		
3.1	There were no additional declarations of interest.		
<b>A.23.01.04</b>	<b>Draft Minutes of Joint Audit and F&amp;GP Committee meeting held on 1 December 2022</b>		
4.1	The minutes were accepted as a true and accurate record and approved by the Committee: Proposed: G Johnston Seconded: D McKinstrey		
<b>A.23.01.05</b>	<b>Draft Minutes of Audit Committee Meeting held on 1 December 2022</b>		
5.1	The minutes were accepted as a true and accurate record and approved by the Committee: Proposed: D McKinstrey		

	Seconded: L Mair		
<b>A.23.01.06</b>	<b>Matters arising from Joint Audit Committee and F&amp;GP meeting and from Audit Committee Meeting both held on 1 December 2022</b>		
6.1	<p><u>Actions 6.3 and 11.1</u> are on Agenda.</p> <p><u>Action 10.2</u> National Fraud Initiative: Shelly confirmed she had received the matches back from the exercise undertaken for payroll and purchasing activity; any duplicates/discrepancies flagged are to be investigated.</p>		
<b>ACTION</b>	Agenda item for next meeting.	<b>SM</b>	<b>May 2023</b>
	<p><u>Action 9.2</u> Audit Register update complete, EMA action to remain open until meeting in May.</p> <p><u>Action 9.6</u> Risk Register updated and confirmed by Shelly with Scott.</p> <p><u>Action 7.1</u> Review of Risk Appetite. This matter must be reviewed further by the SLT before coming back to the Committee.</p> <p><u>Action 10.2</u> Policies due for Review. The updated table of policies and review dates provided with pack to be sent to the chairs of committees so they can see what's coming.</p> <p><u>Action 10.3</u> Committee workplans. To use the current plans as a basis and update.</p> <p><u>Action 10.4</u> The Business Continuity Policy has been updated and will go to F&amp;GP for approval. Jessie indicated that this was not showing on the table sent out. Derek confirmed that the SLT have approved, but the master plan needs to be updated showing the correct Committee.</p>		
<b>ACTION</b>	Master Plan to show F&GP.	<b>DD</b>	<b>ASAP</b>
	<u>Action 4.2</u> The outstanding declaration of interest had been submitted.		
<b>A.23.01.07</b>	<b>Risk Register</b>		
	<b>(i) Review of Risk Register</b>		
7.1	Shelly reported that there had been no material changes since December and recognised that the format was still far from ideal. Grenville queried two of the red risks and asked if the student situation had improved. Shelly reported that after Semester 2 it had not, but to contextualise this, the same problems are being felt across the whole College/University sector. Moray will hit target for FE but HE numbers are approx. 250 FTE short of target; however, there is significant work being undertaken to look at HE and this is a priority matter.		

	<p>Dawn noted that two red risks had returned to the register, viz ‘financial failure/operating loss and College estate not fit for purpose.’ Seven issues were withdrawn, and no guidance given on and why they were reported as such. Shelly confirmed that some were diminished issues as opposed to risks.</p> <p>Jessie commented on the Moray Growth Deal and asked if the absence of real change to this on the risk register reflected where we are. Shelly agreed that there was nothing, except any impact of the resignation of the FM. Shelly confirmed that Business Cases were in preparation for both projects.</p> <p>Jessie referred to Health &amp; Safety (risk no.4) and indicated that the meaning of the text was unclear; Shelly will ask David to review as it’s not clear.</p>		
<b>ACTION</b>	Shelly to take away and review for next update of the register.	<b>SM</b>	<b>May 2023</b>
	<p>In discussion of reporting, Shelly acknowledged that the recently acquired software licence is not working effectively for Risk Register reporting purposes. This will need to be discussed further with Roger.</p> <p>Jessie suggested that it could be raising again at the next Audit Chairs meeting and to know how this is presented to other Committees/ Boards.</p>		
<b>ACTION</b>	Risk Register Reporting: Jessie to raise again at next UHI Audit Chairs meeting.	<b>JM</b>	<b>Next meeting of Audit Chairs</b>
	<b>(ii) Achieving Net Zero</b>		
<b>7.2</b>	<p>Derek reported that he had reviewed both the climate change risk guidance from the National Audit Office (NOA) – (<a href="#">Climate change risk: A good practice guide for Audit and Risk Assurance Committees - NAO insight</a>) and the Climate Action Roadmap from the Environmental Association for Universities and Colleges (EAUC). UHI Moray is a member of EAUC and has supported a review of local planning. Whilst the NAO guidance was recognised as a key tool to support governance and should be used in supporting the work of the College, Derek recommended that the EAUC roadmap be formally adopted by the Committee as it provides an assurance framework of actions for the College to reduce greenhouse gas emissions, to measure the College’s climate change maturity and to report progress to the Board of Management.</p> <p>The roadmap was issued to colleges by EAUC in 2020 but was not a local priority due to the impact of the global pandemic. The full framework was presented to the</p>		

	<p>committee and included the summary tracking spreadsheet to measure completion of actions and the overall climate maturity status of the College.</p> <p>Derek noted that the UHI Partnership Net Zero Acceleration steering group is developing a new Sustainability Strategy, which will be help develop local plans to reduce greenhouse gas emissions. A Local Carbon Management Plan is being developed but requires further consultation before presentation to the Board of Management for approval.</p> <p>Derek reported that the ultimate ambition was for the College to be recognised nationally for its work in relation to Climate Change and that both the Moray Growth Deal and Just Transition projects would provide opportunities for this.</p> <p>However, further work is required to embed this work across the College. The actions are all laid out in the spreadsheet, for this calendar year and the next 4 years.</p> <p>Dawn asked about the two Colleges that were showing as established; Derek confirmed that those would be the ones involved in the Pilot Project. Dawn also indicated that for Leadership/governance, the target needs to be amended from 2050 as it is 2045.</p> <p>Derek reported that at the local plan aims to take us to net zero in 2045, but this will be revised in line with the overall strategy to achieve this by 2040. HISA will need to be consulted before finalising the plan.</p> <p>Jessie summarised the discussion; the Committee agreed with the recommendation that the EUAC roadmap is fully adopted as an assurance and monitoring framework. SLT members will review the EUAC roadmap actions and decide if any initiatives are no longer in scope and start prioritising each initiative. The College should aim to achieve “emerging maturity” status in 2023.</p>		
<b>ACTION</b>	The Audit Committee will require an initial assessment at the May 2023 meeting on progress against the emerging maturity status and the next set of actions to achieve established status in 2024.	<b>DD</b>	<b>May 2023</b>
	<p>F&amp;GP will continue to have responsibility for the subject including scrutiny of the details of plans.</p> <p>Derek confirmed that the Net zero risk register will be separate and contain more granular and lower-level risks.</p>		

	Dawn had some concerns around the one-day training for both staff and students and thought this might be challenging.		
<b>ACTION</b>	Jessie to bring the discussion to the attention of the Board at its next meeting, with the invitation to reflect further on governance and championship of this subject.	<b>JM</b>	<b>23-03-2023</b>
	Next deep dive: Jessie reminded the Committee that at the last meeting they had suggested looking at the nursery and risk management as an area for a 'deep dive.'		
<b>ACTION</b>	Arrange a presentation on risk management arrangements in relation to the nursery.	<b>EM/DD</b>	<b>May 2023</b>
<b>A.23.01.08</b>	<b>Internal Audit – Wylie Bisset</b>		
	<b>(i) Status of Internal Audit Plan 2022/23</b>		
8.1	Susan confirmed that WB are on track and the first visit had been undertaken. Student retention is on the agenda and visits 3 and 4 are for review.		
	<b>(ii) Purchase and Payments Audit</b>		
8.2	Susan (WB) introduced the report provided and confirmed that risks are appropriately managed and controlled, with an overall conclusion of a strong level of assurance (highest level). There are no actions and one observation, namely that the College does not keep a list of supplier detail changes, so if anything happens there is no way to map back. Shelly commented that has now been adopted. Ten areas of good practice were noted. Dawn queried the reference to 'private purchases' and asked if there were many. Susan clarified that this was the terminology used by the College and no, not that private purchases per se had been identified. The Committee noted the report.		
	<b>(iii) Student Retention Audit</b>		
8.3	This was a positive report, with an overall conclusion of 'substantial' (the second highest level). There was one medium and one low grade recommendation. The medium one related to interventions to improve retention rates; it was noted that these were happening but there was little analysis of impact and effectiveness. The low-grade recommendation related to withdrawals; the recommendation requires robust analysis of the specific reasons for withdrawals, to allow tie in between the interventions and their effect.  Overall, it was a good report. Jessie noted that Kenny's written comments in accepting the recommendations were helpful. Committee noted the report and agreed the actions and dates to achieve the recommendations.		
	<b>(iv) Proposed Scopes for remaining internal Audits for 2022-23</b>		

8.4	<p>Susan confirmed the upcoming reviews. Those are Student Experience; Equality Diversity and Inclusion; and Policy Review and Awareness. The proposed scopes for the three reviews were discussed.</p> <p>A review of Student Experience was agreed in annual plan, but the scope is still in draft so can be amended. The timings for fieldwork are scheduled for 27<sup>th</sup> March.</p> <p>Jessie had a few comments/queries as follows: In looking at the end-to-end process, as it was unclear how HISA fitted into the process; did course delivery include the mechanisms of delivery; and did the proposed scope include applications as well as enrolments, i.e. the very start of the process. With regards to the enrolments as part of the student experience, Susan said this could include anything the Committee wanted; s after some discussion it was agreed to start at the application process.</p> <p>Susan referred to Bullet point 4 'Monitor student satisfaction' and added 'monitor progress of student'.</p> <p>Jessie advised that the key contact was still down as Nikki Yoxall who had left. This should be changed to Kenny McAlpine, so the review will need to align with his diary.</p> <p>The paper was agreed in principle subject to the comments made.</p>		
<b>ACTION</b>	Susan to revise the scope and plan based on the discussion, both to be confirmed Shelly.	<b>SB (WB)</b>	<b>ASAP</b>
	<p>Equality, Diversity, and Inclusion – it was noted that the scope would include the review of appropriate policies in place and communication of policies and procedures throughout. Communication is important, including where people go to find information.</p> <p>Policy Review and Awareness. The Policy Review plan is agreed, and timescales set. Staff should be aware but important to know where the plans are; how does the College ensure that staff have read policies; and are there appropriate raining and refresher arrangements.</p> <p>The scopes of the above two reviews were agreed subject to the comments made in the discussion.</p> <p>The Committee agreed that the review of Diversity etc should take place on campus but will leave it for Susan to discuss with the college the best mix for the remaining two reviews.</p>		

<b>ACTION</b>	Susan and Shelly to review and agree timetabling and mix of remote/ in person	<b>SM/SB</b>	<b>ASAP</b>
	While External Audit is not an agenda item for this meeting, it was noted that discussions have commenced, and plan will be reviewed at the next meeting.		
<b>A.23.01.09</b>	<b>Audit Register</b>		
	<b>(i) Review of Status</b>		
<b>9.1</b>	<p>Shelly confirmed that there were three open recommendations, two new ones and the Marketing strategy. Five have been closed off, superseded, or considered closed by management.</p> <p>It was noted that there was a marketing strategy in place just no documentation and the Marketing Manager has requested this be pushed back to June. This was agreed.</p> <p>With regards to Workforce Planning, UHI work is on-going, and the issue will be superseded before implementation of the action. It was agreed that for reporting purposes this is retired for the moment until we know what UHI agree to do, but we do need a workforce plan and smart objectives are not in place. Dawn suggested a Watching brief for this. David will update the Board in March. The Committee agreed this approach.</p> <p>In relation to SITS reporting, Derek confirmed that at present UHI have no capability and are currently advertising for a person who can write reports. However standard KPIs could be reported through METIS centralised reporting.</p>		
<b>ACTION</b>	Derek to discuss with Internal auditors to agree an approach	<b>DD</b>	<b>ASAP</b>
	EMA- had discussed this error and feedback from UHI was that it would not happen again.		
<b>ACTION</b>	To discuss with Wylie and Bissett to see if they are agreeable for it to be closed.	<b>SM</b>	<b>ASAP</b>
<b>A.23.01.10</b>	<b>Review of College Policies</b>		
	<b>(i) Status of Progress in reviewing college policies against plan for 2022-23</b>		
<b>10.1</b>	<p>The SLT has approved nine policies and those will be going to relevant Committees in March. Corporate parenting plan has been updated and will go to the Full Board although the status shows as SLT approved.</p> <p>It was noted that the proposals in the plan may be a challenge for the F&amp;GP given the number of policies, and Dawn wondered if it could be split.</p>		
<b>ACTION</b>	El to speak to Ben to discuss preferred approach.	<b>EM</b>	<b>ASAP</b>

<b>A.23.01.11</b>	<b>Security arrangements</b>		
	<b>(i) Update on recent review considerations re: card access</b>		
11.1	Paper provided. A review was undertaken as part of information security risk review for the College's insurers AVIVA. Derek reported that all the college campuses are fully accessible, but there have not been any serious security incidents. The CCTV installed in 2021 has helped with evidence and a new college emergency radio system has also installed. A Campus Emergency Evacuation process table-top exercise has also been carried out.		
11.2	<p><b>Proposed Martyn's Law</b></p> <p>Potential new requirements were also outlined to the Committee. In December 2022, the Home Secretary announced her intention to introduce Martyn's Law, formerly known as the Protect Duty, as soon as Westminster parliamentary time allows. Martyn's Law will apply across the UK.</p> <p>Webinars have been arranged and other information and guidance made available to allow an assessment of this change and the practicalities. As currently understood, educational establishments will be in scope and the main campus will sit within the enhanced scope, requiring additional security measures.</p> <p>The College will need to review procedures, badges for students, possibly a new ID system so this change will pose a challenge. One door in/out is difficult to implement, but risk assessments will need to be undertaken.</p> <p>The Committee agreed the recommendation that a further update be reported to it later in the calendar year, timing to be agreed.</p> <p>There is a specific issue affecting the UHI system for the issue of ID security badges and Jessie can raise that at the next Audit Chairs Meeting.</p> <p>Dawn queried if any funding would be available, as this is a change to the law. Derek wasn't aware of any but attending a webinar in March so will hopefully get some more details</p>		
<b>A.23.01.12</b>	<b>Cyber Security</b>		
	<b>(i) Acceptable Use Policy</b>		
12.1	Derek provided an update on this. The IT Unit now have the wording for the 'acceptable use' text so this will be implemented for network logins by early the following week.		
	<b>(ii) Maintenance of Security Management Framework</b>		
12.2	Derek confirmed that he would be responsible for maintaining the framework and that SLT will have an overview of this every month. With regards to reporting to		



	<p>this Committee it will be annually or by exception, but this can be discussed going forward.</p> <p>Derek then referred to the UHI Information Security Risk Group (ISRG). A draft statement on assurance for audit committees was prepared independently by Steve McIntosh from HEFESTIS. The ISRG reviewed the draft statement and provided feedback on the presentation of the document. The final version will be issued to Roger Sendall for further distribution to audit chairs soon.</p>		
	<p><b>(iii) Status of Cyber Essentials Plus accreditation application</b></p>		
12.3	<p>Derek confirmed that pre-audit work was being undertaken that week, and the cyber essentials audit will take place 13<sup>th</sup> – 20<sup>th</sup> March. A lot of work has gone into this, and if Cyber Essentials Plus accreditation is achieved, it will be good for a year.</p> <p>Jessie thanked Derek and the others involved for their work to support the application.</p>		
<b>A.23.01.13</b>	<b>Governance</b>		
	<b>(i) Audit Committee Effectiveness Review</b>		
<b>ACTION</b>	Regarding the internal effectiveness reviews conducted by the Clerk to the Board, El and Shelly will meet to discuss arrangements for all committees as well as Board.	<b>EM/SM</b>	<b>ASAP</b>
13.1	The external review of Board Effectiveness can be considered further when the Internal Audit plan for next year is reviewed by the Committee.		
	<b>(ii) Updates to Code of Good Governance</b>		
13.2	To comply with the revised Code of Good Governance, all Terms of Reference to be reviewed to meet what is set out in the code. El is currently working with Matt (as Mentor) and Roger at EO on the governance matters.		
	<b>(iii) Review of Audit Committee Terms of Reference</b>		
13.3	The Committee agreed that a small change would be needed to its Terms of Reference to comply with the revised Code of Good Governance. On initial reading, this was considered to be a small textual change.		
<b>ACTION</b>	Jessie to propose draft textual change needed to comply with the Code of Good Governance, for review by the Committee in May.	<b>JM</b>	<b>May 2023</b>
	Additionally, the Committee had previously noted it would review the Best Practice Guidance for Audit Committees in its next fuller review of its ToRs, normally later this year. Dawn proposed to defer this work to October to ensure that nothing slips through, and in the short term we can make the few small changes to meet the Code		
<b>ACTION</b>	Audit Committee to undertake a fuller review of its ToRs in October in line with the Best Practice guidelines.	<b>EM</b>	<b>October 2023</b>

<b>A.23.01.14</b>	<b>Emerging Issues</b>		
	<b>(i) Next meeting of UHI Chairs – 4 May 2023</b>		
14.1	Jessie agreed to take the following to the next Chairs Meeting: Reporting on Risk Register. Student ID cards and options for more efficient way of issuing these across UHI.		
<b>A.23.01.15</b>	<b>Date of Next Meeting</b>		
15.1	The date of the next Audit Committee meeting is planned for 18 May 2023.		
<b>RESERVED ITEMS</b>			
<b>A.23.01.16</b>	<b>Draft Reserved Minutes of Joint Audit &amp; F&amp;GP Committee meeting held on 1 December 2022</b>		
16.1	This item is reserved, and the minute held in confidence.		
<b>A.23.01.17</b>	<b>Draft Reserved Minutes of Audit Committee meeting held on 1 December 2022</b>		
17.1	This item is reserved, and the minute held in confidence.		
<b>A.23.01.18</b>	<b>Reserved Matters Arising from joint Audit Committee and F&amp;GP meeting and Audit Committee Meeting, both held on 1 December 2022</b>		
18.1	This item is reserved, and the minute held in confidence.		
<b>A.23.01.19</b>	<b>Internal Audit Services</b>		
19.1	This item is reserved, and the minute held in confidence.		
<b>A.23.01.20</b>	<b>AOB</b>		
	<b>(i) Working relations with Shetland</b>		
20.1	This item is reserved, and the minute held in confidence.		
	<i>Meeting closed at 15.30pm</i>		