

UHI MORAY

**BOARD EFFECTIVENESS
INTERNAL AUDIT REPORT - FINAL**

NOVEMBER 2025

LEVEL OF ASSURANCE:	
DESIGN	MODERATE
EFFECTIVENESS	MODERATE

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RESTRICTIONS OF USE

The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

DISTRIBUTION LIST

FOR ACTION	MURRAY EASTON	FINANCE DIRECTOR
	ELEANOR MELTON	CLERK TO THE BOARD OF MANAGEMENT
FOR INFORMATION	AUDIT COMMITTEE	MEMBERS

REPORT STATUS

LEAD AUDITOR(S):	KERRY SMYTH AND SEAN MORRISON
DATES WORK PERFORMED:	21/04/2025 - 02/10/2025
DRAFT REPORT ISSUED:	10/10/2025
MANAGEMENT RESPONSE RECEIVED:	26/11/2025
FINAL REPORT ISSUED:	26/11/2025



EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)

DESIGN	MODERATE	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.
EFFECTIVENESS	MODERATE	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF FINDING

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TOTAL NUMBER OF FINDINGS: 4		

BACKGROUND - See Appendix I for more information

As part of the 2024-25 Internal Audit Plan, it was agreed that internal audit would review the corporate governance arrangements in place within UHI Moray College and compare this with the code of good governance for Colleges to give advice to Management, the Board and its committees on areas that could be improved.

The Code of Good Governance for Scotland's Colleges outlines the framework for effective governance within colleges. It emphasises leadership and strategy, focusing on conduct in public life, vision, strategy, performance, and corporate social responsibility. The code also highlights the importance of quality in the student experience, accountability, and effectiveness in governance practices.

UHI Moray's governance roles and responsibilities are set out within the Standing orders in place. The organisation has a Board and four Committees: Audit Committee, Finance & General Purposes Committee, Learning, Teaching & Quality Committee, and the Staff Governance Committee.

Board meetings are planned at the start of the year. The board is responsible for overseeing the strategic direction of the organisation, providing oversight and scrutiny to management and monitoring performance. Attendance is recorded in the minutes.

Board effectiveness evaluations were conducted in 2024 and are facilitated by the Clerk to the Board of Management.

Board training has been provided via a range of methods, including, College Development Network sessions.

The Board member induction programme includes meetings to cover governance, policies and procedures, conflicts of interest, statutory purpose of the organisation, and other key areas. A Board induction checklist is in place.

PURPOSE

The purpose of this review was to assess the College's corporate governance arrangements against the code of good governance for Scottish Colleges and general best practice.

CONCLUSION

As part of our work, we have identified four findings, all of which have been assessed as low significance.

Overall, UHI Moray has adequate controls surrounding corporate governance. Good practice includes accurate and detailed minutes, and the induction process for new members of a committee - where each member is provided with an induction pack with key information to provide key knowledge on the role.

However, we have noted that there is an opportunity to enhance the format and in some cases the information being presented to the Board and Committees.

There is also an opportunity to refresh key documents, such as terms of references, as well as enhancing the skills register and evidencing of the Board appraisal process, which was lacking during the review.

We have also raised a key observation that the Board has lost members in the last year and that there have been recruitment challenges, raising concerns about continuity, skills and capabilities, and Committee quorum in the short to medium term. We recognise that management have been engaging with UHI Court and raising this as a key risk over the last 12-18 months. We also note that the appointment of members is not fully within the College's control.

As a result of our audit, we can provide moderate assurance over the design and operational effectiveness of the organisation's corporate governance arrangements.



EXECUTIVE SUMMARY

SUMMARY OF GOOD PRACTICE

As part of our review, we have identified the following areas of good practice in relation to corporate governance.

- ▶ Programmes of work have been set for the Board and each of the Committees which include the key areas from the terms of references.
- ▶ Attendees can add items via the any other business section of the agendas.
- ▶ Minutes are taken for each meeting ensuring that there is clear transparency on the discussions being taken by the Board and its main Committees. Minutes clearly detail attendance, action notes, reports covered, and decisions taken.
- ▶ Actions raised within meetings are tracked and added to the action tracker.
- ▶ Board effectiveness reviews are conducted annually for all (sub) committees to ensure groups are working effectively and having a positive effect on the organisation.
- ▶ The Board induction pack ensures new members are smoothly integrated and provided with key information on good governance.

SUMMARY OF FINDINGS

Notwithstanding the area of good practice identified, we also identified some opportunities for improvement, which are summarised below:


- ▶ **Management Information and Reporting** - Internal audit reviewed the management reports provided to the Board and Committees in the last year and note that:
 1. The risk management information has been going through a refresh and as a result, in line with the risk management audit, there is a need to determine the new risk register format to enhance the information being provided to members.
 2. Management reports at times are received with less than five working days of the meeting. Good practice requires at least five working days to provide members with sufficient time to review the information.
- ▶ **Terms of Reference** - Internal audit reviewed the standing order and Committee terms of reference in place and found that there was an opportunity to enhance the consistency between the documents, add version control and review changes, and provide more information on how performance reviews are to be undertaken.
- ▶ **Board Member Appraisal** - All Board members are subject to annual performance appraisals, conducted by the Chair of the Board. They had, however, not been undertaken in the last 12 months by the previous Chair changes.
- ▶ **Skills Matrix and Succession Planning** - Although a skills assessment of the board was conducted in the last 12 months, the skills, knowledge and experience of Board members have not been formally documented. There has been no documented succession planning undertaken within the organisation, for skills that are unique within the current membership and for the respective Chairs.

DETAILED FINDINGS



DETAILED FINDINGS


RISK: MEMBERS MAY NOT BE PROVIDED WITH SUFFICIENT, HIGH-QUALITY MANAGEMENT INFORMATION IN THEIR AREAS OF RESPONSIBILITY RESULTING IN INEFFECTIVE DECISIONS BEING TAKEN.

FINDING 1 - MANAGEMENT INFORMATION AND REPORTING			TYPE
<p>It is important for management to receive detailed and clear management information to make informed decisions and have an understanding on progress against the organisation's aims and objectives.</p> <p>Management Information and Reporting - Internal audit reviewed the management reports provided to the Board and Committees in the last year and note that:</p> <ol style="list-style-type: none"> 1. The risk management information has been going through a refresh and as a result in line with the risk management audit there is a need to determine the new risk register format to enhance the information being provided to members. 2. Management reports at times are received with less than five working days of the meeting. Good practice requires at least five working days to provide members with sufficient time to review the information. We recognise that management aim to issue papers a week in advance of the meeting date. 			<p>DESIGN & EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>There is a risk that members may not be provided with sufficient, high quality management information in their areas of responsibility resulting in ineffective decisions being taken or lack of oversight on performance.</p>			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>We recommend that management take the planned steps as agreed within the risk management audit to ensure that the Committees and Board are provided with robust risk management updates and information.</p>	NA	NA - Detailed within the risk management audit report.	NA
<p>We recommend that management reinforce the paper development and submission process to ensure that papers and packs are distributed in full at least five working days in advance of the meeting.</p> <p>Note that we have raised a point in Finding 2 in relation to including the paper generation, review and submission process into the Committee terms of references.</p>	SLT	<p>Agreed - while there will always be the need to have live information for the Committees, we will endeavour to provide papers five working days in advance of the Committee and Board deadline.</p> <p>Clark to the Board of Management has added pre-read place holds into paper author member diaries for the Board and Committees.</p>	Complete



DETAILED FINDINGS

RISK: BOARD AND SUBCOMMITTEE TERMS OF REFERENCE MAY BE UNCLEAR OR OVERLAPPING RESULTING IN INSUFFICIENT COVERAGE AT THE RESPECTIVE MEETINGS OR DUPLICATION OF EFFORT.

FINDING 2 - TERMS OF REFERENCE			TYPE
<p>It is important that approved and up to date Terms of Reference are in place for Board and Committees. Terms of reference outline the roles and responsibilities for the group, and key administration information.</p> <p>Internal audit reviewed the standing orders and Committee terms of reference in place and found that there was an opportunity to enhance the consistency between the documents, add version control and review changes, and provide more information on how performance reviews are to be undertaken. The following areas were noted during the review:</p> <ul style="list-style-type: none"> • Not all documents noted the review frequency. In general, version control should note next review date, last review date, who approved, and version changes. • Not all documents outlined the self-assessment, value assessment and appraisal review frequency for the group. • Not all documents outlined the process for submitting papers, raising agenda items, deadlines, action tracking and what reporting and monitoring is required. • Process for appointing a new Chair in the absence of the current Chair is not included. • There is no reference to specific skills requirements, for example finance experience on the Audit Committee of Finance & General-Purpose Committee. • There is no reference in all remits to the process for decision making where there is a disagreement/tie • The Remuneration Committee terms of reference was last reviewed in 2019 			EFFECTIVENESS 
IMPLICATION Board and subcommittee terms of reference may be unclear or overlapping resulting in insufficient coverage at the respective meetings or duplication of effort.			SIGNIFICANCE LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
We recommend that a consistent template is used for all Committee terms of reference to ensure that there are no gaps between groups and that all key heading are included i.e., reporting, performance, version control table.	Clerk to the Board of Management	Accepted - recommendations will be included in subsequent reviews of Committee terms of reference.	July 2026



DETAILED FINDINGS


RISK: BOARD AND SUBCOMMITTEE TERMS OF REFERENCE MAY BE UNCLEAR OR OVERLAPPING RESULTING IN INSUFFICIENT COVERAGE AT THE RESPECTIVE MEETINGS OR DUPLICATION OF EFFORT.

RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
We recommend that the Remuneration Committee terms of reference is reviewed as soon as possible. These should be reviewed on a regular basis, for example no more than every two years or when a material change takes place. This should be documented at the end of the document.	Clerk to the Board of Management	Accepted - recommendations will be included in subsequent reviews of Committee terms of reference.	July 2026
We recommend that management consider incorporating the following areas into the terms of reference: <ul style="list-style-type: none">• The self assessment and appraisal requirements for the group• Process for submitting papers, raising agenda items, deadlines, action tracking and what reporting and monitoring• Process for appointing a new Chair in the absence of the current Chair• Skills required on the Committee• Decision making process where there is a disagreement/tie (where there is even members in attendance)	Clerk to the Board of Management	Accepted - recommendations will be included in subsequent reviews of Committee terms of reference.	July 2026



DETAILED FINDINGS


RISK: BOARD AND COMMITTEES MAY NOT HAVE EFFECTIVELY ASSESSED THEIR PERFORMANCE AND THE BALANCE OF SKILLS REQUIRED RESULTING IN MEMBER KNOWLEDGE GAPS NOT BEING IDENTIFIED AND ADDRESSED.

FINDING 3 - BOARD MEMBER APPRAISAL			TYPE
<p>It is important that the Board and Committees take time to reflect and report upon the effectiveness of their performance on a regular basis to ensure continuous development. To align with good practice Internal Audit would expect all key Committees, including the Board, to assess their performance and value ideally annually and at least once every two years.</p> <p>All Board members are subject to annual performance appraisals, conducted by the Chair of the Board. They had, however, not been undertaken in the last 12 months by the previous Chair changes.</p>			<p>DESIGN & EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>There is a risk that Board and Committee effectiveness is not being fully assessed, resulting in opportunities to enhance performance not being identified.</p>			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>We recommend that the appraisal process is completed as soon as possible, and evidence should be maintained to verify completion of the appraisal process.</p> <p>Areas to be assessed should include:</p> <ul style="list-style-type: none"> • Contribution at meetings • Meeting attendance • Skills and expertise • Professional development, training and learning needs • Management style • Tone from the top • Compliance with policies and procedures 	<p>Clerk to the Board of Management on behalf of the Board Chair</p>	<p>The Board member appraisal process is a standard annual process covering all members; we accept that this was not carried out by the previous Chair but has now been addressed by the new Interim Chair.</p>	<p>December 2025</p>



DETAILED FINDINGS

RISK: BOARD AND COMMITTEES MAY NOT HAVE EFFECTIVELY ASSESSED THEIR PERFORMANCE AND THE BALANCE OF SKILLS REQUIRED RESULTING IN MEMBER KNOWLEDGE GAPS NOT BEING IDENTIFIED AND ADDRESSED.

FINDING 4 - SKILLS MATRIX AND SUCCESSION PLANNING			TYPE
<p>It is important the Board members represent an appropriate blend of skills and experience, and the organisation are aware of the skills and experience represented on the Board.</p> <p>Although a skills assessment of the board was conducted in the last 12 months, the skills, knowledge and experience of Board members has not been formally documented. We recognise that management are aware of the skills and expertise within the Committees, and this knowledge is used to determine recruitment needs.</p> <p>There has been no documented succession planning undertaken within the organisation, for skills that are unique within the current membership and for the respective Chairs.</p> <p>See Appendix VII for an example register.</p>			<p>EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>There is a risk there may not be a sufficient range of skills and experience on the Board and Committees. There is also a risk that the College are unaware of skills represented on the Board and therefore Board training and development may not address skills gaps.</p>			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>We recommend the organisation formally reviews the skills and experience of Board and key Committee members on an annual basis. A register should be maintained which details the essential and desired skills, and the current gaps, with plans for addressing these gaps.</p> <p>This will enhance the information available for the recruitment of Board members to be targeted towards specific skills, help identify training needs, and allow for an assessment of whether the members within each Committee are suitably placed based on their skills.</p>	<p>Clerk to the Board of Management on behalf of the Board Chair</p>	<p>The Board is aware of specific skills gaps; similar to the previous recommendation this was not formally documented during the last 12 months but is currently being addressed by the interim Board Chair.</p>	<p>July 2026</p>

OBSERVATIONS



OBSERVATIONS

OBSERVATION 1 - BOARD MEMBERSHIP CHALLENGES

The College have challenges in recruiting and retaining Board members. As a result, in 2024 the Staff Governance Committee and LTQ Committee did not meet regularly with matters reported direct to the Board. During 2025 a number of recruitments were made, however at the time of the Audit the Audit Committee Chair and Board Chair both resigned. As a result, there is a risk that there are Board and Committee meetings fail to meet quorum. We recognise that the College have been active in trying to recruit members, however, there does appear to be limited control with appointments requiring UHI Court action.

OBSERVATION 2 - BOARD AND COMMITTEE EFFECTIVENESS REVIEW

The Board must keep its effectiveness under annual review and have a robust self-evaluation process. This is generally an annual process, however in 2025 the decision was taken to delay this year's assessment to allow the new Board members and Chairs to have 9-12 months of time in their roles before assessing performance. Note that Internal Audit were informed and consulted on this in advance of the audit.

OBSERVATION 3 - PAPER CIRCULATION

Good practice requires papers to be circulated at least one week in advance of the meeting to provide members with sufficient time to review the content. We noted that in the last 18 months there have been cases, for example in the Audit Committee where papers have been distributed with less than one week until the Board or Committee meeting. We recognise that this has been due to a number of factors, including external delays in providing reports, management changes and at times management delays. The terms of reference finding recommends paper deadlines are documented and adhered to.

OBSERVATION 4 - BOARD MEMBER RESPONSES

We asked Board members to complete a survey to provide their views on a range of governance areas. Of the five members that provided a response we've highlighted some of the themes below. Note that some areas have also been reflected in the findings and observations within the report where in alignment with our views:

- There is an opportunity for a Board away day to be done to focus on strategic direction, culture and vision
- Periodic training was outlined as an area that would be useful for longer term members. We note that there is a suite of materials available both mandatory and non-mandatory within the College Development Network platform.
- Opportunity to ensure consistency in terms of reference - see Finding 1

APPENDICES



APPENDIX I: BACKGROUND

BACKGROUND

As part of the 2024-25 Internal Audit Plan, it was agreed that internal audit would review the corporate governance arrangements in place within UHI Moray College and compare this with the code of good governance for Colleges to give advice to Management, the Board and its committees on areas that could be improved.

The Code of Good Governance for Scotland's Colleges outlines the framework for effective governance within colleges. It emphasises leadership and strategy, focusing on conduct in public life, vision, strategy, performance, and corporate social responsibility. The code also highlights the importance of quality in the student experience, accountability, and effectiveness in governance practices.

UHI Moray's governance roles and responsibilities are set out within the Standing orders in place. The organisation has a Board and four Committees, being the, Audit Committee, Finance General Purposes Committee, Learning, Teaching & Quality Committee, and the Staff Governance Committee.

Board meetings are planned at the start of the year. The board is responsible for overseeing the strategic direction of the organisation, providing oversight and scrutiny to management and monitoring performance. Attendance is recorded in the minutes.

The Audit Committee purpose is to monitor and review risk and control, and operational activities of the organisation.. The Audit Committee meets quarterly, and the quorum of the committee is 50% of members. During these meetings both internal and external audit provide reports and updates.

The Finance and General Purposes Committee ensures a sound system of financial management, while the Audit Committee evaluates the adequacy of financial management arrangements and controls.

The Staff Governance Committee ensures efficient human resources provision and a supportive working environment, which can impact the quality of teaching and learning overseen by the Learning, Teaching and Quality Committee.

Board and Committee papers are reviewed by management before being issued. Attendees and members are allowed to submit agenda items of an upcoming meeting; the Chair then reviews the items and consults with the Governance on whether to add to the agenda. Items must be submitted to the Chair before a meeting to be considered for the meeting. Issues and discussions can also be raised via the any other business section of the meeting.

Moray College have a programme of work in place. This programme is updated annually and goes to the last committee of the academic year, with the full board and committee plan presented in June. The Company Secretary updates the programme with input from the Chair, and it is approved by the respective groups. The programme is made available to key personnel through papers. The timing of meetings is planned to allow members to discharge their duties effectively, with agendas created about four weeks in advance and papers provided a week before meetings.

Board effectiveness evaluations were conducted in 2024 and are facilitated by the Clerk to the Board of Management.

Board training has been provided via a range of methods, including, College Development Network sessions.

The Board member induction programme includes meetings to cover governance, policies and procedures, conflicts of interest, statutory purpose of the organisation, and other key areas. A Board induction checklist is in place.



APPENDIX II: DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
SUBSTANTIAL	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
MODERATE	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
LIMITED	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
NO	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE

HIGH	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
MEDIUM	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
LOW	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.
ADVISORY	A weakness that does not have a risk impact or consequence but has been raised to highlight areas of inefficiencies or potential best practice improvements.



APPENDIX III: TERMS OF REFERENCE

TERMS OF REFERENCE EXTRACT

PURPOSE

The review will assess the College's corporate governance arrangements against the code of good governance for Scottish Colleges and general best practice.

KEY RISKS

- Board and Committee terms of reference may be unclear or overlapping resulting in insufficient coverage at the respective meetings or duplication of effort.
- Board and Committees may not have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution.
- Members may not be provided with sufficient, high quality management information in their areas of responsibility resulting in ineffective decisions being taken.
- Board and Committees may be poorly attended, or members not sufficiently engaged resulting in ineffective governance and oversight of business activities.
- Board and Committees may not have effectively assessed their performance and the balance of skills required resulting in member knowledge gaps not being identified and addressed.
- Board members and Executive management may not have sufficient understanding of the organisation and policies and procedures in place and actions to be taken due to there being inadequate induction and training arrangements.

SCOPE AREAS

The following areas were covered as part of the scope for this review:

- Governance
- Consistent Application
- Management Oversight
- Board Capabilities
- Training and Induction

Interviews/documentation review were undertaken to understand the process and design of control arrangements for controls for the areas under scope. Detailed testing through walkthroughs were carried out, along with a review of evidence, periodic updates and follow up meetings as required. A closing meeting was taken place to discuss findings and agree actions. This draft report is to management for confirmation of their management actions before issuing a final report.



APPENDIX IV: STAFF INTERVIEWED AS PART OF AUDIT AND SCOPING MEETING

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

MURRAY EASTON	FINANCE DIRECTOR	AUDIT SPONSOR
ELEANOR MELTON	CLERK TO THE BOARD OF MANAGEMENT	KEY CONTACT
SURVEYS ISSUES TO ALL BOARD MEMBERS		



APPENDIX V: LIMITATIONS AND RESPONSIBILITIES

MANAGEMENT RESPONSIBILITIES

The Audit Committee is responsible for deciding the action to be taken on the outcome of our findings from our work. The Committee is also responsible for ensuring the internal audit function has:

- The support of the management team.
- Direct access and freedom to report to senior management, including the Chair of the Audit Committee.

The Board is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the charity.

Internal controls covers the whole system of controls, financial and otherwise, established by the Board in order to carry on the business of the charity in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The Board is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Board.

LIMITATIONS

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of colleagues interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.



APPENDIX VI: EXAMPLE EFFECTIVENESS QUESTIONS

Purpose and remit

1. Are we clear on our purpose and what we are here to do?
2. Do our terms of reference match what the Board expects of us?
3. Do we add clear value to the organisation?
4. Do we review our remit at least once a year?

Meetings and agendas

6. Do we hold the right number of meetings each year?
7. Do agendas focus on the most important items, not routine updates?
8. Do we allow enough time for the big issues?
9. Do we keep a forward planner for the year and stick to it?
10. Do we close actions and track them to completion?

Information and papers

11. Do papers arrive on time and in a usable format?
12. Are papers clear, concise and decision-ready?
13. Do we get balanced information on options, risks, costs and benefits?
14. Do we receive too much or too little information?
15. Do we commission independent views when needed?

Composition and skills

16. Do we have the right mix of skills and experience?
17. Do we have diversity of thought and background?
18. Are we the right size to work well?
19. Do we refresh membership to keep thinking fresh?

16. Do we plan succession for the Chair and members?

Chair and leadership

21. Does the Chair set a clear tone and pace?
22. Does the Chair draw out all voices and manage airtime?
23. Does the Chair close on decisions and next steps?
24. Does the Chair handle conflict well?

Member contribution and dynamics

25. Do all members prepare and contribute?
26. Do we challenge and support management in equal measure?
27. Do we listen with respect and change our minds when needed?
28. Do we avoid groupthink and speak up early?

Decision-making and follow-through

29. Do we make timely, well-evidenced decisions?
30. Do we record clear decisions, owners and deadlines?
31. Do we check the impact of our decisions later?
32. Do we learn from what worked and what did not?

Risk, control and compliance

33. Do we have a clear view of the key risks in our remit?
34. Do we test the strength of controls, not just note them?
35. Do we spot early warning signs and act on them?
36. Do we meet our legal and regulatory duties?



APPENDIX VI: EXAMPLE EFFECTIVENESS QUESTIONS

Relationship with the Board, management and other committees

37. Do we give the Board or management clear, concise reports and advice?
38. Do we ask the Board or management for what we need, when we need it?
39. Do we avoid overlaps and gaps with other committees?
40. Do we share insights and keep each other in the loop?

Stakeholders and impact

41. Do we understand the needs of people affected by our work?
42. Do we explain our decisions clearly to those who need to know?
43. Do we measure the outcomes of our work, not just activity?

Planning, workload and resources

44. Do we have a realistic forward plan and annual work programme?
45. Do we balance routine business with horizon issues?
46. Do we have the time, data and support we need to do the job?

Induction, training and support

47. Do new members get a solid induction and meet key people?
48. Do we keep our knowledge current with focused training?
49. Do we use advisers well and check their independence?

Culture and behaviour

50. Do we act with integrity and good judgement at all times?
51. Do we declare and manage conflicts of interest?
52. Do we foster an open, inclusive and safe climate?

Crisis readiness

53. Are we ready to respond fast to a crisis in our remit?
54. Do we have clear triggers, playbooks and roles?

Evaluation and improvement

55. Do we review our own effectiveness each year?
56. Do we set a short list of actions and track progress?
57. Do we consider an external review from time to time?



APPENDIX VII: EXAMPLE SKILLS REGISTER

Board Skills Assessment							
COMPETENCES	Name	Name	Name	Name	Name	TOTAL	
	Leadership	Self Leadership					0
Accountability						0	
Inspiration						0	
Engagement						0	
Decision Making						0	
Horizons & Strategy	Market Understanding					0	
	Strategic Thinking and Planning					0	
	Business Understanding					0	
	Innovative Enquiry					0	
	Risk & Assurance Management					0	
	Execution					0	
Finance and Governance	Financial Acumen					0	
	Good Governance					0	
	Organisational Responsibility					0	
Management Experience	Board Responsibilities Understanding					0	
	Senior Team Management					0	
	Organisation					0	
	Customers/clients/service users:					0	
Operational Performance and Delivery	Performance Assessment					0	
	Performance Management					0	
	Commissioning					0	
	Clinical Care Experience					0	
	Fundraising Experience					0	
	Information Technology/Cyber					0	
	Data Management/Protection					0	
	Communications/Stakeholder Engagement					0	
	Business Development					0	
	Operational Risk Assessment					0	

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