

UHI | INVERNESS

MINUTES of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 04 March 2025 at 4.30 p.m.

PRESENT: Janette Campbell, Sally Blyth, Innis Montgomery & Wendy Grindle

CHAIR: Janette Campbell

APOLOGIES: Phil Mason, Deloitte & Claire Robertson, BDO

IN ATTENDANCE: Principal

Chair of the Board of Management

Vice Principal – Curriculum, Student Experience and Quality

Director of Finance and Estates

ICT Services Manger

Health, Safety & Sustainability Manager

Operations and Commercial Manager

Management Information Systems Manager

Deepasri Selvam, BDO

Benjamin Fegghi, BDO

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.

The Chair decided to bring forward agenda item 3 Policies for Approval.

3. POLICIES FOR APPROVAL

ICT Services & Health, Safety & Sustainability Managers joined the meeting.

a.) Health & Safety Policy

The Health, Safety & Sustainability Manager reported that the amendments made to the Health & Safety Policy were minor and they included changes to wording and job titles and additional reference to current legislation. In terms of compliance the proposed changes to the review period were to move it from annual to every 2 years as a result to feedback received from the internal auditors, BDO.

Discussion about the frequency of policy reviews, internal and external best practices and legal compliance took place. Suggestion had been made that selected sections of the policy could still be reviewed on an annual basis with the rest every 2 years.

Wendy Grindle joined the meeting.

The Committee asked for clarification if mental health first aiders have been included in the Health & Safety policy and the Health, Safety & Sustainability Manager informed the Members that they had not been as it is not a statutory requirement. The Chair welcomed the statement that there is a plan to include mental health first aiders in the policy going forward.

Decision: The Committee **APPROVED** the Health & Safety Policy and recommended for Board's approval.

The Chair thanked the Health, Safety & Sustainability Manager for his report.

The Health, Safety & Sustainability Manager left the meeting.

b.) Information Asset Owners Policy

The ICT Services Manager reported that the policy is a user based policy, regularly reviewed with last review taking place in January 2025 and future reviews every 3 years. This policy defines the responsibilities of an Information Asset Owner to ensure managers are aware of their responsibility of the systems they control.

The Committee positively commented on the policy as an example of sector good practice and good comments and feedback received from staff to date.

The Chair thanked the ICT Services Manager for his report.

Decision: The Committee **APPROVED** the Information Asset Owners Policy and recommended for Board's approval.

The ICT Services Manager left the meeting.

1. MINUTES FOR APPROVAL

a) Minutes of the Meeting of the Audit Committee held on 10 September 2024

Decision: The Minutes of the Meeting of the Audit Committee held on 10 September 2024 were **AGREED** as a correct record and were **APPROVED**.

b) Closed Session Note of the Meeting (CSN-01-092024) held on 10 September 2024

Decision: Closed Session Note of the Meeting (CSN-01-092024) of the Meeting of the Audit Committee held on 10 September 2024 were **AGREED** as a correct record and were **APPROVED**.

c) Confidential Note of the Meeting (CN-01-092024) held on 10 September 2024

Decision: Confidential Note of the Meeting (CN-01-092024) of the Meeting of the Audit Committee held on 10 September 2024 were **AGREED** as a correct record and were **APPROVED**.

2. OUTSTANDING ACTIONS

- **Longman Site sold December 2023 – ONGOING** - Audit Committee will monitor for next two years any future sales of the site. Closing date: December 2025.
- **KPI Matrix: split per course and area – COMPLETE** – Detailed split per course and area: PhDs, degrees, FE & HE, GAs and MAs to be provided.

Update: Documents provided to the Committee last week.

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

- **KPI Matrix: curriculum update – COMPLETE** - Curriculum breakdown of FE & HE courses to be provided to the whole Board.

Update: The Principal presented the document to the Board on 01 October 2024.

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

4. INTERNAL AUDIT

a) Internal Audit Annual Report 2023-24

Benjamin Fegghi, BDO reported that during 2023-24 BDO had reviewed, evaluated and complete college processes in the following areas:

- Risk Management
- Payroll
- Health & Safety
- Sustainability
- Professional Development
- Follow up

The total number of recommendations presented to the management had been 11, with 6 of medium and 5 low significances. All management responses had been received and all indicated that appropriate steps to implement our recommendations will be put in place. The internal audit service provided Inverness College with reasonable assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2023-24. In all five reviews performed, the risk management activities and controls in the areas which BDO examined were found to be suitably designed to achieve the specific risk management, control and governance arrangements. Based on auditor's verification reviews and sample testing, the risk management, control and governance arrangements in these areas were operating with sufficient

effectiveness to provide reasonable, but not absolute assurance that the related risk management, control, value for money and governance objectives were achieved for the period under review.

The Chair welcomed the report and positively commented on the number of recommendations in place.

Decision: The Committee **APPROVED** the Internal Audit Annual Report 2023-24.

b) Internal Audit Progress Report February 2025

Benjamin Fegghi, BDO reported on the progress of the internal audit taking place in 2024-25 in following areas:

- Fraud Strategy – Management responses are yet to be received
- Core Financial Controls – Draft report to be issued
- Staff Wellbeing – Audit in progress kicked off 11 February 2025
- Cyber Review – Scoping meeting completed; Audit scheduled for April 2025
- Incidents Management – Scoping meeting scheduled for March 2025; Audit scheduled for May 2025
- Follow Up – Audit scheduled for Q4 of the audit year

The Chair thanked the internal auditors for their update and positively commented on the progress to date and clear planning process going forward.

Decision: The Committee **APPROVED** the Internal Audit Progress Report February 2025.

c) Internal Audit Follow Up Final Report 23-24

Benjamin Fegghi, BDO reported on the progress of the follow up final report for 2023-24 and informed the Committee that the document is based on responses received by December 2024. A total of 32 recommendations had been identified in December:

- 16 (50%) are fully implemented
- 7 (22%) either remain in the process of being implemented and/or no evidence was provided at the time of follow-up
- 8 (25%) were not yet implemented
- 1 (3%) was superseded

The Chair expressed concerns in regard to incomplete management responses in 2023. The Governance Officer had been asked to add all outstanding audit recommendations to the action list of the Committee.

Action 1: All outstanding BDO recommendations to be provided with a detailed update in June 2025.

The Chair thanked the internal auditors for their detailed reports.

Decision: The Committee **APPROVED** the Internal Follow Up Report 2023-24.

5. EXTERNAL AUDIT - ASSESSMENT OF PERFORMANCE (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-01-032025) which provided the Audit Committee with an assessment of performance of the external auditors, Deloitte.

Deepasri Selvam, BDO & Benjamin Fegghi, BDO left the meeting.

6. BUSINESS CONTINUITY (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-02-032025) which provided the Audit Committee with an update in regard to business continuity.

7. RISK REGISTER UPDATE – HEAT MAP & RISK APPETITE (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-03-032025) which provided the Audit Committee with an update in regard to risk register.

Decision: The Committee **APPROVED** the Risk Register Update – Heat Map & Risk Appetite report.

8. EXTERNAL AUDIT RECOMMENDATIONS 2023/24 (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-04-032025) which provided the Audit Committee with an update in regard to external audit recommendations 2023/24.

9. KPI MATRIX

The Operations and Commercial Manager provided the Committee with the year-to-date performance measures as at period 6, 31st January 2025. Thirty-one measures were in scope year to date. Fifteen were satisfactory (Green), seven were unsatisfactory (Red), and six were marginal (Amber). Three HR measures are to be confirmed.

The outstanding action from 10 September 2024, KPI Matrix: split per course and area, staffing shortages that affect the delivery of commercial activity, holistic delivery of selected courses and HE underreporting mechanisms had been discussed in more detail.

Suggestion was made to include a benchmark column into the KPI report to review the performance measures against the rest of the sector.

The Chair positively commented on the robust performance review system currently in place and the assurance given to the Committees and the Board about the processes and governance.

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

10. COMMITTEE EVALUATION

The Governance Officer spoke to her report which provided the Audit Committee with an update on the completed committee evaluation process for

ITEM 01.

2023/24. The combined report will be presented to the Board on 25th March 2025.

The Chair thanked the Governance Officer for her report and also thanked the Committee Members who had contributed to the process.

11. AOCB

Nothing raised.

12. DATE OF NEXT MEETING – Audit Committee Meeting – Tuesday 03 June 2025.

Signed by the Chair:

Jarrette Campbell

Date: 03/06/2025