

Audit Committee

Minutes

Meeting reference: Audit 2022-23/03

Date: Monday 13 March 2023

Location: Boardroom (Braham Room 019)

Members present: Jim Crooks, Board Member
Derek Waugh, Board Member
Patrick O'Donnell, Staff Board Member

In attendance: Margaret Cook, Principal
Lorenz Cairns, Depute Principal
Veronica Lynch, Vice Principal (External)
Iain Wishart, Vice Principal (Operations)
David Archibald, Henderson Loggie, Internal Auditor
Katy Lees, Head of HR & Organisational Development
Ian McCartney, Clerk to the Board

Apologies: Debbie McIlwraith-Cameron, Board Member

Chair: **Jim Crooks**

Minute Taker: Ian McCartney

Quorum: 3

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MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>Chair welcomed this present, and noted apologies.</p>	
2.	<p>Additions to the Agenda</p> <p>None received.</p>	
3.	<p>Declaration of Conflict of Interest in any Agenda Item</p> <p>None</p>	
4.	<p>Minutes of the meeting of Audit Committee held on 12 December 2022</p> <p>The minutes were agreed as being an accurate record of the meeting.</p>	
5.	<p>Actions arising from previous minutes <u>Historic Matters arising from 31 May 2022</u></p> <p><u>Ref 6.2 – Internal Audit – Audit Action Plan</u> Action: Internal Auditor to add additional column re previous review re when Audit Area was last reviewed to provide assurance</p> <p>Action Update: No report tables at this meeting. Carried forward.</p> <p><u>Matters Arising from 12 December 2022</u></p> <p><u>Ref 3 – Draft Perth College Group Report & Financial Statements</u> Action: Clerk to circulate trend information around environmental performance to Audit Committee for information</p> <p>Action Update: Complete - uploaded to Audit Committee Teams page</p> <p><u>Ref 4 – Draft External Audit Report 2021/22</u> Action 1: Clerk to add Finance Capacity to agenda of next Audit Committee</p> <p>Action Update: Complete – on agenda under Item 6.3</p> <p>Action 2: Clerk to forward briefing/response re Principal's Remuneration to External Auditor</p> <p>Action Update: Complete – also issued to Internal Auditor for full disclosure.</p>	Internal Auditor

<p>6.1</p>	<p>Balanced Scorecard Report</p> <p>Depute Principal presented Paper 2 and explained that Balanced Scorecard of 13 KPIs would be presented on a quarterly basis with the full suite of KPIs provided for information annually. Depute Principal advised that Lead Authors would be made available to present at specific Board and Committee meetings if desired.</p> <p>Depute Principal noted that SMT would meet with CMT on a quarterly basis to take the KPIs forward.</p> <p>Board Member noted that report only showed 12 KPIs. Depute Principal advised that a KPI around Leadership had been recently added as a Strategic Objective and this would be corrected.</p> <p>Board Member queried whether Digital Transformation (KPI 27) would cover student-centred skills rather than staff-centred skills alone? Depute Principal advised that the aim is to transform digital skills across the College. Chair asked how baseline would be established. Depute Principal advised that the Jisc Online Tool would be utilised. Internal Auditor noted that IA will be looking at this area within their Annual Audit Plan.</p>	
<p>6.2</p>	<p>Enterprise Risk Management Report</p> <p>Vice Principal (Operations) presented Paper 3, which comprised the existing format of the Strategic Risk Register, the proposed ERM framework, a Risk Governance structure, and a mapping document showing links between Strategic Risk Register and ERM.</p> <p>Vice Principal (Operations) noted that the Strategic Risk Register would still be live until June 2023 while the ERM was bedded in.</p> <p>Vice Principal (Operations) provided a demonstration of the ERM to Committee, showing the high-level summaries that Board Members would receive before drilling down to the data and dashboards that informed the summaries. Vice Principal (Operations) explained that it was hoped the ERM model would shift the focus of how the Audit Committee deals with Risk.</p> <p>Chair queried how the formality of the UHI Common Risks would feed into the ERM. Vice Principal (Operations) noted that it would be possible to add an additional lever/summary to enable appropriate reporting where required. This was agreed as it would be proactive and also good practice within the Partnership.</p> <p>Internal Auditor advised that the missing piece re the UHI Common Risks was not the reporting, but the analysis conducted. Principal advised that there had been some recent discussions re the UHI Common Risks, and feedback would be sought in this regard.</p>	

	<p>Chair queried how best to deal with questions from Committee members given the ERM was a live document and wouldn't be presented as a traditional paper. Vice Principal (Operations) noted that the document will be reviewed in full on a quarterly basis, scheduled for 4 weeks before each Audit Committee. Clerk advised that a reminder of the link could be posted to the Audit Committee Team Page at that point, then questions could be asked on the Chat function – this would allow either simple questions to be responded to directly, or if more scrutiny/analysis was required this could take place within the subsequent meeting.</p> <p>Chair sought confirmation from Committee that they were comfortable with the ERM model presented, which was AGREED. Internal Auditor noted the comfort that progress on risks are evidenced with this model is useful for Boards.</p> <p><i>[Post-Meeting Addendum – Principal contacted University Secretary in this regard, who confirmed that any new risks coming up through the partnership are sometimes fed back through Partnership Council, and that the Risk Review Group had discussed having a focussed session for Partnership Council (possibly with representation from Audit Committees of partner colleges) to consider current and future cross-partnership risks. Risk Review Group is scheduled to meet later in March]</i></p>	
<p>6.3</p>	<p>Finance Capacity</p> <p>Principal noted the request for this item to be included on the agenda for this meeting at the joint meeting of Finance & Resources and Audit Committees as this matter was raised within the External Auditors Annual Report, and further noted that similar wording had been used across the Sector by the same Auditors.</p> <p>Principal advised that SMT and other senior staff were in the process of preparing budgets and, while the College would wish to increase capacity within Finance, it seems likely that some difficult decisions across the College may be required. As a result, capacity in Finance, and other departments, remains under review, but no guarantees can be provided around affordability.</p> <p>Chair agreed that capacity issues cannot be looked at in isolation.</p> <p>Vice Principal (Operations) advised that there may be elements of not providing specific activities, and this will be reflected in a report to SMT. Chair noted the need to be aware of such risks, but remained cognisant that identified solutions may not be specifically apparent at this stage. Principal noted there was a risk of prioritising one area over another, however confirmed that this was an operational issue that will be addressed during the Budget process.</p>	

7.1	<p>Internal Audit – Audit Plan 2022-23</p> <p>Internal Auditor verbally updated Committee on progress against the Audit Plan, noting that final timings had in the main been agreed, with Performance Reporting and Procurement reports due to be tabled at the next meeting, and Space Utilisation, Data Protection and Business Continuity to follow.</p>	
8.1	<p>FOI & Data Protection Quarterly Update</p> <p>Clerk presented a year-to-date update of FOI and Data Protection issues reported under Paper 4 for information, highlighting the potential risk of an AST FOI Review being sent to the Scottish Information Commissioner. Clerk noted that this risk had been mitigated by advice from the UHI Data Protection Officer.</p> <p>Chair queried the nature of the HR requests. It was noted that all HR requests received in the previous quarter were generic requests issued across the Sector.</p> <p>The report was NOTED by Committee.</p>	
9	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Tuesday 30 May 2023 @ 5pm 	
10	<p>Review of Meeting</p> <p>Committee confirmed that the meeting had been conducted in line with its Terms of Reference.</p> <p>Chair noted the benefit of not having an over-packed agenda to allow a focus on big-picture items, and hoped this would be the norm moving forward.</p> <p>Internal Auditor advised that a meeting between Internal Auditors and the College’s new External Auditors was scheduled for later this week. Committee were advised that the Chair of Audit Committee also hoped to meet with the new External Auditors in due course.</p>	

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 2018? **Yes** **No**