

**MINUTES of the MEETING of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 01 June 2021**

**PRESENT:** Innis Montgomery, Sally Blyth, Gillian Galloway, Amy Goodbrand,  
**CHAIR:** Gillian Galloway  
**APOLOGIES:** Chris O'Neil, Mark Sheridan, Samantha Cribb, Information Systems Manager, Olga Potapova EY, External Auditors and Chloe Ridley, BDO LLP, Internal Auditors  
**ATTENDING:** Assistant Principal – Finance & Audit  
Assistant Principal – Academic & Research  
Health and Safety Manager  
Claire Robertson, BDOLLP, Internal Auditors  
Stephen Reid, EY, External Auditors  
Contracts and Procurement Co-Ordinator  
Head of Procurement – Shared UHI Service  
ICT Services Manager  
Board Secretary

The Chair welcomed everyone to the meeting and introductions were made.

The Chair highlighted to Committee Members that the role of Vice-Chair for the Committee was currently vacant and requested that any member interested in this position should liaise with her or the Board Secretary.

There were no declarations of interest noted.

*The Assistant Principal – Academic and Research joined the meeting.*

**1. MINUTES**

**Minutes of the Meeting of the Audit Committee held on 09 March 2021**

**Decision:** The Minutes of the Meeting of the Audit Committee held on 09 March 2021 were **AGREED** as a correct record and were **APPROVED**.

**2. OUTSTANDING ACTIONS**

**Action:** The Board Secretary will amend the layout of the outstanding actions and recommendation lists following feedback from Committee Members.

**Committee Outstanding Actions:**

- Risk Register – The Assistant Principal – Finance and Audit advised that he along with the Principal and the Principal's PA had updated the risk register. Further updates are pending with regards item 30 on the register and a new risk is to be added with regards infection management. The Committee noted that our risk register is now interlinked with that of UHI.

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

- Internal Audit Procurement – the Committee noted that this was now part of our Internal Audit Procurement Strategy.

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

- Health and Safety Update – It was noted that this item would be discussed within the agenda.

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

- Review of External Auditors – The Committee noted that this was an Inverness College process and not a legal or regulatory requirement. The Assistant Principal – Finance & Audit will complete his feedback and the Board Secretary will process this appropriately.
- Cyber Incident - it was noted that this item would be discussed within the agenda.

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

#### **Outstanding Recommendations from Internal Audit:**

**Decision:** The Committee discussed and **AGREED** the removal of items 2, 6, 7, 8, 9, 10 and 18 from the Outstanding Recommendations from Internal Audit. These recommendations have now been actioned to the satisfaction of the Committee.

- Recommendation 1 – The Assistant Principal – Finance and Audit advised that this is being addressed and will soon be finalised.
- Recommendations impacted by Covid-19 – the Committee noted that recommendations 11, 13, 14, 15, 16, 17 and 20 would be delayed due to Covid-19.

**Decision:** it was **AGREED** that the Board Secretary would update the list to reflect this.

- Recommendations 3, 4 & 5 – The Committee noted that these related to Business Continuity which would be discussed within the agenda.
- Recommendation 12 – The Committee noted that this had been delayed due to Covid-19 however the Principal and EMT are now progressing the matter.
- Recommendation 19 – The Assistant Principal – Operations and External Relations and the Estates and Campus Services Manager are progressing this matter however the Committee noted that it was felt that the timescale for completing this action is not feasible and that this should be extended.

#### **Outstanding Recommendations from External Audit:**

2020 Recommendations:

- Recommendation 1 – The Committee noted that the Finance Team are progressing this matter.

- Recommendation 2 – The Committee noted that finance continues to be heavily monitored by the F&GP Committee and that the FRP was delivered ahead of schedule.

**Decision:** The Committee **AGREED** to the removal of this item from the list.

- Recommendation 3 – The Committee noted that the Finance Team are progressing this matter.
- Recommendation 4 – The Committee noted that this issue had been highlighted and discussed within the HR Committee. The situation will be subject to continuous Board Review.
- Recommendation 5 – The Committee noted that the Assistant Principal – Finance and Audit would revisit this matter in the near future.
- Recommendation 6 – The Committee noted that a further review of the code of good governance will be carried out within June 2021.
- Recommendation 7 – The Committee noted that the EER has been completed and an action plan from this has been drawn up. A review of all Committees and their Terms of Reference will take place over the summer.

2019 Recommendations:

**Decision:** Following the discussion with EY, the Committee **AGREED** the removal of this item from the list.

### 3. POLICY FOR APPROVAL

#### a.) Freedom of Information Policy

The Board Secretary advised that updates to the policy were made in respect of legislation, to reflect that requests which are received through our social media are considered a permanent form of request and to confirm that all FOI activity will be overseen by the Information Development Manager.

**Decision:** The Committee approved this policy. It will now go to the Board of Management for final approval.

#### b.) Food Safety and Allergen Management Policy

The Committee noted that this policy had been updated to reflect the changes to the new EMT structure and roles.

**Decision:** The Committee approved this policy. It will now go to the Board of Management for final approval.

*The Contracts and Procurement Co-ordinator joined the meeting.*

#### c.) Marketing Policy

**Decision:** The Committee approved this policy. It will now go to the Board of Management for final approval.

#### **d.) Health and Safety Wellbeing Policy**

The Committee noted that feedback on this policy had been provided at the previous meeting. The Health and Safety Manager provided a rationale behind what is included within the policy to the Committee highlighting in particular that the policy did not reference Covid-19 as this was considered a hazard which was addressed at a strategic level and risk assessed as such.

**Decision:** The Committee approved this policy. It will now go to the Board of Management for final approval.

#### **4. INTERNAL AUDIT**

The Committee noted the contents of the Internal Audit Annual Plan for Year Ended July 22 and the associated terms of reference for each audit.

The Chair highlighted to the Committee that UHI had requested that our internal auditors provide an opinion on Value for Money within all audits. BDO advised that Value for Money is considered during each audit however they will ensure that this is made clearer within all future reports.

BDO provided guidance to the Committee on how audits are planned and chosen for the year ahead. The Committee noted that whilst the cyber security audit had recently taken place it was felt that it would be beneficial to revisit this given the recent cyber incident.

**Action:** BDO to undertake an update to the Cyber Security Audit. To ensure this is a valuable exercise, the timing of this will be determined by UHIs overall progress on addressing the Cyber Incident and Inverness College being able to draw on any lessons learned.

The Committee held a lengthy discussion on internal audit reports and how recommendations are accepted with BDO requesting that draft reports do not come to the Committee for discussion as these draft reports are subject to change.

**Decision:** The Committee **APPROVED** the internal audit annual plan for the year ended July 22 and the associated terms of reference for each audit.

#### **5. EXTERNAL AUDIT ANNUAL PLAN**

EY provided the Committee with an overview of the external audit annual plan summarising the key risks that they will be focussing on. EY advised that the timetable for external audit has been discussed with the relevant EMT members out with this meeting and that they were happy to proceed on the same timescale as this year; meaning that they would expect a copy of the accounts in Mid-October with a Joint Audit & F&GP meeting being held in January/February of 2022.

#### **6. HEALTH AND SAFETY UPDATE**

The Health and Safety Manager provided the Committee with a summary of his report highlighting in particular that no RIDDOR or injurious accidents had occurred and provided guidance to the Committee with regards the proposed new health and safety system HASMAT summarising to them what this system is and the benefits of it. The Health and Safety Manager highlighted to the Committee the associated schedule

which can be used as part of any internal audits on health and safety going forward. BDO confirmed that it should not be an issue for internal audit to use this system.

**Decision:** The Committee **AGREED** to the adoption of the HASMAT system for health and safety.

*The ICT Services Manager joined the meeting.*

The Committee held a lengthy discussion with regards Health and Safety training noting that we will be moving to a new system in April 2022. A further lengthy discussion on home working took place with the Committee noting that DSE guidance along with the Hybrid Working Plan should allow for discussions to take place with staff members.

The Committee thanked the Health and Safety Manager on a comprehensive and considered report which provided to the Committee a greater level of assurance.

## **7. INTERNAL AUDIT REPORT – DRAFT CYBER SECURITY AUDIT**

BDO advised that the cyber security audit had been superseded by the cyber incident and that the report was currently in draft format. BDO are to have discussions with management over their proposed recommendations.

*The Health and Safety Manager left the meeting.*

**Action:** The Committee advised that they would consider the findings of this audit once the final version was agreed by BDO and management.

## **8. CONTRACT STRATEGY – INTERNAL AUDIT SERVICES**

*Claire Robertson, BDO left the meeting.*  
*Stephen Reid, EY left the meeting*

*Head of Procurement – Shared UHI Service joined the meeting*

The Head of Procurement – Shared UHI Service provided the Committee with a background to our current Internal Audit Contract advising that an extension had been agreed at the last meeting for one further year to our current BDO contract. This contract will then end on 31 July 2022.

The Head of Procurement – Shared UHI Service spoke to her report and took the committee through the options available to us with regards direct award, the Scottish national framework, mini competitions, other frameworks, possible added value elements that we could consider and how we could ensure all applicants abilities.

**Decision:** The Committee **AGREED** to a mini-competition taking place through the APUC system.

**Action:** Further discussions will take place at the September 2021 meeting to decide who would represent the Committee on the procurement panel.

The Committee extended their thanks to the Head of Procurement – Shared UHI Service and the Contracts and Procurement Co-Ordinator for their work on this strategy.

*The Head of Procurement – Shared UHI Service left the meeting.  
The Contracts and Procurement Co-Ordinator left the meeting.*

*Claire Robertson, BDO joined the meeting.*

## **9. RISK MANAGEMENT**

It was reiterated to the Committee that updates to the Risk Register are pending with regards item 30 on the register and that a new risk is to be added with regards to infection management (general and non-Covid-19).

## **10. CYBER INCIDENT OVERVIEW**

The ICT Services Manager advised the Committee that the cyber incident was still being investigated by UHI insurers however it was advised that the incident was flagged early within our systems and that there has been no evidence that any of our data was impacted.

A lengthy discussion took place with regards our vulnerabilities, learning from the incident, our infrastructure and functionality and accessibility of our current systems.

*Stephen Reid, EY joined the meeting.*

The Committee was advised that it was unknown when we would receive a copy of the investigation report but noted that this would be made available to them in due course.

**Action:** A further update will be brought to the September 21 meeting.

The Committee extended their thanks to the ICT Services Manager and his team for all their work during this incident.

## **11. BUSINESS CONTINUITY PLAN – UPDATE ON ANNUAL REVIEW CYCLE**

**Action:** The Committee noted that this would be discussed at the September 21 meeting as the Principal is required to lead the discussion on the plan.

*Innis Montgomery left the meeting  
Assistant Principal – Finance & Audit left the meeting*

## **12. FREEDOM OF INFORMATION REPORT**

The Board Secretary spoke to her report highlighting the number of requests that were received within 2020, the format, source and types of requests, response times, fees, reviews and our publication scheme.

## **13. COMMITTEE EVALUATION**

The Committee noted that the annual Committee evaluation was due to take

place. The Board Secretary explained that as the Chair was new to the role it had been agreed that we would not carry out the Chair Evaluation this year but that one would be carried out next year as normal.

**Decision:** It was **AGREED** that the Committee Evaluation would be carried out off line due to time constraints.

**Action:** The Board Secretary will circulate the relevant paperwork and ensure that this is completed off-line.

**14. COMPLAINTS – QUARTERLY REPORT**

The Committee noted the contents of the quarterly complaints report.

**15. HEALTH AND WELLBEING MINUTES**

The Committee noted the contents of the minutes of the Health, Safety and Wellbeing Committee held on 10 March 2021.

**16. DATE OF NEXT MEETING – 14 September 2021**

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*Gillian Galloway*

Signed by Chair

Date: 19 October 2021