Minutes of the Audit Committee Meeting

Held at 2pm on Friday 6 June 2025

Via MS Teams

Quorum: 3 members

Present: B Sizeland (BS) - Chair, C Walsh (CW), E Nowinski (EN), V Gunn (VG)

Apologies: N/A

In Attendance: A Blakey (AB), A Close (AEC), M Johnston (MJ), S McNaught (SM), S Wrighthouse (SW)

No	Item	Action
25.2.01	**Welcome and apologies for absence** BS welcomed everyone to the meeting and introduced CW as a new Committee member.	
25.2.02	**Declarations of interest & to identify any items deemed confidential** There were no declarations of interest, and no items deemed confidential.	
25.2.03	**a) Minutes of Audit Committee meeting held on 22 November 2024** – approval required as previous meeting was not quorate **b) Minutes of Audit Committee meeting held on 28 Feb 2025** Both sets of minutes were approved as an accurate record of the meetings. Board Secretary to publish.	AB
25.2.04	**Outstanding Actions** • Internal Audit Needs Assessment and Strategic Plan – update risk 03/B to have a high risk impact. Review scoring of other risks (SM) - now complete. It was noted that risks 01/B and 02/B which refer to the TOM also have an increased risk. There are concerns about advancing with transformation activity without fully evaluating existing barriers and issues. • Draft Internal Audit plan for 2024/25 – note of assurance for the Board on scope of Audit plan (SM) - now complete.	

	The Committee requested to invite Joe Wright to the next Audit Committee for an update on the UHI Transformation Project. Board Secretary to arrange.	AB
25.2.05	**Risk Register** The Committee noted a significant number of red risks on the register. The risks were reviewed in order of severity. Risks 01/B and 02/B have seen an increase in risk level since the last quarter. The volume of information being requested for UHI transformation activity continues to grow, and the lack of SMT capacity is now becoming a reality rather than potential risk. Board Secretary to share TOM presentation with CW for context. Risk 08/F Job Evaluation funding – it remains uncertain whether SFC/Scottish Government will provide funding for job evaluation. Colleges are currently assuming a provision to cover the period from 2018 to date. SM highlighted that for risk 01/B, the gross risk score was lower than residual risk score, indicating that the mitigating actions are not effectively reducing the risk. SM advised that the gross risk should be rescored. AEC to update. Amber and green risks were reviewed, with no changes to be made.	AB AEC
25.2.06	**i) External Audit Strategy Memorandum** MJ gave an update. An initial planning meeting was held with AEC in May 2025. Key items discussed were ongoing sector wide difficulties caused by ongoing cost increases, Job Evaluation provision, and Top to Top accrual which may need to be released. The assessment of key risks remains largely unchanged from the previous year. Areas of focus include revenue streams, claw back, and college expenditure, with detailed testing planned for expenses. Management override of controls remains a mandatory audit risk. The valuation of the pension scheme will be carried out to ensure all necessary adjustments are accurately reflected in the financial statements. The audit will also consider the institution's going concern status and three properties have been instructed for valuation.	

	The Committee approved the strategy. *MJ and SW left the meeting.* **ii) Update on Internal Audit for 2024/25** SM provided an update on the internal audit plan for 2024/25. Three audit areas have been identified and dates confirmed. The audits will commence next week, with the aim of presenting the reports at the next Audit Committee meeting.	
25.2.07	**Health and Safety Report - Quarter to 30 Apr 2025** AEC provided an update, noting that it had been a quiet quarter with fewer incidents reported, all of which were minor. The reduced number of accidents can be attributed to the Easter holidays, SfW classes finishing and one week of skills tests. An investigation into the lack of accidents in Oban is currently being carried out. AEC will provide a further update at the next meeting.	AEC
25.2.08	**AOCB** **i. Health & Safety Policy** The Committee reviewed the Health & Safety Policy. While the policy is reviewed annually, it requires Audit Committee approval before being submitted to the Board. Once approved, it is circulated to staff for acknowledgment and signature. The Committee also discussed the development of a broader H&S strategy. It was noted that the forthcoming internal audit report on Health & Safety will support the development of this strategy. BS raised the issue of periodic training, noting the absence of a structured training plan. The role of a Health & Safety Champion on the Board was discussed and the Committee recommended the appointment of a designated individual to this position. The policy was approved for referral to the Board. Board Members should note their own responsibilities and consider appointing a H&S Champion. Board Secretary to refer to the Board. **ii. Draft UHI Argyll IT Acceptable Use Policy** The policy has been adapted from a UHI version. A few final updates are to be made before the Board meeting. The Committee approved the policy to be referred to the Board. Board Secretary to action.	AB AB

	iii. HL Report from Risk training session The report highlights the need for a Risk Assurance Framework. AEC will take this forward. AEC proposed keeping the standard RAG system, rather than adopting a five-colour system shown in the training. The Committee agreed to proceed with the RAG system. There was a brief discussion about the Strategic Plan, and whether UHI Argyll are adopting the UHI 2030 strategy or developing their own. AEC will follow up with Joe Wright to seek clarification. It was noted that an internal strategy may help mitigate risk 01/B, which currently lacks mitigating actions. The Committee noted that the report does not include a specific action plan. They identified the need to determine actionable steps and establish a timeline for implementation. There was a general consensus that the risks associated with the TOM are currently overshadowing UHI Argyll's own strategic plan.	AEC
25.2.09	**Date of Next Meeting** Board – Friday 13th June 2025 Audit Committee – Originally planned for Friday 19th September 2025, but there is limited availability on this date. Board Secretary to rearrange.	AB

Outstanding Actions – Audit

Item	Action	Responsibility	Deadline	Outcome
25.2.03	Board Secretary to publish minutes	AB	September 2025	Complete
25.2.04	Invite Joe Wright to next Audit Committee to provide an update on Transformation activity	AB	September 2025	Complete
25.2.05	Share TOM presentation with CW	AB	June 2025	Complete – OBC & webpage
25.2.05	Rescore gross risk for risk 01/B	AEC	September 2025	Complete

25.2.07	Provide an update on accident reporting in Oban at next Audit Committee	AEC	September 2025	Complete
25.2.08	Refer Health & Safety Policy to the Board	AB	June 2025	Complete
25.2.08	Refer UHI Argyll IT Acceptable Use Policy to the Board	AB	June 2025	Complete
25.2.08	Develop Risk Assurance Framework	AEC	September 2025	Complete
25.2.09	Reschedule next Audit Committee meeting – limited availability on proposed date	AB	June 2025	Complete – 22nd September