UHI | ARGYLL

**Final Version - Note of the Audit Committee Meeting - Meeting Inquorate**

**Held at 11.30am on Monday 22 September 2025**

**Via MS Teams**

**Quorum: 3 members**

**Present:** B Sizeland (BS) Chair, C Walsh (CW)

**Apologies:** None

**In attendance:** A Blakey (AB), A Close (AEC), J Wright (JW), Scott McCready (SMC), Steve McNaught (SMN), S Wrighthouse (SW)

| No | Item | Action |
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| 25.3.1 | **Welcome and apologies for absence**<br><br>BS welcomed everyone to the meeting, brief introductions followed with SMC observing today's meeting as part of the External Effectiveness Review.<br><br>The Committee noted that the meeting was inquorate. | |
| 25.3.2 | **Declarations of interest & to identify any items deemed confidential**<br><br>There were no declarations of interest, and no items deemed confidential. | |
| 25.3.3 | **Minutes of Audit Committee meeting held on 6 June 2025**<br><br>The minutes could not be approved as the meeting was inquorate. BS and CW recommended the minutes for approval. It was agreed to take minutes to the Board meeting on 3 October 2025 for approval. Board Secretary to add to Board meeting agenda. | AB |
| 25.3.4 | **Outstanding Actions**<br><br>All actions from the June Committee meeting are now complete or covered within today's agenda. | |
| 25.3.5 | **Risk Register**<br><br>*JW joined the meeting to provide update on the UHI TOM.*<br><br>Risk 01/H – Impact on people<br>JW provided an update on the UHI Transformation project, noting a significant increase in activity over recent weeks. Consultants are currently developing the FBC. The options under consideration are:<br><br>• No structural change<br>• Partial merger of colleges | |

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| | • Full merger into a single institution – not considered feasible in the short to medium term<br><br>The risk associated with the prolonged nature of the process and lack of specific deadlines, and its impact on people remains critical. Staff meetings are scheduled for next week, although there is limited information to share.<br><br>It was acknowledged that the Board are becoming unsighted on key decisions they are required to make. More time is required for the Board to scrutinise and question proposals.<br><br>The Committee noted that a reassessment of options may be required should timelines be further delayed, taking into account its impact on students, staff and curriculum.<br><br>Trade Union Concerns<br>JW reassured the Committee that the risks identified are unlikely to materialise within the next three months. TU primary concern is that members may be absorbed into an institution outside the national bargaining framework. Only a merger with an incorporated college would help to mitigate this risk and potentially reduce resistance.<br><br>The Committee agreed that a deep dive into the TOM-related risks is required. JW will prepare a paper for the Board meeting on 3 October 2025 outlining current issues, potential options and how they might develop.<br><br>*JW left the meeting following the discussion on Transformation.*<br><br>Risk 07/A – Failure to prevent or respond appropriately to fraud<br>The Committee reviewed the newly identified risk. It was proposed that the residual risk score should increase to 3 x 3, as current controls are not yet sufficient. AEC to update. | JW<br><br>AEC |
| 25.3.6 | **i) Health & Safety internal audit report**<br><br>SMN gave a verbal update. The overall report was graded as *satisfactory,* and three recommendations have been made to support improvement. An action was noted that the minutes from the Health and Safety Committee should be brought to the Audit Committee – AEC to action.<br><br>It was proposed that Health and Safety, Property and Estates be incorporated into a single strategic plan. A timeline was agreed for AEC and the Health and Safety and Property Officer to present a draft to the Committee in the new year.<br><br>**ii) Fraud Prevention internal audit report**<br><br>The internal audit provided an assurance rating of *requires improvement*, with one grade 2 recommendation, and four grade 3 recommendations. SMN noted that while UHI Argyll is not currently considered high risk, the sector is experiencing increased instances of both internal and external fraud. | AEC<br><br>AEC |

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| | The Committee highlighted the requirement of Board-level training. Board Secretary to arrange for the new year.<br><br>**iii) Follow up reports**<br><br>A review of previous year's audits and outstanding actions found that some of the recommended actions had not been implemented. Key barriers identified were limited staff resource, and the ongoing UHI Transformation project. SMN recognised the operational constraints and noted they were comfortable with the current status of actions, but would like to see progress in the next 9-12 months. The Committee agreed to allocate time early next year to review the outstanding audit actions in detail. Board Secretary to add to future agenda. | AB<br><br>AB |
| 25.3.7 | **Health and Safety Report – Quarter to 31 July 2025**<br><br>**Oban High School – Incident Reporting**<br>An investigation took place following the lack of incident reporting and near miss reporting at Oban High School. The Head of Curriculum had investigated and his view was that the lecturer demonstrated an understanding of reporting protocols. UHI Argyll Health and Safety Officer plans to follow-up with an on-site assessment. AEC will provide an update on any findings at the November Committee meeting.<br><br>**Student Behaviour**<br>The Committee were informed about a specific case of challenging student behaviour. A risk assessment is in place for the centre to manage the student when present. Given the nature of the health and safety risk, it was suggested that the Board are made aware of the arrangements in place. AEC to update the Board at upcoming meeting. | AEC<br><br>AEC |
| 25.3.8 | **AOCB**<br><br>**i) Fraud Response Plan**<br>Paper will be taken to the Board meeting on 3 October 2025 for consideration.<br><br>**ii) Risk Assurance Framework**<br>This item will be brought to the next Audit Committee meeting for further discussion. Board Secretary to include on agenda.<br><br>**iii) External Audit Update**<br>SW provided a verbal update. Fieldwork will continue over coming weeks. There are no issues to report at this stage, and discussions have been very productive.<br><br>**iv) Political Engagement Sessions**<br>Feedback from recent Political Engagement sessions will be picked up at the upcoming Board meeting. | AB |
| 25.3.9 | **Date of next meetings**<br><br>• Board: 3 October 2025<br>• Joint F&GP and Audit Committee: 28 November 2025 | |

# Outstanding Actions – Audit

| Item | Action | Responsibility | Deadline | Outcome |
|---|---|---|---|---|
| 25.3.3 | Board Secretary to publish minutes | AB | October 25 | Complete |
| 25.3.5 | JW to prepare Transformation working paper for upcoming Board meeting | JW | October 25 | Provided verbal update |
| 25.3.5 | AEC to update risk register rating | AEC | November 25 | Ongoing |
| 25.3.6 | Minutes from H&S Committee to be brought to Audit Committee | AEC | November 25 | Complete |
| 25.3.6 | Present draft Health & Safety, Property and Estates Strategic Plan to Audit Committee in the new year | AEC & Scott Marshall | February 25 | Ongoing |
| 25.3.6 | Board Secretary to arrange Board-level fraud prevention training in new year | AB | February 25 | Ongoing |
| 25.3.6 | Add follow-up reports to February Committee agenda | AB | February 25 | Ongoing |
| 25.3.7 | Provide an update on Oban incident reporting at November Committee | AEC | November 25 | Complete |
| 25.3.7 | Provide an update at the upcoming Board meeting about challenging student behaviour | AEC | October 25 | Complete |
| 25.3.8 | Risk Assurance Framework to be added to November Committee meeting agenda | AB | November 25 | Complete |