

# **UHI | NORTH, WEST AND HEBRIDES A TUATH, AN IAR IS INNSE GALL**

Audit & Risk Management Committee Meeting  
Wednesday 26th February 2025 – 1715 MS Teams  
Chair – Neil Hope

## 1. Welcome, Quorum & Apologies

The meeting is quorate as per item 139 of the Terms of reference for one half or 50% of the Membership of the Committee be present.

## Committee Members present

Ian MacEachern, Independent Board Member  
Lydia Rohmer, Principal & CEO from 1810  
Neil Hope, Committee Chair and Independent Board Member  
Sarah Fraser, Independent Board Member  
Struan Mackie, Independent Board Member

## Also Present

Derek Bond, Interim Vice Principal Resources & Enterprise (CFO)  
Ellen MacLean, Board Secretary  
Ian Howse, Deloitte  
Jim Hutton, Health & Safety Officer  
Kevin Mallett, Interim Financial Controller (IFC)  
Scott McCready, Wbg (SMcC)  
Sophie Dunnett, Performance & planning manager  
Tracy Kerr, Head of Performance & Planning

## Declarations of interest

No declarations were made

## 3. Minutes approved from previous meeting, 13<sup>th</sup> November 2024

Approved

## 4. External Audit (Deloitte) Ian Howse (IH)

The Chair asked for an update on status of NWH 2023/24 accounts. IH advised that these will move on once North Highland College (NHC) 2022/23 are signed off. Deloitte will try to complete NWH 2023/24 accounts for end of March 2025, though admitted the timescale may be optimistic. Concentrating on one set of accounts at a time has proven to be a more effective way of working for Deloitte.

The Chair asked to be alerted when the NWH 2023/24 accounts were nearing completion to give members as much notice as possible for the scheduling of a meeting to discuss them.

#### 4.1 NHC Accounts 2022-23

IH re-affirmed that the NWH 2023/24 were almost complete. Minor corrections had been made re pay awards and fixed assets calculation. Small adjustments were requested to the accounting journal. The wider scope of the audit was in relation to the merger leading on to becoming a sustainable institution. A climate change report would have been nice to have but was not considered critical at this time. All substantive areas were complete.

KM hi-lighted the 2 prior years adjustments that had been done rectifying historic data. The CFO acknowledged that he welcomed getting to the end of a long process, the accounts analysis given were on the original numbers presented.

The CFO proposed the accounts be sent out to full Board and F&GP Committee for consideration, and that they then be scrutinised at FGP Committee for onward sign off at joint A&RM / F&GP Committees on 5<sup>th</sup> March 2025. NHC is the body we utilised for the merger in 2023.

**Committee endorsed NHC 2022/23 accounts with the caveat that they be made available to all board members for comment and that scrutiny be conducted at F&GP Committee pre joint A&RM/F&GP on 5<sup>th</sup> March 2025.**

The Chair asked that IH, Deloitte, come back to this Committee to discuss any fees over and above what were originally quoted. Deloitte & NWH Management are requested to come back with a proposal for scrutiny at Board. Audit Scotland should also be involved. The Chair added that as we are a charity serving the education provision throughout NWH, we will need to agree fees at F&GP Committee for onward to Board for any approval.

**The Committee agreed.**

IH advised that the NWH 2023/24 accounts and report will be presented in the same format as NHC 2022/23 Accounts. The Chair & Committee agreed that the format & style used by Deloitte were of a very good standard.

The draft accounts for NWH 2023/24 will be presented at Thurso Board in March together with an update of the expected completion date.

#### 4.2 NHC - ISA 260

**Noted**

#### 4.3 NHC Draft Letter of Representation

IH advised that this letter refers to the NHC report at 4.1

1736 IH left

The Chair suggested that NWH take a robust approach with commonality around fees.

## 5. Internal Audit Update Scott McCready, Wbg (SMcC)

### 5.1 Procurement process report

SMcC advised that the “weak” level assurance given had only one recommendation re procurement testing (19 out of 24 were subject to legacy colleges contracts where the remaining 5 required contracts which had not been evident at the time of this audit). He noted that things were moving on and that a plan had been put in place.

The report provides a background of the merger. Eleven good practice points were noted referencing strategy, policy and the training provided. The College had come back with a step-by-step plan to mitigate the risk.

The CFO voiced that there had been some concern of the “weak” rating, however he thanked SMcC for having hi-lighted the positive aspects. NWH had taken on the three legacy colleges purchase ledgers which had high numbers of non-compliant points, NWH had recently employed a consultant to address the situation. The CFO advised that one other person would be recruited to assist on a fixed term contract basis.

KM added that as well as procurement, there was internal purchase compliance to be managed in an efficient way. The three legacy colleges had previously had a very mixed internal finance p2p process.

The Chair asked SMcC if Wbg were happy with NWH Management response and steps that had been taken by finance team?

SMcC agreed that Wbg were content.

### 5.2 Follow up Report

SMcC summarised the “Substantial” rating, explaining that there had been 42 recommendations followed up on with only 4 low grade recommendations still to be actioned. There were no high-grade points for consideration. The work put in and the actions taken by finance team have mitigated any high-grade risks. The CFO advised that some of the “partially implemented” had been due to HR / Union local dispute.

The Chair requested that there be a follow up report in one years’ time, with quarterly internal reports to the A&RM Committee. He acknowledged that the internal audit was there to help us, that it had been a good report, which would help NWH to keep improving.

## 6. Risk Register

The Chair invited comments from the Committee after reviewing the new word document RR which had been submitted by the principal.

The Committee suggested an extra page be added to show mitigations required. Other comments included that it was a nice and straight forward, easy to read document, that only one risk had gone up which could have added as footnote at bottom of page. The CFO was curious as to why Item 8 was still showing as a very high risk scoring 20 when the college had just come through its cyber audit with flying colours.

Governance was referenced for engagement with staff regarding the UHI OBC and was asked to be added to the register as a risk of impact on college and on staff morale.

The Chair advised that there was an agreement at the last Chairs meeting to have open and honest communication with staff. A communication would be coming from the Board of Managements. SF endorsed that communication to staff be from NWH locally and not from the UHI entity.

The principal joined at 1810

SMk left 1814

## 7. Estates Strategy & link to Risk Register

## 8. Confidential item – performance & planning report

Paper withheld

Tracy Kerr(TK)/ Jim Hutton(JH)/Sophie Dunnett(SD)

The team talked through the paper presented to this committee.

A question had been asked at the last A&RM committee meeting as to whether we charge students for damage caused? We have done on one occasion, but it is not standard practice.

IM asked what was the maximum penalty that could be imposed for vandalism? and whether there had been bench marking of number of instances against previous years?

TK replied that the highest sanction could be expulsion, but what the team try to do is verbal/ written warnings and to assist the students with behaviours and understandings. There had been more instances this year to date.

JH added that there are instances where students have been identified, some areas geographically had been more challenging than others.

IME asked about the difficulty in recruiting volunteer Fire wardens for e-tech. JM assured that a fire warden was always on site in the main building. TK added that this was currently under review and being addressed.

TK advised that there had been a lot of significant work going through DPO presently. An accountability tracker would be coming to the committee for a clear indication of what audits are to be undertaken.

The Chair requested numbers of FOIs and Data Protection requests for the A&RM meetings.

The Principal left 1832 (sound issues)

The Chair requested presentation of high-level diagrams for compliance and the papers sitting behind as an appendix.

**Action – TK - numbers of FOIs and Data Protection requests for the A&RM meetings.**

**Action – TK - presentation of high-level diagrams for compliance and the papers sitting behind as an appendix.**

#### 9. Fast track policy for approval Sophie Dunnett (SD)

SD spoke to her paper and explained that there were a significant number of policies which were not current, many were UHL policies we had adopted though not approved, previous policies were being revised with minor changes.

Principal rejoined meeting 1833

SD stressed that the proposal was not to do away with any scrutiny of policies but to streamline those which needed only cosmetic / minor changes. A register of policies will be held on a single document in SharePoint with a Single Point of Contact.

The Chair commented that this was a comprehensive document, and the proposal made sense. The Committee agreed.

**Endorse for Board approval**

**Endorsed**

#### 10. Policies for approval

NWH Fire safety policy

**Endorsed for Board**

H&S Policy

IME had identified that the policy referred to Health & Safety Champion Board Member which we currently do not actually have.

**The Committee agreed that a Board H&S Champion is still required and endorsed this policy for Board with caveat that H&S Champion be appointed.**

**Endorsed**

TK shared good news that a Student Voice representative would be joining the H&S committee.

The Chair thanked Sophie, Tracy & Jim for their contributions (left meeting at 1949)

Principal's brief summary: -

The Risk register went to the Board Secretary prior to recent financial changes, since then, the strategic risk register was still in excel format. The Principal had produced a summary. There had been a risk appetite workshop over a year ago, which the Principal suggested that once we have our strategic plan in place for June we revisit. A paper had arrived from the SFC suggesting there may be changes to funding proposals – The CFO and Principal would be attending a meeting on Friday, 28<sup>th</sup> February 2025 with the SFC to discuss. A report would follow describing how they intend to model the funding structure re credit prize. There may be a 5.6% reduction to prize funding.

Climate & sustainability were to be included as a mitigated new risk.

The UHI transformation programme was a new risk and would be reviewed. Integration would now sit with departments to manage; it would bring reflection of integration maturity back into the report. Working through our enabling strategies, we will have a set of agreed KPIs to insert into the risk register.

11. A.O.B.

None

Meeting closed at 1900