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| <b>Committee</b>             | Audit and Risk Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |            |
| <b>Date paper prepared</b>   | 08/05/2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Date of committee meeting</b> | 13/05/2026 |
| <b>Subject</b>               | Internal Audit Report – Payroll                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |            |
| <b>Author</b>                | Derek Bond – Vice Principal – Resources & Enterprise (CFO)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |            |
| <b>Action requested</b>      | I. For information only                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |            |
| <b>Purpose of the paper</b>  | <p>The purpose of the review was to look at the payroll system at UHI North, West and Hebrides to assess whether this was operating as expected and that the appropriate controls exist. Wbg also looked to assess whether the payments being calculated by the system were accurate and were based on bona fide hours worked and we also considered deductions and additions to salaries to assess whether these were correctly calculated and properly authorised.</p> <p>This review formed part of the Wbg 2025/2026 Internal Audit Annual Plan. The Wbg detailed report is attached.</p> |                                  |            |
| <b>Summary of the paper</b>  | <p>Overall Conclusion of Wbg review:</p> <p>Following our review, we can provide a strong level of assurance surrounding the College's payroll arrangements in place. Our review covered the assessment of whether the payments being calculated are accurate and based on bona fide hours worked. This is further highlighted as we have raised several good practice points, however, we have raised one low graded recommendation for improvement and two observations for consideration.</p>                                                                                              |                                  |            |
| <b>Consultation</b>          | <p>The Audit &amp; Risk Management committee have reviewed and approved the operational internal audit plan for 2025/26.</p> <p>The relevant executive manager and/or head of department review the reports in respect of their areas and provide management responses to identified risks and recommendations where required.</p>                                                                                                                                                                                                                                                            |                                  |            |
| <b>Resource implications</b> | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |            |
| <b>Risk implications</b>     | Internal audit is a key element of the internal controls and risk management processes within the College. Identified risks and recommendations are detailed in each of the reports.                                                                                                                                                                                                                                                                                                                                                                                                          |                                  |            |
| <b>Link with strategy</b>    | Internal audit is a key element of risk management for the college                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |            |

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| <a href="#">Equality, Diversity, and Inclusion</a> | Ensuring our documents can be read and understood by everyone, including people with disabilities or impairments, is a legal requirement under the Equality Act 2010.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Island Community Impact</b>                     | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Paper status</b>                                | <input checked="" type="checkbox"/> <b>Open</b> – The paper may be circulated to non-members of the committee and published online without restriction.<br><input type="checkbox"/> <b>Restricted</b> – The paper must not be circulated to non-members or published online until after the committee meeting.<br><input type="checkbox"/> <b>Confidential</b> - The paper must not be circulated beyond the committee members and should not be published online. Some information is considered commercially sensitive. [Please note papers may still be subject to Freedom of Information requests – see below]. |
| <a href="#">Freedom of information</a>             | Open <a href="#">FOISA exemptions   Scottish Information Commissioner (itspublicknowledge.info)</a><br>If closed/ withheld, select date this will become 'open': Enter a date.                                                                                                                                                                                                                                                                                                                                                                                                                                      |