

Audit Committee

Minutes

Meeting reference: Audit2025-26/02

Date: Thursday 08 December 2025

Location: Online

Members present: Debbie McIlwraith Cameron, Chair, Audit Committee
Mary Fraser, Board Member
Rosie Howie, Board Member
John McMullen, Board Member
Chris Whatley, Board Member
Richard Fyfe, Staff Board Member

In attendance: Catherine Etri, Interim Principal
Lynn Murray, Depute Principal (Operations)
Fiona Cameron, Interim Director of Finance
David Gourley, Director of Learning Strategies, Enhancement & Resources
Ian McCartney, Clerk to the Board
David Archibald, Henderson Loggie, Internal Auditor
Claire West, Deloitte's, External Auditor
Noel Simbarashe Jana, Deloitte's, External Auditor

Apologies: Millie Foster, Student Board Member

Chair: **Debbie McIlwraith Cameron**

Minute Taker: Ian McCartney

Quorum: 3

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Student Centred + Innovative + Ambitious + Respectful + Inclusive + Collaborative

MINUTES

Item		Action
1.	<p>Welcome & Apologies</p> <p>Chair welcomed all to meeting, and noted apologies.</p>	
2.	<p>Additions to the Agenda</p> <p>There were no additions made to the agenda.</p>	
3.	<p>Declaration of Conflict of Interest in any Agenda Item</p> <p>There were no conflicts of interest noted.</p>	
4.	<p>Minutes of Meeting of Audit Committee, 30 September 2025</p> <p>Depute Principal (Operations) provided a slight amended in wording around Item 7.1.</p> <p>With this amendment agreed, the minutes were approved as a true and accurate record of the meeting.</p>	
5.	<p>Matters Arising from previous minutes</p> <p>No matters arising that were not scheduled to be discussed with agenda items were raised.</p>	
6.1	<p>Internal Audit Annual Report 2024/25</p> <p>Internal Auditor presented Paper 2, noting changes to the planned programme around Financial Sustainability, as previously agreed.</p> <p>Internal Auditor confirmed that Henderson Loggie had acted independently during and was compliant with Global Internal Audit standards.</p> <p>Internal Auditor noted there were a number of positive reports, however some significant issues and priority recommendations had been drawn out as detailed in the report, including a number of follow-up reviews that were outstanding or had gone past recommendation dates.</p> <p>Internal Audit advised that the overall opinion of the report showed sufficient positivity around risk, control and governance, and no concerns had been noted around value for money.</p> <p>Chair sought reassurance around references to single points of failure in International as noted in the Report and wondered whether this could be addressed with support from UHI. Principal advised that UHI generally require support from UHI Perth on</p>	

	<p>issues such as Visas, therefore the risk is in the opposite direction. Staffing is in place to mitigate the risk re single point of failure in this area, but this will require to be reviewed in the near term.</p> <p>Committee ENDORSED Paper 2, which would require formal approval by the Board of Management.</p>	
7.1	<p>Strategic Risk Register</p> <p>Depute Principal (Operations) presented Paper 3, noting the revamped nature of the report following previous approval to replace the Enterprise Risk Management report. Depute Principal (Operations), advised that the report may need further tweaking.</p> <p>Board Member noted that it would be useful to view an Excel version of the report rather than a PDF due to readability issues. Clear advised that the Excel version would be uploaded to the Audit Committee Teams page.</p> <p>Board Member queried whether the Risk Scores took account of the Internal Audit reports. Depute Principal (Operations) confirmed that this was part of the evidence supplied.</p> <p>Committee ENDORSED the Strategic Risk report in its new format.</p>	
7.2	<p>Cybersecurity - Half-Year Report</p> <p>Director of Learning Strategies, Enhancement & Resources presented Paper 4, which drew attention to major threats on the landscape, including AI-driven malware, more sophisticated malware and ransomware and the need to ensure synergy of systems with UHI.</p> <p>Director LSER also advised that the college was working towards the Cyber Essentials+ standards, and training will be a key issue moving forward, including around incorporation of elements such as fake phishing tests.</p> <p>Committee NOTED Paper 4</p>	
8.1	<p>Internal Audit Report 2025/07 – General Review of Financial Controls and Independent Review of Finance Function</p> <p>Internal Auditor presented Paper 5, highlighting the 12 recommendations that had been advised with the Report</p> <p>Depute Principal (Operations) advised that the report dealt mainly with legacy issues noted that sufficient resource will allow the finance team to focus on development work as well as business as usual. Depute Principal (Operations) further advised that systems also need to be improved – while there were some quick fixes in</p>	

	<p>this regard, others would need additional attention.</p> <p>Internal Auditor noted that the capacity to deliver the FRP should be the main priority for the College.</p> <p>Committee NOTED Paper 5.</p>	
8.2	<p>Internal Audit 2025/26 – Follow-Up Reviews 2024/25</p> <p>Internal Auditor presented Paper 6, highlighting that there were 37 “live” recommendations in the Follow-Up Review report; 9 had been closed off and 6 had been considered but not implemented, therefore 22 recommendations were being carried forward.</p> <p>Committee NOTED Paper 6.</p>	
8.3	<p>Draft Performance Report for Y/E 31 July 2025</p> <p>Depute Principal (Operations) presented Paper 7, a draft version of the Performance Report section of the Financial Statements to allow for initial scrutiny, with Committee invited to provide feedback to Depute Principal (Operations) outside of the meeting.</p> <p>Depute Principal (Operations) advised that delays to the External Audit had been experienced, caused by technical issues around AST and sign-off from the External Auditor’s pensions specialists. It has also been indicated that additional audit fees will be charged based on the unexpected work around AST.</p> <p>The delays have affected the college’s scheduled reporting and approval timescales, and a letter to Audit Scotland expressing concern around the implications of the delays had been drafted, which had subsequently been issued by UHI.</p> <p>Depute Principal (Operations) advised Committee on the likely timescales moving forward with a view to having the final report approved and lodged by the end of the calendar year.</p> <p>Committee NOTED Paper 7.</p>	
8.4	<p>Section 22 & Wider Scope External Audit Reports</p> <p>External Auditor provided a verbal update on the Wider Scope External Report from the External Auditor, who advised that a number of interviews had been held to better understand the key factors around budgetary controls and significant risks. In addition, it was reported that there were issues around how AST should be presented within the accounts from both accounting and governance perspective.</p> <p>Committee also received an update on the Section 22 Report from</p>	

	<p>the Depute Principal (Operations), who advised that a Public Audit Committee hearing had been held with the previous Chair, Principal and Vice Principal (Operations), which had focused on relations with UHI and the top slice, among other items.</p> <p>A written submission for the January hearing had been issued by the Interim Chair and Interim Principal, and this had been published on the Scottish Parliament's website. The submission addressed outstanding issues from the initial Public Audit Committee (PAC) hearing.</p> <p>Internal Auditor raised concern around references to the delivery of the Internal Audit Service and approval of the Internal Audit Plan within the initial PAC hearing, noting that it had been assumed that clarifications would have been provided to the PAC before now. A meeting between Internal and External Auditors and Audit Scotland was proposed to clarify understanding of the issues and to determine next steps.</p> <p>Committee were also advised that PWC had been conducting due diligence work around liquidity funding on behalf of SFC; a draft report had been received which requires a speedy turnaround, however this requires review for accuracy.</p>	
9	<p>Freedom of Information & Data Protection – Quarterly Update</p> <p>Clerk presented the Freedom of Information & Data Protection quarterly update for the period to October 2025.</p> <p>Clerk advised that ICO had been informed of a potential issue around a minor data breach, as a precautionary measure.</p> <p>Committee NOTED Paper 8.</p>	
10	<p>Committee Updates</p> <p>Committee NOTED minutes from the following meetings:</p> <ul style="list-style-type: none"> • Health & Safety Committee – 18 September 2025 • Health & Safety Committee – 13 November 2025 	
11.	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Thursday 19 March 2025 	
12.	<p>Review of Meeting</p> <p>Committee confirmed that the meeting had been conducted in line with its Terms of Reference.</p>	

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 2018? **Yes** **No**