UHI | PERTH

Extraordinary Joint Meeting of Finance & Resources Committee and Audit Committee

Minutes

Meeting reference: EJM_F&R_Audit2025-26/01
Date: Tuesday 13 January 2025
Location: Online

Members present: Ian Robotham, Chair of the Finance and Resources Committee
Debbie McIlwraith Cameron, Chair of the Audit Committee
Alistair Wylie, Interim Chair of Board
Catherine Etri, Interim Principal
Sarah Cordwell, Board Member
Deirdre Joy, Board Member
Christopher Whatley, Board Member
John McMullen, Board Member
Chris Lusk, Board Member
Mary Fraser, Board Member
Rosie Howie, Board Member
Ronnie Dewar, Trade Union Board ember
Andi Garrity, Student Board Member
Richard Fyfe, Staff Board Member
Patrick O' Donnell, Staff Board Member

In attendance: Lynn Murray, Depute Principal (Operations)
Gail Dunn, Chief Financial Officer
Fiona Cameron, Interim Director of Finance
Jill Elder, Depute Principal
David Archibald, Henderson Loggie – Internal Auditor
Noel Jana, Deloitte – External Auditor

Apologies: David MacLuskey, Board Member
Laeeq Rehman, Board Member

Chair: Ian Robotham, Chair of the Finance and Resources Committee

Minute Taker: Isobel Syme, PA to the Senior Leadership Team

Quorum: 4

MINUTES

Item		Action
1.	**Welcome and Apologies** Chair welcomed everyone to the meeting.	
2.	**Additions to the Agenda** None	
3.	**Declaration of Conflict of Interest in any Agenda Item** There were no declarations made.	
4.	**Draft UHI Perth Group Report & Financial Statements for the Year ended 31 July 2025 (paper 1)** Depute Principal (Operations) presented Paper 1 and brought the joint Committee's attention to the AOP (Adjusted Operating Position) on page 17 of £594k deficit for 2024/25, which is better than had been forecasted at October 2025 (£1.2m deficit) due mainly to double-counting of a pension charge. The AOP for 2023/24 was restated from £2m deficit to £1.4m deficit (including £300k deficit for AST) due to a job evaluation adjustment of £500k which had been excluded and an unfunded pension charge of £100k, which had been included in error. There will be a further small change to the AOP, following recent identification of a difference, in the report and financial statements presented to the Board for approval on 19 January. **Action -** Depute Principal (Operations) Board member asked for the status of paper 1 and what happens next. Depute Principal (Operations) noted that this is the final version before it goes to the Board on 19 January for approval. Once approved it needs to be signed by UHI Perth's interim Chair, interim Principal and Deloitte's Engagement Partner before being sent to Audit Scotland, who will table the report and financial statements at the Scottish Parliament. Chair then went through the report asking for any comments on the key areas: Performance Overview – none. Performance Analysis – Board member queried the adjustment for the AOP for this year. Interim Director of Finance noted that 48K net interest cost for pensions had been double counted in 2024/25. Accountability Report – none.	Depute Principal (Operations)

	Corporate Accountability Report – none. Independent Auditors Report - none Annual Accounts – Board member noted that on page 100 figures cannot be seen. **Action** – Depute Principal (Operations) Board member noted the need for the internal auditor's contract to be renewed in July this year. Chief Financial Officer noted that a desktop evaluation of the framework will take place and this will be looked at in good time. The draft UHI Perth Group Report & Financial Statements for the year ended 31 July 2025 (Paper 1) was **endorsed**.	Depute Principal (Operations)
5.	**Draft External Audit Annual Report 2024-25 (paper 2a), including Draft Letter of Representation (paper 2b)** External Auditor presented the draft external audit annual report 2024-25 and highlighted some key areas. Uncorrected misstatements identified during the audit increase the deficit for the year by £48K, however the External Auditor does not consider this materially impacts the overall financial performance and the position presented in the financial statements. Audit risks identified included: operating within the funding provided; completeness of income and management override of controls. Other areas of focus included: AST administration; the defined benefits pension scheme. Wider scope – looked at financial management and financial sustainability including the financial recovery plan (FRP). Quality Indicators included: • Timing of key accounting judgements – complex accounting matters should be addressed timely to ensure accurate financial reporting. • Access to the Finance team and other key personnel – most were available when input was required. • Control environment and findings - noted the pension strain costs and inaccurate figures being provided by the Tayside Pension Fund (TPF) to the actuaries, which prompted discussion. The Interim Chair of the Board raised concerns and asked how we can improve this if we do not have responsibility for it. The External Auditor provided examples of where errors	

	had been made. The Depute Principal (Operations) and Chief Financial Officer accepted the recommendation that in future UHI Perth Finance Team would check information from the TPF before it is passed to the actuary. **Action** - Chief Financial Officer The internal auditor highlights capacity of the Finance Team as an area for improvement. The FRP was noted and that UHI Perth has made significant efforts to manage the projected deficit through various actions. It was noted that the three-year plan does not include an assumption to repay the liquidity support of £1.5 million advanced by SFC. Additional external audit costs were identified as having been incurred arising primarily from the following: AST administration, pension strain costs, Section 22. Board members expressed the view that it is unacceptable that we are being asked to pay increased fees as a result of inaccuracies caused by TPF given that we are paying TPF to administer the fund on our behalf and asked that this is taken forward with TPF. **Action** – Chief Financial Officer. Interim Chair of the Board queried some of the information on page 31 with regard to Deloitte's view on vision, leadership and governance and the need for a refreshed board effectiveness review. It was noted that due to various circumstances a review of the board composition and skills had taken place during the last round of recruitment. A standard internal annual review would take place during this board cycle. The Internal Auditor noted that guidance was changed requiring a review to be carried out every 3-5 years. It was agreed that the wording on page 31 will be changed. **Action** – External Auditor. The Chair thanked the Depute Principal (Operations), Interim Director of Finance, the Finance Manager, Finance Team and the external auditors for the significant work that had been done. External Auditor presented Paper 2b and highlighted two paragraphs that are not included as standard in the letter of representation - paragraph 19 relating to the administration of AST and paragraph 34 relating to the correction of a material misstatement of prior year financial statements.	Chief Financial Officer Chief Financial Officer External Auditor
6.	**Internal Audit Annual Report 2024-25 (paper 3), including Student Support Funds & Student Activity Data** Internal Auditor presented Paper 3 noting that with the exception of the issues highlighted in paragraph 1.9 to 1.12 UHI Perth has adequate and effective arrangements in place.	

	Internal Auditor drew attention to the following highlighted areas: • Publicity and communications require improvement, while noting that significant improvements have already taken place. • General review of key financial controls and an independent review of the Finance function. • Follow up reviews including 22 of 37 actions which require to be followed up. Board member noted that they have not seen the risk register yet. Depute Principal (Operations) noted that a change to the Enterprise Risk Management approach had been agreed and this will be discussed at the Board meeting on 19 January. Internal Auditor provided additional information on the risk appetite set by the Board. Board member queried the wording of 1.14 'adequate and effective arrangements'. Internal Auditor noted that these are mandated requirements and wording. Committee **noted** Paper 3	
7.	**Draft Audit Committee Annual Report to the Board of Management** For noting. Board member explained that this is a standard pro-forma and summarised events that are well known to Board members. The Depute Principal (Operations) noted that section 7 should be updated to reflect that the Public Audit Committee has concluded their investigations. **Action:** Clerk to the Board Paper 4 was **endorsed** subject to this change being made.	Clerk to the Board
8.	**Review of Meeting** **(Committee to check against the Terms of Reference to ensure all competent business has been covered)** Committee confirmed that the meeting had been conducted in line with its Terms of Reference.	
9.	**Date & Time of Next Meetings:** Board – 19 January 2026 at 5 pm Finance and Resources Committee – 10 March 2026 at 5 pm Audit Committee – 19 March 2026 at 5 pm	

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** ☑