MINUTES of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 03 March 2026 at 4.30 p.m.

PRESENT:	Janette Campbell, Innis Montgomery, Conrad Copeland, Wendy Grindle, David Stewart & Sally Blyth
CHAIR:	Janette Campbell
APOLOGIES:	Scott McCready, Audit Manager, WBG
IN ATTENDANCE:	Principal
	Chair of the Board of Management
	Vice Principal – Curriculum, Student Experience and Quality
	Director of Finance and Estates
	Head of Operations and Business Performance
	ICT Services Manager
	Roger Sendall, University Secretary, UHI
	Sarah McGavin, Audit Partner, Deloitte
	Sibu Mtolo, Audit Manager, Deloitte
	Peter Clark, Audit Partner, WBG
	Governance Officer

The Chair welcomed everyone to the meeting.

There were no declarations of interests, statements of connections or transparency statements noted.

The Governance Officer informed the Chair that the meeting was quorate.

0. CREATIVE SESSION – GOVERNANCE RESPONSIBILITY

University Secretary, UHI & Innis Mongomery joined the meeting.

The Committee were provided with the Governance Responsibility presentation by the University Secretary, UHI, Closed Session Note (CSN-Audit-01-032026).

The Chair commented that the Governance Responsibility presentation aligned

closely with results of the Board Effectiveness Review session in January 2026 and requested that a Creative Space Session took place prior each Committee meeting.

The Chair informed the Committee that all papers presented will be taken as read to allow time for questions and discussion.

1. CYBER SECURITY UPDATE

ICT Services Manager joined the meeting.

The ICT Services Manager provided an executive summary of the report with following key items highlighted: AI aspect, existing and potential risks and staff training.

The Committee welcomed the report and asked about external collaborations with National Cyber Security Centre and Police Scotland. The ICT Services Manager confirmed that the college has built good relationships with external centres and agencies, one of them being HEFESTIS. The SIM offered to share with the ICT Services Manager details of monthly service calls with Police Scotland which provide high level analysis of current and potential cyber security risks. The Committee would welcome an action plan summary to improve the level of resilience with identified owners and monitoring process clearly stated. The Committee also suggested for key areas to be marked on the cyber risk register as live actions which will be monitored and tracked on a regular basis.

Discussion about the oversight role of the Audit Committee within the cyber security area, existing assurances from suppliers and partners and cyber security risk register took place. The Committee asked for more clarity in regard to high risk areas like staff training, developed response and recover plans in case of a cyber-attack. The ICT Services Manager confirmed that the college possesses all valid and up to date cyber security certificates, that all suppliers are scrutinised, two training packages for staff had been developed and that there had been created a cyber response plan in case of an attack.

The Chair of the Board joined the meeting.

The Chair thanked the ICT Services Manager for his comprehensive and interesting report.

The ICT Services Manager left the meeting.

The Chair decided to go to agenda item 07. KPI Matrix next.

07. KPI MATRIX

The Head of Operations and Business Performance joined the meeting.

The Head of Operations and Business Performance spoke to key KPI measures highlighted in red and confirmed that the narrative part of the report will be circulated w/c 9 March 2026.

The Committee welcomed the update and a discussion about specific measures took place. The Committee raised concerns about the GA enrolment levels and high numbers of Did Not Start (DNS) students which contributed to the measure being below target. The Head of Operations and Business Performance confirmed that the full narrative in regard to finances and targets will be provided to the Committee shortly and will shed more light on the reasons for this measure being in red.

Discussion about the KPI aspect of data monitoring took place. In particular the Committee asked for reassurance that currently monitored KPIs are the correct ones and will be able to alert the college early enough to any future risks, especially in regard to the financial situation. The Principal confirmed that the current KPIs are the correct ones for this academic year but that an additional review of all KPIs will take place once the Strategic Plan 2027 has been finalised to align them to its objectives.

The Chair asked for the financial forecast KPIs to be added to the matrix reviewed by the Audit Committee.

Action 1: The financial forecast KPIs to be added to the matrix reviewed by the Audit Committee.

The Head of Operations and Business Performance offered to have meeting with the Committee's Chair to discuss and identify specific Audit-related key KPI measures.

The Chair thanked the Head of Operations and Business Performance for his detailed report and the Committee for an interesting discussion.

The Head of Operations and Business Performance left the meeting.

The Chair decided to go to agenda item 02. Minutes next.

02. MINUTES FOR APPROVAL

a) Minutes of the Meeting of the Audit Committee held on 08 September 2025

Decision: The Minutes of the Meeting of the Audit Committee held on 08 September 2025 were **AGREED** as a correct record and were **APPROVED.**

b) Confidential Note of the Meeting (CN-Audit-01-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-01-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

c) Confidential Note of the Meeting (CN-Audit-02-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-02-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

d) Confidential Note of the Meeting (CN-Audit-03-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-03-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

e) Confidential Note of the Meeting (CN-Audit-04-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-04-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

f) Confidential Note of the Meeting (CN-Audit-05-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-05-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

g) Confidential Note of the Meeting (CN-Audit-06-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-06-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

h) Confidential Note of the Meeting (CN-Audit-07-092025) held on 08 September 2025

Decision: Confidential Note of the Meeting (CN-Audit-07-092025) of the Meeting of the Audit Committee held on 08 September 2025 was **AGREED** as a correct record and was **APPROVED.**

2. OUTSTANDING ACTIONS

a.) Audit Committee – Action List

- **Longman Site sold December 2023 – COMPLETE -** Audit Committee will monitor for next two years any future sales of the site. Closing date: December 2025.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Student Attendance KPI – COMPLETE -** Student attendance monitoring measure to be added to the KPI Matrix repot.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Business Continuity – ONGOING -** Detailed update to be provided in regard to the outstanding BDO reports missing from the report in June 2025.

- **Attendance & quorum – COMPLETE -** All future meetings to be streamlined.
  Decision: It was **AGREED** that this item could be removed from the list.

- **BDO Internal Audit - Outstanding Reports – COMPLETE -** BDO to be contacted in regard to outstanding internal reports to provide a clear timeline of the process.
  Decision: It was **AGREED** that this item could be removed from the list.

- **WBG Internal Audit - training session - ONGOING -** Committee training sessions organised by the WBG to be planned for 2025/26.

- **WBG Internal Audit - Calendar of Submission – COMPLETE -** Annual Cyber Security Report to be added to the Calendar of Submission.
  Decision: It was **AGREED** that this item could be removed from the list.

- **WBG Internal Audit - Annual Cyber Security Report – COMPLETE -** Annual Cyber Security Report to be presented to the Committee by the ICT Services Manager in March 2026
  Decision: It was **AGREED** that this item could be removed from the list.

- **Risk Register Update – ONGOING -** An up-to-date version of the financial recovery plan first introduced by the EMT in 2020 to be presented to the Committee.

- **Risk Register Update – COMPLETE -** The reporting and approval route of the financial recovery plan in 2020 to be checked.
  Decision: It was **AGREED** that this item could be removed from the list.

- **SFC's Summary - University of Dudee – COMPLETE -** Lesson learnt report, based on the Gillies's report, specifically written for UHI Inverness to provide assurance purposes to the Board, to be presented to the Committee.
  Decision: It was **AGREED** that this item could be removed from the list.

- **SFC's Summary - University of Dudee – ONGOING -** Separate session to be organised for the Board to review the Gillies report and discuss key findings.

- **Draft Fraud Annual Report – COMPLETE -** Fraud risk to be added to college's main Risk Register.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Closed Meeting with Auditors – COMPLETE -** Closed session meetings with the auditors to be scheduled on a biannual basis going forward.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Joint Audit & FGP Committee – COMPLETE -** Savings plan to be put in place.
  Decision: It was **AGREED** that this item could be removed from the list.

The Chair asked the Director of Finance and Estates and the WBG Auditor present to provide the Committee with an update about the financial sustainability report that was completed the previous week. The WBG Auditor confirmed that the audit was completed on time, will be ready in a draft format for management's comments at the end of the week and ensure the Committee

that it was a positive and strong report that had reviewed all internal process in regard to financial sustainability. The Chair thanked for the update and asked for the report to be shared as soon as complete.

b.) External Audit (Deloitte) Recommendation List

- **No fixed asset register – COMPLETE -** It is recommended that a fixed asset register is created and maintained going forward.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Information provided to valuer – COMPLETE -** It is recommended that floor plans are maintained annually and provided to the College's external valuer ahead of each valuation per the rolling valuation cycle.
  Decision: It was **AGREED** that this item could be removed from the list.

- **NPD creditor agreement – COMPLETE -** It is recommended that the College seek to source a copy of the original NPD service concession agreement and retain this going forwards.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Retention of grant agreements for deferred capital grants – COMPLETE -** It is recommended that the College looks to source original grant income documentation from the relevant party and moving forward, we would suggest that they retain any relevant documentation.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Lack of journals review – ONGOING -** It is recommended that the college implement a review process for journals which includes evidence of the reviews performed.

- **Review of property impairment assessment – ONGOING -** We recommend that the completed impairment assessment paper should be presented to the Audit Committee for review and approval.

- **Lack of expenditure cut off control – ONGOING -** We recommend that the College implements a control that ensures all expenditure is recorded when it is delivery rather than when the goods are used.

- **Lack of Income completeness review – ONGOING -** We recommend the College clearly document its existing process for engaging budget holders during monthly/quarterly reviews to identify additional or unbudgeted non-recurrent income.

c.) Internal Audit (WBG) Recommendations List

- **Student Support Funds 2024/25 Audit – COMPLETE -** We recommend that the College complete its investigation to confirm how the DNS record was able to progress through to payment and raise the issue with Tribal/SITS if required. The College should also review the configuration of system controls and introduce additional checks where necessary, such as exception reporting for DNS students prior to payment runs, to ensure that similar errors cannot occur in future.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Student Support Funds 2024/25 Audit – COMPLETE -** We recommend that the College strengthen the administration of childcare payments by introducing clearer expectations and deadlines for students in relation to invoice submission, supported by regular reminders. The College should also consider implementing monitoring controls, such as monthly checks or exception reports, to identify and follow up on any missing invoices promptly.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Student Support Funds 2024/25 Audit – COMPLETE -** We recommend that the College implement a process to reconcile care experienced status recorded at enrolment with the information provided on funding applications. Any discrepancies should be investigated and resolved before FES2 returns are finalised.

Decision: It was **AGREED** that this item could be removed from the list.

- **Credits Audit 2024/25 – COMPLETE -** We recommend that the College enhance its reconciliation procedures between planned course hours, attached credits on progression reports, and the figures submitted in FES returns by introducing an additional review step or developing an automated check to ensure consistency and accuracy.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Credits Audit 2024/25 – COMPLETE -** We recommend that the College strengthen enrolment data input controls by ensuring that mandatory fields such as start dates cannot be left blank and that validation rules are in place to prevent funding flags being incorrectly applied. Exception reports should be run and checked periodically throughout the year to ensure accuracy of data input.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Credits Audit 2024/25 – COMPLETE -** The College should ensure that the Source of Finance coding on the FES 2 is correct. We also recommend that the College staff take care when matching the fee waiver code from the fee waiver form to the FES 2.
  Decision: It was **AGREED** that this item could be removed from the list.

- Credits Audit 2024/25 – COMPLETE - We recommend that the College introduce a more robust process for the approval of fee waivers, requiring a secondary review by a separate member of staff to ensure this issue does not arise again. The College should only be claiming one full time fee waiver per student.
  Decision: It was **AGREED** that this item could be removed from the list.

- Credits Audit 2024/25 – COMPLETE - We recommend that the College ensure that fee waiver forms are held in a centralised location either electronically or physically, ensuring easy access for audits or any internal reviews.

Decision: It was **AGREED** that this item could be removed from the list.

- **Education Maintenance Allowance Audit 2024/25 – COMPLETE -** We recommend that staff are reminded that evidence used to confirm student eligibility is not only checked by them but is also consistently stored on file. We also recommend that periodic checks be introduced to confirm compliance.
  Decision: It was **AGREED** that this item could be removed from the list.

- **Education Maintenance Allowance Audit 2024/25 – ONGOING -** We recommend that the College strengthen its monitoring of EMA spot checks by introducing a formal process to ensure that checks are distributed across both the August to March and April to July periods.

The Governance Officer informed the Committee that previous internal auditors, BDO, had submitted a final Follow Up Report 2024/25 and all outstanding actions from that report will be collated and discussed with the current internal Auditors, WBG, in order to establish which actions could still be taken forward and which closed off or superseded.

Decision: The Committee **APPROVED** the Outstanding Actions – Internal & External Audit reports.

4. INTERNAL AUDIT 2025/26

a.) Internal Audit (BDO) Follow Up Final Report 24-25

The Director of Finance and Estates informed the Committee that the Follow Up Final Report 2024/25 had been submitted by BDO and will be reviewed to establish which outstanding actions could be taken forward with the new internal auditors, WBG, and which closed off or superseded.

b.) Internal Audit (BDO) Staff Wellbeing Final Report

The Director of Finance and Estates informed the Committee that the Staff Wellbeing Final Report had been submitted by BDO and will be reviewed to

establish which outstanding actions could be taken forward with the new internal auditors, WBG, and which closed off or superseded.

c.) Internal Audit (BDO) Incidents Management Draft Report

The Director of Finance and Estates informed the Committee that the Incidents Management Draft Report had been submitted by BDO and reviewed by the EMT. A number of inaccuracies that would have bearings on recommendations had been noted and BDO had been emailed for comments and amendments. The VP Curriculum, Student Experience and Quality added that the delays in the audit process were not caused by the college but stemmed from slow processes on the BDO's side.

d.) Internal Audit (BDO) Annual Report 2024-25 – to follow

The Director of Finance and Estates informed the Committee that the Annual Report 2024/25 is still outstanding and will be completed once the Incidents Management report has been finalised.

The Committee expressed concerns about the delays to the completion process of a number of outstanding reports still to be submitted by BDO.

Action 1: The Committee to be informed of the progress of all outstanding BDO reports.

The Chair thanked the Director of Finance and Estates for his detailed report.

e.) Internal Audit (WBG) Progress Report February 2026

Internal Auditor, WBG, spoke to his report and provided the Committee with an update on the Progress Report February 2026. The Committee were assured that all remaining audits are on track in terms of progress and meeting invites have been sent out until the end of the academic year.

The Chair thanked the Internal Auditor, WBG, for his detailed report.

Decision: The Committee **APPROVED** the Internal Audit reports.

5. BUSINESS CONTINUITY (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-Audit-01-032026) which provided the Audit Committee with business continuity update.

6. RISK REGISTER UPDATE (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-Audit-02-032026) which provided the Audit Committee with a risk register update.

8. STRATEGIC PLANNING 2026/27

The Governance Officer spoke to her report which provided the Committee with an update about the strategic discussions that took place at the Board Away Day in February 2026. Committee's governance documents had been presented, and the Members were asked to review them and send their feedback to the Governance Officer by the end of March 2026. Any requested changes to the documents will then be discussed with the Committee's Chair in April 2026 and then will be brought in draft version to the June meeting for review and approval.

The Chair requested for the meeting calendar and calendar of submissions to be appended to the agenda going forward.

The Chair thanked the Governance Officer for her detailed report.

09. AOCB

10. DATE OF NEXT MEETING – Audit Committee Meeting – Tuesday 02 June 2026.

Signed by the Chair: Janette Campbell

Date: 03/03/2026