



**MINUTES of the AUDIT COMMITTEE held via Microsoft Teams on Tuesday 03 June 2025 at 4.30 p.m.**

**PRESENT:** Janette Campbell, Sally Blyth, Innis Montgomery & Wendy Grindle

**CHAIR:** Janette Campbell

**APOLOGIES:** David Stewart, Phil Mason, Deloitte, Claire Robertson, BDO & Director of Finance and Estates

**IN ATTENDANCE:** Principal  
Chair of the Board of Management  
Vice Principal – Curriculum, Student Experience and Quality  
Operations and Commercial Manager  
Deepasri Selvam, BDO  
Sarah McGavin, Audit Partner, Deloitte  
Sandy Denholm, Audit Manager, Deloitte  
Governance Officer

The Chair welcomed everyone to the meeting and introductions were made.

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

**1. MINUTES FOR APPROVAL**

**a) Minutes of the Meeting of the Audit Committee held on 04 March 2025**

**Decision:** The Minutes of the Meeting of the Audit Committee held on 04 March 2025 were **AGREED** as a correct record and were **APPROVED**.

**b) Confidential Note of the Meeting (CN-01-032025) held on 04 March 2025**

**Decision:** Confidential Note of the Meeting (CN-01-032025) of the Meeting of the Audit Committee held on 04 March 2025 was **AGREED** as a correct record and was **APPROVED**.

**c) Confidential Note of the Meeting (CN-02-032025) held on 04 March 2025**

**Decision:** Confidential Note of the Meeting (CN-02-032025) of the Meeting of the Audit Committee held on 04 March 2025 was **AGREED** as a correct record and was **APPROVED**.

**d) Confidential Note of the Meeting (CN-03-032025) held on 04 March 2025**

**Decision:** Confidential Note of the Meeting (CN-03-032025) of the Meeting of the Audit Committee held on 04 March 2025 was **AGREED** as a correct record and was **APPROVED**.

**e) Confidential Note of the Meeting (CN-04-032025) held on 04 March 2025**

**Decision:** Confidential Note of the Meeting (CN-04-032025) of the Meeting of the Audit Committee held on 04 March 2025 was **AGREED** as a correct record and was **APPROVED**.

**2. OUTSTANDING ACTIONS**

**a.)**

- **Longman Site sold December 2023 – ONGOING** - Audit Committee will monitor for next two years any future sales of the site. Closing date: December 2025.

**b.) External Audit Recommendations 2023/24 (CONFIDENTIAL)**

The Committee were provided with verbal update by the Principal in regard to the External Audit Recommendations CONFIDENTIAL (CN-01-062025).

*Chair of the Board joined the meeting.*

The Chair commented on the format of the current Action Sheet and requested of the Governance Officer to create a new document that will incorporate all internal and external actions with detail progress of each action.

**Action 1:** New action tracker to be created by the Governance Officer.

### 3. INTERNAL AUDIT

#### a) Fraud Strategy – Final Report

Deepasri Selvam, BDO, reported that in accordance with the 2024-25 Internal Audit Plan, it was agreed that Internal Audit would undertake a review of Fraud strategy within Inverness College. The College has signed up to the National Fraud Initiative (NFI) and it operates under the oversight of the Public Sector Fraud Authority (PSFA) and is led by Audit Scotland in Scotland. The College has an Anti-fraud & Corruption Policy in place which was approved in December 2023. Based on the work undertook, the Internal Auditors provided moderate assurance over the control design and moderate assurance over the control effectiveness of the fraud strategy processes within the college. There are policies and procedures in place that are accessible through staff and public internets. There is a strong culture around fraud awareness with the principal taking responsibility for all instances of fraud and using the NFI to improve detection of fraud. The college maintains a zero tolerance to fraud and has programmes in place for staff awareness.

The Committee welcomed the report and its findings. Discussion about fraud risk assessment, mandatory staff training, phishing email tests for staff and cyber security arrangements took place. Concerns were raised about the physical security and access to the college building with the Principal assuring the Committee of secure access to IT spaces. Discussion about Martyn's Law and how it will impact organisations in the UK and access to premises took place.

**Action 2:** All internal audit Fraud Strategy findings to be added to the action sheet / tracker.

**Action 3:** Report on Martyn's Law and processes it will impact, including incidents management and risk assessments, to be brought back in September 2025.

**Decision:** The Committee **APPROVED** the Fraud Strategy – Final Report.

**b) Internal Audit Progress Report – May 2025**

Deepasri Selvam, BDO reported on the progress of the internal audit taking place in 2024-25 in following areas:

- Fraud Strategy – Complete
- Core Financial Controls – Draft report issued
- Staff Wellbeing – In progress, Fieldwork is underway
- Cyber Review – In progress, Fieldwork is underway
- Incidents Management – In progress, Fieldwork is underway
- Follow Up – Audit scheduled for Q4 of the audit year

The Chair thanked Deepasri Selvam, BDO, for her update and positively commented on the progress to date and clear planning process going forward.

**Decision:** The Committee **APPROVED** the Internal Audit Progress Report May 2025.

**4. EXTERNAL AUDIT**

The Committee were provided with the draft external audit planning report for the 2024/25 external audit by Audit Partner and Manager, Deloitte. The key points raised were the scope of the work and approach, audit timing and quality and audit fee for 2024/25.

The Committee welcomed the update and discussion about lessons learnt in the previous two years; availability of the auditors and communication channels took place.

Concerns were raised in regard to sustainability and climate risks and what mitigating actions had been put in place to address both risks. The Principal

assured the Committee that UHI Inverness is working towards net zero targets, with a number of implemented strategies and policies in place to measure and capture data.

The Chair thanked the Audit Partner and Manager, Deloitte, for their detailed report.

**5. RISK MANAGEMENT (CONFIDENTIAL)**

The Principal reported on behalf of the Director of Finance and Estates and spoke to the CONFIDENTIAL report (CN-02-062025) which provided the Audit Committee with risk management update.

**6. ANNUAL REVIEW OF BUSINESS CONTINUITY (CONFIDENTIAL)**

The Principal reported on behalf of the Director of Finance and Estates and spoke to the CONFIDENTIAL report (CN-03-062025) which provided the Audit Committee with an update in regard to the annual review of business continuity.

**7. KPI MATRIX**

*The Operations and Commercial Manager joined the meeting.*

The Operations and Commercial Manager provided the Committee with the year-to-date performance measures as at period 9, April 2025. Twenty-three measures were active in the period. Thirteen of the twenty-three measures active in the period are satisfactory / met (Green). Six of the measures are unsatisfactory / not yet met (Red) and four measures are marginal / not yet met (Amber).

The Year To Date report (YTD) had thirty-four measures in scope. Sixteen of the thirty-four measures are satisfactory / met (Green). Twelve of the measures are unsatisfactory / not yet met (Red) and six measures are marginal / not yet met (Amber). A column has been added detailing the sector benchmark for each measure, where applicable, as suggested at the last Audit Committee meeting in March 2025. Some measures have sector benchmarks defined as TBC as further investigation is needed to establish if easily accessible sector data is held.

The Committee welcomed the report and positively commented on industry benchmark being included in the scope going forward. Suggestion had been made that student attendance monitoring measure could also be added to the report.

**Action 4:** Student attendance monitoring measure to be added to the KPI Matrix report.

**Action 5:** KPIs for specific Committees to be identified for AY 2025/26.

The Chair thanked the Operations and Commercial Manager for his detailed report.

*The Operations and Commercial Manager and Deepasri Selvam, BDO, left the meeting.*

## **08. COMMITTEE EVALUATION**

The Governance Officer spoke to her report which provided the Committee with an update about annual Board and Committee self-evaluation process. In October/November 2025 UHI Inverness Board of Management will be undergoing an Externally Facilitated Effectiveness Review conducted by CDN. The review takes place every 3-5 years and the latest took place in autumn 2020. The CDN confirmed that the Board does not need to conduct its annual Internal Evaluation Process in the year the external review takes place.

## **09. AOCB**

### **09.a INTERNAL AUDIT CONTRACT UPDATE (CONFIDENTIAL)**

The Principal reported on behalf of the Director of Finance and Estates and spoke to the CONFIDENTIAL report (CN-04-062025) which provided the Audit Committee with an update in regard to the internal audit contract.

## **12. DATE OF NEXT MEETING – Audit Committee Meeting – Tuesday 02 September 2025.**

**Signed by the Chair:**

A handwritten signature in blue ink that reads "Janette Campbell". The signature is written in a cursive style and is positioned to the right of the text "Signed by the Chair:".

**Date: 08/09/2025**