#### **UHI INVERNESS**

Meeting	Audit Committee
Date and time	Monday 08 September 2024 at 4.30 p.m.
Location	Microsoft Teams

Governance Officer 25 August 2025

#### **AGENDA**

The timings on this agenda are indicative only and may extend beyond times highlighted.

#### **Welcome and Apologies**

Declaration of Interests and/or any Statement of Connections or Transparency Statements.

#### ITEMS FOR DECISION

#### *16:30 – 16:35* **1) MINUTES**

- a.) Minutes of the Audit Committee Meeting held on 03 June 2025
- b.) Confidential Note (CN-01-062025) of the Audit Committee Meeting held on 03 June 2025
- c.) Confidential Note (CN-02-062025) of the Audit Committee Meeting held on 03 June 2025
- d.) Confidential Note (CN-03-062025) of the Audit Committee Meeting held on 03 June 2025
- e.) Confidential Note (CN-04-062025) of the Audit Committee Meeting held on 03 June 2025

#### 16:35 – 16:45 2) OUTSTANDING ACTIONS - INTERNAL & EXTERNAL AUDIT

- a.) Audit Committee Action List
- b.) Recommendations List Internal Audit
- c.) Recommendations List External Audit (CONFIDENTIAL)

#### 16:45 – 17:00 3) **BDO INTERNAL AUDIT 2024/25 – UPDATE – to follow**

	Verbal Report by the Director of Finance and Estates				
17:00 – 17:10	4) INTERNAL AUDIT 2025/26 – AUDIT PROPOSAL Report by WBG				
17:10 – 17:20	5) RISK REGISTER UPDATE (CONFIDENTIAL) Report by Director of Finance and Estates				
	ITEMS FOR DISCUSSION				
17:20 – 17:25	6) UPDATE FROM AUDIT SCOTLAND (CONFIDENTIAL) Report by Director of Finance and Estates				
17:25 – 17:35	7) FE/HE SORP REPORT (CONFIDENTIAL) Report by Director of Finance and Estates				
17:35 – 17:40	8) SFC'S SUMMARY – UNIVERSITY OF DUNDEE (CONFIDENTIAL) Report by Director of Finance and Estates				
17:40 – 17:50	09) DRAFT FRAUD ANNUAL REPORT (CONFIDENTIAL) Report by Director of Finance and Estates				
17:50 – 18:00	10) KPI MATRIX Report by Operations and Commercial Manager				
18:00 – 18:10	11) ANNUAL COMPLIANCE REPORT – DATA PROTECTION Report by Information Development Manager				
18:10 – 18:20	<b>12) MARTYN'S LAW UPDATE</b> Report by Vice Principal – Curriculum, Student Experience and Quality & Health, Safety and Sustainability Manager				
18:20 – 18:30	13) DRAFT ANNUAL AUDIT COMMITTEE REPORT Report by Governance Officer				
	FOR NOTING				
18:30 – 18:35	14) PUBLIC INTEREST DISCLOSURE UPDATE (CONFIDENTIAL) Report by Governance Officer				
18:35 – 18:40	15) AOCB				
16) DATE AND TIME OF NEXT MEETING					

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Governance Officer as soon as possible. Additional items of business will only be considered for inclusion in the agenda in advance of the start of the meeting.

Joint Audit and F&GP Committee Meeting 08 December 2025

Action	Academic Year	Status	Finding	Recommendation	Recommendation Significance	Implementation Date	Responsible Officer	Status as at 03 June 2025	Comments
1	2023/24	Ongoing	Sale of Longman Site: The sale of Longam Site took place on 15 December 2023.	The Chair of Board asked the Audit Committee to take the responsibility for monitoring the future sales of the site for the next 2 years, until 15 December 2025.	Low	15/12/2025	Estates and Campus Services Manager & GO	Still being monitored with no changes to report.	
2	2024/25	Complete	New Action Tracker: The existing action list has not been detailed enough to capture the information and risks considered.	Governance Officer to create a new document that will incorporate all internal and external actions with detail progress of each action.	Low	31/06/2025	GO	Proposed	
3	2024/25	Complete	Fraud Strategy findings: The Fraud Strategy final report was presented to the Audit Committee on 3rd June 2025.	All internal audit Fraud Strategy findings to be added to the action sheet / tracker.	Medium	31/06/2025	GO	Proposed	
4	2024/25	Ongoing	Martyn's Law: Concerns raised re physical security and access to college buildings on 3rd June 2025.	Report on Martyn's Law and processes it will impact, including incidents management and risk assessments, to be brought back in September 2025.	Medium	08/09/2025	VP – Curriculum, Student Experience and Quality	Proposed	
5	2024/25	Ongoing	Student Attendance KPI:  New measure to be added to the KPI report for new AY.	Student attendance monitoring measure to be added to the KPI Matrix repot.	Low	08/09/2025	Operations and Commercial Manager & TELs	Proposed	
6	2024/25	Ongoing	Detailed KPIs: Audit Committee to review existing set of KPI measures being reported on and agree a set of tailored measures for the Audit Committee specifically.	KPIs for specific Committees to be identified for AY 2025/26.	Low	08/09/2025	Operations and Commercial Manager, Gov Officer & Board Committees	Proposed	
7	2024/25	Ongoing	NPD Creditor Agreement: Progress of External Recommendation 3 to be checked with the Director of Finance and Estates.	The Principal will check detailed progress with the Director of Finance and Estates.	Medium	08/09/2025	The Principal & GO	Proposed	
8	2024/25	Ongoing	Business Continuity: A number of BDO reports still outstanding.	Detailed update to be provided in regard to the outstanding BDO reports missing from the report in June 2025.	Medium	08/09/2025	The Director of Finance and Estates	Proposed	
9	2024/25	Ongoing	BDO Contract Update: The current contract with the Internal Auditor BDO finishes on 31 July 2025.	The Chair of Audit to meet with the Principal and the Director of Finance to discuss the process behind the appointment of new internal auditors.	Medium	02/09/2025	The Principal & the Director of Finance and Estates	Proposed	Email communication from the Director of Finance and Estates has been sent to the Chair of Audit to clarify the use of the APUC framework.

### Recommendation List - Internal Audit

# Reporting Year	Audit	Finding Reference (per report)	Finding		ecommendation Significance	Management Response	Implementation Date	Responsible Officer	Client status as at July 2025 (Fully Implemented/ Partially Implemented/ Not Implemented/ Superseded/ Not Due For Implementation)	Client comments	BDO status as at July 2025  BDO Summary of testing / Comments  Example of evidence to be provided
1 2019/20	Cash Handling	2	It is important that there is a procedure in place to monitor and investigate variances in cash takings.  During testing we found that there were variances in takings that were not investigated as they were below £10; however, there is no ongoing monitoring of trends in variances and that the investigation process for variances was not documented. There is annual analysis of the net figure which for the year ended 31 July 2019 amounted to £340.57 over.  There is a risk that there may be patterns in variances which are going unchecked and hence remedial action may not be taken.	should detail the variance ices to highlight any trends, ny identified issues such as re- edures should be updated to	Medium	Original Agreed  January 2021  Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we return to normal operating.  October 2022 Commencing mid October 2022	Within one calendar month of lockdown ending.	Morag Jarvis	July 2025 - fully implemented	Updated Cash handling procedure, includes details of investigation and monitoring of variances. This has been added to the Finance Procedure Manual.	Financial Procedure manual, financial regulations and procurment strategy have been approved, but variance analysis and investigation has not been incorportated. College has advised this is being updated. This recommendation will be fully implemented once variance analysis, investigation and remdial action is included.
2 2019/20	Cash Handling	4	It is important that cash handling procedures are fully documented to provide staff with guidance on processes.  During our review we found that there were areas not covered by the procedures:  The procedures do not make it clear who may operate tills in each department or what the training arrangements are for till operation; and  There is no documented procedure for maintaining a float.  There is a risk that staff may not be aware of the cash handling processes which increases the likelihood of errors.  We recommend that the Banking Process and Procedures include the following areas:  Which members of staff may operate the till in each de training arrangements are for till operate.  The procedure for maintaining a float including the arrangements are for till operated to the procedure for maintaining a float including the arrangements are for till operated to the procedure for maintaining a float including the arrangements are for till operated to the procedure for maintaining a float including the arrangements are for till operated to the procedure for maintaining a float including the arrangement includes the following areas:  The procedures do not make it clear who may operate tills in each department or what the training arrangements are for till operated to the following areas:  The procedures do not make it clear who may operate tills in each department or what the training arrangements are for till operated to the following areas:  The procedures do not make it clear who may operate tills in each department or what the training arrangements are for till operated to the following areas:  The procedures do not make it clear who may operate the till in each department or what the training arrangements are for till operated to the following areas:  The procedures do not make it clear who may operate the till in each department or what the training arrangements are for till operated to the following areas:  The procedures do not make it clear who may operate the till in each department or what the training	department and what the ators; and rangements for picking up,	Low	Original Agreed  January 2021  Finance Procedures are currently under review with the new Shared Finance Team. This process may change when we return to normal operating.  October 2022  Finance procedures to be reviewed by Team Leader by end of November 2022	Within one calendar month of lockdown ending.	Morag Jarvis	Fully implemented	July 2025 - Finance Procedure Manual updated to include all recommendations	Financial Procedure manual and financial regulations have been approved, but till operation by department is not included. College has advised this is being updated. This recommendation will be fully implented once authorization for till operation by department is stated clearly in financial regulations or procedure manual.
3 2020/21 W	Vorkforce Planning	2	Succession Planning It is good practice to identify critical roles and have a succession plan to support a smooth transition in the event a key member of staff was to become unavailable or leave.  The College has not identified critical roles and does not have a documented succession plan.  There is a risk the College loses key skills and experience if a key member of staff were to leave.	documented succession plan.	Medium	Original Whilst we do not necessarily have a 'list' of critical roles - I must re-iterate some of the comments made:  • We review our staffing in line with our annual curriculum plan and set our annual staffing budget accordingly. Anticipating future skill need / development of skill sets to support future curriculum developments.  • Managers continually monitor staff numbers to ensure that sufficient resources are attached to each department to ensure curriculum and support service levels can be met.  • Skills gaps are filled either through redeployment of staff from other areas of the College or, where necessary, through external recruitment in line with the budget.  • A review and approval process has been established to ensure that appointments, both internal and external, are managed in line with available budgets, curriculum and service demand and strategic objectives.  • Development opportunities are made available for staff internally in preparation for promoted posts when vacancies become available. Staff have been provided with learning and development support to help them achieve that. For example, through trainee roles/programmes, CMI training for new line managers and those aspiring to become, and secondment opportunities.  • Within the Curriculum teams, Programme Co-ordinators roles were created several years ago	Apr-21	HR Manager Nicola Quinn	Fully implemented	A spreadsheet was developedby the 2 VPs in July 2024. This is confidential and can ony be accessed by the EMT. This identifies business critical roles and succession planning options. The VPs use this information to guide decision making and work with their direct reports to ensure that any structural changes, and identification of development opportunities are in line with this succession plan. In addition, business critical roles have had their notice periods increased. Skills matrices are in place across a number of departments and are being piloted in others, as part of our Talent Management Framework	Staff Recruitment and Selection Procedure has been approved
4 2020/21 Fina	ance System Upgrade		Project Management Methodology It is important that an organisation has a documented project management methodology to ensure that projects are run efficiently, effectively and consistently.  There is no documented Project Management Methodology in place at Inverness College. As a result there is no agreed process for managing projects.  There is a risk that projects are not effectively manages, as no project management methodology is in place.  We recommend the College prepares a project management people responsible for managing projects are trained.  We recommend the methodology includes and considering the methodology includes and considering to project evaluation.  • Outlines expected approval required of key expected approval required of	nsiders the following: risk registers, monitoring, key documents ss  ugh the project e project is completed	Medium	Original  It has been discussed with the Quality Manager and her manager which is SMT level. It has been agreed that the Quality team will create a Policy and Procedure for Project Management. This will be drafted and be put to the BOM to approve in June 2021.  October 2021  There may be a larger payroll/HR system project to be progressed, in which case some of this paperwork could be worked on in tandem or slightly before.  October 2022  Recommend that this be closed.	Jun-21	ICT Manager	Fully implemented	A standard project managmeent process has been developed under the leadership of the ICT Manager. This has been piloted on the Sustainable Construction Centre project. The process has worked well and has been rolled out as standard for large projects. Project planning guidance is accessible by all staff in the Quality SP site. This guidance and the associated templates are used to manage projects across the organisation.	College has advised it is currently starting work on a project management methodology, this recommendation will be updated when the methodolgy is launched and approved.
5 2020/21 Fina	ance System Upgrade	2	Project Evaluation  Following a projects completion it is good practice to assess whether the objectives have been achieved and identify whether there are any lessons to be learned.  The College does not require evaluation of a project on its completion.  Due to time constraints there has been no project evaluation for the Finance System Upgrade project.  There is a risk that project objectives have not been realised and lessons to be learned are not being captured.	ate the project. This should project have been achieved,	Medium	Original  Evaluation is that the project has delivered an updated Finance System that works in terms of what it was supposed to deliver in that the Finance Service has an updated ledger and Finance reporting is now being modelled so that the College Finance Service can monitor college finances in a much more coherent way. I consider this complete. As far as the wider issue of evaluation - can be included as part of Policy and Procedures.  October 2021  Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber Incident) and no further action is being considered.  October 2022  The response of no further action being undertaken at 31 October 21 was accepted by Committee. If this was not minuted then it can go back to Committee and agree to take off		Director of Finance (Shared) Roddy Ferrier	Fully implemented	As above	College has advised it is currently starting work on a project management methodology, this recommendation will be updated when the methodolgy is launched and approved.
6 2020/21 Fina	ance System Upgrade	3	Change Forms  The project Terms of Reference (ToR) outlined events that would require a Change form to be submitted; change in scope, change in estimates and changes to the schedule.  The ToR did not outline acceptable tolerance for changes or the level of authority required to approve a Change Form.  One Change Form was completed when additional key documentation was added to the ToR. This form was approved by the College's Finance Project Facilitator, however the form was not dated or signed.  The project was originally agreed to be completed on the 1st of April 2020 but was not completed until the 31st of May 2020, 8 weeks later and a Change Form was not completed.  There is a risk that changes to the project are nor appropriately documented and approved.	quired level of approval for a Form template.	Medium	Follow Up.  Original  I can see this some measure. I don't consider the delay here a large issue. The main thing is that it delivered in time to process the budget for 2020-21. However bigger projects can often get out of control without clear change parameters. See Quality Review re Procedure and time parameters. This should be combined. We also probably need to progress a Project Register.  October 2021  Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber Incident) and no further action is being considered.  October 2022  Recommend that this be closed.	Jun-21	SMT still to allocate	Fully implemented	See above. New process in place.	College has advised it is currently starting work on a project management methodology, this recommendation will updated when the methodolgy is launched and approved.
7 2020/21 Fina	ance System Upgrade	4	Defining Responsibilities Roles and responsibilities should be defined and documented at the outset of a project to ensure understanding and accountability.  The project team was outlined in the Terms of Reference, however there was no detail of their expected responsibilities, including who had overall responsibility at Inverness College for the project.  Additionally, governance and reporting mechanisms were not documented. It was not clear how regularly management, SMT and the Board should be updated on progress of the project.  There is a risk that individuals were not aware of their responsibilities.	ce and reporting mechanisms cumentation.  Soughout the project's		Original  Not accepted per this project - this was a small project. Only if there were problems of the project not being delivered would I advise the Board. I verbally updated the SMT but not recorded dates or anything. The back end of this project was being delivered at the same time budget collation for 2020-21 was taking place. Generally, I have been satisfied with the outcome. This also was being delivered with Finance Recovery and new Finance management. The SMT was dealing with Financial Recovery Plan; a Finance Director resigned; an Interim Finance Director was trying to find her feet; by the time the current Finance Director commenced in May the project was near complete. For larger projects there may be something here, but the reality is that sometimes in organisations other issues take precedence.  Project Management Methodology can be combined with the work Quality will be doing on this.  October 2021  Project is complete and the upgrade is working (the only issues affecting us are arising from the Cyber incident) and no further action is being considered.  October 2022  Recommend that this be closed.	Jun-21	SMT still to allocate	Fully implemented	See above. New process in place.	College has advised it is currently starting work on a project management methodology, this recommendation will be updated when the methodolgy is launched and approved.
8 2021/22 5	Staff Recruitment	4	It is important all staff involved in recruitment receive regular training to ensure they have sufficient awareness and understanding of the process and can adhere to set procedures.  There is currently no formal or structured training provided on the staff recruitment process. We note support is provided to hiring managers by the HR Business Partners, and there is a range of guidance and templates available to staff regarding the recruitment process.  There is a risk that staff may not have the suitable knowledge of the recruitment and selection process, which may prevent the College from compliance with employment regulations or adhering to a fair and consistent selection process.	led as part of these sessions. Iment training sessions every es to policy.	Medium	Our new on-line recruitment system (I-Recruit) is now in place.  I-Recruit is a recruitment management system that has provided a new improved service for candidates and recruiting managers. Due to the COVID-19 pandemic, the HR team have continued to support recruiting managers on all aspects of the process.  Due the College's Financial Recovery Plan, HR phased in the system and processes, as vacancies arose.  As noted, there is a range of guidance available to recruiting managers on all aspects of the recruitment processes, which includes an extensive set of guidance for managers and interview guidance and assessment templates. This is made available on the HR SharePoint site. The HR team continue to support recruiting managers on all aspects of the process. The HR Manager and HR Business Partners have already commenced discussions in regard to the reviewing and revising the HR support provided for line managers which includes tailored training and guidance of key HR policies and procedures, including Staff Recruitment and Selection.  Management would therefore agree with the recommendation of regular training sessions are	2022-23 Academic Year	HR Manager and HR Business Partners Nicola Quinn		HR and PD Teams are working together to develop line manager training on HR policies and procedures. The first of these sessions were rolled out in 24/25 and will continue into 25/26. This will include Staff Recruitment and Selection and has been added to HR's QEP for 25/26.	The College has advised HR and PD Teams are working together to develop line manager training on HR policies and procedures. This recommendation will be fully implemented when this training program is approved and launched with a schedule and monitoring.
9 2021/22	Procurement	2	It is good practice to have contracts in place with key suppliers and to ensure favourable terms and value for money is achieved.  Review of the Spend Analysis report prepared by the Procurement Team identified the College had 7 suppliers with a total spend of £50,000 or more where there is no contract in place. This is the threshold for a public contract under the Procurement Reform (Scotland) Act 2014.  The College also lists a legal services provider as a key supplier on its contract register, despite there not being a contract in place and the College already has a contract in place with another supplier to provide legal services.  In addition, as there is no contract in place between the College and the legal service provider, no contract performance management is being performed by the College on this key supplier.  There is a risk that the College has unfavourable terms with key suppliers and is not achieving value for money with its spend	ver £50,000.  Ture legal services from the lace, until it establishes a ther legal services provider	Medium	The 7 Suppliers will be investigated and where contracts are required the Procurement Team will add these onto the forward contracting plan.  Mini competition exercise is about to be undertaken for the legal service provider.	31-Oct-22	Assistant Principal, Finance & Audit Roddy Ferrier	Partially implemented	Most contracts now in place, legal services contract still outstanding.	College has advised that the Legal Services Draft Contract Strategy is being reviewed and will be tendered with a revised framework implemented by December 2024. This reccomendation will be fully implemented when the Legal Services Contract Strategy is launched and approved.
10 2021/22	Procurement	4	It is important for procurement training to be provided regularly to staff to ensure they receive appropriate support and guidance to discharge their duties effectively.  The provision of many of the College's procurement training sessions have been significantly disrupted by COVID-19. Although the PECOS and Financial Regulations awareness training has continued to be delivered into 2022, many other training sessions, such as contract management training and procurement awareness training have not been delivered since 2018.  There is a risk that the College is not providing regular procurement training to its staff.	e contract management, ssions as soon as practicable,	Low	When staff development days resume, we will continue to provide procurement training.  We will review the induction process for new starts to ensure they are provided with procurement training.	Aug-23	Assistant Principal, Finance & Audit Roddy Ferrier	Fully implemented	First part of procurement training undertaken with staff, further training sessions to be arranged in 2025/26 Academic Year.	College has advised that training programme has been delayed to the new year, this recommendation will be updated once the programme has been approved and launced.

11 2022/23 Strategic Planning	KPIs It is important that strategic objectives have accompanying KPIs in place to ensure that progress against objectives is effectively monitored.  Internal Audit conducted a sample test of 15 strategic objectives outlined in the College's subsidiary strategies and found 2 objectives to have KPIs outlined in the sub-strategy that did not appear in the KPI extract provided to Internal Audit.  Consequently, these KPIs are not being monitored by the College. The KPIs identified were:  1. The Research & Innovation Strategy "Increased engagement with Innovate UK KPI; and 2. The Environmental Sustainability Strategy "Annual carbon emissions reduction" KPI.	Medium	We will include the research KPI and extend the coverage of the CO2 KPI once a mechanism for measurement has been agreed for each.	1.91 January 2024 2.91 July 2024	1.∓he Principal 2.∀ice Principal, Operations & External Relations	Partially implemented	Research KPI - Engagement with Innovate UK to be included in 2025-26 KPI measurement once Principal has agreed a target with Research Directors.  CO2 Emissions measurement has been refined and CO2 Emissions on Utility and CO2 Emissions on waste are monitored and reported. Further development of CO2 emission monitoring and	C02 Emissions on utilities have been implemented. This recommendatoin will be fully implemented once the KPI's "Increased engagement with Innovate UK", and "Annual carbon emissions reduction" have been
	We note that the College does report on CO2 emissions on utilities and is in the process of developing mechanisms for measuring other sources of carbon emissions.  There is a risk that strategic objectives are not being appropriately monitored through measurable success indicators.  Managerial oversight in training compliance and resolution approach						reporting is to evolve to include staff and student travel etc. This requires further work and initital benchmarking  The current list of mandatory training includes H&S courses (on the iHASCO platform) and training on PREVENT & Trauma Informed Practice (on external platforms). All have a completion date of	included into the KPI matrix.
12 2023/24 Professional Development	Within the College, there is a diverse range of roles and corresponding training requirements, which are managed through distinct skills matrices and coordinated by the Professional Development team. Line managers bear the responsibility for ensuring staff compliance with mandatory training modules. These modules, provided by iHASCO and Brightspace platforms, are important for maintaining the College's operational standards and safety protocols.  The current approach to training compliance is characterised by direct verbal communication between managers and their team members, aimed at resolving non-compliance issues. While this method facilitates immediate action, it lacks formal documentation of individual non-compliance cases and places increased reliance on line managers without holding them accountable for their team members. Overall completion rates are reviewed by Health and Safety (H&S) Committee solely for iHASCO modules every during quarterly performance improvement meetings and discussions are had with the Executive Management Team (EMT), however there is no analysis of trends or recurring instances of non-compliance.  We recommend that:  The College establish a process whereby training compliance is monitored and analysed on a regular basis, to identify recurring patterns and trends. There should be follow up with line managers on individual cases for iHASCO and Brightspace modules, where relevant. This process should complement the existing verbal communication strategy and provide a clear record that can be used for accountability and improvement purposes.  We recommend that:  The College establish a process whereby training compliance is monitored and analysed on a regular basis, to identify recurring patterns and trends. There should be follow up with line managers on individual cases for iHASCO and Brightspace modules, where relevant. This process should complement the existing verbal communication of individual cases for iHASCO and Brightspace modules, where relevant. This process should compl	Medium	We accept that any follow up to staff not completing mandatory training is done verbally by the line manager. This is effective and an avoids unnecessary administrative burden. The Principal also regularly communicates to all staff the importance of completing mandatory training. In addition, we will introduce a follow up email to be sent by line managers following their discussion with individuals. We will start to compare the reports of mandatory training completion (Brightspace modules, not just iHASCO H&S) from each semester to see any areas of continual non-compliance	01-Aug-25	Professional Development Manager	Fully implemented	Reports on H&S training compliance will be compiled by the H&S team and reports on external training compliance will be compiled by the Professional Development team during August.  These will be circulated to EMT and individual managers for verbal follow-up.  These reports will be repeated during semester 1 and lack of compliance followed up by email to the individual staff members. The iHASCO training platform will be removed from service at the end of July and replaced by SafetyHub. This change will	College has advised they are moving Information Security & GDPR onto the IHasco system to enable accurate recording and reporting by the end of Jan '25 and will establish a new process for documented follow up at that point. This recommendation will be fully implemented when this process is complete and approved.
13 2023/24 Professional Development	Professional Learning and Development Request Form (PD1 form)  The Professional Development Team within the College is responsible for managing and approving staff requests for funding professional development activities through the Professional Learning and Development Request Form (PD1 form) process for short term development. This process ensures that activities are pre-approved, relevant to the staff's role, and aligned with the College's strategic objectives.  A sample of 10 staff who are to be enrolled to short term development courses was selected to verify compliance with the PD1 form process. Upon review of the sample provided and through discussions with management, we noted that for 7 of the 10 samples, there was no PD1 form prepared. While a narrative was provided to explain the process followed by the PD team in these instances, such as use of emails, internal discussions and approvals, there was no evidence provided at the time of the audit.  We recommend that the Professional Development team works in close partnership with HR to create a structured follow-up system for PRD completion. This should include:  Implement a tracking system to ensure that all professional development activities, especially those that do not follow the standard PD1 form process, are documented with appropriate evidence.  Ensure that any exceptions to the standard process are pre-approved and documented with justification and evidence to maintain transparency and accountability.	Medium	<ol> <li>We recognise that staff professional development is initiated in different ways and at different times and the PRD is just one mechanism. To help provide oversight we will explore moving the PRD into Microsoft forms. This will mean that development requests will be pulled out and automatically sent to the PD team for actioning.</li> <li>Even exceptions to the standard process (those not coming through as a PD1) are preapproved and documented. No PD requests are actioned without pre-approval by the PD manager. We will keep records of approval of courses &amp; bookings by adding another column to our spreadsheet to show this approval process.</li> </ol>	01-Aug-25	Professional Development Manager	Partially implemented	require considerable administrative work.  1. It has not been possible to move PRD forms to Microsoft forms. We are currently reviewing the Ciphr HR system to see if it might be possible for PRDs forms to be completed within the system. This would enable key information to be extracted and followed up by the PD team.  2. Fully implemented & evidence uploaded to BDO in Dec 2024.1. The current Ciphr HR system is not currently set up to allow online completion of PRDs. This means the whole process is manual and	College has advised they are exploring options of forms to enable monitoring and reporting on PD actions arising from PRDs; and have amended their PD approval sheet for narrative and rational around approvals. This recommendation will be fully implemented once structured follow-up system for PRD completion is launche and approved.
14 2023/24 Professional Development	Review of role-based training matrix approval process  The Talent Management sub-strategy approved by Board states that 'Developing and implementing departmental succession plans, including skills matrices' form of the College's strategic objectives. However, role-based training matrices do not follow the College's formal Policy And Procedure Review Panel (PPRP) process and are typically reviewed and approved through informal discussions between department managers and their Executive Management Team (EMT) line managers. These discussions occur during one-on-one meetings and are not formally documented; therefore, no evidence could be provided at the time of the audit.  We recommend that:  The College formalises the review and approval process for role-based training matrices to ensure consistency and accountability across the board. This should involve the creation of clear documentation that captures the discussions and decisions made during the process.	Medium	We accept there needs to be consistency in the format of the skills matrices so will develop a common template to support this. This will come through our PPRP process.  However, the development of the content and the discussions around this needs to sit with each individual line manager and their team. This is an on-going process which may be added to during the course of an academic year and therefore would not be appropriate to come through our PPRP process.	01-Aug-25	Professional Development Manager	Fully implemented	A common skills matrix template for professional services staff has been developed. Training for Professional Services managers on the implementation of skills matrices with their teams is underway and matrices will be in full use in 2025/26. Utilisation of skills matrices will be added to QEPs to enable regular monitoring.	College has advised they have a working group developing a common template and approach to skills matrices to include in the PPRP process, this recommendation will be updated when this development is launched and approved.
15 2024/25 Fraud Strategy	Policies and procedures It is important that the fraud policies and procedures are clearly documented, and members of an organisation should be aware of how to detect and respond to fraud. Whilst there is an Anti-Fraud and Corruption policy in place, it was noted that:  It does not include the College's Fraud response plan.  There is no reference made to the College's involvement with the National Fraud Institute and related activities and reporting.  The Finance manual documents the processes within the College that help detect and prevent fraud, however it was noted that the manual has not been reviewed since 2022.  It should also be mandatory for all staff to read the policies and procedures on induction and when they are updated.	Medium	The anti-fraud policy will be updated with the fraud response plan & NFI involvement, the finance manual will also be updated with these details and staff will be made aware of changes to these policies.	31-Jul-25	Director of Finance & Estates	Fully implemented	Template & Guidance for Managers & Guidance for Staff documents have been included in evidence.	
16 2024/25 Fraud Strategy 2	Fraud Response Plan  An organisation should have a Fraud response plan in place that shows the step-by-step process to notify management and those charged with governance of instances of fraud and how to respond to limit losses. Whilst the College has developed a draft Fraud response plan that outlines how they will respond to fraud and the processes in place to investigate cases of fraud, it was noted that the document has been in draft since early 2024 and the processes in place to investigate cases of fraud, it was noted that the document has been in draft since early 2024 and has not been approved by the Audit committee or the Board of Management.  Also, the Fraud response plan include information on how to respond to and mitigate reputational damage and manage press and publicity that may be caused by fraud.  fraud.	Medium	The fraud response plan will be presented to Audit committee and Board for approval.	30-Jun-25	Director of Finance & Estates	Fully implemented	Fraud repsonse plan completed and is being presented to Audit Committee at its next meeting on 2 September 2025	
17 2024/25 Fraud Strategy	We recommend the College develops an anti-fraud, anti-bribery and anti-money laundering training programme that includes:  Fraud training and staff awareness It is important that an organisation provides adequate training to staff to effectively detect and respond to potential instances of fraud, to protect the College from potential financial losses and reputational damage.  The College currently does not have any specific anti-fraud training that would make staff aware about the different types of fraud, common red flags, and how to respond to and report fraud within the College. Whilst there is Information Security and GDPR training that covers cyber fraud, there is limited communication around other types of fraud. The College should consider also including anti-money laundering and anti-bribery training.  We recommend the College develops an anti-fraud, anti-bribery and anti-money laundering staff on what fraud is, including different types of fraud such as financial, cyber, and identity fraud.  Providing clear instructions on how to report suspected fraud, including who to contact and what information to provide.  Use of real-life examples to illustrate how fraud can occur and the impact it can have on the College.  Ensuring staff understand their legal obligations and the ethical importance of preventing fraud.  Also consider preparing an annual Fraud Newsletter that details new fraud trends that can be communicated to staff to improve their awareness.	Medium	Fraud training will be developed and staff will be made aware and encouraged to complete the training.	30-Sep-25	Director of Finance & Estates	Partially implemented	Investigating inclusion of iHASCO fraud modue, which can be delivered to all staff.	
18 2024/25 Fraud Strategy	Fraud risk assessments It is important for the College to identify, record and assess general and specific fraud risks that may affect the College, so that management and Board are aware of any gaps in its prevention, detection and response controls.  Whilst there are controls in place, such as around payroll fraud and expenses fraud, the College would benefit from taking a more holistic approach to managing fraud risks that can then be reviewed regularly to add any new emerging fraud risks and add new controls. This would enable management to have oversight over what are the main risks to the organisation and what is being done to respond to these.  The failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act (ECCTA) does not apply to the College, however its principles may be applied as good practice. There is an expectation to have clearly documented fraud risk assessment and established procedures to prevent and detect fraud.	Medium	The college will carry out a fraud risk assessment.	30-Sep-25	Director of Finance & Estates	Partially implemented	A draft risk assessment document is being prepared and will be presented to audit committee on 2 September 2025	
19 2024/25 Fraud Strategy !	Fraud reporting  Management should be aware of any cases fraud that are affecting or may have affected an organisation so that they can respond by implementing procedures to mitigate against these instances in the future and understand the risk profile of the organisation.  The Audit Committee has oversight over fraud risk as part of their terms of reference, however there are no updates provided to Committee around the effectiveness of the College's anti-fraud controls or instances of potential or actual fraud.  Given that fraud risks have not been added to the risk register, there is limited oversight and scrutiny in relation to fraud risks.	Low	An update report will be completed for the audit committee on an annual basis, the first one being for the AY 2024/25.	30-Sep-25	Director of Finance & Estates	Partially implemented	An annual fraud report is being drafted for the audit committee on 2 September 2025	
20 2024/25 Core Financial Controls	ABSENCE OF FIXED ASSET REGISTER IN PLACE  It is important for the College to maintain efficient and consistently applied financial procedures. The College's Finance Regulations state that the Director of Finance & Estates is responsible for keeping a full register of properties owned or occupied by the College. Additionally, when transferring equipment between departments, the transfer must be recorded, a copy sent to the Director of Finance & Estates, and inventories updated accordingly.  Management informed us that the College does not have a formal fixed asset register to track its fixed assets. They advised that while they can calculate essential information such as the original acquisition cost and accumulated depreciation at the year-end, this is noted in the fixed assets working papers from the College's accounts preparation for the year ended 31 July 2024. These papers included asset additions from 2023-24 and as far back as 2019-20. Although individual departments like Information Technology (IT) and Estates maintain their own fixed asset registers, these are not integrated into a comprehensive system. Currently, all fixed assets are only noted in the Net Book Value (NBV) of the finance departments.  Furthermore, Management advised us that asset disposals must first be authorised by the department's budget holder and then sent to the finance department for further approval from the Director of Finance & Estates via an 'Asset Disposal Authorisation Form', this process is absent from the Porcedure Manual, however, it is documented within the Asset Disposal Form. We reviewed one form for the disposal of five CEA TOP 250 High Frequency (HF) welders ("TIG and MMA"), the only disposal for the year, and noted that the completed form followed the correct process, with approval given via	Medium	We are in the process of completing the fixed asset register and will carry out the checks noted in the recommendation.	30-Sep-25	Director of Finance & Estates	Partially implemented	Draft FAR compiled as of July 2025. To liaise with Estates and reconciled to their asset register.	
21       22       23	signature and date by the Budget Holder, Executive Management Team (EMT) Manager for Budget Holder, and the Director of Finance & Estates. Details of the disposal, including the method, location, and estimated proceeds, are shown on the form. However, the original purchase details and depreciation of the assets being disposed of were recorded as 'Unknown'. Finally, Internal Audit identified that the documentation of the College's capitalisation and depreciation process as outlined within the Financial Regulations does not align with the College's accounting policies as outlined within its financial statements. The accounting policies outline that grouped items of a total value of £30,000 or more are capitalised, the Financial Regulations outline that grouped items of a total value of £5,000 or more may be capitalised. In addition, while the accounting policies outline the estimated useful life key asset types will be depreciated against (e.g. equipment, fixture and fittings), these are not documented within the Financial Regulations.  Prioritise the correction and completion of asset disposal forms immediately. Ensuring all purchase details and depreciation information are accurately recorded should be addressed as soon as possible to maintain precise financial records.  The College updates the Financial Regulations to ensure they align with its accounting policies with respect to the capitalisation and depreciation.  The College updates the Finance Procedures Manual to include processes around maintaining the Fixed Asset Register and the existing asset disposal process.		The asset disposal forms will be revised as soon as possible.  The financial regulations will be updated as soon as possible.  The financial procedures manual will be updated as soon as possible.	31-Jul-25 31-Jul-25 31-Jul-25	Director of Finance & Estates  Director of Finance & Estates  Director of Finance & Estates	Work in Progress  Fully implemented  Fully implemented	Process added to Finance Procedure Manual - Forms to be updated with information from FAR for any future disposals  Finance Regs updated to agree with accounting policies  Finance Procedure Manual updated with audit recommendations.	Finance Procedure Manual - Draft V1 July 2025  Financial Regulations at 19.12.2023 V1.1 MJ 25.07.2025  Finance Procedure Manual - Draft V1 July 2025
24 2024/25 Core Financial Controls	REVIEW OF BANK RECONCILIATION AND FINANCE PROCEDURE MANUAL PRACTICES  It is important that the College completes bank reconciliations to ensure the accuracy and integrity of financial records, identify discrepancies between bank statements and internal records, mitigate the risk of fraud, and comply with financial reporting standards. Furthermore, the College's financial policies and procedures must clearly define directions for all processes and be effectively communicated to staff.  During our review, we selected a sample of three month-end bank reconciliations. None of these samples had a sign-off review from the Accountant, as required by the Manual. After discussing with the Accountant, we learned that monthly bank reconciliations do not undergo a review because each daily reconciliation is reviewed by the Accountant. Therefore, if the month-end banking reconciles, a review is deemed unnecessary.	Low	The financial procedures manual will be updated as soon as possible.	30-Aug-25	Director of Finance & Estates			
25	Furthermore, the College has a Finance Procedure Manual, last updated in November 2024, which is available to the Finance team and saved in their Finance SharePoint area. Management advised that the Manual is updated as needed by any member of the Finance Team when there is a change in process. However, we noted that the Manual is missing version control details, such as who updated it, when it was last updated, and the next review date or cycle. Although Management stated the document is updated as required, it is good practice to have a minimum review period to ensure information remains current. We also found that processes for payroll, debtor, and creditor reconciliations are not documented, although Management advised that these reconciliations are performed monthly.  Establish version control for the Finance Procedure Manual, including details on who updated it and the next review date or cycle. This will ensure that the manual remains current and reliable for all financial processes.		The financial procedures manual will be updated with version control.	30-Aug-25	Director of Finance & Estates			

ITEM 02.b	

26	Clearly define frequency and process for payroll, debtor, and creditor reconcilia within the Manual. This will help maintain consistency and accuracy in financ operations.	ons	The financial procedures manual will be updated with details on reconciliations. 30-Aug-25	<b>.</b>	tor of Finance & Estates	
27 2024/25 Core Financial Controls	ABSENCE OF MONTH END CHECKLIST/TIMETABLE  It is important that management oversight is consistently performed across all financial processes and all issues are identified in a timely manner.  Buring testing, we noted that the College does not maintain a month-end checklist or timetable. It is good practice to have a checklist or timetable which outlines all month end activities, who they are to be completed by and when they are to be completed, and the checklist should be signed off to confirm this.  ABSENCE OF MONTH END CHECKLIST/TIMETABLE  It is important that management oversight is consistently performed across all financial processes and all issues are  Establish a month-end checklist which outlines all of the monthly tasks to b completed, who they are to be completed review should be undertaken each month to confirm that all activities have be completed, and the checklist should be signed off to confirm this.	Low	Monthly checklist will be produced which outlines all of the monthly tasks to be completed. 30-Sep-25	5 Accountar	itant - Mo Jarvis	
28 2024/25 Staff Wellbeing	Audit in progress				NOT DU	JE FOR IMPLEMENTATION
29 2024/25 Cyber Review	Audit in progress				NOT DU	JE FOR IMPLEMENTATION JE FOR IMPLEMENTATION
30 2024/25 Incidents Management	Audit in progress				NOT DU	JE FOR IMPLEMENTATION
31 2024/25 Follow Up	Audit in progress				NOT DU	JE FOR IMPLEMENTATION

#### **UHI INVERNESS**

#### **Audit Committee**

Subject/Title:	Internal Audit – Draft Audit Needs Assessment (ANA) – 2025/26
Author:	Niall McArthur – Director of Finance & Estates
Meeting:	Audit Committee
Meeting Date:	8 September 2025
Date Paper prepared:	27 August 2025
Brief Summary of the paper:	To provide the audit committee with the internal audit draft audit needs assessment (ANA) report for 2025/26.
Action requested: [Approval, recommendation, discussion, noting]	Approval

Link to Strategy: Please highlight how the paper links to, or assists with::  compliance partnership services risk management strategic plan new opportunity/change	Risk Mana Strategic I	_	t	
Resource implications:	No If yes, pleas	se specif	·y:	
Risk implications:	Yes If yes, pleas Financial Operational	se specif	iy:	
Equality and Diversity implications:	N/A			
Student Experience Impact:	None			
Consultation: [staff, students, UHI & Partners, External] and provide detail	None			
Status – [Confidential/Non confidential]	Non-Confide	ential		
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes			
*If a paper should <b>not</b> be inclu	ded within "op	en" busir	ness, please highlight below the reason.	
Its disclosure would substantia a programme of research (S27			Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantia the commercial interests of an organisation (s33)	y person or		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute the Data Protection Act (s38)	a breach of		Other (Please give further details)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp and http://www.itspublicknowledge.info/web/FILES/Public\_Interest\_Test.pdf

#### Recommendation

For committee members to approve the internal audit draft audit needs assessment (ANA) for 2025/26.

#### **Purpose of report**

To provide committee members with the internal audit draft audit needs assessment (ANA) report for 2025/26, produced by the new college internal auditors WBG.

#### **Draft Audit Needs Assessment for 2025/26**

The draft audit needs assessment (ANA) has been produced by our new internal auditors, WBG.

The key areas covered in their report are noted below:

- Approach this section includes what information was used to inform the ANA, the planning process and the WBG staff who will be involved in delivering the internal audit service to the college.
- Operational Plan this section details the audits to be performed in 2025/26.
- Reporting & the 3 year ANA 2025/26 to 2027/28 this section includes details of the ANA for the 3 years to 2027/28.
- Appendices this section includes 5 sections which are noted below.
  - A. Grading Structure
  - B. Key Performance Indicators
  - C. Training Topics
  - D. Audit Universe
  - E. Assurance Map



### **UHI Inverness**

Audit Needs Assessment 2025/26 to 2027/28 August 2025



### **Table of Contents**

Section	Page number
Introduction	3
Approach	4 to 7
Operational Plan 2025/26	8 to 15
Reporting and Initial 3-year Audit Needs Assessment 2025/26 to 2027/28	16 to 19
Appendices:	
A. Grading Structure	21
B. Key Performance Indicators	22
C. Training Topics	23
D. Audit Universe	25
E. Assurance Map	26

# wbg

### Introduction

#### **Background**

Wbg Services LLP (Wbg) were appointed as Internal Auditors of UHI Inverness by the Audit Committee for two academic years until 31 July 2027. After this period, there is an option to extend for a further three 12-month periods, subject to the satisfactory agreement of both parties.

#### **Internal Audit**

The prime responsibility of the Internal Audit Service (IAS) is to provide the Audit Committee, the Principal and other Senior Management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College.

The operation and conduct of the IAS must comply with the guidelines set down by the Institute of Internal Auditors, including the Global Internal Audit Standards (GIAS), and the Application Note regarding the adoption of GIAS in the UK Public Sector. The Application Note replaces the Public Sector Internal Audit Standards from 1 April 2025.

#### **Terms of Reference – Internal Audit**

The provision of the IAS by Wbg Services LLP is covered by the letter of engagement dated 23 July 2025.

#### **Formal Approval**

The Audit Needs Assessment (ANA) will be presented to the Audit Committee for approval on 8 September 2025.



# **Approach**

Planning process and review

# wbg

### Approach

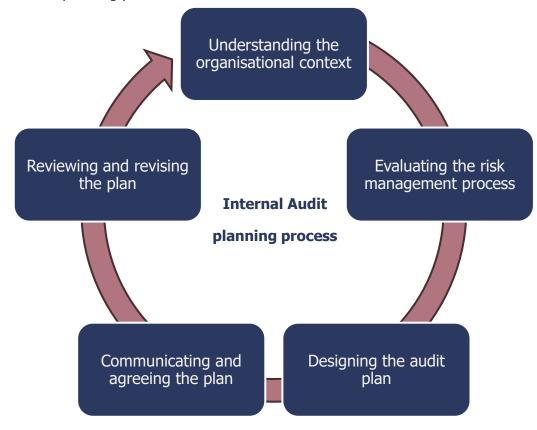
The Audit Needs Assessment ("ANA") has been produced based on the following:

- Consideration of the risks noted within the College's Strategic Risk Register;
- Consideration of previous internal audit coverage and the key findings from these reports;
- Meetings held with the College Senior Leadership Team;
- The preparation of an Audit Universe;
- The preparation of an Assurance Map;
- The identification of all areas of work by system and sub-system;
- The identification of key controls and associated risks for each system and sub-system; and
- The determination of the internal audit resource required to meet the identified audit needs.

# wbg

## **Planning Process**

Below is a diagram which details our planning process:



## **Revisiting the ANA**



The ANA will be reviewed continuously throughout our appointment and will take account of the results of audit work, the development of new systems and any other risk factors identified. Any proposed changes to the ANA will be presented to the the Audit Committee on at least an annual basis for discussion and approval. We have set out below the proposed Audit Team.











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Peter Clark

Scott McCready

Audrey Cowan

Carla Tamagnini

Kevin McDermott

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Senior IT Auditor

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# **Operational Plan**

2025/26



# **Budgetary & Financial Reporting**

Audit area	High level indicative summary scope	Total number of days
Budgetary & Financial Reporting	The purpose of this review is to assess whether the College has appropriate budgetary and financial reporting arrangements in place and that these have been embedded throughout the whole of the College. This review will seek to provide assurance to the Board, via the Audit Committee, that the College's budgetary and financial reporting arrangements are adequate.  Our objectives for this review are to assess whether:    There is appropriate control over the budgetary process within the College, with an appropriate member of management having ultimate responsibility for the process.   Deviations from budget are identified and investigated at an early stage.   The College has a set of comprehensive Financial Regulations to ensure that financial matters are managed professionally.   Budget holders are adequately trained and receive information regarding their budgets in a timely manner.   The budget setting process is effectively linked to the operational planning process.   The College Board and Senior Management receive sufficient reporting of performance against budget and against plans throughout the year to enable informed decision making.   Budgetary processes are in line with good practice observed across our education client base.	6



### **Freedom of Information**

Audit area	High level indicative summary scope	Total number of days
Freedom of Information	The purpose of this review is to assess whether the College has adequate policies and procedures in place in relation to Freedom of information. This review will seek to provide assurance to the Audit Committee that the Freedom of information processes are robust and in line with best practice.  Our objectives for this review are to assess whether:  The College has taken appropriate steps to ensure that they are compliant with the legislative guidance of the Freedom of	5
	Information Act.    The information provided by the College in response to Freedom of Information requests meets the requirements as set out in the Freedom of Information Act.    There is sufficient reporting in place with regards to the progress with achieving Freedom of Information compliance.	



### **Staff Recruitment & Retention**

Audit area	High level indicative summary scope	Total number of days
Staff Recruitment & Retention	The purpose of this review is to review the College's recruitment arrangements and assess whether the College has systems in place to ensure the retention of staff members. We will review the steps taken by the College to assess whether recruitment needs for staff are fully assessed and fulfilled. We will also assess the steps undertaken by the College to ensure staff recruited are retained following their probation period.  Our objectives for this review are to assess whether:    The arrangements in place within the College for the recruitment of new staff are robust, fit for purpose and in line with current legislation, enabling the College to attract the best candidates for the job and also attract diverse candidates.    Recruitment procedures are robust and as well as ensuring that the most suitable candidate is employed, ensure that a fair and transparent recruitment process is undertaken.    The relevant pre-employment checks (right to work, DBS, references etc.) have been undertaken prior to any new employee commencing their employment at the College.    New employees receive a comprehensive induction on the commencement of their employment at the College, which equips them to be able to do their job.    The College has an appropriate performance management and development process in place to help retain staff following their probation period.    The College has robust processes in place to enhance staff retention.    The College has reviewed retention rates for all departments and put plans in place to boost retention where this is low.	6



### **Student Recruitment**

Audit area	High level indicative summary scope	Total number of days
	The purpose of this review is to assess whether the arrangements in place surrounding student recruitment are robust. Our review will consider the suitability of the arrangements for gaining information in relation to courses, access to support, and course enrolment to ensure that student experience is effective. We will review the suitability of the policies and procedures in place surrounding student recruitment.  Our objectives for this review are to assess whether:	
Student Recruitment	The College has robust policies and procedures in place surrounding student recruitment.  The College has robust mechanisms in place with clear links between application, interview, acceptance and enrolment to ensure it manages student recruitment and enrolment in an efficient and effective manner.  The responsibility for student recruitment is clearly defined throughout the College.  The arrangements in place for gaining information in relation to courses, and access to support is well communicated and easily accessible by potential students.  The College has sufficient, generic as well as targeted campaigns to raise awareness of its courses, support, and facilities to potential students.  Methods of feedback are in place at the College regarding the recruitment process which contribute to the evaluation process.	6



## **Follow Up Review**

Audit area	High level indicative summary scope	Total number of days
Follow Up Review	The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit Committee with assurance that prior year recommendations are implemented within the expected timescales.  Our objective for this review is to assess whether:  The College has appropriately implemented any outstanding internal audit recommendations made in prior years.	3



## **Mandatory Funding Reviews**

Audit area	High level indicative summary scope	Total number of days
Credits Audit	Mandatory review of the Credits Return.	5
SSF Audit	Mandatory review of the Student Support Funds Return.	4
EMA Audit	Mandatory review of the Education Maintenance Allowance Return.	3

### **Assignment Plans & Dates**



#### **Assignment Plans**

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the College.

#### **Key Dates**

Visit	Name	No. of audit days	Key College personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit Committee
1	Mandatory Funding Audits	12	Director of Finance	1 September 2025	19 September 2025	8 December 2025
2	Budgetary & Financial Reporting	6	Director of Finance 12 January 2026 30 January 2026 3 March		3 March 2026	
3	Staff Recruitment & Retention	6	Head of Human Resources	30 March 2026	17 April 2026	2 June 2026
	Follow Up Review	3	Director of Finance			
	Student Recruitment	6	VP: Curriculum & Student Experience			
3	Freedom of Information	5	Information & Development Manager	1 June 2026	19 June 2026	September 2026



# Reporting & Initial 3-year Audit Needs Assessment

### Reporting



The reporting arrangements for internal audit will be discussed and agreed with the Audit Committee.

The following reports will be produced by internal audit:

- An Audit Needs Assessment;
- A report on each audit assignment;
- An annual report on Internal Audit Service's activities.

For each audit report we will have an overall level of assurance.

For each recommendation, a target date for remedial action will be set taking into account the degree of priority associated with the recommendation.

The draft report for each assignment will be discussed with the auditees and the factual accuracy agreed prior to issue of the report in its final form.

The auditees will be required to respond to the recommendations stating their proposed action and nominating the person responsible for each action point.

### **Initial 3-year Audit Needs Assessment**



1 August 2025 to 31 July 2028		Operat	Operating Plan (No. Of days)			
System	Audit Area	2025/26	2026/27	2027/28		
Financial Systems	Budgetary & Financial Reporting	6				
	Procurement		6			
Non-Financial Systems	Student Recruitment	6				
	Staff Recruitment & Retention	6				
	Estates Management		6			
	Curriculum Planning		6			
	Sustainability			6		
Governance	Governance			5		
Information Systems	Freedom of Information	5				
	GDPR		5			
	Business Continuity Planning			6		
	Artificial Intelligence			6		
	Total Days C/F	23	23	23		

## **Initial 3-year Audit Needs Assessment**



1 August 2025 to 31 July 2028		Operating Plan (No. Of days)			
System	Audit Area		2025/26 2026/27		
	Total Days B/F		23	23	23
Mandatory	Credits Audit		5	5	5
	SSF Audit		4	4	4
	EMA Audit		3	3	3
Required	Follow Up Review		3	3	3
	Audit Management		4	4	4
	Total Days		42	42	42



# **Appendices**

- **A Grading Structure**
- **B Key Performance Indicators**
- **C** Training Topics
- **D Audit Universe**
- **E Assurance Map**



### A – Grading Structure

For each area of review, we assign a grading in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, some minor recommendations identified
Substantial Controls largely satisfactory although some weaknesses identified, recommendations for improvement made	
Weak Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately	
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately

For each recommendation we make we assign a grading either as High, Medium, or Low priority depending upon the degree of risk assessed as outlined below:

Grading	Risk	Classification
High	High Risk	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by Senior Management of the College as a matter of urgency
Medium	Medium Risk Significant issue or weakness which should be addressed by the College as soon as possible	
Low Risk  Minor issue or weakness reported where Management may wish to consider our recommendations.		Minor issue or weakness reported where Management may wish to consider our recommendation



### **B – Key Performance Indicators**

For each area of review, we assign a grading in accordance with the following classification:

Performance Indicator	Target
Internal audit days completed in line with agreed timetable and days allocation	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 working days before each start date	100%
Draft reports issued within 10 working days of exit meeting	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%
Final reports issued within 5 working days of receipt of management responses	100%
Recommendations accepted by management	100%
Draft annual internal audit report to be provided by 31 August each year	100%
Attendance at Audit Committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%



# **C** – Training Topics

As a firm we offer a wide range of training topics to our clients, and we have listed below some of the topics which we would be able to offer UHI Inverness.

Topic	Summary
Risk Management	This can cover risk awareness, assessment of risks, responsibilities for monitoring risks, risk appetite and the scoring of risks. This is usually done as a workshop to ensure buy-in from management and committee members to the risk management process.
Role of Internal Audit	We would provide a short session on what the internal audit function should be delivering to UHI Inverness and the added value which we would bring.
Finance for Non- Financials	This is useful for committee members who do not have a finance background and covers areas such as the management accounts, budget reporting and the statutory accounts.
Fraud Awareness	We would cover the importance of a having a strong control environment and areas to be aware of in relation to fraud. We would discuss some real-life examples of where we have identified or been asked to investigate allegations of fraud and the results of these investigations.



# **C** – Training Topics

As a firm we offer a wide range of training topics to our clients, and we have listed below some of the topics which we would be able to offer UHI Inverness.

Торіс	Summary
Role of the Board	This would cover the roles and responsibilities of Board members, including the Chair. This has been particularly useful when new Board members have been appointed and allows members to obtain some knowledge on what the expectation of a Board member is and what they should be looking out for.
Cyber	This would be an awareness-raising session based on current cyber security controls and good practice. It is designed to help senior leaders and committee members understand key cyber risks, common threat vectors, and the importance of good cyber hygiene, with reference to real-life scenarios and sector-relevant guidance.

### **D** – Audit Universe



We have set out below the auditable entities, processes, systems and activities, which support the development of the internal audit plan, and the Internal Audit coverage since 2020/21.

Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Financial Systems		Procurement	Financial Planning/Budgetary Control	Payroll	Core Financial Controls	Budgetary & Financial Reporting	Procurement	
Non-Financial Systems		Staff Recruitment	Student Support	Professional Development	Staff Welfare	Student Recruitment	Curriculum Planning	Sustainability
			Curriculum Planning	Health & Safety		Staff Recruitment & Retention	Estates Management	
			Complaints Management	Sustainability				
Governance			Strategic Planning	Risk Management	Fraud Strategy			Governance
Information Systems	Cyber Security				Cyber Security	Freedom of Information	GDPR	Artificial Intelligence
					Information Systems			Business Continuity Planning

### E – Assurance Map



We have developed an Assurance Map based on the Strategic Risk Register as at August 2025, specifically any risk with a residual score of 9 or above.

Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
College fails to identify and take opportunities for development and progression.	9	<ul> <li>Oversight of curriculum planning process led by the Vice Principals;</li> <li>Chairing Research Committee to review progress income/investment balance of each research grouping;</li> <li>continued discussions with UHI Principal regarding IC UHI's potential expansion on Inverness Campus;</li> <li>Identification of opportunities by EMT through development of external relationships in key sectors;</li> <li>Identification of additional opportunities for development at team/subject level to maximise opportunities for growth;</li> <li>Engagement with other stakeholders, including SDS and employers, together with analysis of data to produce Sector Development Plans, shaping the curriculum offer over the medium to long term; and</li> <li>Continued investment in Research culture. Impact of the curriculum review. Enhancement Planning and Monthly data presentation analysis.</li> </ul>	Budgetary & Financial Reporting; and Curriculum Planning.

### E – Assurance Map



Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
Financial instability of UHI partnership and impact of financial decisions made by UHI.	25	<ul> <li>Close monitoring of funding and allocations, to ensure we are able to challenge unsustainable activities;</li> <li>Proactive lobbying of stakeholders to put forward the case for UHI Inverness students, employers and communities; and</li> <li>Continue to support and promote the delivery of the curriculum review.</li> </ul>	Budgetary & Financial Reporting;   Governance; and   Business Continuity Planning.
Ongoing issues of non-compliance by GTFM.	16	<ul> <li>Close monitoring of the performance through regular meetings;</li> <li>Monthly report from GTFM on performance;</li> <li>College audit of compliance and statutory PPMs, application of the 1-69 performance standards and application of the associated deductions from unitary charge; and</li> <li>Membership of GTEIL Board.</li> </ul>	Estates Management.
College does not achieve allocated HE student number targets.	12	<ul> <li>UHI HE curriculum review – must be delivered;</li> <li>Increased resource in UHI Inverness marketing department including for Schools strategy implementation;</li> <li>Sector development planning process;</li> <li>Development of work-based degrees and graduate apprenticeship programmes to reflect the high employment rates across the region;</li> <li>Introduction of HNCs as part of our Senior Phase programme.</li> </ul>	Curriculum Planning.



Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
Non-compliance with relevant statutory regulations or internal policies and procedures, including fraud risk.	9	<ul> <li>Dedicated Health and Safety Management role;</li> <li>Health and Safety Management system implemented;</li> <li>systematic use of internal audit;</li> <li>EMT commitment and proactive leadership to develop a strong policy-driven management culture;</li> <li>strong emphasis on near miss recording and lessons learned;</li> <li>H &amp; S Committee chaired by Principal;</li> <li>systematic recording and analysis of incident;</li> <li>accident and near miss trends;</li> <li>Dedicated Data Controller role with responsibility for awareness raising and adaptation of policy/procedures win line with legislative change;</li> <li>current shared project on effective data management with IT Manager;</li> <li>rigorous implementation of mandatory staff training;</li> <li>Principal with direct responsibility for awareness raising and adaptation of policy/procedure in line with legislative change;</li> <li>All of the above reported systematically to relevant Board of Management Committees; and</li> <li>Fraud risk – fraud response plan in place.</li> </ul>	Procurement;   GDPR;   Freedom of Information.



Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
Institutional, personal and sensitive data and/or services are disrupted, corrupted, exposed, lost, stolen or misused.	12	<ul> <li>Firewalls and proxy filters automatically updated regularly;</li> <li>Proactive internal and external NVT and external scanning for at risk devices;</li> <li>Anti-virus software deployed to all corporate devices;</li> <li>Wi-Fi BYOD on segregated VPN;</li> <li>WSUS servers in place for regular MS Windows updates'</li> <li>Use of Janet Security advice service and UHI HelpDesk issues alerts for known attacks;</li> <li>UHI IT security group formed to share intelligence and react to published alerts;</li> <li>OpenDNS applied to cache filtering with added protection functionality against botnet, malware etc;</li> <li>Real IP address ranges reduced;</li> <li>Out of hours password reset enabled. Clear policies in place;</li> <li>Mandatory staff training on data protection and Information security (on-line modules completed annually), monitoring and reporting on completion of on-line modules;</li> <li>Departmental use of personal data register to ensure personal data is appropriately managed;</li> <li>Regular training sessions on data protection and GDPR for all staff;</li> <li>Information Manager provides support to operational managers and training information available to all staff;</li> </ul>	GDPR;   Freedom of Information; and   Artificial Intelligence.



Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
Institutional, personal and sensitive data and/or services are disrupted, corrupted, exposed, lost, stolen or misused. (cont.)	12	<ul> <li>Cyber Essentials accreditation in place;</li> <li>Ensure new IT services are introduced appropriately and review how services are delivered and achieved with less services, eg reduced helpdesk function;</li> <li>Within Myday, making direct links more available via shortcuts in Edge, etc; and</li> <li>Ongoing review of UHI EO services to assess any potential impact of reduction in IT staff.</li> </ul>	GDPR;   Freedom of Information; and   Artificial Intelligence.
Financial failure/operating loss. Inability to achieve a balanced budget.	16	<ul> <li>Financial monitoring and control of staff resources through SRP, strengthened following FRP in 2021;</li> <li>Fully costed curriculum underpinning curriculum planning review process;</li> <li>Move of GA responsibility from UHI hub to Business Solutions Team; and</li> <li>Continued investment in student experience.</li> </ul>	Budgetary & Financial Reporting;   Staff Recruitment & Retention; and   Procurement.
A serious incident in the college residences, including anti-social or illegal behaviour.	16	<ul> <li>Action including surveillance, engagement with wider campus to ensure intelligence led policing and security, consistent incident and disclosure recording and reporting protocols;</li> <li>Student support team involvement and weekly scheduled meeting to discuss any concerns;</li> <li>Welfare tracker in place to support information sharing;</li> <li>Proactive working with UHI halls team; and</li> <li>Out of hours staffing in place and appropriate training on mental health first aid.</li> </ul>	Estates Management.



Risk Description	Residual Risk Score	Control Measures and Assurance	Internal Audit Assurance
The College does not respond to infectious diseases in a proportionate manner dependent upon scale (Pandemic, Epidemic or Outbreak).	9	<ul> <li>Business Continuity Plan;</li> <li>Most documentation and communication are now online and most activities can be undertaken remotely; and</li> <li>Lessons learned from Covid 19 pandemic considered and communications systems remain in place. Good partnership working with NHS Highland, for example.</li> </ul>	Business Continuity Planning.
Failure to act appropriately and timeously regarding progressing actions designed to achieve obligations to reduce emissions and achieve net zero in the context of the climate emergency and in relation to all UHI activities and operations.	10	<ul> <li>New sustainability strategy and action plan approved by the Board in December 2022;</li> <li>Appointed a manager with responsibility for sustainability in April 2023;</li> <li>Initial KPIs in place; and</li> <li>Sustainability being embedded across curriculum as a theme.</li> </ul>	Sustainability.

### **UHI INVERNESS**

#### **Audit / EMT Committee**

Subject/Title:	KPI Report
Meeting and date:	Audit Committee, 8 Sep 25
Author:	Martin Whyte
Decision, Discussion or Noting:	Noting / Discussion
Link to Strategic Plan:	Links to all strategic objectives
Cost implications:	Yes / No (delete as applicable)
Cost implications:	If yes, please specify:

#### Recommendation(s)

Note year end July 25 performance against the defined measures.

Note Targets for 2025-26 performance measures.

#### Main body of information

The KPI matrix for period 12, July 25 accompanies the paper and presents performance for each measure against its respective target.

In addition, the KPI Matrix summary for 2025-26 is presented detailing the targets set for each measure in 2025-26.

#### **Year End Summary**

Twenty-four measures met or exceeded target / satisfactory (Green). Nine measures finished within 5% of target / marginal. (Amber) Thirteen measures did not meet target / unsatisfactory. (Red).

Six finance measures are to be captured when the first draft of the year end accounts is compiled later in September.

#### Comment on Performance - 2024-25

#### Core FE/HE Outputs

#### HE Active Applications (next AY). Serial 1. 101.3%. GREEN.

Active applications exceeded target by 18 (1,418 / 1,400). The number of applications is 85 greater than 2023-24, which is a positive sign. Discussions have taken place to revise this measure from 'Active' applications as the number can be skewed by Oral Health applications, in particular. The effect will be monitored again this year and a change made to the approach next year, if applicable.

#### FE Active Applications (next AY). Serial 2. 95.4%. AMBER.

2,194 applications received against plan 2,300. The number of applications is 87 fewer than last year (23-24) which is disappointing but not overly concerning. Applications continue beyond the end of the reporting period and, based on past experience, we comfortably exceed our FE Credit delivery. Total applications does, however, provide data regarding unmet demand.

#### FE Credits. Serial 3. 102.4%. GREEN.

Exceeded SFC Credit threshold, delivering 27,085 FE Credits against a target of 26,442. FE Credits are 542 greater than last year (26,543). We will continue to monitor to ensure that excess FE Credits are delivered within existing provision (more Credits per course) and not via additional delivery.

#### Apprenticeship Starts. Serial 4. 109.4%. GREEN.

New apprentice starts were 409 for the academic year, against target 374 and is much greater than 2023-24 (276). Some of the growth is due to timing of the new SDS contract which begins in April/May and how promptly colleagues get apprentices recruited and enrolled. The measure will be adapted in 2025-26 to allow closer comparison with the SDS contract period and target.

#### Apprentices in Learning. Serial 5. 104.4%. GREEN.

Average apprentices in learning of 705 against target of 675. Another strong performance and an average 41 greater than the previous year. The number of apprentices 'on the books' is also reflected in Apprenticeship Income.

#### Apprenticeship Income. Serial 6. 111.1%. GREEN.

Total MA income, excluding travel and accommodation, £1,398,960 against target £1,259,400. Tremendous result and £176,000 greater than the previous year. Strong performance in apprenticeship income.

#### Commercial Short Course Income. Serial 8. 72.5%. RED.

Commercial income fell short of expectations with £72,508 against £100,000 plan. Access to qualified academic staff with capacity had a bearing during the first semester, although activity picked up in semester 2. It should be noted that commercial income of £40,000 was received through Other Local Authority Grants for Net Zero related training funded by UKSPF grant. We expect income to increase in 2025-26 and work has been done to confirm course dates to enable early promotion.

#### HE Enrolments. Serial 9. 109.2%. GREEN.

Total HE student enrolments finished the year at 2,074 against 1,900 planned, which is 170 greater than last year (1,904). The increase in number is pleasing although the outturn in FTE indicates that a greater proportion are part-time than hoped.

#### HE FTE (APC figure). Serial 11. 100.0%. GREEN.

1,313 FTE matched the plan. This is a pleasing result, although the budgeted HE FTE is higher. Our grant funded HE FTE increased by 53 from the previous year which equates to approximately £300,000 additional HE income. A great deal of focus has been placed on HE recruitment with colleagues very active promoting our courses for 2025-26 recruitment.

#### Research – Income less Expenditure. Serial 12. 134.6%. RED.

Forecast Research outturn is a deficit of £280,400 before adjusting for accruals, which are hoped to reduce the deficit closer to £200,000. The projected deficit is disappointing and greater than had been budgeted. Outturn s likely to be poorer than last year. The deficit is the result of income being approximately £300,000 below plan and staff costs almost £45,000 greater than plan. Non-staff costs are £115,000 less than planned.

#### **GA Programmes – New Enrolments**. Serial 13. 156.6%. GREEN.

GA recruitment in 2024-25 was very strong, 191 against 122, exceeding target by 69. New enrolments were 99 greater than last year. 2025-26 new GA enrolment target has been set at a further stretch of 159.

#### Senior Phase Enrolments. Serial 14. 84.8%. RED.

Enrolments were 574 for the year against a plan of 667, 93 fewer than the previous year. The previous year, the first in which we reported senior phase enrolments, was higher than previous and may be an outlier. 2025-26 enrolment data will be closely monitored.

#### **Satisfaction Measures**

#### Early Satisfaction & Engagement Survey (ESES). Seral 17. 99.7%. AMBER.

Target of 96% was narrowly missed with 95.7% being the result. This is still an excellent score for ESES. Survey feedback is reviewed by departments and committees and is a core element of our quality enhancement activity.

#### National Student Survey (NSS). Serial 19. 104.8%. GREEN.

Another excellent survey result, achieving a score of 87% against target of 83% and benchmark of 78.1%. The NSS is conducted with final year HE students.

**Student Satisfaction & Engagement Survey (SSES).** Serial 20. 100.7%. GREEN. SSES result for AY 24/25 is 94.7% satisfaction against our target of 94%. The national benchmark 89.7%. Excellent satisfaction and engagement results.

#### Post Graduate Taught Experience Survey (PTES). Serial 22. 91.7%. RED.

The result was 88% satisfaction against our target of 96%. The results are not disaggregated to partner level and represent the UHI result. Although below our target, the result does place UHI PTES in the top 4 in the country.

#### ESES % Response Rate. Serial 23. 101.7%. GREEN.

Our ESES response rate was 61% against 60% plan. The performance is very good and reflects the effort that quality and curriculum teams put into encouraging student participation in the survey to provide valuable feedback.

#### SSES % Response Rate. Serial 24. 96.7%. AMBER.

Actual survey response rate was 53.2% of students against target 55%. The national benchmark is 50%. Increased 'campaign' activity is planned for 25/26 survey and we intend to extend the duration of the survey to support completion by work-based students.

#### **Retention, Success and Progression**

#### College Retention Overall for FE. Serial 25. 98.9%. AMBER.

91% FE retention has been achieved in 24/25, slightly below our target of 92%. This is 1% improvement on 23/24 performance.

#### College Retention Overall for HE. Serial 26. 101.8%. GREEN.

93% HE retention against plan of 91%. 3% increased retention compared to 23/24 performance. The focus on retention activity across various teams and departments has paid dividends this year.

#### FE FT Successful Outcomes. Serial 27. 103.7%. GREEN.

78% success rate for full time FE students against 75% target. This is an 8% increase on the previous year which is an excellent result and compares favourably across the sector. Diligent focus and internal reporting on student success has contributed to improvement.

#### FE PT Successful Outcomes. Serial 28, 99,4%, AMBER.

87.5% successful outcomes against 88% target. Marginally below our target although over 2% higher than 23/24 performance.

#### Partial Success FE. Serial 29. 136%. GREEN.

Partial success of 7% is an improvement on the previous year (4%). This measure is important to track as it is inevitable that not all students will complete their full qualification, a 7% partial success indicates that a greater proportion of those students achieved some units towards their qualification.

#### HE FT Successful Outcomes. Serial 30. 110.3%. GREEN.

77% success rate against target of 70%. This is very good, although slightly below last year's performance of 80%. There are a small number of resits to be processed but the increase on successful completion will not be material.

#### HE PT Successful Outcomes. Serial 31. 66.6%. RED.

Current performance is 66.6% against 75% target. 51 resit results are still to be processed which may have a material impact on the final percentage reported. Final data will be captured in MIS Manager report at future committees and revised in the KPI once known.

**Modern Apprenticeship Successful Outcomes (contract year).** Serial 32. 84.3%. RED. Current performance is reported as 63.2% against objective of 75%. However, it should be noted that this measure creates a lot of discussion internally and across the partnership as the method that SDS follow / permit causes artificial delays in resulting and reporting i.e. in

some programmes, students who have completed all MA activity are not permitted to complete their final skills test until last 6-months, which leads to inactivity reporting affecting outcome percentages. Also, many programmes are roll on-roll off, so resulting can fall across multiple contract years. We are considering adopting a variation to our internal reporting to more accurately reflect outcomes.

#### FE Progression to Further FE Study. Serial 33. 99%. AMBER.

39.6% of our 23/24 FE students progressed to further FE study; out target was 40%. This represents a 2.6% improvement of the previous year's performance. Retention and progression are important recruitment strategies.

#### FE Progression to HE Study. Serial 34. 84.9%. RED.

29.7% of FE students progressed to an HE programme in 24/25. The result is almost identical to the previous year. We set an internal target of 35%. As for serial 33, retaining and progressing students is an important recruitment strategy.

#### Mental Health Support Appointment. Serial 35. 103.5%. GREEN.

The Wellbeing team have performed incredibly well throughout the year meeting 98.4% of students in the timescale. The objective is 95%.

#### Learning Support Appointment. Serial 36. 105.3%. GREEN.

The team met this objective 100% of the time, outstanding. The target is 95%. The Wellbeing and Learning Support Manager has introduced a new measure for 25/26 which is to report the proportion of meetings that are actually attended by these students. This will be a helpful addition to our key metrics.

#### **Human Resources**

#### Sickness Levels. Serial 40. 140.8%. RED.

Annual absence rate ended at 3.63% against plan of 2.58%. This represents an increase of 0.65% on the previous year. Notably, 2.1% of absence is categorised as long-term which is 0.63% greater than the previous year. The Head of HR report will contain further detail.

#### % Staff Turnover. Serial 43. 78.1%. GREEN.

Annual staff turnover was 2.35% against target 3.01%. The result is almost identical to the previous year. Based on data from SFC our staff turnover is considerably lower than other colleges.

#### **PRD Completion – full or review**. Serial 44. 59.1%. RED.

PRD completions as at end of July are 44% against an objective of 75%. 50%+ of PRDs require to be completed/uploaded in Q1 25/26 to ensure that this objective is met. The 75% objective is based on that proportion being completed and uploaded by the end of July. The Head of HR report will have a current picture.

#### Student FTE:Academic Staff Ratio. Serial 45. 90.4%. RED.

Our ratio is 21.7 students per lecturer based on HE FTE data and FE Credit calculation using 17 credits as 'full time'. Calculating the ratio using student heads on FE courses designated as short full time, or work based etc. would increase the SSR, but the measure can be evaluated consistently using the current approach.

Lecturer Utilisation % (% of deployable hours). Serial 46. 96.1%. AMBER.

Average deployment was 76.9% against plan 80%. This is 2.9% lower than the previous year, long term staff absence was a contributing factor. Staff deployment is monitored and evaluated using a consistent approach, enabling triangulation with plans and quickly identifying gaps or unexpected data. Managers can support or challenge where necessary.

#### Number of workplace injuries. Serial 47. 83.33% GREEN.

Overall 115 injuries over the year, expectation being 138. HS&S Manager and colleagues have worked hard and remained focused on H&S matters in workshops and classrooms. Continual improvement in H&S culture.

#### Number of RIDDOR reportable accidents and illness. Serial 48.

5 RIDDOR reportable cases in the year. There is no target against this measure. This represents an increase from 3 in the previous year. HS&S Manager reports contain specific and aggregate information.

**% Staff completed mandatory IHASCO (H&S) Trg**. Serial 49. 104.9%. GREEN. 84% of staff have completed all mandatory H&S training against 80% plan. 5% improvement on the previous year. Positive indicator of improving H&S culture and focus.

#### Finance (Measures 52 - 58)

Finance measures will be populated fully when first draft of year end accounts is complete to ensure percentages and ratios are accurate.

#### **Estates & Campus**

Room Occupancy - Frequency %. Serial 59. 112.4%. GREEN.

Average occupancy was 40% across the year, with a peak of 59% in January. Occupancy is an aspect that requires evaluation of how we use the building and how we measure the data, and to investigate what efficiencies can be found. Note occupancy is 4% greater than last year.

#### CO2 Emissions on Utilities (gross Tonnes). Serial 60. 84.1%. GREEN.

561 tonnes against plan 667, 106 tonnes below plan and 77 tonnes lower than last year./ This is a good performance. Focus and further initiatives will be continue.

#### CO2 Emissions on Waste - Tonnes. Serial 61. 88.2%. GREEN.

Emissions from waste was 0.205 tonnes which is lower than the expected 0.233. This is pleasing. Work is still required to reduce the volume of waste we produce and the treatment/segregation of the waste, but this is a positive start.

**Estates Reactive Task Completion Rate %.** Serial 62. 99.4%. AMBER. 95.4% task completion over the year against 96% plan. The performance has been consistent and has been achieved in spite of some absence in the team.

**GTFM % Reactive Task Completion Rate.** Serial 63. 99.6% AMBER. GTFM completed 94.6% of tasks against plan 95%. Estates continue to work closely with GTFM to bring task completion rates up to expectation.

**Total % of Capital Expenditure Budget Committed**. Serial 64. 100%. GREEN 100% of capital expenditure committed by 31<sup>st</sup> March.

The information is accessible to all department managers and board members via SharePoint at: IN Management Information > Documents > KPI Matrix

Performance Measures AY: 2024-2025 Performance Measures- EMT & Board of Management

Measures - Linked to Profile and Actual sheets



Contact	Measure	Measurement Frequency	2023/24 Actual	2024/25 Target	YTD Profile	YTD ACTUAL	YTD ACTUAL v PROFILE RAG
Serial	Measure 1: CORE FE/HE OUTPUTS						
2	HE Active applications (next AY - Measure from Dec - Jul) FE Active applications (next AY - Measure from Dec - Jul)	Monthly Monthly	1333 2281	1,400.0 2,300.0	1,400 2,300	1,418 2,194	101.3% 95.4%
3	FE Credits	Monthly	26543	26,442	26,442	27,085	102.4%
4	Apprenticeship starts	Monthly	276	374	374	409	109.4%
5	Apprentices in Learning (average in year)	Monthly	664	675	675	705	104.4%
6	Apprenticeship Income (excluding T&A)	Monthly	£1,222,884	£1,259,400	£1,259,400	£1,398,960	111.1%
8	Commercial Short Course Income	Monthly	£121,486	£100,000	£100,000	£72,508	72.5%
9	HE enrolments (head count)	Monthly	1,904	1,990	1,900	2,074	109.2%
					700		
10	HE enrolments (year one starts)	Annual	697	700		637	91.0%
11	HE FTE (APC figures) (from Oct) Research - Income less expenditure	Monthly Biannual	1,259.6 £140,043	1,319.0 -£150,000	1,313.0 -£150,000	1,313.0 -£250,000	100.0% -166.7%
13	GA Programmes - New Enrolments	Monthly	92	122	122	191.0	156.6%
14	Senior Phase Enrolments MEASURE 2: SATISFACTION MEASURES	Annual	667	677	677	574.0	84.8%
17	Employer satisfaction survey (even years)	Biennial	80.0%				
				0500	25.20/	05.70/	20.70/
18	Early Satisfaction & Engagement Survey (ESES)	Annual	96.0%	96%	96.0%	95.7%	99.7%
19	National Student Survey (NSS)	Annual	82.0%	83%	83.0%	87.0%	104.8%
20	Student Satisfaction & Engagement Survey (SSES)	Annual	92.0%	94%	94.0%	94.7%	100.7%
21	Post Graduate Research Experience Survey (PRES) (even years) Post Graduate Taught Experience Survey (PTES) (previous AY)	Biannual Annual	96.0%	96%	96.0%	88.0%	91.7%
	ESES % Response Rate SSES % Response Rate	Annual Annual	63.3% 57.0%	60% 55%	60.0% 55.0%	61.0% 53.2%	101.7% 96.7%
24	·	Annual	57.0%	33%	55.0%	33.2%	90.7%
	Measure 3: RETENTION, SUCCESS & PROGRESSION						
25	College Retention Overall for FE	Annual	90.0%	92%	92%	91%	98.9%
26	College Retention Overall for HE	Annual	90.0%	91%	91%	93%	101.8%
27	FE FT Successful Outcomes	Annual	70.0%	75%	75%	78%	103.7%
28	FE PT Successful Outcomes	Annual	86.0%	88%	88%	88%	99.4%
29	Partial Success FE	Annual	4.0%	5%	5%	7%	136.0%
30	HE FT Successful Outcomes	Annual	80.0%	70%	70%	77%	110.3%
	HE PT Successful Outcomes	Annual	75.0%	75%	75%	67%	88.8%
31							
32	Modern Apprenticeship successful outcomes (contract year)	Monthly	63.0%	75%	75.0%	63.2%	84.3%
33 34	FE progression to further FE study FE progression to HE - actual	Annual Annual	37.0% 30.0%	40% 35%	40.0% 35.0%	39.6% 29.7%	99.0% 84.9%
35	Mental Health Support appt (non-emergency) offered for within 3 - 10 working days	Monthly	99.0%	95.0%	95.0%	98%	103.5%
36	Learning Support appt offered for within 6 - 20 working days	Monthly	96.0%	95.0%	95.0%	100%	105.3%
	Measure 4: HR						
40	Sickness levels	Quarterly	2.98%	2.58%	2.58%	3.63%	140.8%
41	- Short Term	Quarterly	1.51%			1.53%	
42	- Long Term	Quarterly	1.47%			2.10%	
43	% Staff turnover	Quarterly	2.38%	3.01%	3.01%	2.35%	78.1%
	PRD completion - full or review	Quarterly	57%	75%	75%	44%	59.1%
45	Student FTE:Academic Staff Ratio	Annual	21.7	24	24.0	21.7	90.4%
46	Lecturer utilisation % (% of deployable hours)	Annual	79.8%	80.0%	80.0%	76.9%	96.1%
47 48	Number of workplace injuries Number of RIDDOR reportable accidents and illness	Monthly Monthly	138	138	138	115 5	83.33%
49	% of staff completed mandatory IHASCO (H&S) Trg	Quarterly	79%	80%	80.0%	84.0%	104.9%
	Measure 5: FINANCE						
52	Adjusted current ratio	Annual		1.25	1.3		
53	Forecast Outturn Operational Surplus/(Deficit)	Quarterly	-£309,938	-£750,000	-£750,000	-£934,472	124.6%
54	Staff costs as % of income (less NDP/capital allowances)	Annual	-2003,938	79.0%	79.0%	-1334,472	124.0%
55 56	Cash days in hand Income as a % of Expenditure	Annual Annual		59.0 98.0%	59.0 98.0%		
57	Curriculum contribution (overall % - estimate)	Annual	51%	45.0%	45.0%		
58	Analysis of aged debtors > 90 days	Quarterly		50.0%	50.0%		
30		Quarterly		30.070	30.076		
	Measure 6: ESTATES & CAMPUS						
59	Room Occupancy - Frequency %	Monthly	36.0%	36.0%	35.8%	40.2%	112.4%
60	CO2 Emissions on Utilities (gross) Tonnes	Monthly	638	667	667	561	84.1%
61	CO2 Emissions on Waste - Tonnes	Quarterly	11.0%	0.930	0.233	0.205	88.2%
62	Estates reactive task completion rate %	Monthly	95%	96%	96%	95.4%	99.4%
63	GTFM % reactive task completion rate	Monthly	95%	95%	95%	94.6%	99.6%



### **BOARD OF MANAGEMENT**

Subject/Title:	
	Data Protection
Author: [Name and Job title]	Suzanne Stewart, Data Controller
Meeting:	Board of Management
Meeting Date:	8 <sup>th</sup> September 2025
Date Paper prepared:	26 <sup>th</sup> August 2025
Brief Summary of the	Report provides a breakdown of annual data/security
paper:	incidents reported and statistical data regarding Subject Access Requests. In addition, a summary of the compliance auditing that has been undertaken.
Action requested: [Approval, recommendation, discussion, noting]	Noting/discussion if felt necessary

Link to Strategy: Please highlight how the paper links to, or assists with:  compliance partnership services risk management strategic plan new opportunity/change	The content of this paper links to legal compliance regarding the processing times for subject access requests and for recording data breaches & information security incidents. By analysing incidents, we can see where the organisational risk exists in relation to how data breaches occur.
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Causes of data breaches Organisational: As above
Equality and Diversity implications:	Yes/No If yes, please specify:
Student Experience Impact:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	
Status – [Confidential/Non confidential]	Non Confidential



Freedom of Information Can this paper be included in "open" business* [Yes/No]		
*If a paper should <b>not</b> be included within "op	pen" business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)	Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)	Other (Please give further details)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp

and

http://www.itspublicknowledge.info/web/FILES/Public\_Interest\_Test.pdf

#### **Purpose of report**

To inform the committee of actions taken to ensure on-going compliance with the UK Data Protection Act 2018 and the UK GDPR and any associated risks.

#### **Data Breaches/Information Security Incidents**

Month	Incidents	Туре	Summary
Aug	2	Email	Funding letter sent to incorrect recipient
		Nr Miss	Attachment containing personal data was sent to the
		(Email)	incorrect recipient. Spreadsheet was password
			protected so content was not accessible.
Sept	3	Email	Spreadsheet contained hidden columns was shared.
			Recipient was able to access the hidden columns.
		Nr Miss	Staff member was wearing a microphone pen to
		Audio	assist a hearing-impaired student. At the end of the
			lesson the staff member forgot to switch it off before
			having a 1:1 meeting with a third party. The hearing-
			impaired student had muted the microphone at the
			end of the class so was not exposed to the next
			conversation.
		Email	Staff member registered for the cycle to work
			scheme and inadvertently received a colleague's
			invoice for their bike costs via the third party agent.
Oct	4	Email	Email containing student data send to another
			student in error (incorrect recipient shared the same
			first name as the staff member the message should
		N. N.	have been sent to).
		Nr Miss	Inappropriate access was granted centrally to a
			shared mailbox via a Unidesk ticket, without first
			checking with the ICT dept if the request was in
		NI NA:	order.
		Nr Miss	Email was sent from a staff member's personal
		Email	mobile phone using their UHI account to the wrong
			recipient. The content of the email appeared odd to

#### the recipient, so they replied advising it wasn't for them. A second email was then sent shortly after, again, to the incorrect recipient. This also appeared odd. No personal data was included. Content was not confidential but related to course Nr Miss feedback to staff. An external third party was Bcc'd into the message which exposed the email addresses of the message recipients. It was reported that a shared staff area on Nov Nr Miss SharePoint looked like the files had been accessed Access Permissions by a student. Initial investigation highlighted the date the student appeared to have accessed the files a year before their account was created. Technical glitch. 2 Info Security Laptop provided to external Consultant whose Dec Risk contract ended some time ago, was not returned. Network account has been closed. Lecturer shared personal information about a Email student with other staff when there was no need to Jan 4 Email Attachment containing student IDs and results/remedial and mitigating circumstances was shared with the whole class Nr Miss Wrong attachment sent. Email successfully recalled Email before it was opened Staff member's partner used the employee's network Info Security account to email the HR department about the Breach employee's situation. Brightspace Student feedback shared with the wrong student. Learning Environment Feb 1 Student achievement data was shared as an Nr Miss Email attachment, and a student was copied into the email in error. Message was removed from the student mailbox before they had time to open it. Email sent to student containing letter regarding Mar 1 Email their withdrawal. Letter included the incorrect name and address of the student. 2 Email to student included some additional Email April information regarding another student. Staff member emailed a student regarding a student Email complaint and inadvertently bcc'd the student who was the subject of the complaint. Door to CCTV room was reported by the duty **Data Security** May 1 Breach manager to have been left open. 2 Line Manager was copied into an email regarding an Email June employee who had requested the processing of their personal data to be restricted. The information rights request was not sent to the data controller, so the request had not been official recorded. Electronic Assessment feedback was uploaded to a student account, but it related to a different student. Portfolio 0 July

Subject Access Requests Aug 24 - Jul 25



Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
1	8	7	5	2	3	4	2	0	5	3	1	41

#### **Breakdown of Statistics**

Police	6
3 <sup>rd</sup> Party	3
Individual	7
Employment Reference	25
Total	41

**Timescale for Responses** 

Days	Volume of
	Responses
*1-5	33
6-10	6
11-15	1
16-20	
21-40	1
Over 40	1
Total	42*

One request took 12 days for a response to be issued as consent to release the data had to be obtained. This took time.

\*One request was separated into two distinct parts. Part 1 received a response within 26 days, and Part 2 took 120 days. The legal timescale is to respond within 20 days. This was a complicated situation and the Principal was informed of the situation.

#### **Compliance Activities**

Normally, a risk-based approach is adopted to monitoring compliance in departments where the information risk is highest (e.g. HR, Student Records etc.). This year, there has been a university wide concern, regarding the volume of data stored within Outlook mailboxes.

Time normally spent on monitoring compliance was reallocated to focus on records management across the whole college. From 1<sup>st</sup> August 2025, the university implemented a limited of 15 GB of storage for all mailboxes. 15GB is still a considerable volume of data but a lot of work was required by staff to reduce mailbox sizes.

The Data Controller offered short sessions on MS Teams to groups of staff and teams to show effective ways of reducing data. A number of 1:1 sessions were also necessary to support staff to deal with the situation. The ICT department were able to provide monthly reports listing each staff member's storage status. These were used to target individuals and teams to ensure the necessary work was undertaken by 31st July.

I am pleased to report, we only had two staff accounts not actioned by the deadline which were because of long-term absence.

### **Audit Committee**

Subject/Title:	Martyn's Law
Author: [Name and Job title]	Lindsay Snodgrass, Vice Principal Curriculum, Student Experience & Quality Mark McKerral, Health, Safety & Sustainability Manager
Meeting:	Audit committee
Meeting Date:	08/09/25
Date Paper prepared:	27/08/25
Brief Summary of the paper:	To provide an update on Martyn's Law and an insight into next steps
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with::  compliance partnership services risk management strategic plan new opportunity/change	Strategic Plan – Student Experience, Finance & Sustainability
Resource implications:	No
Risk implications:	Yes If yes, please specify: Organisational and reputational: risk of failure to provide appropriate safeguards and security measures
Equality and Diversity implications:	NA
Consultation: [staff, students, UHI & Partners, External] and provide detail	NA

ITEM 12.

Status – [Non confidential]	Non-confidential		
•			
Freedom of Information Can this paper be included in "open" business* [Yes]	Yes		
*If a paper should <b>not</b> be included within "open" business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of		Its disclosure would constitute a breach of confidence actionable in	
Its disclosure would constitute a breach of the Data Protection Act		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)		SS .	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

 $http://www.itspublicAuthorities. A cottish PublicAuthorities. A cottish PublicAuthorities as p \verb| and cottish PublicAuthorities as p | and cottish PublicAuth$ 

http://www.itspublicknowledge.info/web/FILES/Public\_Interest\_Test.pdf

ITEM 12.

#### **Executive summary**

This report provides a brief overview of the Terrorism (Protection of Premises) Act 2025, also known as Martyn's Law, and the steps UHI Inverness now need to consider.

#### Main Information

The Terrorism (Protection of Premises) Act, also known as Martyn's Law, pays tribute to Martyn Hett, one of 21 people tragically killed in the 2017 Manchester Arena attack. Martyn's Law is intended to improve protective security and organisational preparedness across the UK. It introduces a tiered framework, categorising premises and events based on the number of individuals to be present at any one time.

It will require those responsible to take steps to mitigate the impact of a terrorist attack and reduce harm in the event of an attack occurring. For premises to be in scope, they must meet the conditions of the Act including that they are used for one or more uses listed in the Act – this includes education settings. The Act separates qualifying premises and qualifying events into two categories:

- Premises and events where there are 200 to 799 people will fall into the Standard Tier (Balloch campus)
- Premises and events where there 800 or more people will fall into the Enhanced Tier (Main campus)
- Under 200 are out of scope, though every setting is encouraged to have good security awareness and preparedness (Sustainable Construction Centre)

For premises in the enhanced tier, a Designated Senior Individual (DSI) is required. The DSI's main role is to make sure the event or premises follows the law and to involve senior management in key decisions. While the DSI can assign tasks to others, they still hold full responsibility. The DSI for UHI Inverness will be the Principal & Chief Executive.

Premises within the enhanced tier are expected to:



Notify the Security Industry Authority (SIA)



· Appoint a designated senior individual



Put in place reasonably practicable public protection procedures



 Document compliance by recording public protection measures, risk mitigation strategies and justifying how these reduce vulnerabilities

#### **Procedures**

Every premises in the enhanced tier will be expected to develop procedures to move people away from danger including:



Evacuation - Get people out of the building



**Invacuation –** Bring people inside a building or moving to safe internal area



Lockdown - Secure the building against attackers



**Communication –** how to let people know what is happening: police and emergency services, staff, students (where appropriate) and visitors within the setting and concerned parents whose first instinct will be to get to their children

#### The Regulator

The Security Industry Authority (SIA) have been established to oversee compliance with, and enforce, the requirements placed on Duty Holders. The SIA's role will be to educate and provide guidance on how best to achieve compliance. They will have several legal powers to fully exercise its functions including, authorising an inspector, power of entry, power to be accompanied and information gathering. The SIA will also:



- Inspect at a regional level and allow inspectors to link in with regional Counter-Terrorism Networks.
- Use sanctions and powers to address serious cases of non-compliance.



 Provide tailored advice on how to build reasonably practicable security plans.



 Produce guidance for businesses on how to prepare and comply with the law.

#### **Next Steps**

Settings in scope will have time to prepare prior to the implementation of the legislation. We expect this period to be approximately 24 months to allow for the setup of the regulator (the SIA), and to ensure sufficient time for those responsible for premises and events in scope to understand their new obligations and to plan and prepare. In the meantime, we will continue to be engaged in the UHI Safeguarding committee and the Prevent network, so we are kept abreast of updates. We will also continue to engage with our Counter Terrorism Security Advisor colleagues at Police Scotland to access any training and support they can offer.

The Department for Education have published initial guidance which covers all education settings (Protective security and preparedness for education settings - GOV.UK) We expect the Home Office, the Security Industry Authority and the Department for Education will be expected to publish bespoke guidance and resources for premises, events and settings within the next 24-months.

We will review our existing procedures, develop new procedures where required, and work towards the development of an overarching security policy over the next 24 months. We will also ensure appropriate training is provided to all staff.

Implementing the requirements of the enhanced tier for the Inverness Campus is expected to be a significant undertaking, requiring significant resource in terms of staff time, and potentially capital and operational expenses.

Further information can be found on the government website.

## **UHI INVERNESS**

Subject/Title:	Draft Annual Audit Committee Report for the Academic Year 24-25
Author: [Name and Job title]	Ludka Orlowska-Kowal, Governance Officer
Meeting:	Audit Committee
Meeting Date:	08 September 2025
Date Paper prepared:	29 August 2025
Brief Summary of the paper:	To present the draft Annual Audit Committee Report for Academic Year 2024-25. The Committee should note that some areas within this report are not yet available and that the report indicates where this is the case.
Action requested: [Approval, recommendation, discussion, noting]	For discussion.
Link to Strategy: Please highlight how the paper links to, or assists with::	The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of management.
<ul><li>compliance</li><li>partnership services</li><li>risk management</li><li>strategic plan</li></ul>	The report relates to the discussions and actions in relation to risk management
new opportunity/change	Linked within the strategic plan, specifically managing our risks
Resource implications:	Not directly, but indirectly in relation to the management of risk

Risk implications:	Yes	
	Operational: as outlined in the Risk register	
	Organisational: as outlined in the Risk register	
Equality and Diversity implications:	N/A	
Consultation: [staff, students, UHI & Partners, External] and provide detail	No consultation carried out – report is a statement of work carried out by the Audit Committee throughout 2023-24.	
Status – [Confidential/Non confidential]	Non-Confidential	
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes	
*If a paper should <b>not</b> be inclu	ded within "open"	business, please highlight below the reason.
Its disclosure would substantia	ally	Its disclosure would substantially
prejudice a programme of research (S27)		prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)
For how long must the paper I (express either as the time whor a condition which needs to	ich needs to pass	

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### **Audit Committee Annual Report to the Board of Management**

Title	UHI Inverness Audit Committee Annual Report 2024-25.  The Audit Committee is required, in accordance with Scottish Funding Council guidance to report annually to the Board of Management This report covers the work of the Audit Committee during the 2024-25 Academic Year.				
Introduction					
Membership	The Membership of the Committe	The Membership of the Committee during the 2024-25 Academic Year was as follows: -			
	Member	Designation	Membership Period		
	1. Janette Campbell	Chair	September 2024 - August 2025		
	2. Sally Blyth	Vice Chair	September 2024 - August 2025		
	3. Innis Montgomery	Member of the Committee	September 2024 - August 2025		
	4. Gillian Galloway	Member of the Committee	September 2024 - December 2024		
	5. Wendy Grindle	Member of the Committee	September 2024 - August 2025		
	6. Amy Goodbrand	Co-Opted Member of the Committee	September 2024 - December 2024		
	7. David Stewart	Member of the Committee	March 2025 - August 2025		
	8. Conrad Copeland	Co-Opted Member of the Committee	August 2025 -		

Meetings	3 meetings were held throughout the year, and the attendance was as follows: -  10 September 2024  Janette Campbell, Gillian Galloway, Innis Montgomery, Amy Goodbrand			
	04 March 2025			
	Janette Campbell, Sally Blyth, Innis Montgomery, Wendy Grindle  04 June 2024			
	Janette Campbell, Sally Blyth, Innis Montgomery, Wendy Grindle			
	The Principal attended all three meetings.			
	The Chair of the Board attended the meetings in March 2025 & June 2025.			
	Representatives from our Internal Auditors, BDO attended all three meetings.			
	Representatives from our External Auditor, Deloitte attended the meetings in September 2024 & June 2025.			
	The Director of Finance and Estates attended the meetings in September 2024 & March 2025.			
	The Vice Principal – Curriculum, Student Experience and Quality attended all three meetings.			
	The Management Information Systems Manager attended the meetings in September 2024 & March 2025.			
	The Operations and Commercial Manager attended all 3 meetings.			
Terms of	The Terms of Reference were reviewed by the Committee on 14 March 2024 and were taken to the Board of Management on 26 March			
Reference	2024. The Terms of Reference will next be due for review in March 2027.			
Internal	Provider			
Audit	Our Internal Auditors were BDO. Following a procurement exercise BDO were successfully appointed a new contract which commenced			

from 01 August 2022. This contract was agreed for a period of 36 months with 2 further 12-month extension options on mutual agreement. On 10 July 2025 this contract came to an end and UHI Inverness used the APUC framework to procure internal audit services. Within this framework, UHI Inverness can choose to carry out a direct award and with the assistance of APUC staff, has contacted Wylie Bisset who have confirmed they are willing to provide internal audit services to the college from September 2025.

#### Audit committee assessment of performance

The annual review of the performance of BDO was carried out by the Director of Finance and Estates in July 2025.

#### Review of internal audit plan

During 2024-25 our Internal Auditors BDO reviewed and evaluated our processes in the following areas:

- Fraud Strategy
- Core Financial Controls
- Staff Wellbeing
- Cyber Review
- Incidents Management

The outcomes of all reviews are presented to and discussed by Audit Committee, however the dates which the Internal Auditors carry out and complete their audit reports are not always aligned to this report due to the time lapse between the audit being carried out and it being presented to the Committee.

#### **Audit Reports**

The Committee made specific comments on the Internal Audit reports as follows (these comments refer to the audits which were taken to the Committee during the period September 24 – August 25 with some of the audits which were carried out by Internal Audit not being discussed within this Academic Year).

#### Fraud Strategy - complete

The BDO provided their final Payroll report to the Committee on 03 June 2025. Based on the work we undertook internal audit noted five findings with four being medium findings and one being a low finding. The findings relate to the detection and response plan, staff mandatory fraud training, operational fraud risk assessments and audit committee oversight over fraud risk. 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.

As a result, BDO provided moderate assurance over the control design and moderate assurance over the control effectiveness of the fraud strategy processes within the college.

#### **Core Financial Controls - complete**

Final report issued by BDO will be presented to the Committee on 08 September 2025 as part of the BDO Internal Audit 2024-25 Update report by the Director of Finance and Estate.

#### Staff Wellbeing - ongoing

An update about the audit progress will be provided to the Committee on 08 September 2025 as part of the BDO Internal Audit 2024-25 Update report by the Director of Finance and Estate.

#### **Cyber Review - complete**

Final report issued by BDO will be presented to the Committee on 08 September 2025 as part of the BDO Internal Audit 2024-25 Update report by the Director of Finance and Estate.

#### **Incidents Management - ongoing**

An update about the audit progress will be provided to the Committee on 08 September 2025 as part of the BDO Internal Audit 2024-25

	Update report by the Director of Finance and Estate.	
	Closed Meeting	
	A closed meeting with internal auditors took place on 10 September 2024. The next one will take place on Monday 08 September 2025	
	but will not be attended by the BDO staff.	
External	Deloitte	
audit		
	Our external auditors are Deloitte, and this is the third year of the five-year contract we have with Deloitte, which was procured by Audit Scotland.	
	The Audit Committee were presented with the Planning Report on 03 June 2025 with no new updates coming to the September meeting.	
	The final report will be presented to the Joint Audit and Finance and General Purposes Committee on 08 December 2025 and then	
	coming to the Board of Management meeting on the 16 December 2025 for full approval.	
	Audit committee assessment of performance	
	The annual review of the performance of BDO was carried out by the Director of Finance and Estates in July 2025.	
	Closed Meeting	
	A closed meeting with internal auditors took place on 10 September 2024. The next one will take place on Monday 08 September 2025.	
Other work	Risk Management	
done		
	In December 2023 the Board of Management tasked the Audit Committee with the responsibility to monitor any future sales of the	
	Longman Site for the duration of 2 years, until December 2025.	
	Risk Register training was delivered by Director of Corporate Governance and Deputy Secretary during Creative Space on 10 September 2024.	

### Item 13.1

Opinion	The Audit Committee is of the opinion that the risk management of activities and controls in the areas examined by BDO were found to
	be suitably designed to achieve the specific risk management control and governance arrangements.
	The Audit Committee concurs with the (draft) opinion of BDO that (still to be included within report).
Circulation	Copy to the Auditors once approved by the Board of Management.
Conclusion	The Audit Committee is pleased to report to the Board of Management that in its opinion the College has adequate internal controls, procedures, and systems in place.
	Signed Chair, Audit Committee
	Date