AUDIT COMMITTEE
Minutes of Meeting held on
Tuesday 21 October 2025
At 1.30pm in the Boardroom and by MS Teams

Present:

Caroline Webster (Convener)
Jessie McLeman
Jolene Young

In Attendance:

Murray Easton
Derek Duncan
Eleanor Melton (Clerk)
Alex Hastings (Minutes)
Michaela Munro (via MS Teams)
Sean Morrison (BDO – via MS Teams)
Grenville Johnston
Sarah McGavin (Deloitte – via MS Teams)
Yasmine Rasmussen (Deloitte – via MS Teams)

Item		Action	Date
A.25.03.01	**(i) Resignations**		
1.1	Resignations were received from James Walls.		
	(ii) Appointments		
1.2	Caroline Webster was appointed as Interim Convener for Audit Committee. Ralph Luck was appointed as a interim member.		
A.25.03.02	**Apologies for Absence**		
2.1	Apologies were received from Ralph Luck.		
A.25.03.03	**Any Additional Declarations of Interest including specific items on this Agenda**		
3.1	There were no additional declarations received.		
A.25.03.04	**Draft Minutes of Audit Committee meeting held on 3 June 2025**		
4.1	The minutes of the meeting held on 3 June 2025 were accepted as a true and accurate record: Proposed: Jessie McLeman Seconded: Grenville Johnston		
A.25.03.05	**Matters Arising from Audit Committee meeting held on 20 February 2025**		
5.1	**4.1** – Complete		
5.2	**6.2** – This action will be discussed as part of item A.25.03.06.		
5.3	**7.1** – Complete		
5.4	**7.4** – On today's agenda.		
5.5	**10.1** – action carried forward.	**MM**	**Next meeting**
5.6	**11.1** – Update to be provided within A.25.03.11.		
5.7	**12.1** – Complete		

A.25.03.06	**Risk Management**		
	(i) Risk Update		
6.1	Murray supported the paper, highlighting that following SLT review, it was recommended that the BE Hub's risk profile was upgraded. Murray provided two further issues for the Committee to note, being the MEEIC project and the UHI Transformation process. With regards to the MEEIC project, a decision is yet to be communicated on the Council's preferred project to support. It was noted that the Principal is continuing to prompt this matter. Derek and Murray advised that a report will be provided for the risk deep dive on the College estate at the next meeting. With regards to the UHI risk management process, Murray stated that a meeting has been arranged for this week to look at proposals. The Committee will be presented with the proposal and if this is not supported, the College could look at using its own process. Jessie queried why the risk profile for Board Governance was rated as such, adding that the recruitment issue appears more acute than presented. Murray explained that recruitment was highlighted as an issue in the last meeting in order to notify the previous Chair of the Board of the Committee's concerns. The risk profile has since reduced due to the Interim Chair's efforts, specifically in recruiting a SIM. The Committee discussed the need to raise the profile of recruitment, with Grenville making a proposal for the Clerk to liaise with the College's marketing team. Jolene suggested that the social media advertisement is set apart from the regular job recruitment postings, as they are advertised identically on UHI Moray sites. Jolene also suggested approaching accountants in the area to remedy the lack of Audit Committee members.		
ACTION	Clerk to liaise with marketing team regarding Board recruitment recommendations.	**EM**	
	(ii) BEH Update		
6.2	Murray supported the paper, providing an update on the news that PfP has withdrawn from the project. The Committee discussed the implications and options going forward. Murray advised that there is a potential exposure on the capital funding side if there is a delay, due to the funding agreement with HIE.		

	The Committee noted this update.		
A.25.03.07	**Internal Audit - BDO**		
	(i) Progress Report		
7.1	Sean provided the paper, advising that the draft report of the Board Effectiveness audit was issues, with feedback provided from the College. With regards to the procurement audit, Sean summarised engagement challenges over the summer period. The Committee noted the lessons learned from this exercise. Murray highlighted the significant FTE downsizing of staffing, mixed with the UHI Transformation process amongst other factors contributing to commitment challenges, adding that Sean has been receptive of this. Sean reassured the Committee that at this stage, there are no red rated action significant ratings. With regards to the audit plan, Sean advised that due to further delays with the MGD projects, the audit will not be completed in Q2. The Committee agreed to consider a revised audit plan at the next meeting. The Committee noted this update.		
ACTION	Sean to present a revised audit plan for the Committee's consideration at the next meeting.	**SM (BDO)**	**Next meeting**
A.25.03.08	**External Audit Update - Verbal**		
8.1	Sarah provided an update, advising that there have been no major findings, although fieldwork is still ongoing. Sarah added that the accounts are yet to be received, however, both the College and Deloitte are on track with this. Jessie asked if Deloitte could provide an audit plan and timeline with regards to the wider scope audit. Michaela and Sarah stated that the plan was agreed in a verbal discussion however, a formal plan can be presented. Michaela advised that in this year's audit, the fieldwork has gone a lot smoother, with better communication between the College and Deloitte. The main audit fieldwork is scheduled to start on 27 October. Following discussion, Sarah assured the Committee that long lead items will not cause issues. Murray reiterated that Deloitte are already ahead in terms of the wider scope audit, which is in a good position. The Committee noted this update.		

A.25.03.09	**Review of College Policies**		
9.1	Derek supported the paper, welcoming questions from the Committee. Jessie asked for further information on the addition of the Physical Contact Policy. Derek explained that this is based on incidents on campus, with a view to support and protect staff. Derek added that the view of other partners is to look at adopting the College's policy once approved, due to there being no general one from UHI and limited supporting information. It is hoped that this policy is presented to the Staff Governance Committee in November. Jessie queried the Gift, Hospitality and Entertainment Policy awaiting approval from F&GP Committee, as it was previously an Audit Committee function. It was agreed that this would be changed back.		
ACTION	Gift, Hospitality and Entertainment Policy to be moved to Audit Committee.	**DD**	
A.25.03.10	**Physical and Cyber Security Update**		
10.1	Derek's update was noted by the Committee. The Committee discussed updates to the implementation of Martyn's Law.		
A.25.03.11	**Governance - Verbal**		
11.1	Governance was discussed in the risk item on the agenda.		
A.25.03.12	**Emerging Issues**		
12.1	Murray informed members of a discrepancy identified in petty cash funds on campus. The F&GP Committee will have further insight into the issue, with the plan being to hold only one petty cash fund on campus. Murray provided an update on UHI Transformation developments, raising concerns with the pace of the project. Concerns are growing that at the November Board meeting, members are asked to approve an FBC in its final form, whilst numerous queries remain outstanding. The Committee noted the significant work requested in data returns from staff and discussed how to take forward concerns. It was agreed that Grenville will raise a formal account of concerns to the Board at the next meeting. The Committee discussed an additional request for payment from Deloitte based on previous years' audit complications. The Committee endorsed Murray's proposal to approach Audit Scotland with a counteroffer.		

ACTION	Grenville to raise UHI Transformation concerns as Chair at the next Board meeting.	**GJ**	
A.25.03.13	**Date of Next Meeting –** 4 December 2025		
RESERVED ITEMS			
A.25.03.14	**Draft Reserved Minutes of Audit Committee meeting held on 3 June 2025**		
15.1	This item is reserved, and the minute held in confidence.		
A.25.03.15	**Reserved Matters Arising from Audit Committee meeting held on 3 June 2025**		
16.1	This item is reserved, and the minute held in confidence.		
	Meeting closed at 15.35pm		