**AUDIT COMMITTEE**
**Minutes of Meeting held on**
**Thursday 4 December 2025**
**At 10.10am in the Boardroom and by MS Teams**

**Present:**
Ralph Luck (Convener)
David Patterson (Left at 10.50)
Jessie McLeman
Colin Watson (11.20 – 11.50)

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

| Item | | Action | Date |
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| **A.25.04.01** | **(i) Resignations** | | |
| 1.1 | There were no resignations received. | | |
| | **(ii) Appointments** | | |
| 1.2 | Ralph Luck was appointed as convener for today's meeting. | | |
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| **A.25.04.02** | **Apologies for Absence** | | |
| 2.1 | Apologies were received from Jolene Young and Caroline Webster. | | |
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| **A.25.04.03** | **Any Additional Declarations of Interest including specific items on this Agenda** | | |
| 3.1 | Derek and Colin declared the Estates Deep Dive in item A.25.04.12 as an interest. It was agreed that Colin would join the meeting for this item. | | |
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| **A.25.04.04** | **Draft Minutes of Audit Committee meeting held on 21 October 2025** | | |
| 4.1 | Jessie sought clarification on the action for item A.25.03.06, stating that uploading Board member advertisements on the Scottish Government's Public Appointments website was not captured in the minutes. El explained that the action was noted as part of the liaison with the marketing team regarding Board recruitment, but this could be updated if necessary.<br><br>Following the agreed amendments, the minutes of the meeting held on 21 October 2025 were accepted as a true and accurate record:<br>Proposed: Jessie McLeman<br>Seconded: Grenville Johnston | | |
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| **A.25.04.05** | **Matters Arising from Audit Committee meeting held on 21 October 2025** | | |

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| 5.1 | **<u>10.1</u>** – Action carried over from previous meeting– Complete | | |
| 5.2 | **<u>6.1</u>** – Complete | | |
| 5.3 | **<u>7.1</u>** – Complete | | |
| 5.4 | **<u>9.1</u>** – Complete | | |
| 5.5 | **<u>12.1</u>** – Complete | | |
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| **A.25.04.06** | **Governance** | | |
| | **(i) Statement of Compliance with Code of Good Governance Checklist – Review of College Report for AY 2024-25 - RESERVED** | | |
| 6.1 | This item is reserved, and the minute held in confidence. | | |
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| **A.25.04.07** | **Risk – Update – RESERVED** | | |
| 7.1 | This item is reserved, and the minute held in confidence. | | |
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| **A.25.04.08** | **Internal Audit - BDO** | | |
| | **(i) Annual Report 2024-25** | | |
| 8.1 | Sean's report was noted by the Committee. | | |
| | **(ii) Follow-Up Report 2024-25** | | |
| 8.2 | Sean supported the paper, providing an update on implementation stages of the 20 recommendations made by BDO.<br><br>With regards to Risk Management, Murray advised that a meeting was held with a presentation provided by UHI EO on a spreadsheet/app accessible on SharePoint. Following this, feedback was given and there was due to be a further meeting to determine whether this new system would be adopted. This meeting has now been rescheduled for January, with implementation of the system expected in March 2026.<br><br>The Committee noted this update. | | |
| | **(iii) Progress Report 2025-26 Audits** | | |
| 8.3 | Sean supported the paper, reporting that the Data Protection audit is close to being completed.<br><br>Sean pointed out that the Moray Growth Deal projects are further delayed and suggested that the Committee choose a different audit to work on within the year. It was agreed that Sean would report suggestions at the next meeting, with the Committee to review and update the programme. | | |
| **ACTION** | Sean to report back suggested audit themes to replace the MGD projects, with the Committee to review the programme for the year. | **SM (BDO)** | **19-02-2026** |
| | **(iv) Purchasing Audit Report** | | |
| 8.4 | Sean's report was noted by the Committee. | | |
| | **(v) Board Effectiveness Audit Report** | | |
| 8.5 | Sean's report was noted by the Committee. | | |

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| | Grenville advised that all Board Chairs across the partnership have been asked to provide a report on Board Effectiveness, which will be submitted to the RSB and the SFC. Grenville added that appraisals on Board members are planned to be completed by the end of January. Sean was asked to amend the completion date for appraisals in the report to be changed to the end of February.<br><br>The Committee noted this update. | | |
| **ACTION** | Sean to amend the completion date for appraisals in the report to be changed to the end of February. | **SM (BDO)** | |
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| **A.25.04.09** | **Internal Audit – Wylie Bisset** | | |
| | **(i) Credits Audit 2023-24** | | |
| 9.1 | This paper was noted by the Committee. | | |
| | **(ii) Student Support Funds Audit 2023-24** | | |
| 9.2 | This paper was noted by the Committee. | | |
| | **(iii) EMA Audit 2023-24** | | |
| 9.3 | This paper was noted by the Committee. | | |
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| **A.25.04.10** | **Policies Due for Review 2025-26** | | |
| | **(i) Status Update** | | |
| 10.1 | Derek supported the paper, advising that policies will be updated by the close of session in June 2026. Jessie asked when the Audit and F&GP policies are expected to be completed. Derek stated that the end of March is a realistic target.<br><br>Murray advised that the financial policies have evolved over time and require redrafting. At this point the work is going to be a short fix patch-up, but more work will be required further down the line.<br><br>The Committee noted this update. | | |
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| **A.25.04.11** | **GDPR and Cyber Security Annual Review** | | |
| 11.1 | Derek supported the paper, advising that data breaches in the main are down to the improper use of emails, adding that luck plays a part in there not being a serious breach.<br><br>Sarah and Sean suggested that the College adopts controls in place at Deloitte and BDO, such as time delays on emails so that staff can review what they are sending for accuracy. Derek advised that controls sit at UHI level, but these suggestions could be fed back.<br><br>The Committee noted this update. | | |
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| **A.25.04.12** | **Emerging Issues** | | |
| | **(i) Estates Deep Dive** | | |
| 12.1 | Derek supported the paper, welcoming questions from members.<br><br>Jessie queried how much longer can the College continue to operate with old technology, especially when considering medium to longer term risk management. Derek advised that the condition survey stated £3.9m worth of work is required across all campuses.<br><br>Colin stated that the Estates Team is constantly in crisis, with staffing a huge issue as well as there being a lot of obsoletion across campus.<br><br>Jessie asked for an update on developments with regards to Martyn's Law, which will be effective from April 2027. Derek advised that the College is currently rated in the enhanced tier, although this has not been officially confirmed, this is determined based on campus capacity. Sarah asked if the College could ask for an exemption on this. Derek stated that this could be investigated, as the rating is purely circumstantial based on capacity.<br><br>Jessie queried curriculum areas being responsible for servicing plant equipment used for teaching, adding that there is discomfort with parts of the College estate not being managed by estates. The Committee agreed that this should be managed centrally and recommend that SLT look into changing this. Colin added that there is no estates database such as an asset management system for the team to use. Jessie queried if UHI had one. Colin explained that the situation appears to be worse across the partnership. Derek added that partners do not have money to invest in a database.<br><br>The Committee noted the significant risks to be managed and recommended that this paper be shared with the Board. | | |
| **ACTION** | SLT to investigate the feasibility of Estates managing the servicing of departmental plant equipment. | **SLT** | |
| **ACTION** | Estates Deep Dive paper to be shared with the Board. | **EM** | |
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| **A.25.04.13** | **Date of Next Meeting – 19 February 2026** | | |
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| **RESERVED ITEMS** | | | |
| **A.25.04.14** | **Draft Reserved Minutes of Audit Committee meeting held on 21 October 2025** | | |
| 14.1 | This item is reserved, and the minute held in confidence. | | |

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| **A.25.04.15** | **Draft Annual Report to the Board from the Audit Committee - Verbal** | | |
| 15.1 | This item is reserved, and the minute held in confidence. | | |
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| | *Meeting closed at 12.30pm* | | |