

## News release

For immediate release

# Financial management must improve at UHI Perth

**UHI Perth has started to address weaknesses in its financial management after recording a £2 million deficit in 2023/24, but it needs to do more.**

The college failed to produce a budget for 2023/24, significantly limiting the ability of senior leaders and the board to manage the college's financial position. There is no formal record of the board agreeing to not produce a budget.

The budget setting process was reinstated for 2024/25 and 2025/26. UHI Perth is reviewing its budgetary controls after a request from the college's board. Work is also ongoing to build capacity in the college's finance team and to finalise a financial recovery plan.

The college was impacted by a range of further issues in spring 2025, including:

- errors in the 2024/25 budget and cashflow calculation led to a request for emergency funding from the Scottish Funding Council
- the resignation of senior staff and board members, including the Principal and Chair of the Board
- the college's Air Services Training subsidiary entering administration.

Stephen Boyle, Auditor General for Scotland, said:

"Although UHI Perth has begun addressing its financial management and governance weaknesses, it needs to continue to work with the University of the Highlands and Islands and the Scottish Funding Council to strengthen how the college operates.

"That needs to be done alongside finalising and implementing a robust financial recovery plan."

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## Notes to Editor:

**1.** UHI Perth's director of finance resigned in April 2025, and the principal resigned in May 2025. Five members of the Board of Management, including the chair, also resigned, between April and May 2025. One board member who resigned in April 2025 was subsequently re-appointed in June 2025. These developments and their impact will be covered as part of the forthcoming 2024/25 annual audit of the college.

**2.** UHI Perth has taken steps to fill senior management and board vacancies following resignations in 2025. The college appointed a new interim principal in May 2025, and this appointment has been extended to the end of July 2026. The college also appointed an interim director of finance in June 2025. UHI's vice-principal for strategic projects joined the UHI Perth senior leadership team in a temporary, part-time advisory role for the month of June. The college is making changes to its leadership structure and is in the process of recruiting a new deputy principal and a chief financial officer to support this.

**3.** The Board of Management appointed an interim chair in April 2025, and this appointment has been extended to the end of July 2026. New appointments have been made to the board, subject to the approval of UHI. The board has also appointed a new chair of the Audit Committee.

**4.** The Auditor General has prepared the report on UHI Perth's 2023/24 accounts under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament's and the public's attention matters of public interest related to the financial statements of public bodies.

**5.** Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

**6.** Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit.scot](http://www.audit.scot)

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
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**ENDS**