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AUDIT & RISK COMMITTEE

12 February 2026

Information update

1.0 PURPOSE OF PAPER
For information

1.1 To provide the Committee with an update on a number of areas which are being monitored and areas where work is progressing. Full reports on the individual areas will be tabled as decisions and actions are required.

2.0 EXECUTIVE SUMMARY

2.1 Technical bulletins are issued on a regular basis from Audit Scotland and highlight key changes which will impact on the Annual Report and Financial Statements. The key items are detailed in the report and the bulletin is contained in Appendix A.

3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

3.1 It is recommended the Committee note the information provided.

4.0 AUDIT SCOTLAND TECHNICAL BULLETINS

4.1 Audit Scotland regularly issue technical bulletins to all external audit firms involved the audit of public sector organisations. These are reviewed to ensure the College is aware of possible changes to the Annual Report and Financial Statements. It also aids awareness of up and coming issues which maybe widen the scope of auditor's investigations.

4.3 The Technical Bulletin 2025/04 issued on 18 December. The areas relevant to the college sector are summarised below and the full bulletin is contained in Appendix 1. These will all affect the annual report for 2025/26.

Area of relevance	
Statement of recommended practice: Accounting for further and higher education 2026 edition published	Changes to recognition of leases in the annual accounts
Statement of recommended practice: Accounting for further	Introduction of five step model for recognising revenue from contracts with customers

and higher education 2026 edition published	
Statement of recommended practice: Accounting for further and higher education 2026 edition published	Augmenting further the requires for environmental, social and governance practices to be included in the annual report

Kirsty Robb, Vice Principal Finance & Corporate Services

Previous Board or College Committee Approvals: Audit & Risk Committee, 9 September 2025.

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