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Audit & Risk Committee

Meeting at 17:00 Thursday 21 May 2026

via TEAMS

ACTIONS

Item	Action	Responsibility and Date	Action Status
28/26	Section 3.6 of Procurement Policy, specific Director roles and Sector Areas to be included aswell as any additional amendments from members (if any)	VP F&CS 17 September 2026 (Next A&R C)	
37/26	Share positive feedback with relevant staff involved in the preparation of the papers for A&R Committee 21/05/26	VP F&CS Principal 17 September 2026 (Next A&R C)	

Audit & Risk Committee

Meeting at 17:00 Thursday 21 May 2026

via TEAMS

MINUTES

ITEM	MINUTE
Present **In Attendance**	Dave Roberts (Chair) Mark Cockburn Robert Punton Hilary Broatch Lindsey Hastie Siobhan Archibald (Wbg) Chris Brown (Azets) Ingrid Earp (Board Secretary) Ray McCowan (Regional Board Chair) Lynn Murray (Interim Vice Principal - Finance & Corporate Services) Pete Smith (Principal) Suzie Hartley (Minutes)
18/26	**Chair's Welcome** The Chair welcomed everyone, noting that this was L Murray's (Interim Vice Principal – Finance & Corporate Services) first meeting. A round of introductions was carried out.
19/26	**Declaration of Conflict of Interest** No conflicts were identified.
20/26	**Register of Members' Interest** There were no additions to the register.
21/26	**Apologies for Absence** Apologies were noted from Gordon Donald.
22/26	**Minutes of Previous Meeting held on 12 February 2026 (Paper A)** The minutes from the previous meeting held on 12 Feb were approved as accurate.
23/26	**Matters Arising** **07/26** Safeguarding process/awareness to be discussed with BCSA as soon as possible (Director of Student Support) – BCSA raised this with the Director of Student Support Services, who confirmed that while the college provides information on how to report safeguarding concerns - including through a Student Support Officer, Student Advice Centre, Course Tutor, or the Report for Support process - it is recognised that these routes could be more explicitly linked to safeguarding and more

	could be done to promote these. This will be incorporated into induction communications at the start of term and throughout the year. **15/26** - Audit Committee agendas will be reviewed to identify opportunities to spread papers more evenly throughout the year (Board Secretary & Chair) – the Chair acknowledged that he and the Board Secretary will look to action this as best they can. - The suggestion of a less formal pre-meeting including College Executive will be discussed further (Board Secretary & Chair) – the Chair expressed concerns around the informality and lack of minutes required, which may cause issues and proposed therefore not to hold these. All agreed.
SECTION A – ITEMS FOR DECISION	
24/26	**<u>Internal Audit Plan (K Robb, Paper B)</u>** S Archibald confirmed that the Internal Audit plan has been reviewed as part of the annual process and no changes were proposed. It was noted however that EMA has been removed from the plan as an audit is no longer required in this area. Consideration will be given to how the surplus days for 2027/28 can be utilised. Planned reviews include funding, estates, environmental arrangements and financial systems. The estates review will consider whether appropriate arrangements are in place, including formal strategic planning and liaison with contractors. The environmental review will focus on arrangements relating to ESG, including compliance with relevant frameworks, adequacy of resources, and the robustness of data collection and sustainability planning. The financial systems review will assess high-level financial controls, including purchasing, income, cash handling and fixed assets, supported by analytical review and sample testing to confirm that systems are operating effectively and controls are sufficient. An annual follow-up review will also be undertaken to ensure that recommendations from 2025/26 have been implemented within agreed timeframes. Three audit visits are proposed, with all audits fully planned and training opportunities available. The report details a summary of internal audit activity since 2014/15, demonstrating consistently strong assurance levels, with most audits graded green and all recommendations followed up. A rotation of the audit team has also taken place to ensure independence and a fresh perspective. Clarification was provided on the relationship between internal and external audit, confirming that while there may be some overlap in areas such as testing of controls, external audit does not place formal reliance on internal audit work and conducts its own independent procedures. The Board Chair queried whether additional areas could be considered within the financial systems and controls review; it was noted that this

	could be explored, although would likely require additional audit days/cost. This will be considered further outwith the meeting. The proposed reporting timetable was discussed, noting the need to ensure sufficient time to review and respond to draft reports ahead of Audit & Risk Committee meetings. S Archibald acknowledged that timelines are often tight but confirmed that reports can be issued earlier where possible and may be brought back to the Committee if required. The Committee was content to approve the Internal Audit Plan.
25/26	**<u>External Audit Plan (K Robb, Paper C)</u>** Interim Vice Principal Finance & Corporate Services provided a brief overview before inviting C Brown (External Auditor) to present the plan in more detail. Two key risks were highlighted in relation to the preparation of the draft financial statements. Recent staffing changes within the finance team were highlighted, including the resignation of a 0.5 FTE shared Finance Controller tasked with preparing the financial statements (appointment of a short-term replacement is being considered to ensure cover) There is also a risk of loss of corporate memory due to staffing changes – no one currently in post has prepared the financial statements for the College previously. The proposed audit timetable was acknowledged to be tight, particularly in relation to fieldwork and the turnaround of comments prior to Board approval. Members reflected on similar timing pressures experienced in the previous year and sought assurance that sufficient time would be available for the Executive to respond to audit findings. It was agreed that, while timelines remain challenging, they are manageable. The external Auditor outlined the audit plan, explaining the purpose - to identify significant risks that could result in material misstatement. These include risks of fraud in relation to revenue recognition and expenditure, as well as sector-specific risks such as valuation of land and buildings, pension assets or liabilities, and provision for Netherdale lifecycle costs. It was noted that this is the fourth year of a five-year audit cycle, with no new significant risks identified. The only additional requirement this year is a Best Value review, as requested by Audit Scotland, which will consider fairness and equality across the client portfolio. No issues are anticipated in this area. It was acknowledged that the most significant challenge is finance team capacity, although sufficient time remains to address this. A relatively large gap between the Audit & Risk Committee and Board meetings and further time before the final deadline, should provide flexibility however. C Brown reassured that they would support the College to facilitate timely completion of the audit. The Board Chair sought an update on the assessment of financial sustainability risk across the sector, noting previous concerns and recent discussions regarding potential government support for colleges in the event of insolvency. C Brown confirmed that there has been no significant change in the overall position, with financial sustainability continuing to be recognised as a sector-wide risk. This is typically

	assessed as amber, with financial pressures increasing year on year. The matter will continue to be considered as part of the audit process. The Committee approved the External Audit Plan as presented.
26/26	**<u>Business Continuity Plan review (K Robb, Paper D)</u>** Interim VP for Finance and Corporate Services briefly outlined K Robb's paper, noting that minor amendments had been made to reflect changes to job titles, which have been tracked within the document. The main legislative development relates to Martyn's Law, and the College will continue to monitor progress in this area before making any further amendments to the plan. Members noted the update and approved the Business Continuity Plan.
27/26	**<u>Review of Financial Regulations (K Robb, Paper E)</u>** Interim VP for Finance and Corporate Services spoke to K Robb's report, highlighting that minor amendments had been made, including an increase to the threshold for gifts and hospitality from £20 to £30. Furthermore, references to the Director of Finance and Procurement have been removed, alongside updates reflecting the rebranded 'Leadership Forum' and the revised Procurement Policy. Committee noted the changes and were content to approve the revised Financial Regulations.
28/26	**<u>Procurement Policy (K Robb, Paper F)</u>** Interim VP for Finance and Corporate Services summarised K Robb's paper which details the three-yearly review of the Procurement Policy. Updates reflect recent changes, primarily in relation to financial thresholds, with advice provided by APUC. The policy had been considered by the JCCP at its recent meeting, where no comments were raised. Section 3.6 of the policy was discussed, in particular the reference to Directors. Clarification was provided regarding the roles included, such as Director of Student Services and relevant Heads of Faculty and Departments. It was noted that this section requires further updating, and members were invited to provide any additional comments following the meeting which will be incorporated. **ACTION: Interim VP F&CS** The Committee approved the Policy, subject to the amendments outlined above.
29/26	**<u>Terms of Reference (I Earp, Paper G)</u>** The Board Secretary advised that the ToR's for this Committee were substantially revised a few years ago and asked members if they had any further changes to make. The Committee had no further amendments and approved the document.

SECTION B – ITEMS FOR DISCUSSION	
30/26	**<u>Audit Recommendations Monitoring (K Robb, Paper H)</u>** All four internal audit risk recommendations have been completed and await confirmation at the follow up in March 2027. One external audit recommendation is noted which is also complete and awaiting confirmation at follow up in October 2026. Four data breaches were reported since the last update to committee, all of which have been fully investigated and actions completed. The timing of addressing outstanding audit risks was discussed and an acknowledgment that actions are completed well in advance of the audit and included as part of the audit process.
31/26	**<u>Strategic Risk Register (K Robb, Paper I - presented by L Murray)</u>** All risks were noted as remaining within the agreed risk appetite, except for financial sustainability, which continues to present a challenge. No significant changes have been made to the register since the previous review. The Committee discussed the financial sustainability risk, including whether recent increases in funding allocations may reduce or mitigate the level of risk. It was noted that, while there have been some positive movements in grant funding, it remains too early to reflect this within the risk assessment as the College continues to work through its budget position and wider financial pressures. It was further noted that, although some mitigation has been applied previously, longer-term financial sustainability remains uncertain beyond the current financial year. The Committee reflected that the risk relating to the budget has remained consistently high for a prolonged period and is likely to continue at this level, reflecting a sector-wide position. While it was acknowledged that maintaining a high-risk rating over time may lead to a degree of fatigue, it was agreed that it remains appropriate to highlight this as a key strategic risk, particularly in the context of delivering national policy objectives. The Committee noted the update, welcomed the discussion, and agreed to continue to monitor the position closely.
SECTION C – ITEMS FOR INFORMATION	
32/26	**<u>Annual Procurement Report (K Robb, Paper J - presented by L Murray)</u>** It was noted that, while there is no requirement for the report to be published, the College does so in line with good practice. The report confirmed there had been no compliance breaches during the reporting period and provided a positive overview of procurement activity. The Committee noted the report.
33/26	**<u>Annual Register of Gifts (K Robb, Paper K - presented by L Murray)</u>**

	The report notes that two offers of hospitality had been approved and one declined during the last reporting period, in accordance with the policy. One gift had also been received. Members noted the Register.
34/26	**<u>Information Update (K Robb, Paper L - presented by L Murray)</u>** Technical bulletins are issued regularly from Audit Scotland highlighting key areas of change impacting the Annual Report and Financial statements. The paper provides committee with a summary of the areas being monitored and progressed following the issue of March's bulletin, noting Climate Change guidance and Trade Union facility time disclosures as areas of relevance for this period.
35/26	[redacted]
36/26	**<u>Papers for Publication</u>** Board Secretary confirmed there were no concerns around publicly sharing any of the papers from today's meeting and that anything confidential would not be shared.
37/26	**<u>Any Other Business</u>** The Committee reflected on the effectiveness of the meeting and the quality of papers presented. - Interim VP Finance & Corporate Services noted the meeting aligned with similar committees in other organisations. - The papers were considered well written and comprehensive, reducing the need for extensive discussion. - content of papers was recognised as clear, well-structured and addressed key points effectively, enabling members to review materials without the need for detailed questioning. - Particular praise was given to the Strategic Risk Register, which was highlighted as being especially clear and easy to understand, with a strong articulation of risks and mitigating actions.

	An offer was made to provide support and guidance in relation to Martyn's Law, which was welcomed. Vice Principal Finance & Corporate Services and the Principal will share positive feedback with staff involved in the preparation of the papers. **ACTION: VP F&CS / Principal**
37/26	**<u>Date of Next Meeting</u>** The next meeting is scheduled for 5pm on Thursday 17 September 2026 online.

Signed…… **Signed…….**

Chair **Board Secretary**