# **logo_colourBOARD OF MANAGEMENT**

**Audit and Risk Committee** **Tuesday 4 March 2025**

**at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams**

Minute of the Audit & Risk Committee meeting held on Tuesday 4 March 2025 at 5.00pm in Room K-TO-624 Kingsway Campus and via Microsoft Teams.

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| **PRESENT:** | Helen Honeyman (Chair Audit) | Derek Smith |
|  | Margo Williamson | Kelly McIntosh |
|  | Ged Bell | Richard Gordon |
|  | Laurie O’Donnell (for independent session) | Brian Lawrie (for independent session) |

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| **IN ATTENDANCE:** | David Archibald (Henderson Loggie) | Michael Speight (Forvis Mazars) |
|  | Andy Ross (Director of Infrastructure) |  |
|  | Steven Taylor (Vice Principal Support and Organisation)  |
|  | Nicky Anderson (Director of Finance) |
|  | Penny Muir (Board Administrator) |
|  | David Robertson (HEFISTIS) |  |

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|  | **MEETING WITH AUDITORS & COMMITTEE MEMBERS WITH BOARD AND F&P COMMITTEE CHAIRS**An independent meeting was held with the College auditors and Audit and Risk Committee members with the Board Chair and Chair of the Finance and Property Committee also in attendance.L O’Donnell and B Lawrie left the meeting after this item. |
|  | **WELCOME** H Honeyman welcomed everyone to the Audit & Risk Committee meeting and extended a warm welcome to Kelly McIntosh and Richard Gordon on their attendance at their first Audit & Risk Committee meeting. |
|  | **APOLOGIES**Apologies were noted from Matthew Beattie and Jackie Buchanan. |
|  | **DECLARATIONS OF CONNECTION & INTEREST**David Archibald noted his interest in terms of Henderson Loggie in respect of the procurement of audit services. This was noted |
|  | **MINUTE OF THE PREVIOUS MEETING** The minute of the Audit & Risk Committee meeting held on 3 December 2024 was approved as an accurate record. |
|  | **MATTERS ARISING**The procurement of internal audit services was noted as an item for the June meeting. All other matters arising are now closed. |
|  | **HEFISTIS CYBER RISK & MATURITY REPORT**D Robertson provided a report on the progress of cyber security assurance work, aligning it with the new PCRS framework. The transition is now complete, with a focus on policies, procedures, and evidence across the college, aligning this with Scottish Government expectations, though potential political changes may impact future requirements.D Robertson highlighted the updated guidance and a baseline compliance of 50% required in Tier 1 and Tier 2. It was noted that a scorecard system would be introduced to improve clarity. The first Tier 1 scorecard indicated high compliance, with scores generally of 90% and above. Categories A and B were assessed at the highest compliance level, while service resilience and supplier management were rated C, requiring ongoing monitoring. Feedback on HR policies, systems, and governance showed strong implementation across the college. In Tier 2, supplier and media management required further attention, with estates feedback scheduled for that quarter. D Robertson highlighted some signoffs and implementations were still in progress.D Robertson highlighted that the combined scorecard reflected a very robust security position across standard and advanced security controls. Organisational security was well-established, ensuring a quick recovery in the event of cyber incidents. Incident prevention and management remained key priorities, with each section providing narrative explanations for the scores.Recommendations indicate that while digital transformation is nearing completion, some areas require further development. Strong maturity levels and effective controls are in place, with a recommendation to finalise ongoing work before progressing to the next stage. Key areas of focus include supplier management, service resilience, and media management, with additional efforts needed to monitor student device security. D Robertson stated the planned work for the year includes supporting teams in these areas and assisting with necessary exercises.Two future considerations were noted. Firstly, D Robertson highlighted that AI is not currently included in standard public security reporting, and further work on AI strategies for third-party suppliers will be provided for consideration. Secondly, potential adjustments to scoring methodologies may be necessary due to high compliance levels, with powerful metrics underpinning future assessments.The college’s maturity posture is strong, and its risk level remains low. D Robertson discussed the maintenance of continuous cyber security should be documented and shared for audit purposes; however, the risk-based approach is of the highest standard, with local updates required for documentation, but no concerns raised for the board.G Bell commended the integration of cyber security across the organisation, noting that supplier management remains a key focus for vigilance. R Gordon emphasised the importance of cultural change in adopting a security-first approach across all functions of the college. M Williamson praised the report, recognising the rapid advancements in cyber threat and the substantial efforts involved.H Honeyman highlighted the college’s strong position in cyber awareness, acknowledging challenges in staying ahead of evolving cyber threats, particularly with AI. Appreciation was expressed for the ongoing efforts of all of those involved.D Robertson reported that the college remains at the forefront of cyber security, ranking among the top institutions in Scotland. He emphasised the need to continuously adapt to new threats to maintain this position.H Honeyman expressed appreciation for the outstanding report and extended thanks to the team for their success and ongoing efforts.The report was noted.**Top of Form****Bottom of Form** |
|  | **EXTERNAL AUDIT*** 1. **Forvis Mazars Annual Audit Report**

Discussions took place on the audit report and actions within the independent meeting with the auditors prior to the Audit and Risk meeting commencing. From this discussion the following points were noted for progression by **S Taylor and N Anderson.*** Thanks to be passed to N Anderson and the team for their work in finalising the accounts in challenging circumstances.
* Consideration to be given to short-term support for the team to get the capital accounting records and approach revised in time for the 2024/25 audit. It was noted that Henderson Loggie have offered support on this.
* Create a lessons learned/improvement plan based on the points identified and wash up meeting with Forvis Mazars so that arrangements for the 2024/25 audit are clearer.
* Consider inclusion or amendment of a risk for the Strategic Risk Register around capital accounting and any future delay in accounts finalisation.
	1. **Financial Statements for the year ended 31 July 2024**

Discussions took place on the audit report and actions within the independent meeting with the auditors prior to the Audit and Risk meeting commencing.From this discussion the annual accounts were noted for approval through the arrangements agreed at the Board of Management meeting on 13 December 2025. |
|  | **INTERNAL AUDIT*** 1. **Staff Development**

D Archibald presented a positive report, with a focus on CPD and the workforce planning element. The workforce plan was in place, and progress had been made on refreshing this for 2025. Key elements were not expected to change dramatically, but the mechanism to identify skills gaps and training needs was deemed crucial. D Archibald stated that this included academic staff, particularly those without teaching qualifications, and that a broader training programme had been developed. Ongoing discussions and support mechanisms for both academic and non-academic staff were in place.In terms of succession planning, an exercise had been conducted to identify business-critical personnel, both within and outside the college, with particular skills that would be missed if absent. This aimed to build resilience and prevent a loss of knowledge or operational capacity.Three areas of work were identified as being in progress: the workforce plan, the communications project which focused on digital delivery and learning, and the integration of technology. A baseline of expertise for all staff was being established, with a completion target of August 2026.The final area of focus was on building upon the existing ITrent system to hold training records. There were no significant control issues, and no recommendations were made at this stage.G Bell asked about the three actions and how the Committee should be assured that these actions had been followed up. D Archibald explained that the points noted were not recommendations but were presented for information and that he wanted to avoid recording actions that simply noted ‘continue to do what you are doing.’ S Taylor noted that there could be points noted in an audit that were not of sufficient significance to merit a recommendation or action and that this should act as reassurance that arrangements in place were sound. S Taylor provided an update on the progress of the workforce plan, stating that an updated draft had gone to the HRDC committee and was on the agenda for the SLT meeting on Thursday. The plan would be closed out after this conversation.Regardingthe ITrentmodule, progress was being made, though it had not yet been purchased. S Taylor highlighted that the communications project was underway, with A Mawhirt leading this effort, and that this wider work would be reported back to the HR committee. A new digital strategy was also being progressed, with this noted as an action in the proposed 2030 College strategy. M Williamson expressed satisfaction with the report, praising the focus on performance and professional development. She found the development initiatives reported via the Learning, Teaching and Quality Committee to be excellent and reassuring.K McIntosh raised the point of staff being more trauma-informed, particularly curriculum staff, given the presence of young people in the college and noted the focus around this at LT&Q discussions. S Taylor noted that this was included within the workforce plan and clarified that the terminology would be around the "changing learner" rather than trauma informed.H Honeyman commended the efforts to upskill staff where needed, highlighting the positive report.* 1. **Audit Progress Report**

D Archibald noted the progress made against the audit plan and highlighted a delay in the Payroll Audit at the request of the College. All other reviews were on track.H Honeyman thanked D Archibald for the update. * 1. **Procurement & Creditors Audit Progress**

N Andeson summarised the report noting that 7 of the 9 audit recommendations had been progressed, with the remaining two on target.D Archibald discussed the need for managers to be fully aware of the procurement processes they are responsible for and clarified that training is intended to help individuals understand their roles and the systems in place to support them.H Honeyman reinforced the idea that continual reinforcement of these processes is essential to ensure consistent understanding and compliance across the team.The report was noted. * 1. **Follow Up Summary**

S Taylor provided the usual summary of the audit recommendations, highlighting the progress made. He expressed satisfaction with the developments, noting that the majority of recommendations had been progressed and completed on target.H Honeyman acknowledged the positive progress and commended the efforts of all teams involved, recognising that achieving this level of implementation and progress is not an easy task. She extended a huge thank you to all teams for their continued work in moving recommendations and actions forward.H Honeyman thanked S Taylor for the report.  |
|  | **RISK MANAGEMENT POLICY**S Taylor discussed the risk appetite training for Board members and explained that the main output from this focused on aligning the risk appetite with the board’s objectives and identifying any necessary changes. Planned changes include updates to the risk management policy, which involves reorganising risk levels and creating a minor risk category. While the change is straightforward, significant work was done in the lead-up to this point.D Archibald acknowledged that some colleges have struggled to implement the changes, noting that while the system might appear complicated it was good to see this incorporated into College arrangements. D Archibald highlighted the importance of ongoing discussions about risk. H Honeyman expressed agreement, noting that the changes made sense and that she felt comfortable with the new approach.M Williamson raised a concern regarding the number of risks, questioning whether 28 risks were a lot to include and manage at a strategic level. In response, D Archibald explained that the risk appetite is scored based on risk categories rather than each individual risk and that whilst 28 risks may seem like a lot, some organisations have even more. The key, he noted, is having the right discussions around the actual risks, rather than the document or mechanism.Following some further discussion the changes were approved for implementation. **S Taylor to progress.**Bottom of Form |
|  | **STRATEGIC RISK REGISTER**S Taylor highlighted the changes in relation to implementation of the guidance around scoring. It was noted that this was approved at a previous meeting, and the focus is now on reviewing the scoring for individual risks. He stated the process has proven to be useful, with the main impact being a reduction in the overall scoring of a number of risks as marked on the register. This change does not reflect a shift in the actual risks themselves but rather resulted from clearer guidance on how each score was determined. S Taylor emphasised the Board will continue to focus on the ongoing financial sustainability, especially given that 80% of the budget is spent on staff, and the impact of this is a persistent concern.S Taylor highlighted that the RAAC risk remains unchanged but was stressed as an important ongoing issue.A review of the risk register showed an increase in risks related to estates infrastructure. Specifically, there is a £78 million backlog in maintenance across campuses, with ongoing concerns about the M&E infrastructure (particularly in the Clova building and the Kingsway campus). Given the increasing risks and costs, it was recommended that these two risks be escalated.H Honeyman thanked S Taylor for the update and following discussion the changes were approved. |
|  | **GARDYNE THEATRE ISSUE**The paper was for information only and was discussed. |
|  | **DATE OF NEXT MEETING**Tuesday 3 June 2025 at 5.00pm in K-TO-624.  |

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| **Action Point Summary** |  |  |
| **Action** | **Responsibility** | **Date** |
| Progress actions arising from Annual Audit Report:* Consideration to be given to short-term support for the team to get the capital accounting records, and approach revised in time for the 2024/25 audit. It was noted that Henderson Loggie have offered support on this.
* Create a lessons learned/improvement plan based on the points identified and wash up meeting with Forvis Mazars so that arrangements for the 2024/25 audit are clearer.
* Consider inclusion or amendment of a risk for the Strategic Risk Register around capital accounting and any future delay in accounts finalisation.
 |  N AndersonN AndersonS Taylor | 3 June 20253 June 20253 June 2025 |
| Finalise updates to Risk Management Policy |  S Taylor | 31 March 2025 |