

BOARD OF MANAGEMENT



Joint Audit & Risk and Finance & Infrastructure Committee

Tuesday 2 December 2025 at 5.15pm in room K-TO-226 and via MS Teams

Minute of the Joint Audit & Risk and Finance & Property Committee meeting held on Tuesday 2 December 2025 at 17:15pm in Room K-TO- 604 Kingsway Campus and via Microsoft Teams

PRESENT:

| | |
|------------------------|----------------|
| Helen Honeyman (Chair) | Stephen Oakley |
| Laurie O'Donnell | Brian Mooney |
| Brian Lawrie | Simon Hewitt |
| Ged Bell | Richard Gordon |
| Kirstin Marsh | Robert Young |
| Colin Smith | Jenna Lawrence |
| Derek Stewart | |

IN ATTENDANCE:

| | |
|--|--|
| Steve Taylor (Vice Principal) | Megan MacQueen (Executive Coordinator) |
| Holly Farningham (Finance Manager) | Nicky Anderson (Director of Finance) |
| Andy Ross (Director of Infrastructure) | Billy Grace (Head of Estates) |
| Michael Speight (Mazars) | Stuart Inglis (Henderson Loggie) |
| Konzekerani Chigwenembe (Mazars) | Ruth Holland (Mazars) |

1. WELCOME

H Honeyman welcomed members of the Joint Audit & Risk and Finance & Infrastructure Committees.

2. APOLOGIES

Apologies were noted from K McIntosh, D Mackenzie, D Smith, D Fordyce and C Cusick.

3. DECLARATIONS OF INTEREST OR CONNECTION

There were no declarations of interest or connection.

4. AUDIT LESSONS & IMPROVEMENT PLANNING UPDATE

N Anderson provided an update on the audit lessons and improvement planning. The plan was agreed in June 2025 and attached at appendix A. N Anderson asked all members to note that all improvements identified are complete with further actions detailed in section 4 of the report.

A key action had been identified while revising the Fixed asset Register and arrangements to revise this were in place and agreed with the auditors. N Anderson expects this will require a presentational change in the 2025/26 accounts but it should not affect the overall net book value of the assets.

B Lawrie asked if the word 'rigorous' could be removed from the risk register wording as could be misinterpreted. This was agreed. S Taylor to progress.

G Bell noted the low-level risks and praised the team on the progress made and asked what the likelihood is of completing the audit on time. N Anderson noted the audit is on time for completion and M Speight confirmed that there were only a couple of small points to finalise after discussions today.

M Speight noted it's a different situation compared to last year, adding the only item out with their control was a GTL letter has been rejected twice by the bank and this needs to be signed off for audit to be completed.

The paper was noted.

5. INTERNAL AUDIT ANNUAL REPORT

S Inglis provided a report for summary and paper is for approval, noting there are no areas for concern. The overall opinion of the report is that the College has adequate arrangements for promoting and securing value of money. The key risks for risk register were highlighted.

B Lawrie made observation re using government banking service under instructions from SFC. B Lawrie asked if there was a benefit for College using interest bank account. N Anderson confirmed this was raised at the Audit and Risk Committee and a separate bank account is used to generate interest.

The annual internal audit report was approved.

6. DRAFT FORVIS MAZARS ANNUAL AUDIT REPORT

M Speight noted that the report is almost there and is deemed to be complete.

It was noted that not all journals were subject to review and in theory a Bacs payment could have been made by one person who has access to the approval process. It was advised for the team to look at controls in place for Journals. Page 6 of report is the two significant findings and noted in report with BACs payment process and journals. Appendix A with the other recommendations and with further polishing the risks can become low.

M Speight noted that three areas of risk were identified. Controls of journals feeds into this and recommend the completeness review of journals and taken onboard. Job evaluation is another risk.

Financial management was identified as meeting all requirements, however financial sustainability was a concern across the sector and whilst it is a risk for the College, it is being managed..

Forecast shows a cash budget is in a deficit this year, with steps being taken to ensure the College is financially sustainable. The public reports from SFC and Audit Scotland were noted.

B Lawrie thanked College staff and auditors for working together and noted the technical impact that pensions assumptions had on the figures.

B Lawrie also asked about the RAAC financial impact and is this part of the financial sustainability within the report. S Taylor noted the RAAC situation needs individual attention due to the possibility for this to impact adversely on College finances. This had been highlighted to SFC and Scottish Government.

R Young asked if D&A was the only college in this position and asked if the College insurance covered any additional operating costs that may be incurred due to RAAC. N Anderson noted

that insurers won't cover these additional costs

B Grace noted that around five or six colleges and universities were affected.

B Lawrie praised an excellent report.

7. DRAFT FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2025

N Anderson summarised the financial statements and noted this is not for disclosure and not included in the minute. A correction to Board membership to include G Bell was identified and N Anderson will update and send to auditors to sign off.

8. DRAFT LETTER OF REPRESENTATION (WITHIN PAPER J)

N Anderson noted the ask is for Audit Committee members to recommend the draft Annual Accounts and Draft letter of Representation (included in the Forvis Mazars Annual Report (final), paper J page 58 to Board for approval on 9th December.

This was approved.

9. DATE OF NEXT MEETING

To be confirmed in 2025/26 Board Calander

Action Point Summary

| Action | Responsibility | Date |
|---|-----------------------|-----------------|
| Final minor changes to the Financial Statements to be made prior to approval by the Board of Management | N Anderson | 9 December 2025 |