

BOARD OF MANAGEMENT

Audit and Risk Committee

Tuesday 23 September 2025 at 5.00pm via MS Teams



Minute of the Audit & Risk Committee meeting held on Tuesday 23 September 2025 at 5.00pm on Microsoft Teams.

PRESENT: Helen Honeyman (Chair) Brian Mooney
Carri Cusick Richard Gordon

IN ATTENDANCE: David Archibald (Henderson Loggie)
Nicky Anderson (Director of Finance)
Steven Taylor (Vice Principal Support and Organisation)
Michael Speight & Konzekerani Chigwenembe (Forvis Mazars)
Penny Muir (Board Administrator)

1. WELCOME

H Honeyman welcomed everyone to the Audit & Risk Committee meeting and welcomed C Cusick and B Mooney to their first A&R meeting.

2. APOLOGIES

Apologies were noted from K McIntosh and D Smith.

3. DECLARATIONS OF CONNECTION & INTEREST

No declarations of connection and interest were noted.

4. MINUTE OF THE PREVIOUS MEETING

The minute of the Audit & Risk Committee meeting held on 3 June 2025 was approved as an accurate record.

5. MATTERS ARISING

All matters arising have been completed or are addressed in the current agenda.

6. INTERNAL AUDIT

6.1 Internal Audit Follow-Up Report

D Archibald presented the report, noting that there were no outstanding actions to be carried forward. He advised that a number of recommendations were considered but not implemented, citing the Sports Centre as an example, with the rationale for this approach set out in the report.

The procurement review was not taken forward as the team is using specified compliant procurement approaches that include local suppliers.

All recommendations have now been closed out.

H Honeyman commented on the quality of the report and expressed appreciation to all the teams involved, in particular S Taylor and N Anderson, for their efforts and the positive outcomes achieved.

The report was welcomed.

6.2 2024/25 Progress Report

D Archibald reported that two reviews had been deferred, including the budget monitoring 7 reporting review, in recognition of the ongoing work to support the fixed asset register, which was highlighted as an important area of focus. He also noted that the review relating to the digital strategy had been deferred, acknowledging that this was a sensible approach.

All other reviews were complete or on-track with the final reports for the remaining work to be presented at the next Audit and Risk Committee meeting in December 2025.

H Honeyman thanked D Archibald for the update.

6.3 2025/26 Draft Audit Plan

D Archibald presented the proposed three-year strategic internal audit plan for reappointment, noting that while the plan provides a framework through to 2027/28, it is not fixed and will be revisited in Year 2 (2026/27) and Year 3 (2027/28) to allow for adjustments as required. He confirmed that the plan is always brought to the Committee in draft form to ensure appropriate oversight and flexibility.

For 2025/26, two reviews have been carried forward from 2024/25, budget management and control review and the digital strategy work. The overall number of reviews for 2025/26 is intentionally limited, reflecting the allocation of four days to provide ongoing support for the fixed asset register work.

The proposed programme for 2025/26 has been discussed with management and is aligned with the College's key risks. It will continue to be presented in draft form to provide the Board with assurance and the opportunity to shape its development.

The Committee confirmed its satisfaction with the proposed plan for 2025/26.

C Cusick welcomed the focus on the right areas, noting that the timing of the reviews presented no concerns and raised no red flags, and expressed overall comfort with the proposal.

B Mooney queried the scope of the digital strategy review. D Archibald explained that the review is not concerned with the delivery of business-as-usual activities but rather with ensuring that the digital strategy aligns with the financial plan, workforce planning, and curriculum planning.

He emphasised the importance of ensuring that resources are allocated effectively to support digital transformation, including the recruitment and retention of the necessary skills. Without such alignment, elements of the overall college plan could fail to progress at the required pace.

In response to a further question from B Mooney regarding digital resilience, D Archibald confirmed that the review would consider investments aimed at strengthening resilience, including moving away from traditional server infrastructure to more modern, well-managed solutions, while recognising the constraints of available funding.

S Taylor advised that an annual review of cyber security, undertaken by HEFETIS, is reported to this Committee and provides a detailed and rigorous assessment.

R Gordon observed that both digital strategy and cyber security present interconnected risks, particularly in light of rising costs and increasing threats, and suggested that future reviews should continue to test assumptions about current and future requirements to ensure robust planning.

H Honeyman asked about the College's overall position on business continuity. D Archibald confirmed that IT continuity is incorporated within the HEFETIS work and takes into account other relevant sources and regular reporting.

S Taylor added that Henderson Loggie reviewed business continuity, including RAAC-related risks, approximately 18 months ago.

H Honeyman thanked D Archibald for the update. The audit plan was approved.

6.4 Progress Report – Procurement & Creditors

N Anderson reported that the final recommendation, scheduled for completion by 31 August 2025, related to creating additional procurement opportunities for local suppliers to bid for catering supplies had been reviewed. Following advice that such an approach would not be procurement compliant, the College is now utilising the existing TUCO framework to meet its catering supply requirements.

The follow-up audit on Procurement and Creditors was included in the audit plan.

In response to a question from H Honeyman regarding engagement with the new purchasing system, N Anderson confirmed that purchase compliance continues to progress positively, with regular meetings taking place with senior management to maintain consistent monthly compliance levels.

H Honeyman thanked N Anderson for the report.

6.5 Follow Up Summary

N Anderson highlighted that all 20 internal audit recommendations are now closed off.

H Honeyman thanked N Anderson for the follow up.

7. ANNUAL DATA PROTECTION COMPLIANCE REPORT

S Taylor provided the annual update on data management, including any reportable data breaches. He confirmed that, while some minor data issues had arisen over the past year, there were no reportable breaches.

S Taylor highlighted that arrangements had changed during the year, with the role being split to improve oversight and compliance. Completion of training was also noted, responding to a previous query from C Cusick.

S Taylor reported an increase in subject access requests, which typically arise in connection with staffing, HR matters, or student complaints. The process of redacting information can be resource-intensive, although improvements in IT systems are helping to manage this workload.

H Honeyman acknowledged that the process is not straightforward.

H Honeyman queried whether the ten minor reportable issues over the past year were due to human error. S Taylor explained that these included instances such as emails or attachments being sent to the wrong recipient and were minor in nature.

C Cusick noted that the low number was positive but questioned whether there might be unreported incidents and highlighted the importance of fostering a culture of reporting. S Taylor agreed, emphasising the role of ongoing training and awareness, including the sharing of information via secure links, with further training planned for the staff development day in February 2026.

R Gordon added that efforts are underway to strengthen the culture of information security, including phishing awareness campaigns and guidance for staff on recognising potential issues.

C Cusick suggested considering Board members in this awareness programme, however, R Gordon confirmed that licensing for any exercises could only be arranged and implemented through Dundee & Angus email accounts.

H Honeyman noted the increasing prevalence of cyber-attacks.

S Taylor advised that L O'Donnell is considering Board Development sessions for October 2025 and offered to pass on suggestions regarding cybersecurity. **S Taylor to progress.**

R Gordon reported that while some cybersecurity tools are expensive, efforts are being made to create a more achievable framework, supported by AI, to enhance security capabilities.

H Honeyman thanked S Taylor for the update.

8. FINANCIAL GOVERNANCE REFLECTION / UPDATE

S Taylor presented the paper that had been initially discussed at the previous meeting, highlighting the intention to review developments at Dundee University, the types of questions raised, and to assess how the College measures against these standards.

An outline of the steps had been provided in May 2025, and this was subsequently updated in June 2025 following the publication of the Gillies report.

S Taylor noted that the report included a lesson's learnt checklist and identified College practices or areas for development against this framework. Overall, S Taylor highlighted that the College is in a strong position, with many practices already embedded. Areas identified for further attention included management of critical incidents, with the recommendation to exclude the Chair of the Audit and Risk Committee to maintain independence and separation for review purposes.

S Taylor stated the paper will also be presented to the Board for information and discussion.

H Honeyman commented that this represents a thorough piece of work and that the main findings and recommendations are intended to go forward to the Board.

B Mooney acknowledged the work as both good and honest, noting the technical activities undertaken and the reference to organisational culture. As an example, B Mooney highlighted the point raised in the Learning, Teaching, Quality Committee regarding the depth of student numbers and how this information is processed within the College structure.

S Taylor responded, emphasising the openness and transparency of the approach. Issues raised at LTQC and the Finance & Infrastructure Committee around Higher National numbers were reflected in budget reporting, and this will continue to be visible through the relevant budget lines and tuition fees.

S Taylor noted that the financial security risk is already recorded as a red risk on the College's risk register, relating to financial risk, particularly in terms of the activity level. As the range of provision shifts to meet the needs of applicants, the College is able to increase FE student numbers, which represents a financial impact risk and contributes to the overall financial security risk.

N Anderson outlined the College's approach to budget monitoring, noting that the Accounts team meets with budget holders each month to review both the numerical data and the underlying context, ensuring that management projections are accurately incorporated into the forecasts. These reports are then submitted to the Senior Leadership Team each month and to the Finance & Infrastructure Committee every quarter, providing confidence that the issue is approached comprehensively.

S Taylor noted that the staffing cost element (c80% of costs) is integrated with the College's regular timetable audits, particularly in relation to staffing changes across different subject areas. A review is undertaken each Semester to ensure that staff are being utilised in line with their contracts and that staff not on full-time timetables are effectively allocated to other teaching areas, supporting coordinated staff management across the College.

H Honeyman concluded by thanking S Taylor for the report.

9. STRATEGIC RISK REGISTER

S Taylor provided an update, beginning with the financial governance review. The update was linked to the Funding Council's recent guidance on governance monitoring, following the review of Dundee University.

S Taylor noted that the financial sustainability risk has been rated red for some time, given the College's funding position. This remains a standing item on the agendas of the Finance & Infrastructure (F&I), the People, Culture & Wellbeing Committee (PCW), and the full Board, with ongoing updates and discussion regarding the steps being taken to manage this risk.

S Taylor highlighted that the RAAC risk, initially projected over a 3–5 year period, has now been reassessed to a 1–3 year timeframe, with the next specialist survey due in October 2025. While no immediate changes are expected, the College will continue to reference the original 3–5 year assessment. A contingency plan has been developed, which may involve the use of rental spaces.

S Taylor highlighted the credit activity issues related to Angus Council following the collapse of a local bus company, resulting in reductions in credit targets and levels, although audit work is ongoing.

No overall changes to the risk register were proposed, aside from updates to reflect revised committee titles. **S Taylor to progress.**

H Honeyman acknowledged the financial sustainability update circulated by S Hewitt and expressed appreciation for the clarity provided. H Honeyman also welcomed the RAAC contingency plans in place.

B Mooney raised a query regarding competition and student intake at Abertay University, noting fluctuations in the local education market and asking whether this represented a risk to the College. S Taylor explained that this is linked to the reduction in Higher National student numbers, with some students opting for university courses before college. B Mooney sought confirmation that this was incorporated into enrolment projections, to which S Taylor confirmed that it is.

H Honeyman commented on potential student dropout trends for those going to university rather than college, with S Taylor noting that retention patterns are difficult to track and not straightforwardly comparable across institutions.

The Committee approved the update as presented.

10. EXTERNAL AUDIT

M Speight provided an update and overview of the current audit position.

N Anderson reported that there are no red flags at this stage. Although fieldwork has not yet commenced, documents are being uploaded to the shared portal at a steady pace, which indicates that the audit is progressing according to plan. It was noted that the work on fixed assets has required considerable effort.

Work on capital is progressing well, with entries for 2025/26 now complete and a full revaluation exercise for land and buildings concluded. The revaluation has resulted in an overall increase of £438k, moving the total value from £103.8 million to £104.2 million.

A review undertaken with the support of Henderson Loggie (HL) identified a presentational adjustment to the 2023/24 fixed assets note. This adjustment represents a movement of approximately £5 million between cost and depreciation but does not affect the overall net book value. As the change is purely presentational and does not materially impact the accounts, a prior year adjustment is not required.

The review has identified further work that will need to be undertaken during the current financial year, with any resulting changes to be reflected in the 2025/26 Annual Report and Accounts.

M Speight noted that the fixed asset register remains complex and difficult to interpret. However, the interpretation applied in 2023 improved its usability. An element of professional judgement was required based on the information available at the time, but this does not affect the figures reported on the balance sheet.

H Honeyman acknowledged the considerable assistance provided by HL and asked whether the position had now improved. N Anderson confirmed that without Henderson Loggie's support, the current progress would not have been possible and expressed thanks to HL, particularly to D Archibald and S MacNaught for their patience and guidance.

10.1 Audit Assurance Response

S Taylor advised that a draft document requiring approval had been updated following receipt of the 2024/25 letter. No changes had been made other than to the time period. Although the document is presented for finalisation through the Chair, members were satisfied that it could be approved on the basis that no substantial changes were required.

The Board approved the paper subject to the agreed date amendment.

11. DATE OF NEXT MEETING

Tuesday 2 December 2025, Joint meeting with the Finance and Infrastructure Committee

Action Point Summary

Action	Responsibility	Date
Potential update to the Board on cyber and data security to be proposed to Board Chair	S Taylor	20 October 2025