

AUDIT & RISK COMMITTEE

MINUTE OF MEETING

Minute of Meeting of the Audit & Risk Committee held on Wednesday 26 February 2025 at 1000hrs via Microsoft Teams.

Agenda Item	<p>Present: Jim Gifford Leona McDermid Caroline Laurenson Bryan Hutcheson Gerry Lawrie</p> <p>In attendance: Anne MacDonald, Senior Audit Manager, Audit Scotland David Archibald, Partner, Henderson Loggie Stuart Thompson, Vice Principal Finance & Resources Susan Lawrance, Secretary to the Board Karen Fraser, Minute Secretary</p>
29-24	<p>Apologies for Absence Apologies were received in advance of the meeting from D Anderson, E Zemani and I Watt.</p>
30-24	<p>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items L McDermid declared a potential conflict of interest by virtue of her position with Aberdeen Foyer.</p>
31-24	<p>Minute of Previous Meeting (27/11/24) The Minute was approved as a true and accurate record.</p>
32-24	<p>Matters Arising Report Members noted that the 5 matters arising had been addressed and were therefore marked as completed.</p>
	<p>Matters for Decision</p>
33-24	<p>Strategic Risk Register Members were directed to the updated Risk Register, Risks 5.1, 5.4 and 6.1 were highlighted, and discussion invited.</p> <p>Regarding Risk 5.4 and the capacity to have its score reduced, the target was considered reasonable, with good insight into decision-making anticipated due to having NESCol staff members as part of the Job Evaluation Working Group. The potential supplementary risk associated</p>

	<p>with historical employee costs was considered. Members will be kept informed as the national job evaluation exercise progresses.</p> <p>S Thompson confirmed that once the Quality Assurance investigation is complete, Risk 6.1 scoring may change.</p> <p>Highlighting the growing size of the Risk Register, debate briefly focused on the timeframe for dropping those Risks which have been rag-rated green for a set period, with the suggestion to remove them after 1 year put forward. Conversely, it was intimated that risks which exist on the Register for an elongated period should be augmented to seek resolution.</p> <p>Decision = Risks and risk scores agreed as presented.</p>
	Matters for Discussion
34-24	<p>Internal Audit Plan 2024-25</p> <p>Having been agreed with SLT, the detailed scopes and timings of the Internal Audit Plan for 2024-25 were presented for review, and subsequent discussion encouraged.</p> <p>Pre-Meeting, an observation was shared regarding the potential re-visit of the Audit Plan based on the outcome of the ongoing Quality Assurance issue, linked to Risk 6.1 on the Strategic Risk Register.</p> <p>In response to a query raised regarding the sequencing, D Archibald outlined the factors which influence the associated decision-making.</p> <p>Clarification was sought regarding the differences in the Audit headings between the 1-year Plan and the 4-year Plan. The suggestion to include a clear indication of when an element which features under a combined heading has not been previously audited was heeded.</p>
35-24	<p>Internal Audit Plan for 2024-28</p> <p>Having been revised by SLT, the Draft Strategic Internal Audit Plan for 2024-28, and the Draft Internal Audit Plan for 2025-26 were presented for review.</p> <p>It was noted that emphasis has been placed on prioritisation, Risks contained within the Strategic Risk Register, and horizon-scanning. The Draft element of both was also highlighted, recognising that the Plan for 2025-26 can be reviewed prior to its' progression next year.</p> <p>Discussion was invited.</p> <p>Pre-meeting, it was suggested that context be added to explain the reasoning behind the proposal not to audit Compliance with Legislation, noting its' previous non-inclusion to date and its' link to Risk 6.1 on the Strategic Risk Register.</p> <p>The use of the 4-year plan to facilitate SLT to focus on areas for learning and improvement was recognised, with the ability to drive change and ideas appreciated.</p>

	<p>The possibility of bringing forward the next Audit of ASET was debated.</p> <p>Action: To be presented For Decision at 28/05/25 Meeting, based on the outcome of the anticipated Follow-Up Review on ASET.</p> <p>The exclusion of an Audit of the ETSH was clarified with Members noting this remains a standing item on Regional Board Meeting Agendas.</p> <p>It was noted that a possible date for an extra Regional Board Meeting in April 2025 is currently being sought in order to discuss the ongoing Quality Assurance issue.</p>
36-24	<p>ASET Risk Register Update</p> <p>ASET's Risk Register, as presented to the ASET Board on 13/02/25, was shared in order to consider the content. Members were tasked with reviewing the document and highlighting any issues to be raised with ASET.</p> <p>Conversation opened and the differing format to that of NESCol's Strategic Risk Register was recognised. It was noted that commitment has been secured from ASET to have it streamlined by their next Board Meeting of 29/05/25. A suggestion to have a Cover Paper included which highlights the changes applied is to be passed on.</p> <p>Action: S Thompson to share feedback with ASET.</p> <p>It was recognised that any feedback shared could be over-ruled by ASET.</p> <p>Pre-Meeting, observations were put forward regarding the third Risk in the Financial category also being pertinent to the Strategic category, owing to it hinging on ASET adapting to the industry and regional changes, and a keenness to be kept informed with regard to BD manager recruitment and further market research.</p> <p>An omission of wording associated with the overseas business travel under the Operational heading was located.</p> <p>In response to a query regarding the role of this Committee in terms of Risk Register oversight, it was clarified that the purpose of it being presented is to inform NESCol of what ASET deem as being risks. It was noted that from a governance perspective, whilst NESCol has no authority to make adjustments to the Risk Register, a closer working relationship and greater surveillance of ASET's own governance has been agreed. The appropriateness of having the Risk Register presented to this Committee was also recognised from the perspective of the auditing of group accounts.</p> <p>Action: ASET's Risk Register is to continue to be a standing item on A&R Committee Agenda for as long as deemed necessary.</p> <p>It was intimated that ASET's method of using their Risk Register is more of a tick-box exercise than an enabler of change. In response to this, it was acknowledged that an ongoing approach to its' use is being adopted.</p>
	Matters for Information
37-24	<p>National Fraud Initiative 2024-25 Update</p> <p>Following the College's participation in the 2024-25 National Fraud Initiative, Appendix 1 detailed interim work to date on the identified</p>

	<p>matches.</p> <p>The sharing of the final Report is anticipated upon completion. Action: To be added to the 28/05/25 Meeting Agenda.</p> <p>Members noted the information provided.</p>
	<p>Any Other Business</p> <p>No items were raised.</p>
	<p>Summation of Actions and Date of Next Meeting</p> <p>S Lawrance provided a summary of the identified actions and confirmed the next Committee Meeting as Wednesday 28 May 2025 at 1000hrs.</p>
	Meeting ended at 11:17am

ACTIONS FROM A&R COMMITTEE – FEBRUARY 2025			
Agenda Item	Action	Responsible Person	Deadline
35-24	Internal Audit Plan 2024- 2028: To be presented to May Committee meeting with option to bring forward ASET Review noted.	Stuart Thompson/David Archibald	May 2025
36-24	ASET Risk Register: To remain as Agenda item on Audit and Risk Committee	Stuart Thompson/ Board Secretary	May 2025

Signed: J Gifford, Audit & Risk Committee Chair

Dated: 28.05.25