

AUDIT & RISK COMMITTEE

MINUTE OF MEETING

Minute of Meeting of the Audit & Risk Committee, held on Wednesday 25 February 2026 at 10:00am via Microsoft Teams.

Agenda Item	<p>Present: Jim Gifford Bryan Hutcheson Caroline Laurenson Ellie Zemani Leona McDermid</p> <p>In attendance: David Archibald, Partner, Henderson Loggie Anne MacDonald, Senior Audit Manager, Audit Scotland Stuart Thompson, Vice Principal Finance & Resources Susan Lawrance, Board Secretary Karen Fraser, Minute Secretary</p>
29-25	<p>Apologies for Absence Apologies were received in advance of the meeting from I Watt and G Lawrie.</p>
30-25	<p>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items L McDermid declared a transparency statement by virtue of her position with Aberdeen Foyer.</p>
31-25	<p>Minute of Previous Meeting (26/11/25) The Minute was approved as a true and accurate record.</p>
32-25	<p>Matters Arising Report Members noted the updates applied to the 4 Matters Arising and captured in the shared report.</p>
	<p style="text-align: center;">Reserved Matter for Decision</p>
33-25	<p>Risk Management Policy</p>

	Matters for Discussion
34-25	<p>Internal Audit Reports Reports were presented by guest attendee D Archibald to facilitate consideration of their overall levels of assurance.</p> <ul style="list-style-type: none"> <p>IT Network Arrangements The review focused on IT network arrangements and cyber security controls and resulted overall in a good audit.</p> <p>D Archibald recognised the upkeep of cyber security being an ongoing process and presenting a real challenge, and noted the need to undertake what is proportionate and sensible. The updated Global Internal Audit Standards published in 2025 were pointed out, and the input from HEFESTIS realised as having been beneficial.</p> <p>In response to a query raised, it was confirmed that ASET had been included in the audit as the management of IT and cyber-security is undertaken by NESCol on their behalf. An anomaly in the scoring of the risk associated with a cyber-attack in the Strategic Risk Registers of both organisations was highlighted, and it was determined that these should be aligned. S Thompson agreed to provide ASET's General Manager with detail from the audit report so as to allay any concerns. Action: ST to progress.</p> <p>An acknowledgement of the increased volume of cyber instances was shared, brought to light because of improved reporting. The value in participating in repeat awareness training was noted.</p> <p>Payroll With a focus on the controls in place to mitigate Risk 6.1 of the SRR relating to financial penalties and/or reputational damage if staff do not adhere to key statutory obligations, the overall level of assurance was confirmed as good.</p> <p>D Archibald emphasised it not being common to achieve a positive audit in this area owing to its' increased complexities, and requested that thanks be passed on to Payroll colleagues for their involvement. Recognition of NESCol's very small Payroll team was pinpointed. Action: SL to share feedback with Payroll/People Services.</p> <p>Internal Audit Progress Report Progress with the annual 2025/26 plan was captured in the shared report.</p> <p>It was confirmed that verbal feedback on the findings from the Effectiveness Review will be shared at the 18/03/26 Regional Board Meeting. Action: SL to add to Agenda.</p>
35-25	<p>Committee Evaluation Feedback Members were invited to consider the feedback shared regarding Committee performance.</p> <p>S Lawrance issued an apology for the lateness of the paper, expressed thanks to Members for the responses received, and directed all to the Regional Board Teams' space for access to other Committee Evaluations.</p>
	Reserved Matters for Discussion
36-25	Strategic Risk Register

37-25	ASET Strategic Risk Register
	Matter for Information
38-25	Annual A&R Committee Activity Report

	The 2024-25 Activity Report was provided for information. Members noted its' necessity as per the financial memorandum and were content with the captured reflections.
39-25	Any Other Business No other business was raised.
40-25	Summation of Actions and Date of Next Meeting No summation was requested. The next meeting was confirmed as Wednesday 27 May 2026 at 10:00am, to be held in-person at City Campus with an online joining offer extended.
Meeting ended at 11:24am	

Actions from the Audit & Risk Committee Meeting – 25 February 2026			
Agenda Item	Action	Responsibility of	Deadline
34-25	Internal Audit Reports: detail from the IT Network Arrangements audit to be shared with S Scott.	S Thompson	Immed.
34-25	Internal Audit Reports: feedback and thanks to be passed on to Payroll colleagues/People Services.	S Lawrance	Immed.
34-25	Internal Audit Reports: verbal feedback on Effectiveness Review findings to be added to RB Agenda for 18/03/26.	S Lawrance	Immed.
36-25	Strategic Risk Register:		
37-25	ASET Risk Register:		

Signed: J Gifford, Audit & Risk Committee Chair

Dated: 03.06.26