AUDIT & RISK COMMITTEE

NOTE OF MEETING
Minute of the Meeting of the Audit & Risk Committee held on Wednesday 03 June 2026 at 10:00am in G10, City Campus, with the option to join via Microsoft Teams.

Agenda Item	
	Present: Jim Gifford (chair) Leona McDermid **Present via Teams:** Iain Watt (Vice Chair) Gerry Lawrie Caroline Laurenson Bryan Hutcheson, from 10:12am Ellie Zemani **In Attendance:** Anne MacDonald, Senior Audit Manager, Audit Scotland Stuart Thompson, Vice Principal Finance & Resources Adam Wilson, Assistant Principal Finance & Estates Susan Lawrance, Board Secretary Karen Fraser, Minute Secretary **In Attendance via Teams:** David Archibald, Partner, Henderson Loggie
41-25	**Apologies for Absence** Full attendance was noted. Members were introduced to A Wilson - Assistant Principal Finance & Estates – following his commencement at NESCol on 25/05/26.
42-25	**Declaration of any Potential Conflicts of Interest in relation to any Agenda Items** J Gifford declared a transparency statement by virtue of his position with Aberdeenshire Council. L McDermid declared a transparency statement by virtue of her position with Aberdeen Foyer.
43-25	**Minute of Previous Meeting (25/02/26)** The Minute was approved as a true and accurate record.
44-25	**Matters Arising Report** Members noted the updates applied to the 4 Matters Arising and captured in the shared report.
	Matters for Decision

45-25	**Draft External Audit Plan AY2025/26** Guest attendee A MacDonald asked Members to consider the proposed plan for the auditing of the 2025-26 financial statements. In discussion, the accounting treatment of ETSH and the outreach vehicle was referenced, with S Thompson providing context of no significant risks. **Decision = proposed Audit Plan approved as presented.**
46-25	**Internal Audit Plan AY2026/27** Members considered the Internal Audit Plan as presented by guest attendee D Archibald to sense-check intentions for the upcoming AY. Conversation highlighted the UN Convention on the Rights of the Child agreement as mentioned at the 21/05/26 C&Q Committee and its timely relevance when focusing on student experience audits. The timing of ASET's audit was debated. The desire to allow for the implementation of the previous audit recommendations alongside organisational and leadership changes was recognised. It was agreed to prioritise the ASET audit as the first of AY2027/28. Regarding business development, the risk associated with increasing commercial income and operating in a changing economic landscape was highlighted. In response, D Archibald acknowledged the College's need to understand where opportunities exist and to be able to demonstrate the existence of proper processes to facilitate delivery of a sustainable income stream. The increased risks associated with cyber security and AI was brought to the attention of attendees, and the auditing of AI specifically was noted as not having been previously undertaken. In response, D Archibald confirmed this audit is to take place in the early part of AY2027/28 and suggested opportunity as well as risk with regard to AI use. In addition, S Thompson referenced the approval of a 24/7 cyber security contract being purchased as part of additional spending in the AY2026/27 budget to enhance IT security measures. A query was raised regarding the existence of a specific Committee focused on NESCol's IT risks. S Thompson confirmed the formation of the Our Digital Ambition Sub-Strategy's Committee, together with NESCol's ability to collaborate with external partners and industry experts. Acknowledgement of the planned risk management and business continuity audit was noted, owing to its' scope being likely to include digital resilience and disaster recovery. The necessary balance sought when juggling audit timings and cost between AYs was given consideration. D Archibald confirmed flexibility in terms of audit days attributed to each of the AYs in the remainder of the 4-year Plan. **Decision = the proposed Audit Plan for AY2026/27 was approved as presented.**
	Matters for Discussion
47-25	**Internal Audit Reports** Reports were presented by D Archibald to enable consideration of their overall levels of assurance and any associated recommendations. **Corporate Governance (Verbal)** D Archibald confirmed all interviews having been completed, the analysis of questionnaires having been actioned, and information from the desktop review in hand. The issuing of the draft Report is anticipated this week, and due to be presented at the 17/06/26 Regional Board meeting. In terms of non-compliance, attendees were advised that there are no issues to be brought to the attention of the Committee. D Archibald also advised the Report's recommendations will be shared to enable NESCol to build upon the good foundations already in place. **Follow Up Reviews 25/26** D Archibald confirmed the routine nature of the follow-up reviews, carried out

	to determine whether the recommendations of 2024/25 audits have been fully executed. The Report concluded 5 of the 9 recommendations categorised as fully implemented, and 4 as partially. Of these 4, those relating to the Zellis HR system and to timetabling were considered to be of medium priority owing to their associated work volumes and timescales to progress. D Archibald confirmed there being no adverse exposure for NESCol whilst these are unresolved and their revised implementation dates having been approved by management. In response to a query regarding the level of comfort derived from the revised dates, S Thompson expressed confidence in them being both accurate and achievable. **Internal Audit Progress Report** The summation of the delivery of the 2025/26 Plan was referenced, with there being no issues to bring to the attention of the Committee.
48-25	**Code of Good Governance for Scotland's Colleges (Compliance Review)** S Lawrance spotlighted new changes to the document having been highlighted green. In discussion, D Archibald provided context for its' undertaking and emphasised NESCol being different to other Colleges in terms of its' completion and presenting to Committee, as many other institutions choose not to action. **Action: S Lawrance to share NESCol's Code with SFC.** Supplementary content in relation to NESCol's partnership working and specific involvement with employability partnership was suggested. **Action: S Lawrance to incorporate additional wording in relation to NESCol's partnership working.** Thanks were expressed to S Lawrance for the Code's completion.
	Reserved Matters for Discussion
49-25	**Strategic Risk Register**
50-25	**ASET Strategic Risk Register (ASET Board Papers due 29/05/26)**

51-25	**Any Other Business** No other business was raised.
52-25	**Summation of Actions and Date of Next Meeting** The actions were summarised by S Lawrance and the next meeting proposed as Thursday 03/09/26, subject to the AY2026-27 Meeting Schedule being approved at 17/06/26 Regional Board.
	NESCol attendees left the Meeting at 11:24am
	Private Matter for Discussion
53-25	**Committee Members-only discussion with Internal and External Auditors**

Actions from the Audit & Risk Committee Meeting – 03 June 2026			
Agenda Item	**Action**	**Responsibility of**	**Deadline**
48-25	**Code of Good Governance for Scotland's Colleges:** document to be shared with SFC.	S Lawrance	Immed.
48-25	**Code of Good Governance for Scotland's Colleges**: additional wording in relation to NESCol's partnership working to be incorporated.	S Lawrance	Immed.
49-25	**Strategic Risk Register:**		
50-25	**ASET Strategic Risk Register:**		

Signed: J Gifford, Audit & Risk Committee Chair

Dated: 03.09.26