

## Minutes of a Meeting of the Audit Committee

**Venue:** STC Conference Room 1 / TEAMS

**Date:** Thursday 19 March 2026

**Time:** 4.00pm – 4.40pm

**Present:** Jim Dafter (Chair)  
Neil Henry  
Michael Johnston  
Rachael Taylor

**Apologies:** Alan Nixon

**In Attendance:** Jane Cuthbertson (Chief Operating Officer)  
Karen Ritchie (Head of Finance)  
Lindsey Whiterod (CEO)  
Lorna Lister (Senior Governance Support Officer)  
Craig Scott (Director of IT)  
Anthony Blenkey (RSM)

### ACTION TRACKER

| Item                                           |                                                                                                                                                                                                | By whom | Status | Comment / Update |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|------------------|
| <b>Meeting of the 11<sup>th</sup> December</b> |                                                                                                                                                                                                |         |        |                  |
| 5.                                             | <b>Annual Report &amp; Financial Statements for Year Ended 31 July 2025 including Regularity Opinion, Management Letter and Representation Letter:</b><br>Arrange another meeting for 15.12.25 | LL      |        | Complete         |
| 8.                                             | <b>Annual Report of Data Protection and Policy Review:</b><br>Amendments to Data Protection Policy recommended to Board for approval                                                           | CS      |        | Complete         |
| 9.                                             | ████████████████████████████████████████<br>████████████████████████████████████████<br>████████████████████████████████████████<br>████████████████████████████████████████                   | ██████  |        | Complete         |
| 11.                                            | <b>Internal Audit Reports:</b><br>Emerging Issues Training to be shared with Gov's                                                                                                             | AM/LL   |        | Complete         |
| 14.                                            | <b>Regularity Audit Questionnaire:</b><br>To be presented to Board for approval                                                                                                                | JC      |        | Complete         |
| 17.                                            | <b>College Financial Handbook Update:</b><br>To be presented to Board for approval                                                                                                             | JC      |        | Complete         |
| <b>15<sup>th</sup> December 2025</b>           |                                                                                                                                                                                                |         |        |                  |
| 2.                                             | <b>Audit Committee Annual Report:</b><br>To be signed by the Chair prior to the Board meeting                                                                                                  | JD      |        | Complete         |
| 3.                                             | <b>Annual Report &amp; Financial Statements for Year Ended 31 July 2025 including Regularity Opinion, Management Letter and Representation Letter:</b><br>To be presented to Board             | JC      |        | Complete         |

## MINUTES

| ITEM No | ISSUES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ACTION |
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| 1.      | <p><b>Meeting with Auditors in Absence of College Management</b></p> <p>The Chair welcomed everyone to the meeting.</p> <p>RSM auditor, Anthony Blenkey confirmed that the programme for 2025/26 had been agreed and that there had been full engagement by management and the wider team. There were no issues or concerns to report to the Committee.</p> <p>Staff joined the meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |
| 2.      | <p><b>Apologies for Absence</b></p> <p>The Committee approved apologies for absence received from those noted above after having first considered the reasons for their absence.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |
| 3.      | <p><b>Declarations</b></p> <p>i. <u>Declarations of Interest</u></p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p> <p>ii. <u>Business to be raised under Item 10</u></p> <p>Information Security Policy</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |
| 4.      | <p><b>Minutes</b></p> <p>The minutes of the Audit Committee meeting held on 11<sup>th</sup> &amp; 15<sup>th</sup> December 2025 were approved and to be signed.</p> <p><b>Matters arising not covered on the agenda or tracker</b></p> <p>The action tracker was discussed, noting that all items were marked green, indicating that actions were completed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |
| 5.      | <p><b>Risk Management – College &amp; Capital Project (risks and issues)</b></p> <p>The purpose of the report was to facilitate the monitoring of key risks to the college on both the Corporate Risk Register and the capital Build Risk Register.</p> <p><u>College Strategic Risk Register:</u> This register detailed the risks, causes, effects, controls, and actions in place. Appropriate risks had been distributed to individual committees, and the process seemed to be working well. The executive group would scrutinise the risk register in detail at their next meeting.</p> <p><u>Capital Build Risk Register:</u> This register was divided into four separate registers for the main campus, BT building, listed building, and cross-project risks. Each area had its own Risk Dashboard. Significant risks include budget and cost concerns, particularly for the</p> |        |

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|    | <p>main campus. Weekly project operational group meetings are held to monitor and update the risk register. The listed building was undergoing assessment, and initial feedback was positive. Budget-related risks for the BT building involved cladding replacement. Readheads project had fewer risks at the moment, but initial investigations were ongoing with a PCSA in place to start design works.</p> <p><b>Q. Has there been any feedback from the other committee?</b> feedback from various committees had been positive, and minor points raised have been incorporated.</p> <p>The chair commented that the Risk Register was now easier to understand and gave a snapshot of where the crunch points were.</p> <p><b>Q. What was happening with the action where target dates had passed or were imminent?</b> CS stated he felt confident that they would be caught up or a new achievement date updated on the register. It was highlighted that the RR was due for a review as there had been some recent risks added recently.</p> <p><b>Q. Were risk owners engaging?</b> Yes.</p> <p>The Chair noted that the committee were comfortable with the residual risk level.</p> <p>Overall, the risk management processes were robust, with regular reviews and updates ensuring that risks are managed effectively.</p> <p><b>Resolved: That the committee accept the reports acknowledging the information as presented.</b></p> |  |
| 6. | <p><b>Training – Governor roles and responsibilities in relation to risk management</b></p> <p>Key points covered:</p> <ul style="list-style-type: none"> <li>• Education expectations: Governors are expected to examine and be accountable for risks, ensuring comprehensive risk registers and business continuity.</li> <li>• Setting risk appetite: Governors should set parameters for risk tolerance.</li> <li>• Delegation: While overall responsibility remains with the governors, tasks can be delegated.</li> <li>• Compliance: Ensuring compliance with financial regulations and promoting a risk-aware culture.</li> <li>• Risk culture: Difficult to pin down but essential for effective risk management. The training reinforced the importance of governors' oversight and active engagement in risk management processes.</li> </ul> <p>AB commented that he had witnessed the discussion around the Risk Register and felt that the committee had a good understanding of what was required of the governors.</p> <p><b>Resolved: That the committee welcomed the training and thanked RSM for the support.</b></p>                                                                                                                                                                                                                                                                                                           |  |
| 7. | <p><b>Internal Auditor Reports</b></p> <p><u>7.1 Progress report</u></p> <p>AB presented the internal audit progress report, providing an update on internal activity since the last meeting. The report highlighted substantial assurance across most areas with reasonable assurance noted in others. The following audit reports were presented to the Committee:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |

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|    | <ul style="list-style-type: none"> <li>• <u>Income &amp; Debtors</u><br/>This audit revealed two low-level actions and four medium-level actions, all manageable and not indicative of significant issues. Some areas of compliance required tightening.</li> <li>• <u>Security</u><br/>The security audit indicated strong control measures, with minor actions required to enhance existing processes. No cause for concern.</li> <li>• <u>Benchmarking Report</u><br/>The benchmarking report showed the college's position within the sector, highlighting areas for improvement and confirming good practices.</li> </ul> <p>Overall, the internal audits demonstrate effective control measures and compliance, with actionable recommendations to further strengthen processes.</p> <p><b>Q. Payroll audit was now scheduled for June 2026; would this be included in the overall audit report at the end of the year?</b> Yes.</p> <p><b>Q. On pg. 81 of the report it mentions several issues with a finance linkage system, was this something to be concerned about?</b> No, nothing of major significance, just a system issue. KR explained that they were trying to fix the anomalies between the MIS/EBIS systems and payment.</p> <p>The Chair commented he felt assured that controls were good and it was compliance where additional support was required.</p> <p>It was noted that the Board were to receive training on Martin's Law at the next meeting in April 2026.</p> <p><b>Resolved: That the committee accept the report acknowledging the information as presented.</b></p> |  |
| 8. | <p><b>Audit Recommendation Tracker</b></p> <p>The Director of Governance presented the tracker for governors' consideration.</p> <p>The document identified any recommendations which were deemed a high or medium risk, which were either due/overdue for implementation or could be removed if completion had taken place. All personnel who were shown on the list with outstanding issues had been asked to advise if there had been any further progress and the tracker had been updated accordingly.</p> <p>It was reported that all actions had been completed.</p> <p><b>Resolved: That the committee accept the report acknowledging the information as presented.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| 9. | <p><b>Annual Review/Dismissal of Auditors and Remuneration</b></p> <p>The verbal report confirmed that there are no issues with the internal and external auditors. They have responded promptly and maintained good working relationships with the college. A paper will be presented at the next committee meeting regarding going out to tender for auditors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |

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|            | <b>Resolved: That the committee accept the verbal report acknowledging the information as presented.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| <b>10.</b> | <b>Any Other Business</b><br><br><u>Information Security Policy</u><br>The Information Security Policy was reviewed and updated. Changes included rewording paragraphs for readability, updating job titles, and explicitly mentioning cloud services. These updates were minor and aimed at improving clarity and relevance. The policy was accepted without substantial changes.<br><br><b>Resolved:</b> <ul style="list-style-type: none"> <li>i. That the committee accept the verbal report acknowledging the information as presented.</li> <li>ii. That the committee approve the Information Security Policy</li> </ul> |  |
| <b>11.</b> | <b>Date and Time of Next Meeting</b><br><br>Thursday 2 <sup>nd</sup> July 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| <b>12.</b> | <b>Identification of Confidential Items</b><br><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |

Signed: .....

Date.....