

Minute of the Audit and Risk Committee
Held by Hybrid Attendance at Kilwinning Campus
Thursday 02 June 2026

Present:

Michael Ross	Acting Chair (Vice – Chair)
Brian Green	Non-Executive Board Member
Gillian Longmuir	Non-Executive Board Member (to Item 15)
Marko Prororic	Elected Professional Services Staff Member

In attendance:

Sara Rae	Vice Principal, Skills and Enterprise
David Davidson	Vice Principal, People, Performance and Transformation
Hilary Denholm	Board Governance Advisor & Minutes
Alan Ritchie	Vice Principal, Finance & Infrastructure
Liz Walker	Chief Financial Controller
Stephen Pringle	Director, Internal Auditor, Wbg
Andy Reid	Director, External Auditor, Azets
Caitlin MacKenzie	Assistant Manager, External Auditor, Azets

1. Welcome and Declarations of Interest

The acting Chair, Michael Ross, welcomed members to the meeting.

A declaration of interest was made by Sara Rae regarding Item 11 in her position as a Director on the SAI Board.

The meeting was confirmed as quorate.

Apologies

Apologies were received from Jane Grant, ARC Chair and Chris Boyce, Elected EIS-FELA Staff Member

2. Minutes of the Previous Meeting held on 17 March 2026 (Paper 1) C/P

The minutes were approved as a correct record.

Proposed: Brian Green **Seconded:** Gillian Longmuir

ARC Action & Decision Tracker (Paper 1A) (P)

The Committee noted previous decisions and actions completed or included on the agenda for update.

3. Matters Arising

There were no matters arising.

6. Internal Audit Report- Cyber Incident Response Plan *Paper 3 (P)*

Stephen Pringle presented the audit on the implementation of the College Cyber Incident Response Plan and related communication arrangements.

The Committee noted:

- The audit provided **strong assurance** with no recommendations.
- The report identified six areas of good practice.
- The audit provided assurance over preparedness, response and recovery arrangements for cyber incidents.
- The arrangements support effective response, minimise disruption and enable timely recovery.
- Governance arrangements, including approval and Senior Leadership Team oversight, were found to be effective.
- Staff training and preparedness were found to be appropriate.
- Defined roles, playbooks and scenario testing support incident coordination.

Discussion focused on the three observations. Members recognised this as the first stage of a well-led, appropriately prioritised and resourced programme, and were reassured that the approach would be extended to strengthen coordination between central and departmental responses.

Members received a verbal update on recent penetration testing carried out by an independent third party provider. A full report will be presented to the September meeting.

The Committee noted the positive report and the assurance provided.

7. Internal Audit – Strategic Risk Control and Action Review *Paper 4 (P)*

Stephen Pringle presented the internal audit review of controls and mitigating actions relating to the College's highest strategic risk, financial sustainability.

The Committee was invited to:

- a) Note the findings of the internal audit review.
- b) Take assurance that controls and mitigating actions for financial sustainability are operating effectively.
- c) Consider whether further internal audit coverage in this area should be included within the 2026–27 Internal Audit Plan.

The Committee noted:

- The audit confirmed that controls and mitigating actions for financial sustainability are in place and align with sector practice.
- Minor improvements were identified in the risk register presentation, but no gaps were found in the control framework.
- The advantages of further internal audit coverage in the area of control and actions verification, being included in the 2026–27 Internal Audit Plan.

The Committee noted the report, the assurance provided by the review, and the proposed inclusion of further coverage in the 2026-27 Internal Audit Plan.

8. 2025-26 Internal Audit Plan Update *Paper 5 (P)*

Stephen Pringle provided a progress update on the 2025–26 Internal Audit Plan.

The Committee noted:

- The Strategic Planning Review has been postponed to 2026/27.
- The Credit and Student Funding reviews (Visit 4) are scheduled for late August, with reports to be presented to the December meeting.

The Committee noted the plan update.

9. 2026-27 Internal Audit Plan *Paper 6 (P)*

Stephen Pringle and Alan Ritchie presented the updated 2026–27 Internal Audit Plan following discussion with the Senior Leadership Team and Internal Audit, and review of other assurance sources. The Committee was asked to approve the plan.

The Committee Noted:

- The final 2026–27 Internal Audit Plan reflects the development of the March 2026 draft into a more operational and deliverable-focused programme.
- The 60-day plan includes additional work on implementation assurance, governance maturity, the new finance system, strategic planning, the strategic risk register, and follow-up activity.

Decision: ARC53-D01: The Committee endorsed the 2026–27 Internal Audit Plan.

10. 2025-26 External Audit Annual Plan *Paper 7 (P)*

Andy Reid introduced Caitlin MacKenzie to the Committee. Andy remains Engagement Lead, with Caitlin MacKenzie assuming audit management and quality assurance responsibilities.

Andy presented the draft 2025–26 External Audit Annual Plan for approval.

The Committee Noted:

- The plan is broadly consistent with the previous year but reflects a change in audit focus.
- A new financial statement risk arises from the implementation of the BluQube finance system, requiring additional audit work (and fees) on data integrity and controls.
- This is offset by removal of the prior-year PFI risk and a simplified group audit approach, as the subsidiary is not material.
- The plan places greater emphasis on IT controls and financial sustainability, with fees remaining broadly stable.
- The additional work successfully completed by the Finance Team was acknowledged and appreciated by the Committee.

A discussion took place on the planned Fairness and Equality best value work.

Decision: ARC53-D02: The Committee approved the 2025-26 External Audit Annual Plan.

14. 2025-26 Financial Compliance Report (Paper 11) (P)

L Walker introduced Paper 11, the annual report that sets out the College's framework for governance, risk management and internal control in line with SPFM and SFC expectations.

The Committee was requested to:

- Note the characteristics of good practice outlined in this paper.
- Consider whether current arrangements provide sufficient coverage of SPFM requirements; clear, integrated assurance, and agree that SPFM compliance is reviewed.

The College considers that it has a sound assurance framework, including:

- Annual Audit Committee self-assessment aligned to SG Handbook
- Structured internal control assurance using SPFM checklist
- Integrated assurance mapping (risk → control → assurance)
- Evidence-based, RAG-rated reporting
- Continuous improvement and audit alignment

The Committee agreed that current arrangements provide sufficient coverage of SPFM requirements, clear integrated assurance, and appropriate review of SPFM compliance.

17. Review Performance Relating to Risk Management (Paper 13) (P)

A Ritchie introduced Paper 13, summarising progress over the previous 12 months in strengthening the College's risk management framework, governance arrangements and assurance processes, and identifying further actions.

The Committee was asked to:

- Note the progress made in strengthening the College's risk management arrangements.
- Provide feedback on the areas of ongoing development.
- Endorse the proposed next steps to further enhance risk management maturity.

The Committee noted:

- Assurance Mapping will be built into Risk Wizard.
- Risk appetite discussion is planned for the September Board development session.
- Risks are being managed actively and effectively.

19. AOB

There was no other business.

Date of Next Meeting – Tuesday 22 September 2026, 4pm

P - Papers will be published on the College Website; R - Papers will not be published for reasons of commercial confidentiality or for reasons associated with data protection legislation; C/P - Confirmed minutes will be published on the College Website

RESERVED ITEMS ON THE NEXT PAGE