

AUDIT COMMITTEE MINUTES

A meeting of the Audit Committee was held on 26 November 2025, online from 4.30pm to 6.30pm

Present

Madeeha Kanwal	Committee Member
Rena McAdam	Committee Member
Lindsey Paterson	Committee Member (Chair)
Stuart Porteous	Committee Member

In Attendance:

David Archibald	Internal Auditor (Henderson Loggie)
Steve Bishop	Head of ICT
Lisa Duthie	Audit Director (Audit Scotland)
Peter Fee	Assistant Principal Finance and Facilities
Jennifer Hunter	Clerk to the Board
Dafydd Jones	Senior Auditor (Audit Scotland)
Niall Macpherson	Chief Operating Officer

ACTIONS

25.61 Welcome and Apologies

Lindsey Paterson welcomed everyone to the meeting. The Committee noted apologies from Jon Vincent.

25.62 Declarations of Interest

There were no declarations of interest.

25.63 Intimations of Any Other Business

There were no items for any other business.

25.64 Draft Minute of the Previous Meeting*

The minutes of the previous meeting were agreed as an accurate record.

25.65 Matters Arising Actions Grid

The Committee noted the matters arising actions grid.

25.66 Cyber Security Update

Steve Bishop spoke to the cyber security report. Scottish colleges face rising cyber threats, with 85% of UK colleges hit by attacks like ransomware and phishing. Glasgow Clyde College maintains strong engagement via alerts, exercises, and training. Recent phishing campaigns show improved staff vigilance, reducing click rates from 29% to 5%. Key priorities include disaster recovery planning, and new rules require Multi-Factor Authentication on all accounts without bypass. However, staffing shortages have delayed ICT maintenance, which is impacting standards. Maintaining accreditation will become harder, requiring additional security measures and continued investment in infrastructure and support.

The Committee discussed the report, and Steve confirmed that ICT are considering their options for continuous improvement across the College in cyber security. The Committee suggested highlighting the good results achieved in the phishing exercise in the Clyde Connects publication. Madeeha Kanwal offered support from the Students Association towards the achievement of Cyber Essentials Plus.

25.67 Final Internal Audit Annual Report 2024-2025, Systems Development Implementation

David Archibald spoke to the report. David noted that he had included in the report the following information to help the Committee assess that they are maintaining an effective internal audit activity. David confirmed that Henderson Loggie is independent from the College; and that Henderson Loggie has:

- Have produced this document and carried out all internal audit practice in line with the requirements of the Global Internal Audit Standard (GIAS) (effective from 9 January 2025) and the Global Internal Audit Standards in the UK Public Sector (effective from 1 April 2025). Together, these have replaced the Public Sector Internal Audit Standards (PSIAS) previously in place.
- Provide information about the year's activity and the work planned for next year in this report; and
- Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.

The Committee requested that DA expand on the inclusion of Global Internal Audit Standards, for example: more information would be included to highlight that certain information is included in accordance with GIAS within the wider final document.

DA

David reported that in Henderson Loggie's opinion, Glasgow Clyde College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. From the internal audit conducted during 2024/25 HL has not identified any downward trends in relation to risk management, control or governance. This opinion has been arrived at taking into consideration the work undertaken during 2024/25 and in previous years since the initial appointment.

However, the College has identified that the following risks on the Strategic Risk Register are above risk appetite:

- RE1 - Failure to manage College financial sustainability:
 - 1a - during current financial year
 - 1b - through period of the financial plan
- RE 4 - High Impact Business Continuity incident for College e.g. cyber-attack and/or insufficient investment in ICT infrastructure, pandemic, fire, long-term power loss, power rationing

The Committee discussed the report and how the College compares to other Colleges, particularly around managing the control environment. David highlighted that Glasgow Clyde should continue to highlight risks as they currently do as this practice supports positive outcomes.

Systems Development Report

David spoke to the Systems Development Report. The review assessed controls for mitigating Risk RE13: failure to provide data for decision-making. Internal Audit examined IT project management processes, ensuring systems development follows formal methodologies to reduce project failure risks. Effective controls maintain risk at an acceptable level, supporting strategic decisions and safeguarding critical information assets. The Report made two recommendations around the project management structure and the project management business case template.

The Committee discussed the report including the importance of exit strategies particularly when estimating the benefits of projects, which can then change. The Committee noted a positive report with only two recommendations. Niall Macpherson will report on the progress of the Project Management Office at the Audit Committee in March 2026.

NM/JH

25.68 External Audit Annual Report, year-ending 31st July 2025

Lisa Duthie spoke to the report. In presenting this letter and the Annual Audit Report to the Audit Committee, Lisa sought confirmation from those charged with governance on the following matters:

- if they are aware of any instances of actual, suspected, or alleged fraud,
- if they are aware of any subsequent events that have occurred since the date of the financial statements,
- if they are content that the methods, assumptions, and data used in making accounting estimates in the annual report and financial statements are appropriate,
- if all related party relationships and transactions they are aware of are reflected in the annual report and financial statements, and
- if they are aware of any non-compliance with laws and regulations.

The Committee confirmed that there is nothing that Lisa should be aware of.

The Committee discussed the report, and Lisa advised that GCRB was dissolved on the 30th July and not the 31st July 2025.

PF

The Committee noted that Audit Scotland requires additional information on capital funding, RAAC and staff costs documentation to conclude the audit work.

PF

The Committee discussed the issue with RAAC, which occurred as the project timeframe increased, though Scottish Funding Council have since confirmed that all is well. The Committee noted that the final statements will need to be updated to cover Appendix 2 Misstatements covering RAAC; electric vehicles and job evaluation.

PF

The Committee discussed the issue of financial sustainability and their appreciation for the work of both Colleges Scotland and Audit Scotland on getting information to decision makers on the very difficult financial situation that Colleges currently face.

25.69 Key Accounting Judgments (including going concern)

Peter Fee spoke to the report. Members of the Audit Committee were asked to confirm they are satisfied that the key accounting judgements outlined in the report are appropriate for the purposes of the 2024/25 Financial Statements. The College financial plan is based on a range of underlying assumptions. Due to uncertainty in respect of pay and non-pay inflation and other wider economic factors the College will be required to keep the budgetary assumptions under review on an ongoing basis and update its forecasts to reflect any changes which may become apparent as the cycle of the plan progresses. In particular, changes in assumptions in respect of SFC Credits Funding, Tuition Fees, Commercial Income, External Funding and annual pay awards could have a significant impact on the financial forecasts within the plan.

The Committee noted that they are satisfied with the key accounting judgments.

PF

25.70 Draft Annual Financial Statements, year-ending 31st July 2025

Peter spoke to the report. Overall, for the twelve-month period from August 2024 to July 2025, Glasgow Clyde College is reporting a deficit of £3,624k (2023/24 deficit: £5,396k). The Scottish Government remains clear that responsibility for Job Evaluation funding commitments now rests with it until the process is complete'. There was an unrealised surplus of £6,056k on Revaluation of Land and Buildings (2023/24: unrealised surplus £4,544k). In addition, the prior year asset impairment adjustment of £2,050k in respect of the Anniesland Campus windows and the RAAC which was identified at the Cardonald campus has been reduced by £700k. This adjustment reflects the Anniesland Campus windows rectification works which were undertaken during 2024/25. The cost estimate for the planned Cardonald RAAC remedial works is in line with prior years. The rectification works resulted in an asset addition of £683k, off-set by a matching disposal to recognise that this is a replacement of part of an existing asset rather than an enhancement or new asset.

Actuarial losses on Defined Benefit Pension Plans for the period were (£1,478k) (2023/24: losses £3,423k). Therefore, the Total Comprehensive Income for the period is reported as negative £3,927k (2023/24: negative (£3,627k)). After adjusting for non-cash items that are out with the control of the College, such as pensions, net depreciation and the removal of Job Evaluation funding, the adjusted operating position for 2024/25 is a surplus of £74k, the equivalent of 0.4% of total income (2023/24: surplus £195k).

The Committee discussed liquidity and liability ratios, provided feedback and made recommendations for changes including the statement around strong ethnic representation on the staff base. The Committee discussed the gap in funding for Estates and Capital and Niall confirmed that the College continues to do what it can with the funding available, and that spend balances need with recommendations from conditions surveys.

The Committee requested a copy of the new Conditions Survey when it's ready. **PF**

Further to changes discussed, the Committee are happy to recommend the statements to the Board for approval. **PF**

25.71 Student Activity Data Audit Annual Report 2024/25

David spoke to the report. In accordance with the Credits Audit Guidance, Henderson Loggie (HL) reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. HL carried out further detailed testing, as necessary, to enable the conclusion that the systems and procedures were working satisfactorily as described. The points to bring to Committee attention include Introduction, Systems and Procedures for Compilation of Returns and Analytical Review. The HL report was submitted to the SFC on 29 October 2025. Henderson Loggie reported that, in our opinion, the student data returns have been compiled in accordance with all relevant guidance, adequate procedures are in place to ensure the accurate collection and recording of the data, and HL can provide reasonable assurance that the FES return is free from material misstatements.

The Committee noted the positive outcome of the report.

25.72 Student Support Funds Audit Annual Report 2024/25

David spoke to the report. For the 2024/25 academic year three specific fund statements were required for audit: Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; Higher Education Discretionary and Childcare Fund Return; and Education Maintenance Allowance Return. Henderson Loggie noted one minor observation in the Higher Education Childcare Fund return.

The Committee discussed the auditors' observations and noted the adjustment within the Education Maintenance Return and the recommendation for Student Bursary payments process for students who transfer from full-time to part-time courses.

25.73 Draft Annual Report from Audit Committee to Board of Management*

Niall spoke to the report. The draft annual report from the Audit Committee to the Board of Management forms part of the year-end process. Committee members are asked to review and approve the draft for submission to the Board's December meeting. The report informs the Board about the adequacy and effectiveness of internal financial and management controls, and arrangements for securing economy, efficiency, and effectiveness. The report summarises Audit Committee business from 1 August 2024 to 26 November 2025, prior to the Board approving the College's financial statements for 2024/25. The final report will be submitted to the Scottish Funding Council alongside the audited financial statements.

The Committee requested that Committee Chairs approve the assurance mapping information which sets out the work undertaken by committees annually, ensuring they comply with their remits. Additional information should be included in the Value for Money statement, for example covering the work of the procurement team and the management team. Further to the changes discussed the Committee will be happy to approve the report. The Audit Committee annual report to the Board of Management should confirm that the Committee has complied with its remit.

NM

25.74 College Strategic Risk Register & Risk Appetite Levels

Niall spoke to the report. The Strategic Risk Register is subject to quarterly review. As the last review was undertaken on 28/08/25 there hasn't been another formal review but rather the mitigating actions have been updated as highlighted. As such there remain two Red net risks and in line with the previous report: 4.2 RE1 failure to manage College financial sustainability – the approved budget is a £0.5m deficit, therefore in-year efficiency savings are still required to return to a balanced position. In addition, forward forecasts show ongoing deficits. Mitigating actions updated but net risk remains at 20. RE4 high impact Business Continuity incident – global security threats including ransomware attacks are on the increase, and net risk remains at 15.

The Committee noted the report.

25.75 Internal and External Audit Rolling Action Plan

Peter spoke to the report. Within the action plan, as at 26 November 2025, there are two internal audits with partially completed recommendations and some of these are out with agreed time limits due to other factors. The team are working to close these off and will keep Internal Audit updated. An update of this action plan is reported to each Audit Committee which is a monitor of actions through to full implementation.

The Committee noted the report.

25.76 Strathclyde Pension Fund Actuarial Valuation Report, Assumptions

Peter spoke to the report. The value of the Strathclyde Pension Fund asset/liability which is included on the College balance sheet is impacted by the accounting assumptions applied in the annual valuation. However, the related adjustments are non-cash in nature and, as such, have no immediate impact on the College's financial sustainability. The related pension liability is effectively underwritten by the Scottish Government.

Niall requested that this item be moved into the Schedule of Work for the Committee in September to allow the Committee more time to consider options in future.

JH

The Committee noted the report.

25.77 Scottish Funding Council Update

There was no Scottish Funding Council news to report.

22.78 Audit Scotland Report Scotland's Colleges 2025 (if available)

Niall provided highlights from the Scotland's Colleges Report, The Committee requested that the report be copied to the Board of Management.

JH

25.79 Audit Committee Schedule of Work & Board Tenure Document

Jennifer Hunter asked the Committee to consider the tenure document and to support the recruitment of a diverse board of management by circulating recruitment opportunities amongst a wide range of networks; and to consider the benefits of co-opting people onto the Committees of the Board.

25.80 Any Other Business

There was none.