

AUDIT AND RISK COMMITTEE

NOTICE

There will be a meeting of the Audit and Risk Committee on 19 May 2026 at 1730 hours in the Boardroom and on Teams.

AGENDA

Agenda Item		Paper	Lead
01	Apologies for Absence	N	VA
02	Declaration of any potential Conflicts of Interest in relation to any Agenda items	N	All
03	Minutes of Previous Meeting – 12 February 2025	Y	PS
04	Matters Arising from the Previous Meeting	N	PS
Matters for Approval - Reserved Item - In Draft Form			
05	Business Continuity Management (BCM) Policy	Y	CS
Matters for Discussion			
06	Internal Audit		
06.1	Audit Report 2026/03 – Business Continuity	Y	DA
06.2	Audit Report 2026/04 - Student Experience - Curriculum	Y	DA
07	External Audit		
07.1	Draft Annual Audit Plan 2025/26	Y	KT
07.2	Management Letter from Audit Scotland in respect of controls	Y	KT
08			
08.1	Rolling Audit Recommendations Commentary	Y	PF
08.2	Rolling Audit Recommendations Monitor	Y	PF
09	Risk Management – Risk Register		
09.1	Commentary on SLC Strategic Risk Register	Y	PF
09.2	SLC Strategic Risk Register	Y	PF
10			
10.1	Assurance Framework Policy	Y	EMcK
10.2	Appendix	Y	
11	Bi-Annual Report of Cyber Security		
11.1	PowerPoint	Y Y	CS
12	Reserved: Commercially Sensitive Finance Improvement Plan	Y	EMcK
13	Reserved: Commercially Sensitive Pension and Payroll Project Update	Y	GMcl
Matters for Information (No overviews required-questions invited)			

14	Quarter 3 Complaints Report *Douglas has requested inclusion due to issue with system	Y	VA
15	Governance Rolling Review	Y	VA
16	Audit Scotland Technical Bulletin	Y	EMCK
17	Summation of Actions and Date of Next Meeting (25 August 2026)	N	VA
18	Any Other Business	N	

Key:

CS	Chris Sumner	Head of Digital
DM	Douglas Morrison	Board of Management Chair
EMcK	Elaine McKechnie	Vice Principal – Resources and Sustainability
GMcl	Gary McIntosh	Head of People Services
JM	Jacqueline Morrison	Committee Member
KP	Kirsty Pinnell	Committee Member
PF	Paddy Feechan	Head of Finance
PS	Peter Sweeney	Chair – Audit and Risk Committee
SC	Scott Coutts	Committee Member
SMcM	Stella McManus	Principal
CO'B	Ciaran O'Brien	Audit Scotland
DA	David Archibald	Partner – Henderson Loggie LLP
KN	Kerry Nelson	Senior Audit Manager – Audit Scotland

Unconfirmed ARC Minutes

AUDIT & RISK COMMITTEE

MINUTES

ARC Committee on 12 February 2026 at 1730 hours via Microsoft Teams and in the Boardroom at South Lanarkshire College

Present

Jacqueline Morrison (Acting Chair, ARC)
Douglas Morrison, (Chair, BoM) (online)
Scott Coutts, Sen Indep Member (online)
Kirsty Pinnell, Board Member (online)

In Attendance

Stella McManus, Principal
Elaine McKechnie, VP for FR&S
Kerry Tonner (Nelson), Audit Scotland
Stuart Inglis, Director, Henderson Loggie (online)
Chris Sumner, Head of Digital
Paddy Feechan, Head of Finance

Vari Anderson, Governance Professional
Christine Clark, Executive & Governance Administrator

AGENDA ITEM

01	<p>Apologies for Absence Peter Sweeney (Chair of ARC)</p> <p>The Chair of the Board of Management thanked JM for stepping in as interim Chair for PS (Chair, ARC).</p> <p>The Acting Chair welcomed all to the meeting and extended thanks for the quality of the submitted papers.</p>
02	<p>Declaration of any potential Conflicts of Interest in relation to any Agenda items None noted.</p>
03	<p>Minutes of Previous Meeting – 02 December 2025 The minutes were duly approved.</p>
04	<p>Matters Arising from the Previous Meeting (02 December 2025)</p> <p><i>Item 5.1 Action point:</i> College Management to write to the CEO of Scottish Funding Council to discuss the evolving funding model and the removal of treasury management initiatives. Draft letter will be presented to the Finance and Resources Committee on 24 February 2026. Letter has been acknowledged but no response received to date.</p>

	<p>Item 6.6 Action point: Suggestion for ARC and FRC to consider longer term strategy as investment will be required, with limitations due to prohibited borrowing. Workshop and creative activity to consider carbon reduction and how the Board of Management can chart a path to make measurable progress. Ongoing consideration being given to workshops that can take place throughout 2026. Training received January 2026.</p> <p><i>Item 9.1 Action point:</i> Operational action for PS and CS to meet to discuss cyber security. CS advised not met as yet.</p>
05	Matters for Approval
05.1	<p>Reserved Item: In Draft Form – To be Published at Later Date Risk Management Policy and Procedures</p> <p>The Committee considered the paper and noted the overview around the five stages of risk management and how this will feed in from individual department risk registers.</p> <p>ACTION: The Committee agreed that the Risk Management Policy and Procedure is to be circulated via round robin for approval after the following amendments:</p> <ul style="list-style-type: none"> • To create ‘Environmental Risk’ as a separate risk category • Consideration to be given to the role of Chief Information Security Officer (CISO) • On page 7, tense to be reviewed regarding cyber security • Page numbering, formatting, and simple language within ‘Risk Appetite’ section to be updated • Consideration to be given to inclusion of a legend for risk appetite <p>The Committee discussed Board engagement surrounding risk and reference was made to CDN resources and previous risk sessions with D Archibald / Emma Tilley (Henderson Loggie) (Nov 2024).</p>
05.2	<p>Reserved Item: Commercially Sensitive Legal Claim</p> <p>The Committee considered, fully discussed and approved the paper and Remitted to the Board for Approval.</p> <p>The details could not be published due to being commercially sensitive.</p>
06	Matters for Discussion
06.1	<p>Internal Audit: Student Association</p> <p>The Committee considered and noted the paper, with highlights to pages 2, 3 and 4 and the quality evaluation into all student activities increasing from 30% to 70%. Actions noted with no recommendations from Henderson Loggie.</p> <p>The Committee were pleased to note the overall audit opinion of ‘Good’, which represents the highest level of assurance.</p> <p>SI advised progress noted as encouraging and gratifying with good practices in comparison with other colleges.</p>

<p>07</p> <p>07.1</p> <p>07.2</p>	<p>Rolling Audit Recommendations Commentary</p> <p>Rolling Audit Recommendations Monitor</p> <p>The Committee considered and noted the reports with concern around the number of outstanding actions from 2023/24.</p> <p>Noted new personnel and systems now in place and will address historical items relating to student funds with expectation to close off by the end of this year. All recommendation action owners will be monitored.</p> <p>ACTION: Amendment to typographical error in column I row 4 and college management to review and update the register to reflect the current status and adjust completion dates to realistic expectations for presentation at the next committee meeting.</p> <p>Noted commentary would be helpful to provide a broader update, and happy to review if this creates additional burden.</p>
<p>08</p> <p>08.1</p> <p>08.2</p> <p>08.3</p> <p>08.4</p>	<p>Risk Management – Risk Register</p> <p>Commentary on SLC Strategic Risk Register</p> <p>The Committee considered and noted the report, acknowledging the overview provided around score changes, iTrent, initial BluQube enhancements, and ongoing support including People Services.</p> <p>ACTION: Preference to replace ‘out of our control’ phrase with ‘limited control’ as there is a strategy in place for the ongoing cost-recovery work for the college.</p> <p>Risk 6 – Health & Safety. Following previous discussion, consideration to be given to including a risk relating to potential legacy claims.</p> <p>Risk 11 – To note increase relating to Health and Safety pending occupational health monitor and assessment providing assurances. Primary focus to ensure staff working safely.</p> <p>SLC Strategic Risk Register</p> <p>Cyber Risk Register and Cyber Risk Framework (CRF)</p> <p>SLC Data Protection ICO Accountability Tracker</p> <p>The Committee noted the Register, Framework and Tracker reports.</p>
<p>09</p> <p>09.1</p>	<p>Update from SLC Quality Enhancement Group</p> <p>Review of the audit programme of the College’s Quality Enhancement Group and EMA Audit – Block 1 results</p> <p>The Committee considered and noted the report, acknowledging the two audits (Table 1) and future audits now with Curriculum Leads. No issues, actions or recommendations raised.</p>
<p>10</p> <p>10.1</p>	<p>Reserved Item: Commercially Sensitive</p> <p>Finance Improvement Plan 2026</p> <p>The Committee noted the Plan and acknowledged significant progress since November 2025.</p>

	The details could not be published due to being commercially sensitive.
11	<p>Supplier Risk Management</p> <p>The Committee welcomed the report following discussion during the last ARC meeting around top suppliers. The Committee acknowledged the procurement policies and processes where 80% is non influential spend e.g. HMRC, SQA, Pension Authorities, and the remaining 20% of suppliers are managed by the Procurement Manager, using the top 10-20 suppliers list via the Advanced Procurement for Universities and Colleges (APUC) system where credit and background checks ensure adherence of processes and legislation remain in place to protect our risk.</p>
12	<p>Pension and Project Update (Commercially Sensitive)</p> <p>The Committee discussed the paper.</p> <p>The details not published due to commercial sensitivity.</p>
Matters for Information (No overviews required – questions invited)	
13	<p>External Audit</p> <p>External Audit Proposed Fees 2025-26</p> <p>The paper was noted with no questions raised.</p>
14	<p>Rolling Review</p> <p>Since the last review in November 2025, one amber item has been amended to green (1.1 Training in the new Code of Good Governance) to reflect the work in this area during inductions and the recent refresher training provided by CDN at the Board Training Day.</p> <p>Note that work is ongoing by the Senior Leadership Team and Governance Professional into key policies and procedures.</p> <p>14.1 Committee Self-Evaluation</p> <p>As part of the committee terms of reference, the ARC must undertake an annual self-evaluation exercise which will be forwarded to the Board of Management, for information.</p> <p>A short survey has been prepared and is currently with PS for review. Once approved, it will be circulated to members and a draft report with the results will be prepared for the next meeting.</p>
15	<p>Audit Scotland Technical Bulletin</p> <p>The terms of the Audit Scotland Technical Bulletin were noted with no questions raised.</p>
16	<p>Summation of Actions and Date of Next Meeting (19 May 2026)</p> <p>Approvals:</p> <p><u>Item 5.1</u> – Following necessary amendments, Risk Management Policy and Procedures to be circulated via round robin for approval.</p> <p><u>Item 5.2</u> – Legal claim approved. To remit to the Board for final approval.</p>

	<p>Actions: <u>Item 7.1 & 7.2</u> - Amendment to typographical in column I row 4 and college management to review and update the register to reflect the current status and adjust completion dates to realistic expectations for presentation at the next committee meeting.</p> <p><u>Item 8.1</u> – Amend phrasing to ‘limited control’ as there is a strategy in place for the ongoing cost-recovery work for the college. -Risk 6 – Health & Safety - consideration to include a risk relating to potential legacy claims. -Risk 11 – To note increase relating to Health and Safety pending occupational health monitor and assessment providing assurances.</p>
17	<p>Any Other Business</p> <p>DM extended his thanks to JM for standing in as Chair on this occasion.</p> <p>KP (not related to ARC business). Applications for 2026 Intern Programme at University of Strathclyde (STEM and Outreach) are going live 13/2/26. Information will follow and the process is open for two weeks only. Request for colleagues to encourage relevant applicants to apply.</p> <p>SM noted J Jamieson (Depute Head of Curriculum) has been nominated for the Knowledge Exchange Award.</p> <p>Meeting closed 18.45.</p>

Key:

CS	Chris Sumner	Head of Digital
DM	Douglas Morrison	Board of Management Chair
EMcK	Elaine McKechnie	Vice Principal – Resources and Sustainability
JM	Jacqueline Morrison	Committee Member (Acting Chair)
KP	Kirsty Pinnell	Committee Member
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DA	David Archibald	Partner – Henderson Loggie LLP
KN	Kerry Nelson	Senior Audit Manager – Audit Scotland
SI	Stuart Inglis	Director, Henderson Loggie LLP

AUDIT & RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	Internal Audit: Business Continuity and Student Experience - Curriculum
REFERENCE	06.0
AUTHOR AND CONTACT DETAILS	David Archibald, Partner, Henderson Loggie LLP David.Archibald@hlca.co.uk
PURPOSE:	To update the Committee on the results of two Internal Audits: Business Continuity and Student Experience – Curriculum.
KEY RECOMMENDATIONS/ DECISIONS:	The Committee are asked to: <ul style="list-style-type: none"> • Note the overall internal audit opinion of 'requires improvement' on the internal audit of Business Continuity. • Note the overall internal audit opinion of 'good' on the internal audit of Student Experience – Curriculum.
RISK	<ul style="list-style-type: none"> • That the College fails to identify risks and appropriate controls during day-to-day operations. • That the College does not meet governance requirements because of poor risk management and controls. • That the College does not comply with the requirements of the Code of Good Governance and other requirements of it as a college. • That the College does not fulfil its requirements as regards giving assurance to its external auditors.
RELEVANT STRATEGIC AIMS:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORTS:	<p>Internal Audit has provided two reports for the Committee's consideration: Business Continuity and Student Experience - Curriculum</p> <p>Business Continuity</p> <p>The overall opinion expressed is 'requires improvement' which means that the system has weaknesses that could prevent it from achieving control objectives.</p>

The strengths of the Business Continuity audit include:

- The College has a Business Continuity Plan (BCP) in place, with copies available at the reception, Boardroom and each floor of the College.
- Business continuity arrangements had been considered across the organisation recently and the College had successfully responded to previous disruptive events.
- A detailed approach to recovery from a failure in IT services is well documented.

However, main weaknesses from the report are:

- there is a lack of Business Continuity Management Policy to underpin arrangements.
- Departmental BCPs have not been fully updated since 2019.
- There is currently no process for formally raising and maintaining awareness of BCM more generally across the wider College staff.

Nine recommendations have been noted. The College will close six recommendations pending review of the BCM Policy and Strategy documentation at this round of Committees in May/June 2026. A further two will be completed by August 2026, with the residual one completed by November 2026.

Student Experience - Curriculum

The overall opinion expressed is 'good' which means the system currently meets its control objectives. No recommendations have been proposed.

The report notes an effective curriculum planning and timetabling document is in use at the College; there is regular reporting of progress updates available around curriculum planning and the College makes use of Power BI and dashboards for tracking data.

The report also credits effective linkages to 'The SLC Way' and 'Strategy 2030' which inform curriculum planning processes, to ultimately support the student experience and the quality of provision offered.

LEVEL OF ASSURANCE

Requires improvement

South Lanarkshire College

Business Continuity

Internal Audit report No: 2026/03

Draft issued: 1 April 2026

Final issued: 4 May 2026



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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



Management Summary

Overall Level of Assurance

Requires improvement

System has weaknesses that could prevent it achieving control objectives.

Risk Assessment

This review focused on the controls in place to mitigate the following risks on the South Lanarkshire College (SLC or 'the College') Strategic Risk Register as at February 2026:

- Risk 7 – That there is business interruption due to major disaster, IT failure etc (Post-mitigation score 12, High); and
- Risk 8 – That there is a theft of, or damage to, Management Information System (incl. cyber-crime) (Post-mitigation score 3, Low).

Background

As part of the Internal Audit programme at the College for 2025/26, we carried out a review of the systems in place for Business Continuity. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Audit and Risk Committee and management that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The HM Government Business Continuity Management (BCM) Toolkit notes that *'BCM is about identifying those parts of your organisation that you can't afford to lose – such as information, premises, staff – and planning how to maintain these, if an incident occurs. Any incident, large or small, whether it is natural, accidental or deliberate, can cause major disruption to your organisation. But if you plan now, rather than waiting for it to happen, you will be able to get back to business in the quickest possible time.'*

To implement BCM you will need to consider the following questions:

- *What are your organisation's key products and services?*
- *What are the critical activities and resources required to deliver these?*
- *What are the risks to these critical activities?*
- *How will you maintain these critical activities in the event of an incident (loss of access to premises, loss of utilities etc)?'*

The College has an overall Business Continuity Plan (BCP) in place, and an Information Systems plan and other departmental plans. However, it is recognised by College management that these documents require updating. The Head of Digital has developed a new Business Impact Assessment (BIA) form for roll out across the College to enable the new BCPs to be prepared.



Scope, Objectives and Overall Findings

We have undertaken a review of business continuity planning to consider whether there are adequate plans in place to minimise disruption to operations following significant incidents, including those affecting buildings, equipment or services

The table below notes each separate objective for this review and records the results:

Objective	Findings				Action already planned
	Level of Assurance	1	2	3	
The objective of our audit was to obtain reasonable assurance that:		No. of Agreed Actions			
1. Business Continuity / Contingency Plans are in place covering all of the College's activities and locations	Requires improvement	0	1	2	✓
2. The Business Continuity Plans / Contingency Plans are workable, properly communicated to members of staff, and have been adequately tested	Satisfactory	0	1	1	✓
3. The processes and procedures in place follow recommended good practice	Satisfactory	0	0	4	✓
Overall Level of Assurance	Requires improvement	0	2	7	
		System has weaknesses that could prevent it achieving control objectives.			

Audit Approach

We obtained copies of Business Continuity / Contingency Plans in place and considered whether they cover all of the College's activities and locations.

We discussed the College's approach with members of the College Management Team, a number of other Curriculum and Support Service managers, and the Student Association President. We also reviewed evidence of how plans have been communicated to staff and other stakeholders, and the extent to which plans have been tested and assurance over the robustness of the plans obtained.

An assessment of the key processes and internal controls was performed with reference to relevant good practice guidance as defined in the HM Government BCM Toolkit and an ISO 22301 Business Continuity Management System (BCMS) self-assessment questionnaire.



Summary of Main Findings

Strengths

- The College has an overall BCP in place, which was last reviewed in January 2025. The document is owned by the Senior Leadership Team (SLT) and was approved by the Board of Management.
- The overall BCP sets out the responsibilities of core recovery teams following an incident, under the supervision of the Incident Management Team, which includes members of the SLT. Initial tasks for each of the teams are also set out.
- For Information Systems, a detailed approach to recovery from a loss of IT services or data from a cyber-attack is contained within the College's Incident Response Process document (published May 2021 and last updated in February 2025), which is supported by a range of playbooks which detail the College's response protocols for specific types of threats;
- The overall College BCP and department plans are stored in the Cloud making use of SharePoint Online and can be accessed by all staff members with defined business continuity responsibilities.
- Arising as an action from a recent lessons learned review, hard copies of the College BCP will be made available within the Boardroom, Reception Desk and on each floor of the College.
- SLT Incident Response Training was carried out in November 2025 in the form of a scenario exercise relating to the finance system supplier having an outage. Lessons learned were considered. A Business Continuity Workshop, facilitated by the College's insurers, was planned for March 2026 and a further scenario exercise was also planned.
- Although there is currently a lack of fully documented Department BCPs (see below), discussions during our audit with members of the College Management Team, a number of other Curriculum and Support Service managers and the Student Association President, provided good assurance that business continuity arrangements had been considered across the organisation and the College had successfully responded to previous disruptive events.
- The College's overall BCP was recently activated in December 2025 when the lifts went out of action, and a lessons learned meeting was subsequently held with actions for improvement identified.

Weaknesses / Opportunities for improvement

- The Departmental Business Continuity Planning documents were developed around 2019 and our review of these documents noted that they were largely incomplete, particularly for Part 2 (Service Area Recovery Plan) and Part 3 (BCP). This has already been recognised by College management as a gap, and the Head of Digital has developed a new BIA form for roll out across the College to enable the new BCPs to be prepared. This will be a significant piece of work and sufficient priority and resources should be given to completion of the new BIA / BCPs by the Curriculum and Support areas, by the target timescale of 31 August 2026.
- It is common for the overall College BCP / Incident Management Plan to include emergency response plans or action task lists which address responses to major disruptive events that affect more than one department or College-wide services / functions and this should be considered for inclusion as an appendix to the overall College BCP.
- From our discussion with Curriculum and Support Service managers it was established that no formal arrangements are in place where, for example, specialist classroom or workshop accommodation with specialist equipment and tools would be required following a disruptive event, with only informal contingency plans arranged.
- Our discussions with members of the College Management Team, and a number of other Curriculum and Support Service managers, indicated that there was an awareness of the College's BCPs by those with business continuity responsibilities. However, there is currently no process for formally raising and maintaining awareness of BCM more generally across the wider College staff.
- Test exercises conducted over time should validate the whole of the College's business continuity arrangements. Scenario testing carried out to date and planned has focused on IT. The testing and monitoring processes are not currently documented in the BCPs.
- The College does not currently have a BCM policy.



Summary of Main Findings (Continued)

Weaknesses / Opportunities for improvement (continued)

- The overall College BCP and current Department BCP template do not set out their scope and objectives, or key definitions e.g. the definition of a major incident.
- The new BIA form includes a section to document Department BIA Resources. However, this form does not include the determination of resource requirements for Information and Data and Supplies and Partners, in line with good practice.
- As previously noted, the Head of Digital is planning to replace the current three-part Departmental Business Continuity Planning Template with a new BIA form to simplify the process. However, it was noted that the new form does not include a section to clearly identify the BCM strategy.

Action already planned

- Although the 'Impact on Business Functions' section of the new BIA form includes reference to threats / risk, there is no risk assessment process described, which is aligned with the good practice guidance. The Head of Digital advised that in future this information will be captured within departmental operational risk registers. Therefore, we have not included a separate recommendation on this specific point.

Acknowledgments

We would like to take this opportunity to thank the staff at South Lanarkshire College and the Student Association President who helped us during the course of our review.



Main Findings and Action Plan

Objective 1 - Business Continuity / Contingency Plans are in place covering all of the College's activities and locations.

The College has an overall Business Continuity Plan (BCP) in place, which was last reviewed in January 2025. This document was created by the Risk Management Group, is owned by the Senior Leadership Team (SLT), and was approved by the Board of Management.

Section A of the overall BCP includes response / recovery timelines for five event types:

- File loss, system failure, phone system failure, internet failure, hardware failure;
- Loss of access to the buildings but the system is not affected;
- Loss of systems but the building is not affected;
- Loss of staff (e.g. wholesale headhunting, Lotto syndicate, Bird Flu, Coronavirus, etc.); and
- Full loss of site and system.

Section B covers the responsibilities of core recovery teams following an incident, under the supervision of the Incident Management Team, as summarised below:

- **Incident Management Team** – has sole responsibility for the disaster communications strategy which encompasses both public relations and media strategy. Members are the Principal as Team Leader and press spokesperson, Vice Principals and the Head and Deputy Head of Curriculum. We were advised that the Principal has had media training and further training for the SLT is being discussed.
- **Estates & Services Team** – Repairing and maintaining the affected building(s); establishing new accommodation; damage and salvage assessment; security issues; transportation; health and safety.
- **People Services Team** – Insurance liaison; legal issues; finance and purchasing; human resources issues.
- **Finance Team** – Procurement; Cash flow; Contracts, ledger contract.
- **Digital Team** – Hardware and software; data comms.; disaster recovery for IT infrastructure.
- **Student Services Team** – Phone system; stationery; mailroom; reception.
- **Communications Team** – Responsible for all communications with employees, students, stakeholders and key external contacts.
- **Business Innovation Team** – No specific responsibilities noted.

Section C covers incident team notification procedures. This includes initial tasks for the Incident Management Team and each Service Area Recovery Team. Incident control centre locations are noted, where the Incident Management Team would assemble if there were an activation of the Incident Management Plan. Appendices to the BCP include: a Team Event Log; Key Business Contacts who would need to be contacted following an incident as appropriate (business partners, suppliers, contractors, stakeholders etc.); Key Local Contacts (caterers and nursery); Incident Response Log; and Decision Log.



Objective 1 - Business Continuity / Contingency Plans are in place covering all of the College's activities and locations (continued).

The overall College BCP cross-refers to Information Systems and Department Service Area Recovery (SAR) / BCP documents, and notes that each Department SAR / BCP contains detailed task lists for recovery of services for their areas; lists of key equipment required with any contingencies in place; lists of any contingency plans in the event of loss of accommodation, staff or services.

The existing Departmental Business Continuity Planning Template (including for Information Systems) consists of three parts:

- Part 1 – Business Impact Assessment (BIA);
- Part 2 – SAR Plan; and
- Part 3 – BCP.

The aim of Part 1 – BIA is to identify the business processes handled at department / service area level, to evaluate the criticality of the process, and to examine the contingency arrangements in place to minimise business impact in the event of an unplanned incident. This includes details of department staffing; department services; stakeholders and dependencies; critical functions analysis; and impact assessment, which describes the impact of not delivering each of the business functions identified. These are assessed taking into account which services are “business critical” and require to be prioritised for recovery, and which services could wait to be reinstated. The Recovery Time Objective (RTO) – the maximum acceptable downtime after a failure, and Recovery Point Objective (RPO) – the maximum amount of data loss acceptable during an outage, expressed in time, are noted for each business function. The resources required to restore a function / service are also listed.

Part 2 – SAR sets out for each business function the normal requirements; configuration; dependencies; action to be taken in 1 day, 1 week, 1 month and 2 months; and any contingency arrangements in place.

Part 3 – BCP includes a staff contact list; business priorities; and actions required in the event of a business disruption relating to workspace, IT systems / data and key staff.

For Information Systems, a more detailed approach to recovery from a loss of IT services or data from a cyber-attack is contained with the College's Incident Response Process document (initially published in May 2021 and last updated in February 2025), which is supported by a range of playbooks which detail the College's response protocols for the following specific types of threats: malware; data breaches; user account compromise; denial of service attacks; ransomware; unauthorised access; and phishing. The Head of Digital has also prepared a server dependency flow diagram.



Business Continuity

Objective 1 - Business Continuity / Contingency Plans are in place covering all of the College's activities and locations (continued).

Observation	Risk	Recommendation	Management Response	
<p>The Departmental Business Continuity Planning documents were developed around 2019 and our review of these documents noted that they were largely incomplete, particularly for Parts 2 and 3. Some documents, such as for Information Systems and Facilities, are more complete than others. However, Part 3 had not been fully populated for those either.</p> <p>This has already been recognized by College management as a gap, and the Head of Digital has developed a new BIA form for roll out across the College to enable the new BCPs to be prepared. This will involve eight Curriculum and six Support areas, and it is planned to have these completed by August 2026, which will be a significant piece of work. The Head of Digital is planning to provide training to departments on roll out of the new form to assist with its completion.</p> <p>Although there is currently a lack of fully documented Department BCPs, discussions during our audit fieldwork, with members of the College Management Team, a number of other Curriculum and Support Service managers and the Student Association President, provided positive assurance that business continuity arrangements had been considered across the organisation and that the College had successfully responded to previous disruptive events.</p>	<p>The College has not identified all critical functions across the organisation and planned how to maintain these if an incident occurs.</p>	<p>R1 Sufficient priority and resources should be given to completion of the new BIA / BCPs by the Curriculum and Support areas, by the target timescale of 31 August 2026.</p>	<p>There is already a lot of information within our business impact assessment documents from 2019 however there were gaps in the documentation. Some areas haven't changed and other areas have, therefore much of the information is valid. In the case of IT where services have been moved to the cloud, the BCP will need updated. The 2019 process was very lengthy and needed reducing. A paper to SLT will be provided shortly on the approach and the new form with the recommended changes from the auditors, progress can then begin in May/June for completion by each manager in July/Aug.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 31 August 2026</p>	
			<p>Grade</p>	<p>2</p>



Business Continuity

Objective 1 - Business Continuity / Contingency Plans are in place covering all of the College's activities and locations (continued).

Observation	Risk	Recommendation	Management Response
<p>As previously highlighted, the overall College BCP includes response / recovery timelines for five event types and initial tasks for the Incident Management Team and each Service Area Recovery Team.</p> <p>It is common for the overall College BCP / Incident Management Plan to include emergency response plans or action task lists, which address responses to major disruptive events that affect more than one department or College-wide services / functions. e.g. fire evacuation, gas leak, water damage, power failure, loss of water, loss of gas supply, serious medical emergency, denial of access, telephone bomb threat, severe weather, terrorist attack and pandemic.</p>	<p>The response to a disruptive event may not be as fast or efficient as it could be.</p>	<p>R2 The College should consider drawing up emergency response plans (or action task lists) which address responses to major disruptive events that affect more than one department or College-wide services / functions and include this as an appendix to the overall College BCP.</p>	<p>An update is required to our current BCP document with an emergency response documentation. This will exist in the College as it forms part of the fire evacuation plans and description of muster points. It only needs referenced and stored with the BCP documents. The information should already be with Facilities however the detail should be very simple bullet points for different types of disruptive event e.g. Gas leak, water damage etc.</p> <p>To be actioned by: Head of Facilities / Head of Digital</p> <p>No later than: 30 June 2026</p>
			<p>Grade 3</p>



Business Continuity

Objective 1 - Business Continuity / Contingency Plans are in place covering all of the College's activities and locations (continued).

Observation	Risk	Recommendation	Management Response	
<p>It was noted that the Departmental Business Continuity Planning Template Part 1 – BIA includes a column within the critical functions analysis section to indicate whether an external support contract is in place.</p> <p>It was not clear however, whether any agreements were in place (formal or otherwise) where, for example, specialist classroom or workshop accommodation with specialist equipment and tools were flagged as a requirement for delivery of teaching.</p> <p>From our discussions with Curriculum and Support Service managers, as part of our audit fieldwork, it was established that no formal arrangements are in place, just informal plans. So, for example, to use portacabins, or source accommodation locally from available industrial units or vacant accommodations from South Lanarkshire Council or Colliers on the Technology Park. We were advised that the College would also make use of its links to employers and other colleges.</p>	<p>Strategies set out in the departmental BCPs may not work.</p>	<p>R3 The College should investigate options and formalise these as far as possible within the departmental BCPs for potential reciprocal arrangements for specialist classroom or workshop accommodation with specialist equipment and tools to allow teaching to continue following a significant business continuity event.</p>	<p>A “special arrangements” section of the BIA and departmental document will exist and that is where this information should be collected. The completion of R1 will also cover this recommendation.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 31 August 2026</p>	
			<p>Grade</p>	<p>3</p>



Business Continuity

Objective 2 - The Business Continuity Plans / Contingency Plans are workable, properly communicated to members of staff, and have been adequately tested.

The overall College BCP and Department SAR / BCP documents are stored in the Cloud, making use of SharePoint Online, and can be accessed by staff members who have defined business continuity responsibilities. Arising as an action from a recent lesson learned review (see later under this Objective) hard copies of the College BCP will be made available within the Boardroom, Reception Desk and on each floor (e.g. Heads of Curriculum / Student Services / Digital / People Services / Marketing / Facilities).

Observation	Risk	Recommendation	Management Response		
<p>The HM Government Business Continuity Management (BCM) Toolkit states that it is good practice to raise and maintain awareness of BCM with all staff to ensure that they are aware of why BCM is important to the organisation. All new staff should be made aware of the organisation's BCM arrangements on joining the College and this should be embedded within the standard induction process. The ISO 22301 Business Continuity Management System (BCMS) self-assessment questionnaire also notes that everyone within the organisation's control should be aware of the importance of the BCM policy, their involvement in implementing it, and their role in managing a disruption.</p> <p>Although discussions with members of the College Management Team, and a number of other Curriculum and Support Service managers, confirmed that there was an awareness of the College's BCPs by those with business continuity responsibilities, there is currently no process for formally raising and maintaining awareness of BCM more generally with the wider staff group across the College.</p>	<p>BCM may not be fully embedded in the organisation's culture.</p>	<p>R4 The College should include an overview of the organisation's BCM arrangements as part of the induction process for new staff and provide refresher training when any significant revisions to the BCM arrangements are made.</p>	<p>The knowledge of business continuity is widespread & was demonstrated in the audit. The awareness could be improved in the layer of management for departments (CM's, Depute heads and operational managers). Staff awareness however is limited & the level of awareness is far less but still required. Part of R1 recommendation will cover this but a follow up in comms to managers and staff will assist the evidence of raising BCP awareness.</p> <p>Realistically this would be done after the R1 completion after the start of the new term in August 2026 therefore the deadline is more likely to be Nov 2026.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 November 2026</p>		
			<table border="1"> <tr> <td>Grade</td> <td>3</td> </tr> </table>	Grade	3
Grade	3				



Business Continuity

Objective 2 - The Business Continuity Plans / Contingency Plans are workable, properly communicated to members of staff, and have been adequately tested (continued).

SLT Incident Response Training was carried out in November 2025 in the form of a scenario exercise relating to the finance system supplier having an outage and no one in the College being able to access it. The scenario included the Head of Digital being unavailable on annual leave. Lessons learned were considered although these had not been written up at the time of our audit. The exercise was based on material available from the National Cyber Security Centre.

A Business Continuity Workshop facilitated by the College's Insurers was planned for March 2026 and the Head of Digital has been speaking with Jisc and another college in relation to arranging a joint scenario exercise focussing on a cyber event.

The College's overall BCP was recently activated in December 2025 when the lifts went out of action and it was decided to undertake a staggered exit for students to leave the main building. A lessons learned meeting was subsequently held, which included attendance by members of the College Management Team, to discuss how an incident like this should be actioned in future. A number of actions for improvement were identified from this.



Business Continuity

Objective 2 - The Business Continuity Plans / Contingency Plans are workable, properly communicated to members of staff, and have been adequately tested (continued).

Observation	Risk	Recommendation	Management Response
<p>The ISO 22301 BCMS questionnaire notes that test exercises conducted over time should validate the whole of the organisation's business continuity arrangements. Test exercises should be undertaken at planned intervals, and when significant changes occur. The process should be documented within the BCMS.</p> <p>An appropriate procedure for monitoring the BCMS should also be documented.</p> <p>As noted above, scenario testing carried out to date and planned has focused on an IT system outage and a cyber event. The testing and monitoring processes are not documented in the BCPs.</p>	<p>Recovery actions contained within the College wide BCP and departmental BCPs may not be effective.</p>	<p>R5 A documented testing plan, which covers all key aspects on a rotational basis, should be developed for the College wide BCP and departmental BCPs.</p> <p>The testing and monitoring processes should be documented in the BCPs.</p>	<p>As part of the input to the BIA's in R1 recommendation, it will allow us to plan against each of those areas. This means we can create a schedule of testing against each area over course of the next few years. While we won't be able to evidence the actual testing, the evidence will be a calendar / schedule of testing.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 June 2026</p>
			<p>Grade</p> <p>2</p>



Business Continuity

Objective 3 - The processes and procedures in place follow recommended good practice.

A comparison of the College's BCM arrangements was made against the HM Government BCM Toolkit and an ISO 22301 BCMS self-assessment questionnaire. This noted several areas where the College's arrangements aligned with good practice. However, there were some areas identified where current arrangements did not fully align with good practice, and these are summarised in the recommendations below (where not already covered under Objectives 1 and 2 above).

The HM Government BCM Toolkit notes that the following six elements make up the BCM lifecycle:

- BCM programme management;
- understanding the organisation;
- determining BCM strategy;
- developing and implementing a BCM response;
- exercising, maintaining and reviewing BCM arrangements; and
- embedding BCM within the organisation's culture.



Objective 3 - The processes and procedures in place follow recommended good practice (continued).

Observation	Risk	Recommendation	Management Response	
<p>BCM programme management The BCM Toolkit notes that one of the early tasks should be to agree the BCM policy for the organisation. This should set out:</p> <ul style="list-style-type: none"> the scope, aims and objectives of BCM in the organisation; and the activities or 'programme' that will be required to deliver these. <p>The ISO 22301 BCMS questionnaire also notes that:</p> <ul style="list-style-type: none"> there should be an established BCM policy that is appropriate, maintained, communicated, and documented; the policy should be available to employees and all interested parties identified; and the policy should evidence top management commitment to the BCMS. <p>The College does not currently have a BCM policy.</p>	<p>There is no clear framework for BCM within the organisation.</p>	<p>R6 The College should draw up a BCM Policy, which would provide a framework for the effective management of the response to any major incident affecting the College. This should be communicated to all staff (refer to R4 above).</p> <p>The BCM Policy should be owned by the SLT and should be formally approved by the Board of Management, and subject to regular review.</p>	<p>Agreed the BCM policy needs to go to SLT and Board for approval, will go in the next round of committees so that there is a stable structure to work from when approaching the department heads.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 June 2026</p>	
			<p>Grade</p>	<p>3</p>



Objective 3 - The processes and procedures in place follow recommended good practice (continued).

Observation	Risk	Recommendation	Management Response	
<p>Developing and implementing a BCM response The BCM Toolkit notes that it is important to clearly state the purpose and scope of any BCP.</p> <p>The ISO 22301 BCMS questionnaire also notes that:</p> <ul style="list-style-type: none"> the scope of the BCMS should be clear and documented; the scope should define the BCMS in terms of its extent, purpose, deliverables, needs and expectations in a way that is appropriate to the organisation; if there is any exclusion from the scope, it should not be an area that will affect the organisation's ability to provide continuity of operations; and measurable business continuity objectives should be established, documented and communicated throughout the organisation. <p>The overall College BCP and current Department BCP template do not include this information. We also noted that the BCPs do not include key definitions e.g. of a major incident.</p>	<p>The scope and objectives of the BCMS may not be clear.</p>	<p>R7 The College's BCPs should include introductory paragraphs setting out their scope and objectives, and key definitions.</p>	<p>Agreed, this should be part of the documents from R6 (BCM policy) and have the updated BCP document.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 June 2026</p>	
			<p>Grade</p>	<p>3</p>



Business Continuity

Objective 3 - The processes and procedures in place follow recommended good practice (continued).

Observation	Risk	Recommendation	Management Response
<p>Understanding the organisation – BIA The new BIA form includes a section to document Department BIA Resources covering:</p> <ul style="list-style-type: none"> • Human Resources – People; • Standard / Specialist Equipment and Key Assets; • Premises Requirements; and • ICT. <p>The BCM Toolkit and ISO 22301 BCMS questionnaire suggest that resource requirements also be determined for Information and Data and Supplies and Partners.</p>	<p>Not all the resources required to maintain critical activities are quantified.</p>	<p>R8 Consider updating the Department BIA Resources section of the new BIA form to include:</p> <ul style="list-style-type: none"> • Information and Data; and • Supplies and Partners. 	<p>Agreed, this is required before rolling out to all staff and forms part of the BCM from R6 and R7 recommendations.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 June 2026</p>
			<p>Grade 3</p>



Objective 3 - The processes and procedures in place follow recommended good practice (continued).

Understanding the organisation – Risk Assessment

The BCM Toolkit notes that in the context of BCM, a risk assessment looks at the likelihood and impact of a variety of risks that could cause a business interruption. By assessing these, organisations will be able to prioritise their risk reduction activities. Organisations should focus their risk assessment on the critical activities and supporting resources identified in the BIA stage. For this reason, a risk assessment can only take place once a BIA has been completed. This approach is also reflected in the ISO 22301 BCMS questionnaire.

Although the Impact on Business Functions section of the new BIA form includes reference to threats / risk, there is no risk assessment in terms of what is set out in the good practice guidance. The Head of Digital advised that this information will be captured within departmental operational risk registers.



Business Continuity

Objective 3 - The processes and procedures in place follow recommended good practice (continued).

Observation	Risk	Recommendation	Management Response	
<p>Determining BCM strategy The BCM Toolkit notes that this stage of the BCM process is about identifying the action that an organisation can take to maintain the critical activities that underpin the delivery of the organisation's products and services. Having previously determined the RTO for each critical activity, the organisation then needs to develop a strategy for meeting these defined timescales. This involves taking appropriate action to mitigate the loss of the resources identified at the BIA stage.</p> <p>The Head of Digital is planning to replace the current three-part Departmental Business Continuity Planning Template with the new BIA form to simplify the process. It was noted that the new form does not currently include a section to clearly identify the BCM strategy for meeting the defined Recovery Time Objectives (RTOs).</p>	<p>The action that the College can take to maintain its critical activities is not identified.</p>	<p>R9 The new BIA form should be modified to include a section which clearly identifies the BCM strategy.</p>	<p>Agreed, this is required before rolling out to all staff and forms part of the BCM from R6, R7 and R8 recommendations.</p> <p>To be actioned by: Head of Digital</p> <p>No later than: 30 June 2026</p>	
			<p>Grade</p>	<p>3</p>



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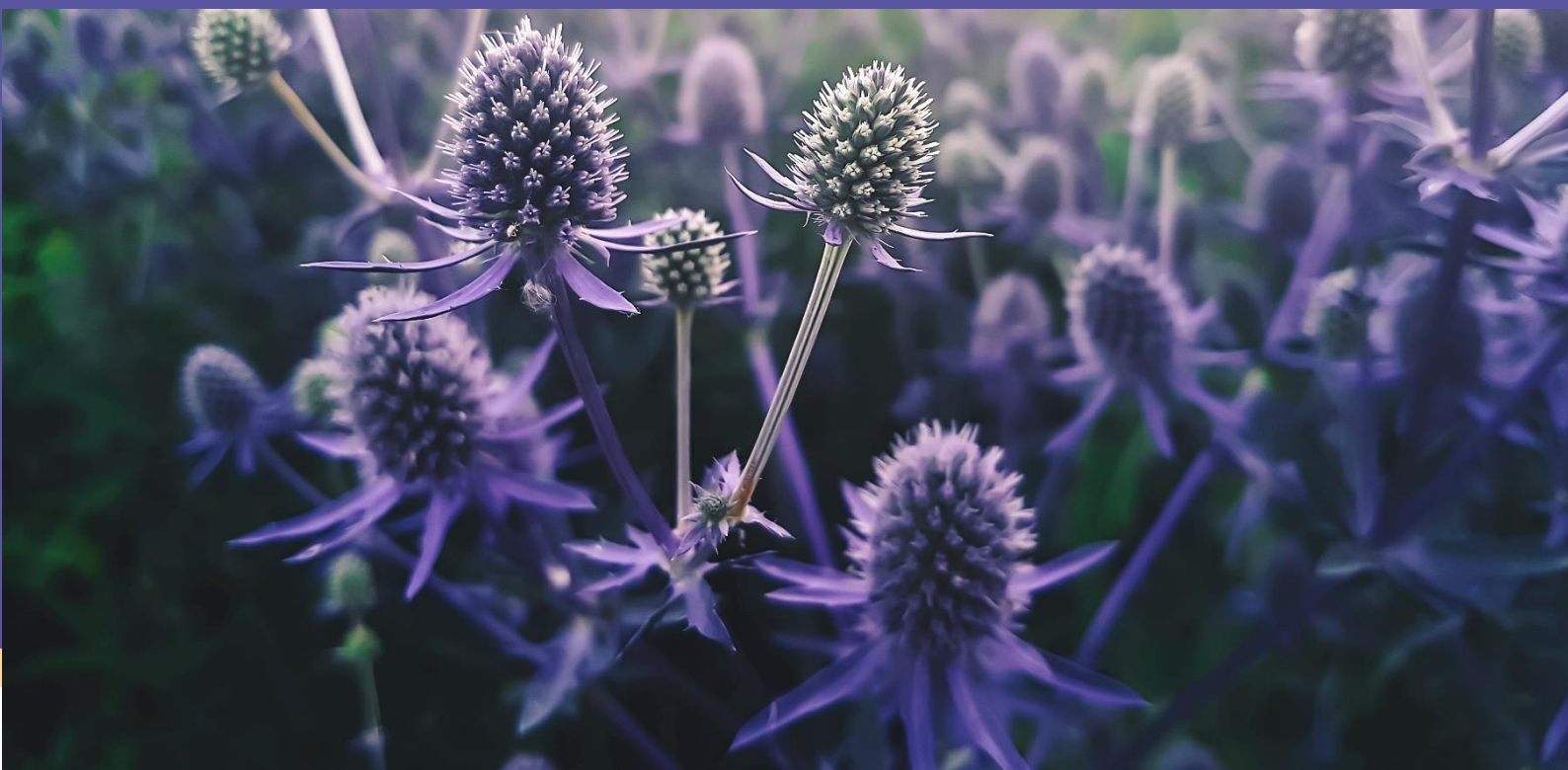
South Lanarkshire College

Student Experience – Curriculum

Internal Audit report No: 2026/04

Draft issued: 11 May 2026

Final issued: 11 May 2026



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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit and Risk Committee.
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



Management Summary

Overall Level of Assurance

Good	System meets control objectives.
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Risk Assessment

This review focused on the controls in place to mitigate the following risks on the South Lanarkshire College (SLC or 'the College') Strategic Risk Register as at February 2026:

- Risk 12: That the College cannot provide a robust learner experience supporting them onto positive destinations (Post Mitigation Score – 4, Medium).

Background

As part of the Internal Audit programme at the College for 2025/26, we carried out a review of the systems in place for Student Experience - Curriculum. Our Audit Needs Assessment identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Audit and Risk Committee and management that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Oversight of the College's Curriculum Planning processes is undertaken by the Head of Curriculum, supported by the Deputy Head of Curriculum. For the 2025/26 academic year the College underwent a restructure which took the structure from two separate curriculums, overseen by thirteen Curriculum Quality Managers, to one college-wide curriculum overseen by eight Curriculum Quality Managers (CQMs). The Curriculum Leadership Team is therefore comprised of the eight CQMs and the Head of Curriculum and Deputy Head of Curriculum, which reports to the College's Senior Leadership Team.

The College's curriculum planning process is defined by a Curriculum Planning and Timetable Guidelines document which was developed in 2025 for the 2026/27 academic year. The College's curriculum is agreed by the Curriculum Leadership Team against the College's credits targets for the year, and these are formalised in line with the College's recruitment. CQMs are then required to fulfil the provisions, and are supported in delivery of the curriculum by the Curriculum Quality Leads (CQLs) and the lecturers within their areas.

Monitoring of the College's recruitment, timetabling, room allocation and attainment is recorded on the College's Sharepoint site. The information feeds into Power BI reports, which are monitored by the CQMs and the Head of Curriculum and Deputy Head of Curriculum to ensure the College is achieving its targets. Reporting is split into the eight curriculum areas and courses are assigned red, amber and green statuses to capture the courses which are underperforming.

Formal processes are in place to document the business case, costings, credits and resources required for the delivery of each course. All courses, short and long term, require to be reviewed and signed off by the Head of Curriculum and / or Depute Head of Curriculum, Quality Team and Finance. Each year, the full course delivery is reviewed and signed off by the College Principal prior to implementation.



Scope, Objectives and Overall Findings

This audit considered the key risks in relation to the College’s curriculum.

The table below notes each separate objective for this review and records the results:

Objective	Findings				
	Level of Assurance	1	2	3	Actions Already Planned
The objectives of our audit were to ensure that:		No. of Agreed Actions			
1. The core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners.	Good	0	0	0	
2. There is a process in place to review and refresh existing programmes on a regular basis.	Good	0	0	0	
3. Adequate controls are in place over the development of new programmes including the preparation of a business case, costing and pricing.	Good	0	0	0	
4. The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience.	Good	0	0	0	
5. The curriculum planning process takes sufficient cognisance of the College’s Credits target.	Good	0	0	0	
6. There are strong links between the curriculum planning process and workforce planning, timetabling and budgeting.	Good	0	0	0	✓
Overall Level of Assurance	Good	0	0	0	✓
		System meets control objectives.			

Audit Approach

Interviews were held with the Principal, Vice Principal Student Experience & Innovation, Head of Curriculum, Depute Head of Curriculum and a sample of Curriculum Quality Managers, Curriculum Quality Leads and Lecturers to assist us in documenting the systems and processes in place. A detailed assessment of the key internal controls was performed, and an audit testing programme was devised thereon.



Summary of Main Findings

Strengths

- A Curriculum Planning and Timetabling document is in place, which has been communicated to all staff.
- A Curriculum Planning MS Teams channel is in place to manage communications between the Curriculum Leadership Team.
- The College developed the “SLC Way” to define the College’s quality standards.
- The Curriculum Quality Managers have ownership of engagement with the specific employers within their sectors, as the subject matter experts.
- The College has an overarching Strategy which links down into the curriculum planning objectives.
- Core skills have been introduced at the College across the curriculum from 2025/26 to enhance student employability.
- A newly established Curriculum Leadership Team is in place, which meets regularly to review the College’s curriculum offering.
- Courses are reviewed each year to examine recruitment, retention and attainment data against the College’s credits requirements to ensure that all courses remain financially viable.
- A dashboard is in place which demonstrates the achievement of credits targets for each course in each of the eight curriculum areas.
- Student recruitment and attendance is reviewed by the Curriculum Quality Managers on an ongoing basis using live data.
- Business cases require to be submitted for all new programmes to the Curriculum Leadership Team, the Quality Team and the Principalship for sign off.
- A course costings template is in place, which defines the necessary targets required for setting up a new course.
- Within the costings template, costs for staff, resources, working materials and other overheads are broken down and assessed against the fees received per student.
- The technologies utilised to deliver the curriculum are tailored by the individual departments and aligned with the skills required for awarding bodies and employer needs.
- AI and other digital tools are incorporated into learning, to reflect best practice in industry.
- Practical courses utilise new sustainable materials and working practices, where possible, in line with the College’s sustainability aims.
- The credits target for the College is documented on the College’s curriculum dashboard, with each curriculum area allocated its own targets based on the courses it delivers.
- Power BI reports are in place, which generate data on the current status of course delivery against targets.
- New budgeting processes are in place at the College which mean that monthly meetings are now held between the Head of Finance and the Curriculum Quality Managers.
- Finance training was delivered in 2025 for the Curriculum Leadership Team to ensure they collectively have an understanding of their budgeting requirements.
- Reporting on progress around the College’s curriculum planning process is provided to the Senior Leadership Team at their monthly meetings.

Actions In Progress

- It was noted that as part of the new budgeting processes, the College is developing live budget monitoring through the bluQube system, which will be accessible to the Curriculum Quality Managers. This is scheduled to be implemented for the commencement of the 2026/27 academic year.



Acknowledgments

We would like to take this opportunity to thank the staff at South Lanarkshire College who helped us during the course of our review.

Main Findings and Action Plan

Objective 1 – The core College curriculum is aligned with national priorities and the needs of regional industry, employers and individual learners.

The College's updated curriculum planning process was launched in August 2025, with a specific focus on achieving the College's full credits target and restoring the additional funding. A renewed focus was placed on improving the commercial side of the College's curriculum. Following the College's restructuring exercise, the existing curriculum was already in effect. However, this provided an opportunity for staff to develop an understanding of their new roles prior to the commencement of the planning process for the 2026/27 academic year. In 2025, the College became the Regional College for South Lanarkshire, and as such, the College has a focus on fulfilling the needs of the local community. A Regional Planning Group was implemented to capture the areas of focus, as the national priorities defined by the Scottish Government are not always consistent with local priorities. The College also reached out to schools across the council area to arrange events to help increase engagement for courses which it offers.

From our discussions with the College's Senior Leadership Team and Curriculum Leadership Team, it was established that the curriculum for 2025/26 was developed with the new process in its infancy, and the 2026/27 curriculum was being developed in line with the new Curriculum Planning and Timetabling document. The curriculum planning process for 2026/27 commenced in October 2025, and the initial activity was progressed by the Curriculum Quality Managers and Curriculum Quality Leads who coordinated with schools in the region, and with employers with whom the College has established relationships, to ensure that the planned teaching provision was aligned with their requirements.

Teaching staff, employers and further education institutions had noted that the College's students had some challenges regarding core skills, despite their understanding of their particular programme. As such, the College has implemented core skills modules in academic year 2025/26 to provide students with supplementary teaching for literacy and numeracy, to ensure that students possess the necessary level of understanding for their further endeavours. In line with this development, curriculum planning days were held to identify the key focus areas across the College, and as such, this involved the Curriculum Leadership Team as well as staff from the Quality Team and Student Support. From this exercise the College developed its new plan, which provides a more structured framework which sets out expectations for delivery, and any existing courses which could be expanded and other courses which should be paused.

At the time of our audit fieldwork being undertaken the College's eight curriculum areas were:

- Built Environment and Renewable Technologies
- Business, Hospitality, Tourism and Legal Services
- Carpentry and Joinery
- Construction Crafts
- Early Education and Childcare
- Hair, Beauty and Creative Industries
- Health, Social Care and Science
- Inclusive Learning and Languages

The curriculum for 2026/27 had been formalised in early 2026, and the applications published on the College's website for prospective students to apply for each of the courses.



Student Experience – Curriculum

Objective 2 – There is a process in place to review and refresh existing programmes on a regular basis.

The College's Curriculum Leadership Team have developed a Curriculum Planning and Timetable Guidelines document, which defines the College's objectives for developing and delivering its curriculum. The Planning and Timetable Guidelines document highlights the aims as being to:

- ensure fairness and consistency;
- empower course teams to effectively take ownership for planning and timetabling courses in their curriculum areas;
- support the College to achieve its credit target;
- align programmes to SFC guidelines, which are subject to external audit;
- enhance efficiency with a recommended maximum number of students allowed in each classroom, workshop, salon or kitchen achieved; and
- ensure that any exceptions, to course credits or hours are agreed with the Head of Curriculum (HoC) and approved by Head of Digital (HoD).

From our inspection of the document, the College expects to achieve these aims by maximising efficiencies within its staffing, resources and room availability across its campus. This was discussed in detail with the College's Curriculum Leadership Team, which includes the Curriculum Quality Managers, to discuss a holistic approach to the delivery of courses, and the maximisation of credits recovery. As part of this activity, the College is required to review and refresh its existing programmes, including removing programmes which do not achieve sufficient recruitment figures and enhancing existing programmes to meet awarding body and employer requirements. In order to deliver this, the College's newly established Curriculum Leadership Team meet at different stages of the academic year to discuss the curriculum for the upcoming academic year. The initial meeting is held to forecast the programmes which are anticipated will be delivered. This involves a review of: the recruitment and retention figures for prior years; the cost of delivering the programme against the credits received; and any changes to the employment / further education landscape for the area concerned. A draft plan is then prepared by the Curriculum Leadership Team and presented to the Principalship for approval, prior to the applications for the programmes going live each January.

In conjunction with this activity, the College has developed "The SLC Way", which defines the College's quality assurance processes for ensuring a high-quality delivery of learning and teaching. As part of the document, the Curriculum Planning process for quality assurance purposes is defined. The process commences with a comprehensive review of existing curriculum provision, and this includes evaluating course content, delivery models, assessment strategies, and learner outcomes. Using internal quality data (such as student feedback, attainment rates, progression statistics, and course evaluations), each department identifies areas of strength and those areas requiring improvement. It was noted that the aim of this exercise is to cleanse the curriculum by removing outdated or underperforming elements, streamlining content, and ensuring alignment with current pedagogical standards and institutional goals. This stage is led by Curriculum Quality Managers, in collaboration with the Quality and Learning & Teaching Innovation Team, and the College's Marketing team.

The curriculum plan for 2026/27 was discussed with the Curriculum Leadership Team in October / November, and again in February following c. 6 weeks of the College's applications being live on the College website. A final meeting was planned for May 2026 where the Curriculum Leadership Team was scheduled to review the recruitment figures, and finalise the College's delivery for the upcoming academic year 2026/27. Where courses were identified as having lower recruitment than expected, these will be reviewed to establish their financial feasibility against the credits allocated to them, and a judgment will be made to ensure that all programmes are financially viable to deliver. Courses may also be adapted to generate higher recruitment where the College has experienced a high volume of applications from students who do not meet the criteria for the higher level originally offered.



Student Experience – Curriculum

Objective 3 – Adequate controls are in place over the development of new programmes including the preparation of a business case, costing and pricing.

Through our discussions with the Curriculum Leadership Team and Curriculum staff, it was noted that the development of courses (both new and existing) involves obtaining employer feedback and feedback from other further and higher education institutions to ensure that the courses are fit for purpose. The College's staff also undertake industry based CPD, which helps staff to identify market trends and any potential new areas to be covered.

To ensure a consistent process was in place for developing new programmes at the College, the College has a template in place for completing costings for each business case for the proposed programmes. These business cases are required to be completed by the Curriculum Quality Manager to document the plan for delivering the course, and the staff and resources required to do this. Alongside the business case, the CQM populates the costings template which documents the forecasted credits for the programme, along with information on the following expenses:

- Staffing costs (teaching hours)
- Staffing costs (travel, expenses, verification and hours)
- Non-Staffing Costs (promotion, materials, student assistance)
- Cost of SQA fees, by credit or via group award
- Additional Costs

The figures above are broken down into cost per expected student, with consideration given to any external costs (such as use of third-party locations) incorporated into this to ensure that the full cost of the course is captured. The costs calculated above are then measured against the income from the course which is broken down into 'income per student' based on the following:

- Group Size
- Credits per Student
- Total Credits Generated

The business case, including details of how the course is to be delivered, and the costings document are reviewed together by the College's Curriculum Leadership Team, followed by a review by the College's Quality Team to ensure that the College can meet the standards required. Following the review and satisfaction with the course, the final course business case and costings are submitted to the College's Head of Digital before being passed to the Head of Curriculum for final review and approval. Following the approval, the course is incorporated into the College's curriculum plan for the year concerned. The programme is then embedded into the relevant timetables and recorded together with the College-wide credits targets to ensure delivery follows the same monitoring controls as all other programmes.



Student Experience – Curriculum

Objective 4 – The College has exploited the potential of new technology in order to widen access to the curriculum and enhance the learner experience.

Discussions were held with a sample of Curriculum Quality Managers, Curriculum Quality Leads, and Lecturers at the College, and it was established that responsibility for implementing new technologies to enhance the learner experience rests with the staff responsible for delivering the programmes, as the subject matter experts. As such, it was established that Lecturers propose technologies to their Curriculum Quality Managers (CQMs), who review the feasibility of this request against the department's budgetary restraints and consider the proposed benefits to the students on the relevant programme.

From our discussions with the Curriculum Quality Manager for Health and Social Care, it was established that the College had procured a digital mannequin to enable teaching of Cardiopulmonary Resuscitation (CPR). Virtual reality headsets were also implemented to allow simulation of real life healthcare emergencies. For curriculum areas such as Hair, Beauty and Creative Industries, it was noted that new technologies for sustainable hair products and make ups are also explored by the College to ensure that students are using the most up-to-date materials for their learning. State of the art cameras have also been procured by the College to enhance the learning experience of Photography students, thus reflecting the type of equipment they will be using in the field.

It was noted that in some curriculum areas, the practices do not vary significantly over time. However, the particular tools and devices being utilised in areas such as construction sites, are communicated to the College's subject matter experts during discussions with employers / industry events. These are then taken back to the Lecturers within the departments and the new technologies are proposed to the CQMs for implementation into curriculum delivery. Technologies such as 3D printers and AI tools are also being utilised by the College to enhance the student learning experience in various departments.

The other benefit of new technologies was noted as being the use of IT in practical courses. This includes the use of social media and digital portfolios to retain digital evidence of work completed. Examples of this include the barbers and hairdressing departments use of social platforms and other digital filing to showcase their work. It was noted that the Curriculum Quality Leads and the Lecturers oversee the use of social media and the administration of digital profiles to ensure that the students are only showcasing work internally to prevent any negative impact on their learning. It was noted that a key factor in the implementation of new technologies are the costs associated with these new technologies, and as such these are reviewed with business cases submitted to Curriculum Quality Managers to assess the expenditure required to purchase these pieces of equipment. The Head of Curriculum highlighted that a specific technological development for the 2026/27 academic year was for students to be given the opportunity to have a digital tablet to support them in their learning, thereby eradicating digital exclusion.



Student Experience – Curriculum

Objective 5 – The curriculum planning process takes sufficient cognisance of the College’s Credits target.

From our discussions with the Curriculum Leadership Team, it was noted that a key element of the critical planning process is to calculate the credit targets, which are expected to achieve the Scottish Funding Council requirements. A dashboard is in place which shows each of the credits targets versus the number of programmes and the number of students within each area. It is the responsibility of the Curriculum Quality Manager for each area to identify any gaps and address these to ensure that the full College credit targets are met.

KPIs and other measures are in place for the College’s management to oversee and follow up with the Curriculum Quality Manager to address any gaps. Power BI reports are also generated from the College’s intranet system to capture any areas where action is required to help ensure that the full targets are achieved. From discussions with the Head of Curriculum and the Depute Head of Curriculum, it was noted that the number of students attending class is recorded by the Lecturer and this is filtered through to the end programme’s recruitment and retention data. This is then translated into the PowerBI reports for monitoring, as the College can only claim credits for each student where specific requirements are met. Where these requirements are not met, the College is required to create new courses, either short-term or long-term to bring the credits up to the target level.

For 2026/27 onwards , the College’s credits target was determined as being 45,648 credits, split across the eight curriculum areas below:

- Learning and Teaching Innovation (Quality) (128)
- Inclusive Learning and Languages (4,149)
- Carpentry & Joinery (6,508)
- Built Environment and Low Carbon Industries (6,271)
- Construction Crafts (4,326)
- Business, Hospitality, Tourism and Legal Services (6,992)
- Health, Social Care and Science (6,685)
- Early Education and Childcare (5,232)
- Hairdressing, Beauty and Creative Industries (5,357)

Progress against these targets is monitored through the Curriculum Dashboard, which pulls data from the student information systems to record the recruitment and retention within each course in each of the eight curriculum areas.

It was noted that the establishment of the Curriculum Leadership Team has helped facilitate the sharing of staff between departments, particularly for areas such as core skills. Emails are issued between the CQMs to ask if there are any staff available to fill classes at short notice / in anticipation of a predetermined absence. This assists in achieving the College’s programme delivery across its curriculum, and therefore helps each area achieve its credits target. To help improve retention rates, the College has introduced a Basic Key Skills Builder tool, which documents the numeracy and literacy skills of the students applying to the College, to ensure that these are adequate to fulfil the course. The College has recently encountered issues where students had a sufficient understanding of the course material but did not possess the relevant core skills to complete the course. As noted above, the College implemented core skills into a number of courses to address these challenges for existing students. These can be delivered by most teaching staff, which helps them to be transferrable between departments to minimise disruption



Student Experience – Curriculum

Objective 6 – There are strong links between the curriculum planning process and workforce planning, timetabling and budgeting.

The College's timetabling system is embedded within the College's bespoke IT system, which allows CQMs to see the working patterns of the staff within their areas, and this also takes into consideration the availability of rooms and room utilisation in general. It was noted that the CLT days also help in maximising efficiencies within the departments, and the CQMs flag the need for a room with computers etc. and the other CQMs can then identify where they have this but it is not necessarily required. The College's timetabling is also dynamic throughout the year to accommodate the particular part of the course (practical / classroom based). In order to enhance the learner experience for 2026/27, the College will shift from three 12-week semesters to two 18-week semesters to provide students with more time to gain an understanding of the material at the beginning of their course. From our discussions with the Head of Curriculum and the Depute Head of Curriculum, it was noted that the number of students attending class is recorded by the relevant Lecturer and this is filtered through to the end individual department recruitment and retention data for the programme, which is also considered alongside the timetabling and room utilisation data.

The College's student recruitment and retention rates are also reported to the College's Board via the Learning and Teaching Committee. Updates are provided on the curriculum planning process, recruitment and retention rates and any significant changes identified. As part of this reporting, it was noted that there is no Board input / sign off regarding the curriculum. However, as noted above, the curriculum plan is signed off by the Principal and any significant issues arising from the Principal's review are reported to the Board.

From our discussions with the Head of Curriculum, it was noted that the College's Finance team has developed a new budgeting process, which includes a new approach for producing the monthly management accounts, which ignores any additional income, to help ensure that departments are budgeting against the credits expectations for delivery of their courses. This information is recorded in the college's bluQube finance system and includes forecasting of expenditure and the budgets within each department for staff pay, resources and overheads for the coming year.

From our discussions with the Head of Finance, it was noted that the College's monthly financial reporting cycle was already in place. However, going forward, these monthly reports will be supplemented with monthly budget meetings with the relevant budget holders to discuss the spend against target and any forecasted changes and potential new income. The expectation is that all budget holders will take accountability for their respective budget, and the College will achieve the financial targets for the financial year. It was noted that as part of these new budgeting processes, at the time of this review being undertaken, the College was developing live budget monitoring through the bluQube system, which will be accessible to the Curriculum Quality Managers. This is scheduled to be implemented for the commencement of the 2026/27 academic year. As such, an action in progress has been noted.

Regarding workforce planning, the College's teaching hours are captured within the curriculum plans for the academic year, and these are allocated to each of the relevant staff members within each of the programmes. As such, the Curriculum Quality Managers can identify programmes which are consistently overstaffed and reallocate these resources to other programmes to ensure that the time per student is evenly spread across all teaching staff, wherever possible. The Head of Curriculum and the Depute Head of Curriculum review the timesheet submitted by curriculum managers to ensure that the anticipated teaching hours of staff are being achieved.



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AUDIT & RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	External Audit: Annual Audit Plan 2025/26 and the Management Letter following the conclusion of the Interim Audit in March 2026
REFERENCE	07.0
AUTHOR AND CONTACT DETAILS	Kerry Tonner, Senior Audit Manager, Audit Scotland Kerry.Tonner@audit-scotland.gov.uk
PURPOSE:	To update the Committee on the plan for the year end audit for Academic Year AY 2025/26 and the management letter from Audit Scotland, following interim audit work in March 2026.
KEY RECOMMENDATIONS/ DECISIONS:	The Committee are recommended to: <ul style="list-style-type: none"> • note the contents of the Annual Audit Plan 2025/26; and • note the contents of the Management Letter from Audit Scotland.
RISK	<ul style="list-style-type: none"> • That the College fails to identify risks and appropriate controls during day-to-day operations. • That the College does not meet governance requirements because of poor risk management and controls. • That the College does not comply with the requirements of the Code of Good Governance and other requirements of it as a college. • That the College does not fulfil its requirements as regards giving assurance to its external auditors.
RELEVANT STRATEGIC AIMS:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORTS:	<p>External Audit has provided 2 documents for Committee perusal:</p> <p>Annual Audit Plan 2025/26</p> <ul style="list-style-type: none"> • The purpose of this Annual Audit Plan is to provide an overview of the planned scope and timing of the 2025/26 audit. • Kerry Tonner, of Audit Scotland, has been appointed by the Auditor General for Scotland as external auditor of South Lanarkshire College for the period

from 2024/25 until 2026/27. The 2025/26 financial year is therefore the fourth of the five-year audit appointment.

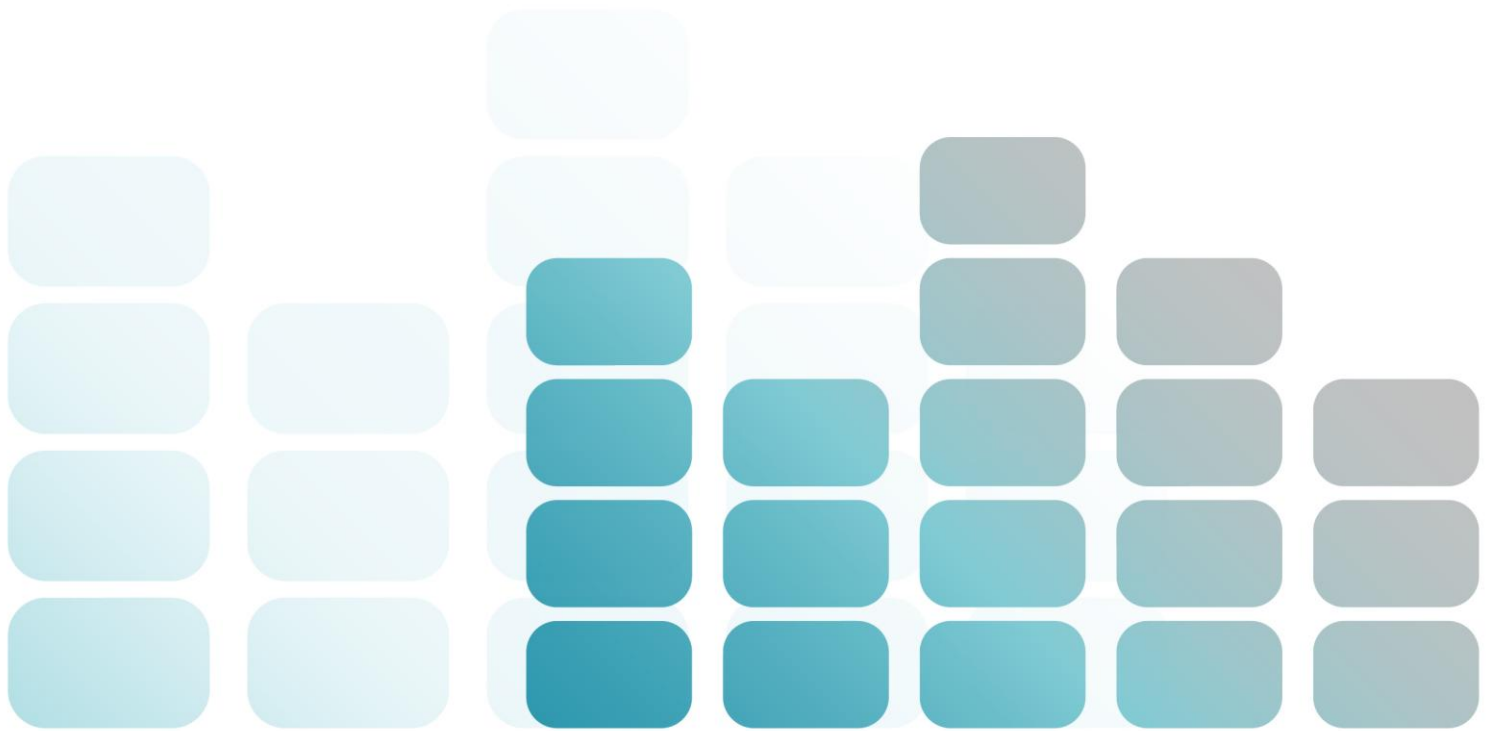
- As part of the audit of the Financial Statements, the audit will consider significant risks of material misstatement to the financial statements, because of potential management override of controls. This review should provide the Committee with assurance over the control environment.
- Audit Scotland and the College have agreed a provisional start date of 19 October 2026, with the requirement to conclude the audit and meet the statutory date for laying the annual report and accounts, which is 31 December 2026 for colleges.

Management Letter from Audit Scotland to the Audit & Risk Committee

- This letter summarises the audit work completed during our 2025/26 interim audit in March 2026.
- The letter notes that the College has yet to implement the agreed prior year audit recommendations. Management responses have been given with commitment that the College will address these prior to the year-end audit.
- Specifically, the College accepts the requirement to enhance the control environment through consideration of access user rights within the payroll and general ledger systems.
- It also commits to demonstrating evidence of second officer reviews within reconciliations which does naturally take place but for which there hasn't been any form of physical evidence noted within files.
- The College has noted that monthly meetings will be chaired by the Vice Principal – Finance, Resources & Sustainability and Finance, Digital and People Services Teams to actively track progress on the conclusion of these recommendations through to September 2026.

South Lanarkshire College

Annual Audit Plan 2025/26 - Draft



Prepared for South Lanarkshire College
May 2026

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Introduction

Purpose of the Annual Audit Plan

1. The purpose of this Annual Audit Plan is to provide an overview of the planned scope and timing of the 2025/26 audit of South Lanarkshire College's annual report and accounts. It outlines the audit work planned to meet the audit requirements set out in [auditing standards](#) and the [Code of Audit Practice](#), including supplementary guidance.

Appointed auditor and independence

2. Kerry Tonner, of Audit Scotland, has been appointed by the Auditor General for Scotland as external auditor of South Lanarkshire College, hereafter referred to as 'the body', for the period from 2024/25 until 2026/27. The 2025/26 financial year is therefore the fourth of the five-year audit appointment.

3. Kerry Tonner and the audit team are independent of the body in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. This standard imposes stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with ethical standards. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

4. The Ethical Standard requires auditors to communicate any relationships that may affect the independence and objectivity of the audit team. There are no such relationships pertaining to the audit of the body to communicate.

Audit scope and responsibilities

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement.
- An opinion on the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the annual report and accounts, namely the Performance Report and the Governance Statement.
- An opinion on the audited part of the Remuneration and Staff Report.
- Conclusions on the college's arrangements in relation to the wider scope areas: Financial Management, Financial Sustainability, Vision, Leadership, and Governance, and Use of Resources to Improve Outcomes.
- Reporting on the body's arrangements for securing Best Value.
- Provision of an Annual Audit Report setting out significant matters identified from the audit of the annual report and accounts and the wider scope areas specified in the Code of Audit Practice.

Responsibilities

6. The Code of Audit Practice sets out the respective responsibilities of the body and the auditor. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the annual report and accounts, and concluding on the body's arrangements in place for the wider scope areas.

The body's responsibilities

8. The body has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of an annual report and accounts, comprising financial statements that give a true and fair view and other information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

Audit of the annual report and accounts

Introduction

9. The audit of the annual report and accounts is driven by materiality and the risks of material misstatement in the financial statements, with greater attention being given to the significant risks of material misstatement. This chapter outlines materiality, the significant risks of material misstatement that have been identified, and the impact these have on the planned audit procedures.

Materiality

10. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual report and accounts.

11. Broadly, the concept of materiality is to determine whether matters identified during the audit could reasonably be expected to influence the decisions of users of the financial statements. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

12. The materiality levels determined for the audit of the body are outlined in [Exhibit 1](#).

Exhibit 1

2025/26 Materiality levels for the body

Materiality	The body
Materiality – based on an assessment of the needs of users of the financial statements and the nature of the body operations, the benchmark used to determine materiality is gross expenditure based on the audited 2024/25 financial statements. Materiality has been set at 2% of the benchmark.	£0.440 million
Performance materiality – this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate that further audit procedures are required.	£0.264 million

Materiality	The body
Using professional judgement, performance materiality has been set at 60% of planning materiality.	
Reporting threshold – all misstatements greater than the reporting threshold will be reported.	£0.022 million

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

13. The risk assessment process draws on the audit team's cumulative knowledge of the body, including the nature of its operations and its significant transaction streams, the system of internal control, governance arrangements and processes, and developments that could impact on its financial reporting.

14. Based on the risk assessment process, significant risks of material misstatement to the financial statements have been identified and these are summarised in [Exhibit 2](#). These are the risks which have the greatest impact on the planned audit approach, and the planned audit procedures in response to the risks are outlined in Exhibit 2.

15. The risk assessment process is an iterative and dynamic process. The assessment of risks set out in this Annual Audit Plan and Exhibit 2 may change as more information and evidence is obtained over the course of the audit. Where such changes occur, these will be reported to the body and those charged with governance, where relevant.

Exhibit 2

Significant risks of material misstatement to the financial statements

Risk of material misstatement	Planned audit response
<p>Fraud caused by management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end.

Risk of material misstatement	Planned audit response
	<ul style="list-style-type: none"> • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.

Source: Audit Scotland

Key audit matters

16. The Code of Audit Practice requires public sector auditors to communicate key audit matters. Key audit matters are those matters, that in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

17. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.
- Significant events or transactions that occurred during the year.

18. The matters determined to be key audit matters will be communicated in the Annual Audit Report. Exhibit 2 outlines the significant risks of material misstatement to the financial statements that have been identified, including those that have greatest impact on the planned audit procedures and require most attention when performing the audit.

Wider scope and Best Value

Introduction

19. Reflecting the fact that public money is involved, the Code of Audit Practice requires that public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit set out by the Code of Audit Practice broadens the audit of the annual report and accounts to include consideration of additional aspects or risks in four wider scope areas, which are summarised below:

- **Financial Management** – this means having sound budgetary processes. Factors that can impact on the body being able to secure sound financial management include the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities, bribery and corruption.
- **Financial Sustainability** – this means looking forward over the medium and longer term in planning the services to be delivered and how they will be delivered effectively. This is assessed by considering the body’s medium to longer-term planning for service delivery.
- **Vision, Leadership and Governance** – this means having a clear vision and strategy, with set priorities within the vision and strategy. This is assessed by considering the clarity of plans in place to deliver the vision and strategy and the effectiveness of the governance arrangements to support delivery.
- **Use of Resources to Improve Outcomes** – this means using resources to meet stated outcomes and improvement objectives through effective planning and working with partners and communities. This is assessed by considering the body’s arrangements for ensuring resources are deployed to improve strategic outcomes, meet the needs of service users, and deliver continuous improvement.

20. A conclusion on the effectiveness and appropriateness of arrangements the body has in place for each of the wider scope areas will be reported in the Annual Audit Report.

Duty of Best Value

21. The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have

been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

22. Consideration of the arrangements the body has in place to secure Best Value will be carried out alongside the wider scope audit, and a conclusion on the arrangements the body has in place will be reported in the Annual Audit Report.

23. Auditors may also carry out specific audit work covering the seven Best Value themes set out in the SPFM. The risk assessment process did not identify a need to carry out specific audit work on any of the themes. However, auditors are required to carry out a review of the 'fairness and equality' theme at least once during the audit appointment, and this will be carried out later in the audit appointment.

Significant wider scope and Best Value risks

24. No significant risks in the wider scope areas or Best Value were identified from the risk assessment process.

Reporting arrangements, timetable and audit fee

Audit outputs

25. The outputs from the 2025/26 audit include:

- This Annual Audit Plan.
- An Independent Auditor's Report to the body, the Auditor General for Scotland, and the Scottish Parliament setting out opinions on the annual report and accounts.
- An Annual Audit Report to the body and the Auditor General for Scotland setting out significant matters identified from the audit of the annual report and accounts, conclusions from the wider scope and Best Value audit, recommendations, where required, and any good practice identified.

26. The matters to be reported in the outputs will be discussed with the body for factual accuracy before they are issued. All outputs from the audit will be published on [Audit Scotland's website](#), apart from the Independent Auditor's Report, which is included in the audited annual report and accounts.

27. Target dates for the audit outputs are set by the Auditor General for Scotland. In setting the target dates for the audit outputs, consideration is given to the statutory date for laying the annual report and accounts, which is 31 December 2026 for colleges.

28. The Independent Auditor's Report and Annual Audit Report are planned to be issued by the target date of 31 December 2026.

Audit timetable

29. Achieving the timetable for production of the annual report and accounts, supported by complete and accurate working papers, is critical to delivery of the audit to agreed target dates. [Exhibit 3](#) includes a timetable for the audit, which has been agreed with management. Agreed target dates will be kept under review as the audit progresses, and any changes required, and their potential impact, will be discussed with the body and reported to those charged with governance, where required.

Exhibit 3

2025/26 audit timetable

Audit activity	Target date	Relevant committee date
Issue of Annual Audit Plan	12 May 2026	19 May 2026
Annual report and accounts:		
• Submission of unaudited annual report and accounts and all working papers to audit team	19 October 2026	
• Latest date for audit clearance meeting	13 November 2026	
• Issue of draft Letter of Representation, proposed Independent Auditor's Report, and proposed Annual Audit Report	17 November 2026	
• Agreement of audited and unsigned annual report and accounts by the Audit and Risk Committee		24 November 2026
• Approval by the Board of Management and signing of audited annual report and accounts		08 December 2026
• Signing of Independent Auditor's Report and issue of Annual Audit Report		08 December 2026

Source: Audit Scotland

Audit fee

30. The body's audit fee is determined in line with Audit Scotland's fee setting arrangements. The proposed audit fee for the 2025/26 audit is £27,200 (2024/25: £26,080).

31. In setting the audit fee, it is assumed that the body has effective governance arrangements in place and the complete annual report and accounts will be provided for audit in line with the agreed timetable. The audit fee assumes there will be no significant changes to the planned scope of the audit. Where the audit cannot proceed as planned, for example, due to incomplete or inadequate working papers, the audit fee may need to be increased.

Other matters

Internal audit

32. The body is responsible for establishing an internal audit function as part of an effective system of internal control. As part of the audit, the audit team will obtain an understanding of internal audit, including its nature, responsibilities, and activities.

33. While internal audit and external audit have differing roles and responsibilities, external auditors may seek to rely on the work of internal audit where it is considered appropriate. A review of internal audit's 2025/26 audit plan was carried out to identify if there were any areas where the audit team could rely on its work. The audit team concluded it will not rely on internal audit's work. However, the audit team will review internal audit's reports and assess if there is any impact on the audit.

Audit quality

34. Audit Scotland is committed to the consistent delivery of high-quality audit. Audit quality requires ongoing attention and improvement to keep pace with external and internal changes. Details of the arrangements in place for the delivery of high-quality audits is available from the [Audit Scotland website](#).

35. The International Standards on Quality Management (ISQM) applicable to Audit Scotland for 2025/26 audits are:

- ISQM (UK) 1, which deals with an audit organisation's responsibilities to design, implement, and operate a system of quality management (SoQM) for audits. Audit Scotland's SoQM consists of a variety of components, such as governance arrangements and culture to support audit quality, compliance with ethical requirements, ensuring Audit Scotland is dedicated to high-quality audit through engagement performance and resourcing arrangements, and ensuring there are robust quality monitoring arrangements in place. Audit Scotland carries out an annual evaluation of its SoQM and has concluded it complies with this standard.
- ISQM (UK) 2, which sets out arrangements for conducting engagement quality reviews, which are performed by senior management not involved in an audit, to review significant judgements and conclusions reached by the audit team, and the appropriateness of proposed audit opinions on high-risk audits.

36. To monitor quality at an individual audit level, Audit Scotland carries out internal quality reviews on a sample of audits. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) carries out independent quality reviews on a sample of audits.

37. Actions to address deficiencies identified by internal and external quality reviews are included in a rolling Quality Improvement Action Plan, which is used to support continuous improvement. Progress with implementing planned actions is monitored on a regular basis by Audit Scotland's Quality and Ethics Committee.

38. Audit Scotland may periodically seek the views of the body on the quality of audit services provided. The audit team would also welcome feedback at any time.

South Lanarkshire College

Annual Audit Plan 2025/26 - Draft



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19 May 2026

Audit and Risk Committee
South Lanarkshire College
College Way
East Kilbride
G75 0NE

Dear Members of the Audit and Risk Committee,

South Lanarkshire College – Interim audit management letter 2025/26

1. This letter summarises the audit work completed during our 2025/26 interim audit of South Lanarkshire College.
2. Audit Scotland's [Code of Audit Practice](#) requires us to assess the system of internal control put in place by management. We seek to gain assurance that South Lanarkshire College:
 - has systems for recording and processing transactions which provide a sound basis for the preparation of the financial statements and the effective management of its assets and interests
 - has systems of internal controls which provide an adequate means of preventing and detecting error, fraud or corruption, and
 - complies with established policies, procedures, laws and regulations.

Internal controls

3. Our annual audit work included consideration of the key controls within the processes and systems used to prepare the financial statements. Our work identified a number of weaknesses in the design and implementation of controls. These are detailed below and in the action plan at [Appendix 1](#).
4. Some of these issues were reported in our 2024/25 Annual Audit Report. The college has yet to implement the agreed prior year audit recommendations. Further action is required to ensure these recommendations are fully implemented and the associated risks mitigated.

Acknowledgement

5. The details contained in this management letter are those identified during the course of our normal audit work and are not necessarily, therefore, conclusive of all issues that may exist. It remains the responsibility of management to determine the extent of the internal control system appropriate to South Lanarkshire College.

6. The contents of this letter have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit from South Lanarkshire College staff is gratefully acknowledged.

Appendix 1. Identified improvements to key controls.

Issue identified	Management response / Responsible Officer and implementation date
General Ledger	
<p>Journal Authorisation</p> <p>2024/25</p> <p>There is no segregation of duties between the originator and poster/approver of the journal.</p> <p>A monthly journal review process has been developed, however reviews have not been carried out on a timely basis in 2024/25 and the review does not include agreeing the journal to supporting evidence.</p> <p>Recommendation - The review of journals should be undertaken in a timely manner and should include agreement to supporting evidence to support the purpose and appropriateness of each journal entry.</p> <p>2025/26 update – Not implemented</p>	<p>The Finance Team recognises the importance of strong segregation of duties and is implementing system changes to ensure that the originator of a journal cannot also approve it. In addition, all journal entries will undergo a timely review as part of each month end close, with evidence of this review formally recorded to support robust second officer oversight. This work is already in progress.</p> <p>Responsible Officer: Vice Principal – Finance, Resources & Sustainability</p> <p>Implementation date: 31 Jul 2026</p>

Issue identified

Management response / Responsible Officer and implementation date

User Access

2024/25

A review of general ledger users identified instances of inappropriate access levels assigned to staff.

Currently all members of the finance team, including the VP Finance, Resources & Sustainability have 'ALL ACCESS' rights. This level of access has been extended to the college Principal and the Head of IT. Currently this access level allows individuals to setup account codes in the ledger without review or oversight.

Recommendation - Review of users and their access level should be carried out to ensure that access to key systems is appropriately restricted.

2025/26 update – Not implemented

The Finance Team will also engage with the finance system provider to review access rights options and ensure staff permissions are restricted to the areas relevant to their roles. The Finance Team do not have any concerns over access rights for budget holders where access rights are limited to specific cost centres relevant to their roles; however the Team acknowledge that all access to any general ledger area needs review. Existing practice reflects the historic set up of the system with accesses restricted on a cost centre and/or nominal ledger code basis. In keeping with other system improvements currently being made to Bluqube, the College will refine this where possible within the confines of the system. Any required changes will be implemented so that appropriate access controls are in place ahead of Audit Scotland's final year-end review.

Responsible Officer: Vice Principal – Finance, Resources & Sustainability

Implementation date: 31 August 2026

Issue identified

Management response / Responsible Officer and implementation date

Ledger Reconciliations

Payroll

2024/25

Reconciliations between payroll outputs and the general ledger are currently carried out on an annual basis.

Recommendation - To ensure that any issues or discrepancies are identified in a timely manner, the college should consider reconciling on a monthly basis.

2025/26 update – Partially implemented

From discussions with staff, monthly reconciliations have been performed from April 2026 between the payroll system and general ledger. This will be followed up as part of our year end audit.

Student Fees

Reconciliations between the new student fees system (Unit-E) and the general ledger have not been performed in 2025/26 due to an issue with the upload of information from Unit-E to the general ledger.

Recommendation – Once the issue is resolved, reconciliations between the Unit-E student fees systems should be completed at least monthly. Any unreconciled differences for 2025/26 should be promptly identified, investigated, and corrected, with evidence of second officer review clearly documented.

Bank

From review of a reconciliation performed between the bank statements and the General Ledger, there was no evidence of second officer review.

Recommendation – Management should ensure that all bank reconciliations are subject to timely second officer review, with evidence of review clearly documented.

The Finance Team has made progress in completing monthly staff cost reconciliations to the general ledger. The team acknowledges that the implementation of the new learner management system has led to system implementation issues, which have meant that there has been limited reconciliation work between the general ledger and Unit-E. These issues are in the process of being resolved. Once resolved, full reconciliations will be carried out in line with the recommendation. Evidence of a second officer review will also be formally recorded within the bank reconciliations as part of the month end process.

Responsible Officer: Vice Principal – Finance, Resources & Sustainability

Implementation date: 31 August 2026

Budget monitoring

During 2025/26, the college has been undertaking a review and redesign of its budget monitoring processes. As part of this transition, while progress has been made in strengthening the overall approach, formal review meetings with budget holders have not taken place during the period in which the new processes were being embedded. From discussions with officers, meetings have been conducted w/c 20th March 2026, w/c 20th April 2026 and meetings are scheduled for the end of May 2026.

Recommendation – Management should ensure that budget reviews with curriculum leads are completed regularly and consistently (at least monthly) for the remainder of the year, with evidence of review and challenge clearly documented.

The Finance Team has worked hard to support the rollout of enhanced budget-monitoring processes, and good progress has been made to date. Both the team and budget holders recognise the value of holding regular monthly meetings to review results and challenge variances and will continue this as part of standard practice. A formal note of each meeting will be recorded to evidence compliance with this recommendation.

Responsible Officer: Vice Principal – Finance, Resources & Sustainability

Implementation date: 31 July 2026

Issue identified

Management response / Responsible Officer and implementation date

Payroll

User Access

2024/25

At April 2025, our review of user access controls identified that:

- HR & Payroll Administrator level access had been granted to most members of the People Services team.
- HR Administrator level access had been granted to the Head of Digital.
- System Administrator level access had been granted to most members of the People Services team and several members of the Digital team.

Recommendation - System access should be tailored to job roles to ensure that there is a segregation of duties in place and staff only have access to information and functions required to fulfil their responsibilities.

2025/26 update – Partially implemented

Access levels within the Digital team have been amended in line with the recommendation. However, three members of the People Services team continue to hold System Administrator level access, providing unrestricted access to iTrent. In addition, most members of the People Services team continue to have HR & Payroll Administrator level access. This increases the risk of unauthorised or inappropriate changes being made to payroll.

It is noted that current payroll user access does not enable end-to-end processing without appropriate segregation and therefore does not present a risk to payment integrity. This is further mitigated by established downstream controls, including independent review and reconciliation prior to payroll release.

The system remains under development, requiring broader access across Payroll and Digital system developers to support configuration and issue resolution; this access does not override core control processes. In addition, prior audit recommendations highlighted the need for resilience, with multiple team members able to provide cover within a small, partly part-time team.

Access levels will continue to be reviewed and refined as system development stabilises, with changes balanced against operational resilience and service delivery requirements. Over the coming months, the HR & Payroll Administrator roles will be split out, taking care to ensure the integrity of the payroll process.

Responsible Officer: Head of People Services

Implementation date: 30 August 2026

Issue identified

Management response / Responsible Officer and implementation date

Changes to standing data

Our review of controls over standing data identified that there are no formal documented checks retained following upgrades to system standing data. There is a risk that changes are not appropriately tested prior to being made live resulting in errors in payroll calculations.

Recommendation – Management should implement and formally document a standardised process for testing and approving all changes to system standing data following upgrades.

2025/26 update – Partially implemented

A process for reviewing changes to key system information is now in place. However, this process is not formally documented.

A process is in place to review and validate changes to key system standing data following upgrades, including testing and verification prior to live implementation.

While not yet formally documented with a sign-off, this process is consistently applied in practice. Supporting evidence is available through system-generated reports, audit trails, and email correspondence demonstrating review and validation activity, although this is not currently formalised through signed documentation.

These controls are further supported by established payroll review procedures, providing assurance over the accuracy of calculations prior to payroll release.

Formal sign-off of the process will be developed to ensure consistency, transparency, and alignment with best practice.

Responsible Officer: Head of People Services

Implementation date: 15 July 2026

Issue identified

Management response / Responsible Officer and implementation date

Exception Reporting

Due to the functional limitations of the legacy payroll system, the college has not historically had exception reporting controls in place.

Recommendation - The new payroll system offers a variety of reports for this function. The college should consider implementing exception reporting to detect errors and unexpected changes to payroll outputs.

2025/26 update – Partially implemented

Exception reports are now utilised. However, there is no evidence of who has completed these checks and when, or review by a second officer.

Exception reporting has now been implemented within the new payroll system to support the identification of anomalies and unexpected changes to payroll outputs.

Roles and responsibilities within the team clearly define responsibility for completing and reviewing exception checks, with these activities evidenced through operational practice, including system-generated reports, email communications, and email-based approvals. However, this evidence is not currently formalised through documented sign-off or structured audit trails of completion and review.

To strengthen the control environment, formal sign-off and documentation of exception reporting reviews will be introduced, ensuring clear visibility of who has performed and reviewed checks and when, in line with best practice.

Responsible Officer: Head of People Services

Implementation date: 15 July 2026

Cash and Bank

User access

User access to the online banking system is not managed through a formal request and approval process, and there is no evidence of regular, documented reviews of access rights.

Recommendation - Management should implement a formal process for requesting, approving, and amending user access to the online banking system. In addition, user access should be reviewed regularly (at least annually) to ensure access rights remain appropriate, up to date, and aligned with job roles, with evidence of review and approval clearly documented.

The Finance Team will undertake more frequent reviews of bank-access privileges throughout the year. They will also work with the Digital and People Services teams to develop a digital notification process that alerts Finance to review system access whenever staff join or leave the organisation, ensuring permissions remain accurate and appropriately controlled.

Responsible Officer: Vice Principal – Finance, Resources & Sustainability

Implementation date: 31 August 2026

AUDIT AND RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	Rolling Audit Recommendations Monitor
REFERENCE	08.1
AUTHOR AND CONTACT DETAILS	Paddy Feechan, Head of Finance paddy.feechan@slc.ac.uk
PURPOSE:	To present an update on the work that has been undertaken by the College to address previous audit recommendations.
KEY RECOMMENDATIONS/ DECISIONS:	The Committee is recommended to: <ul style="list-style-type: none"> • note 10 recommendations being marked as complete during the last quarter. • note a further 8 recommendations were updated to partially complete in the period; with 13 still in progress (total 21 recommendations). • note commentary on all audit recommendations, and their expected completion dates; and • note no new recommendations added in the period. However, Business Continuity recommendations will be added once presented to ARC.
RISKS	<ul style="list-style-type: none"> • That the College does not have appropriate internal controls to safeguard its staff, students and assets. • That the College does not have adequate risk management processes and procedures in place.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The College reported 31 recommendations outstanding in February 2026. The College has progressed 18 recommendations in the quarter; with 10 taken through to completion and 8 now partially complete. • There are now 21 recommendations outstanding; 13 in progress with 8 partially complete. These cover the following areas: 5 Student Support Funds, 1 Staff Recruitment, 3 Budgetary Control, 1 Procurement & Purchasing/Creditors, 3 Business Process Review Space Management/Room Utilisation, 2 Student Activity (Credits), 1 Environmental Sustainability, 4 Building Maintenance and 1 Payroll & Pension Management. • Main actions taken to conclude 10 of the outstanding recommendations since February 2026 include further enhancement of iTrent modules, the rollout of further employee engagement measures, a budget training overview presented to budget holders and a corresponding timetable, media training has been confirmed, mid-year work

	evidenced to conclude some student credit (activity) recommendations and updates to the Sustainability Policy.
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1. INTRODUCTION

1.1. This paper provides an update of the College's progress in responding to Internal Audit Recommendations from prior audit engagements. It is a centralised point of reference for logging of all actions taken to ensure that the recommendations are enacted. The report is subject to an internal review by the Senior Leadership Team (SLT) on a quarterly basis, with updates provided by the owner of the recommendations. This ensures sufficient focus and commitment from the College to ensure that recommendations are accepted and enacted.

2 BACKGROUND

2.1 Internal Audit is a necessary function to ensure good governance and control within each area of college operations. The report details findings from Internal Audits with College management response to those findings and suggestions as to timeframes for completion of work required to address concerns raised.

3 STUDENT SUPPORT FUNDS

3.1 The College recognises the importance of the student support funds audit and the role that the College plays in administering public funds to qualifying students. There are 5 outstanding audit recommendations on the monitor as of May 2026.

3.2 These recommendations are now expected to be completed by September 2026, once the full quota of students is contained within the FES return and new processes can be tested and evidenced during the audit preparation phases for the return. The closure of the residual recommendations is therefore dependent on the FES audit taking place to demonstrate their completion.

3.3 Monthly check of FES categories will be implemented to ensure any miscategorised students will have their details corrected by the student support team before any over/under payment takes place prior to the end of the academic year.

4 STAFF RECRUITMENT & RETENTION

4.1 The College was able to close out a further two of the four recommendations in the period. This makes three completed recommendations in total.

4.2 One recommendation remains in progress. The College remains committed to improving its staff recruitment and retention management and work is underway to ensure full compliance with the following recommendations through refreshment of key policies and procedures and through the implementation of the new HR system which is and will continue to improve reporting capabilities.

5 BUDGETARY CONTROL

5.1 The College remains committed to enhancing the quality of financial reporting and specifically the annual budget process through the closure of the remaining 4 audit recommendations. The implementation of a budget setting timetable has been marked

complete in the period owing to the budget processes that have run across March-May 2026, with a further recommendation around training requirements for budget holders marked as partially complete.

5.2 The work being done on month end packs to enhance the output for all curriculum and support areas has been implemented. Budget holders have been given control of their own individual budgets, to allow for greater scrutiny and accountability.

5.3 The finance management team are currently working on detailed budget training notes. The focus will be on the budget holder understanding the layout of the accounts, how to interpret the results, and how to use financial information positively to contribute towards the future operation of their respective departments.

6 PUBLICITY AND COMMUNICATIONS

6.1 The audit focused on the systems in place within the College for the management of positive and negative publicity externally, and internal communication.

6.2 The sole audit recommendation is now complete. The media training is now booked for a cohort of 7, including Exec, Marketing and Board members and will take place in the Autumn of 2026.

7 PROCUREMENT AND PURCHASING/CREDITORS

7.1 There is 1 recommendation remaining in respect of the amendment of approvals of low value purchase orders in PECOS to Vice Principals (rather than requiring sign off by the Principal), to reduce the risk of a bottleneck at senior level. This recommendation is now marked as Partially Complete. Procurement thresholds and Finance Regulations have been updated, and approval will be sought at the June 2026 Board.

7.2 The changes identified now need to be reflected through the purchase order system PECOS to enable the physical transfer of system access privileges to relevant budget holders.

8 BUSINESS PROCESS REVIEW: SPACE MANAGEMENT & ROOM UTILISATION

8.1 There are 3 recommendations in progress for this audit, one has been marked as partially complete within the quarter.

8.2 The Estates Strategy has now been devised in draft using inputs from the Board Development Day in April 2026 and insights from a staff session conducted last June 2025 to consider Estate priorities. The College is also currently using architectural consultancy services to devise a medium-term plan for estate capital investment. The College will present the draft Strategy to the Finance & Resource Committee for remittance to Board in due course.

8.3 The new access control system will support with the production of a centralised room booking system. However, the system is still in the early stages of being implemented and so the recommendation cannot be concluded at this time.

9 STUDENT ACTIVITY (CREDITS)

9.1 The College is committed to ensuring upmost accuracy in credit claims for student activity through greater data checks and through the latter implementation of a new student record system to auto-enhance data integrity.

9.2 There are five audit recommendations for Student Activity. 3 have been marked complete in the period, with the Head of Digital hoping to close out the other 2 by October 2026 when the internal credit audit occurs, as it is not physically possible to do so prior to this date.

10 ENVIRONMENTAL SUSTAINABILITY

10.1 From the Environmental Sustainability audit, 4 recommendations were added to the monitor file. 3 of these recommendations have been marked as complete in the period.

10.2 The College has updated the Climate Change Action Team (CCAT) remit, to define the stakeholders needed within the team to allow positive actions to be driven forward. .

10.3 As noted previously, the College has successfully recruited the Sustainability Officer role in January 2026. The Officer role has ensured the completion of some audit recommendations in the period with the support of Climate Change Operational Leads (CCOL). Weekly meetings occur with CCOL members to discuss priorities, and an induction meeting took place 8 January 2026 to more clearly articulate the responsibilities of the role with regular check-ins ongoing.

10.4 The final outstanding recommendation suggested that the College develops a zero-to-landfill strategy with clearly defined commodity targets. In recent months the landfill waste has decreased but is still high. There needs to be a joint working approach with curriculum, procurement and the waste contractors to ensure agreement and successful implementation of any forthcoming strategy. The Sustainability Officer, with support from the Climate Change Operational Leads will work to close this residual outstanding recommendation in the coming months.

11 BUILDING MAINTENANCE

11.1 There are 4 audit recommendations from the Building Maintenance audit, that are all now marked as Partially Complete. Evidence of completion for all 4 recommendations expected by the end of July 2026.

11.2 The audit recommended that the College enhance the current Planned Preventative Maintenance (PPM). The Head of Facilities has enhanced this document to include a more granular level of detail with further edits still to be made

11.3 There was also an identified need for a revised Estates Strategy within the College. A draft Strategy has been prepared, following the inputs from the Board Development Day in April 2026 and a separate staff exploratory session in June 2025. The draft is being reviewed internally and will be brought to the Finance and Resources Committee and Board in due course.

12 CONSULTANCY REVIEW: PAYROLL AND PENSIONS MANAGEMENT

12.1 There were 12 recommendations returned from this independently arranged audit to review controls and processed within payroll and pensions management. Only one recommendation remains open in this quarter.

12.2 The College continues to work with the HR system provider to ensure the completion of the final recommendation which requires the delivery of specific modules to fully complete the implementation process. The College continues to liaise extensively with the system provider and is hopeful that the recommendation will be closed by the end of the current academic year. Further updates will be brought to the Committee in due course.

13 EQUALITIES

13.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

14 RISK AND ASSURANCE

14.1 That the College does not have appropriate internal controls to safeguard its staff, students and assets; and

14.2 That the College does not have adequate risk management processes and procedures in place. is on the front cover as well, so suggest retaining if further detail is required.

15 RECOMMENDATIONS

15.1 The Committee is asked to:

15.1.1 Note 10 recommendations being marked as complete during the last quarter. A further 8 recommendations were updated to partially complete in the period, with 13 still in progress (total 21 recommendations).

15.1.2 Note commentary on all audit recommendations, and their expected completion dates.

15.1.3 Note no new recommendations added in the period. However, Business Continuity recommendations will be added once presented to ARC.

Appendix 08.2 Audit Recommendations Monitor

AUDIT AND RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	SLC Strategic Risk Register Commentary
REFERENCE	09.1
AUTHOR AND CONTACT DETAILS	Paddy Feechan, Head of Finance paddy.feechan@slc.ac.uk
PURPOSE:	To provide members with an update to the risk management arrangements of the College.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: <ul style="list-style-type: none"> • review and approve the strategic risk analysis contained in the College's Strategic Risk Register and the commentary therein; and • note 6 amendments to risk scoring since February 2026 in respect of financial controls, health & safety legislation, standards of teaching and business interruption.
RISK	<ul style="list-style-type: none"> • That College strategic risks are not identified, and mitigating actions are not taken.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • Of the fifteen risks identified, 4 post mitigation scores have increased, and 2 pre mitigation scores. • The highest risk to the College in April 2026 remained financial stability. The College has limited control of this, owing to Government funding restrictions. Indicative Funding has indicated a 9.8% increase for 2026/27, which is positive and in addition to this, the College continues to encourage full cost recovery and commercial delivery of programmes to bolster income streams.

1. INTRODUCTION

- 1.1. This paper provides a commentary on the College's strategic risk register as reviewed by the Risk Management Group (Senior Leadership Team) on 30 April 2026. The risk register is an important document that demonstrates the College's commitment to the establishment and maintenance of effective governance and control arrangements.
- 1.2. Commentary has been added to each risk to justify decisions to maintain risks at current levels where required.

2. RISK ONE - FINANCIAL STABILITY

- 2.1 Inherent and post-mitigation risk both remain at 20. The political landscape is not within the control of the College and as grant funding makes up circa 70% of total income, financial sustainability for the College and the wider sector remains a challenge.
- 2.2 Indicative Funding for 2026/27 was communicated to the sector in March 2026, and for SLC it represents an uplift of 9.8% on the prior year, which is positive. The College has tried to mitigate the risk of financial stability, and this has been enhanced with the recent hire of a Head of Business Innovation and Development. There is also a planned Board Strategy Session on Income Diversification at the end of Jun 2026.
- 2.3 The College continues to diversify income streams through the provision of full cost recovery courses. However, two previously intimated additional sources of funding in the form of Clyde Maritime Funding (£143k) and South Lanarkshire Council's Employability Academy (£105k) have been rescinded at the end of the fiscal year 2025/26, owing to a change in priorities at Government and Council level respectively. This does create an additional risk against which the College has tried to mitigate impact with other income streams that were not originally in budget for 2025/26,
- 2.4 The College is still undergoing the Financial Sustainability Audit. Finance should be able to bring the results of this to the next round of committee meetings in August 2026.

3. RISK TWO - FAILURE OF FINANCIAL CONTROLS

- 3.1. Inherent risk score remains at 15, inferring that the management of financial controls is being sufficiently monitored by the College. The post mitigation risk has increased to 15 from 10. Following the conclusion of the interim audit in March 2026, Audit Scotland has noted in a Management Letter that the College has yet to fully implement prior year audit recommendations and this has impacted negatively on the post-mitigation risk score. Once the prior year recommendations have been addressed and evidenced to give assurances over the robustness of the control environment, the College will review the post-mitigation risk score.
- 3.2. Progress is being made on the Finance Improvement plan that was discussed with the Board. Updates are being brought to the Chairs' Committee monthly and the Finance & Resource Committee and Audit & Risk Committee on a quarterly basis.

4. RISK THREE - CREDIT TARGET

- 4.1. Inherent risk remains at 15, and the post mitigation risk score stays at 10.
- 4.2. At the point of review, recruitment appears to be robust and on-target to achieve full class groups where anticipated. Should this not maximise the credit target, additional recruitment will take place.

4.3. Modern Apprenticeship (MA) monitoring continues, following the changes in the performance indicator (PI) from the previous risk review. Monthly finance and resources meetings continue to assure that all external contracts (including MAs) are closely monitored. If there is any risk emerging, there are changes made to support these contracts.

5. RISK FOUR – THERE IS A BREACH OF LEGISLATION AND ASSOCIATED REGULATIONS

5.1. The risk scoring has been maintained at 6 for inherent risk, and 4 for post-mitigation risk respectively.

5.2. The College continues to be confident that its arrangements for legislation compliance means that it can retain a low score. The latest review has not flagged any concerns or requirement to change the inherent risk score or the post mitigation score.

5.3. Work is ongoing within the College to ensure legislation relating to each area is embedded through all policies. The project is being overseen by the Governance Professional, but all Heads of Department are accountable for their areas.

6. RISK FIVE - CAPITAL FUNDING REQUIREMENTS

6.1. The inherent risk score remains at 16. There has been no change to post-mitigation risk scoring of 12.

6.2. The College acknowledges that there is likely insufficient funding for capital and maintenance works and as the Campus continues to age, there will be a higher demand for capital funding to support renovations.

6.3. The College is currently engaging the services of an architectural consultancy firm to support with a longer-term plan for investment in the College estate. Similarly, the College is supporting the SFC Baseline 2026 project through data collation to better inform the capital investment needs of the College sector. The results of the Baseline project may result in additional backlog funding becoming available in the future, but this will likely be determined by Government policy and priorities and so cannot be guaranteed.

6.4. The College would like to undertake a fabric first approach to the building which would include insulating the existing cladding. The lift issues have been well documented and the planning for this work is well underway, for which Scottish Funding Council SFC Emergency capital funding has been approved.

7. RISK SIX – THERE IS A BREACH OF LEGISLATION AND ASSOCIATED REGULATIONS IN RESPECT OF HEALTH AND SAFETY

7.1. The inherent risk score has increased to 20, with post mitigation risk increasing from a score of 10 to a score of 15.

7.2. The College has appointed a new Health and Safety Advisor who will join the College mid-May 2026. In their absence, there has been continued support in this area from the Facilities department, as well as the previous postholder being on hand to assist with any new issues raised.

7.3. There has been an increase in the reporting of near misses, largely due to the placement of QR codes around the College. This has allowed the College to mitigate the risks as they are reported.

7.4. The College is also undertaking a training session in August 2026 at the All-Staff Conference in which Health and Safety at Work will be explored and facilitated by an external provider. Awareness raising of Health and Safety across all staff represents a further mitigation against this risk.

7.5. The College also recognises that a recent legal compensation claim for an unsubstantiated work-related health issue could give rise to further legacy claims being received. Nevertheless, the current implementation of an Occupational Health Surveillance and Monitoring service at the College will help to mitigate this risk going forward, with staff Health Surveillance reports being regularly conducted, formally documented and retained as evidence of safe and effective working conditions.

8. RISK SEVEN – BUSINESS INTERRUPTION

8.1. Inherent risk score has increased to 20 and the post mitigation risk score also increasing to 16.

8.2. While the College recognises that it can react well to storms and unexpected Campus closures and staff can perform their duties remotely, it cannot evidence that it has robust procedures in place for longer term business continuity without the completion of training for a broader range and severity of incidents (e.g. fire, flood damage, cyber-attack).

8.3. The Business Continuity internal audit took place during March 2026 and the results noted improvements were needed in respect of documentation, policy and some processes, all of which the College has accepted and is currently implementing. The increase in the risk score reflects the ongoing work to address residual recommendations from the internal audit. Once the actions to resolve the internal audit recommendations are complete and the College can evidence mitigating factors, the score will be reviewed accordingly.

9. RISK EIGHT - DAMAGE TO THE INTEGRITY OF MANAGEMENT INFORMATION SYSTEMS

9.1. The risk scoring has been maintained at 6 (inherent risk) and 3 (post-mitigation risk) respectively.

9.2. As per last quarter, the College is aware that to keep this area in green status, completion of the audit recommendation for incident response for SLT and continual staff training will need to be maintained. Internal training has taken place and the externally led training is scheduled for 19th May 2026

9.3. Improvements to the cyber security platform continue and the Board will have sight of the next cyber bi-annual report in May 2026 which should also show key progress.

10. RISK NINE – FAILURE TO ACHIEVE ACCEPTABLY HIGH LEVELS OF LEARNING AND TEACHING AND ASSESSMENT

10.1. The inherent risk score stays at 12, whilst the post-mitigation risk has increased to 8.

10.2. The Quality, Learning and Teaching Innovation Department in the College continues to engage proactively with the Quality Assurance Agency (QAA) to ensure the quality of teaching, learning and academic standards within the College.

10.3. The College also enables existing lecturing staff to undertake Teaching Qualifications for Further Education (TQFE). This qualification also supports the College to deliver a high quality of teaching provision.

10.4. There were IV system issues in relation to the implementation of the new systems. These are now resolved, so may reflect in a review of this score next quarter.

11. RISK TEN - THERE IS A FAILURE TO PROVIDE AN ENGAGING AND EFFECTIVE EMPLOYEE JOURNEY

11.1. The risk scores remain the same, with inherent risk at 16 and post-mitigation risk of 8.

11.2. Middle management training has been undertaken during 2026 to support new and existing managers and ultimately improve staff experience. The College is also looking to roll out 'Report and Support' for staff use to voice any health, wellbeing and safeguarding concerns and further opportunities for staff to engage with the Senior Leadership are in train through a series of organised meetups.

11.3. People Services has also scoped out a Staff Pulse Survey to be issued in August 2026 at the All-Staff Conference to ensure an effective mechanism for the staff voice. Moreover, 'staff voice' will be embedded as a standing agenda item at departmental meetings.

11.4. The People Services team is supporting internal training on the iTrent system, with new modules rolled out to Senior Management and a further scheduled roll out to all staff, including career reviews and recruitment. Guides will be available to all staff and the People Services team continues to develop technical skills to be able to respond to employee queries on the new system.

12. RISK ELEVEN - THERE IS A FAILURE TO SAFEGUARD THE HEALTH AND WELLBEING OF STAFF AND STUDENTS

12.1. There has been no change to risk scorings, with inherent risk at 9 and post-mitigation risk remaining at 3.

12.2. As advised previously, this is a positive area for the College. Student and Staff wellbeing and safety continues to be of utmost importance. Policies and procedures are well embedded.

12.3. The College remains up to date with new legislation, such as Martyn's law, and recruitment of security guards on Campus has now been implemented. Two security guards have been onsite since April 2026

12.4. The College have gone through a positive Student Association internal audit report, receiving a grading of Good, alongside several key strengths. Work was undertaken on the Emily Charter with positive results. The College has successfully retained the GBV Charter for Colleges and Universities following the Annual Review process.

13. RISK TWELVE - THERE IS A FAILURE TO PROVIDE A ROBUST LEARNER EXPERIENCE TO SUPPORT ONWARD PROGRESSION

13.1. There has been no change to the inherent risk scoring (staying at 8) or to the post-mitigation risk remaining at 4.

13.2. Mitigations include the restructure of Extended Learning Support (ELS) at the College which will further support the student experience when postholders are appointed.

13.3. Curriculum planning meetings have also taken place across all areas. These have been supported by stakeholder engagement and a focus on future skills requirements.

The plan is deemed to support students on a more progressive pathway through their further education into employment or further studies.

13.4. Cross college Emily test Gender Based Violence (GBV) charter working group is now established with Student Association membership.

13.5. The College has appointed a new Student Engagement Manager to help support a positive student experience.

14. RISK THIRTEEN - FAILURE OF CORPORATE GOVERNANCE

14.1. The inherent risk remains at 12, and the post mitigation score stays at 6.

14.2. The Board continue to actively recruit dynamic members to enhance the membership.

14.3. The External Effectiveness Review conducted during 2025 also demonstrated the robust governance in place at the College.

14.4. SLT is aware that the ongoing 3(10)-ruling lodged by the Employment Tribunal appellant may still pose reputational risk in respect of our governance arrangements.

15. RISK FOURTEEN – ADVERSE REPUTATIONAL RISK

15.1. There has been no change to risk scorings, with inherent risk at 12 and post-mitigation risk remaining at 9.

15.2. The employment tribunal concluded in December 2024 with the result going in favour of the College. However, the College remains vigilant to a 3(10)-ruling lodged by the appellant and so makes no change to its risk scorings in this period.

15.3. The College's Principal and Governance Professional are both members of the Good Governance Steering Group.

15.4. The Senior Leadership Team is currently developing a management training program with Colleges Development Network. There is an ongoing focus on progressing the positive view of the college throughout the campus, and the local community.

16. RISK FIFTEEN – THE MEETING OF NET ZERO SUSTAINABILITY PRIORITIES

16.1. The inherent risk scoring has been maintained at 9, with post-mitigation risk remaining at 6. It will be increasingly difficult for the College to drive forward with larger capital investments to support net zero if funding is not available.

16.2. The College, through its Climate Change Action Team, continues to demonstrate a healthy engagement with all internal and external requirements in respect of environmental sustainability.

16.3. The new Sustainability Officer has been in post since January 2026 and meets weekly with other Sustainability Leads to assist in driving the college to meet carbon targets. The Sustainability Officer also recently attended EAUC conference in March 2026 to gain insights into best practice across the sector.

17. EQUALITIES

17.1. There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

18. RISK AND ASSURANCE

18.1. That College strategic risks are not identified, and mitigating actions are not taken.

19. RECOMMENDATIONS

19.1. Members are recommended to:

19.1.1. review and approve the strategic risk analysis contained in the College's Strategic Risk Register and the commentary therein; and

19.1.2. note 6 amendments to risk scoring since February 2026 in respect of financial controls, health & safety legislation, standards of teaching and business interruption.

APPENDICES

Document 09.2 The College's Strategic Risk Register

AUDIT & RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	Audit Assurance Framework
REFERENCE	10.0
AUTHOR AND CONTACT DETAILS	Elaine McKechnie Vice Principal – Finance, Resources & Sustainability Elaine.mckechnie@slc.ac.uk
PURPOSE:	To allow the Committee to consider the Audit Assurance Framework annually as noted in the ARC work plan.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to: <ul style="list-style-type: none"> • note the contents of the Audit Assurance Framework and appendix 1.
RISK	The main risks of not implementing and monitoring the Audit Assurance Framework are: <ul style="list-style-type: none"> • That there is a lack of oversight where the College may struggle to oversee key risks effectively, leading to potential mismanagement and financial losses. • That there is a failure to meet standards, where the College may not be able to demonstrate compliance with standards which could result in penalties and loss of funding. • That there is an increased Risk of financial mismanagement, which can have serious consequences for the college's financial health. • That there is a loss of quality and trust if the College is unable to identify and mitigate risks.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • Successful students • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • The paper provides an overview of the Audit Assurance Framework. • As noted in the Audit Work Plan for the year, the Committee must consider the appropriateness of the Audit Assurance Framework annually. • The purpose of the Framework is to provide support to the Chief Accounting Officer and Board of Management in meeting their leadership duties and corporate governance obligations. • The Framework in appendix 1 is modelled on the risk register and is intended to provide a simple reference for the systemic structured approach to performance delivery, management and reporting of risk to the

	<p>achievement of the College's strategic priorities and aims.</p> <ul style="list-style-type: none">• There are different types of assurance each best used in different ways to maximise effectiveness and best results. The 'Three lines of Defence' model includes: Line 1: Management Assurance from Front Line Operations; Line 2: Oversight of Management Activity; and Line 3: Independent/Objective Assurance• The College's external auditors are deemed to sit outside these three lines of internal assurance, but internal and external audit must work closely together.• Within appendix 1, the College acknowledges that financial sustainability and business continuity processes require enhancement to enable the level of assurance currently in place to be improved upon from an 'orange' to 'green' status. Actions are being taken by the College to address these shortfalls as soon as possible.
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1. INTRODUCTION

1.1. This paper provides an overview of the Audit Assurance Framework and its intention to provide support to the Chief Accounting Officer and Board of Management in meeting their leadership duties and corporate governance obligations.

2. AUDIT ASSURANCE FRAMEWORK

2.1 As noted in the Audit Work Plan for the year, the Committee must consider the appropriateness of the Audit Assurance Framework annually. An effective Audit and Risk Committee is essential to a strong corporate governance culture within public and private sector organisations.

2.2 The Framework has been developed in response to guidance included in the Scottish Government's Audit and Assurance Committee Handbook. The Handbook emphasises the sources of assurance available to Audit and Risk Committees in addition to internal and external audit.

2.3 All organisations within the Scottish Government family are encouraged to define their assurance needs, map their various sources of assurance and develop an integrated approach to assurance which will secure best value for the public purse and embed best practice principles within their organisation.

2.4 The Framework in appendix 1 is modelled on the Strategic risk register and is intended to provide a simple reference for the systemic structured approach to performance delivery, management, and reporting of risk to the achievement of the College's strategic priorities and aims.

2.5 There are different types of assurance each best used in different ways to maximise effectiveness and best results. The 'Three lines of Defence' model includes:

Line 1: Management Assurance from Front Line Operations;

Line 2: Oversight of Management Activity; and

Line 3: Independent/Objective Assurance

2.5.1 **Line 1: Management Assurance from Front Line Operations** includes reports from senior managers to the Board and its various committees, including progress reports, updates, and performance reports on operations supporting the advancement of the College's strategic plan. This will include monitoring statistics, reports on routine system controls, risk management action plans, and other management information.

2.5.2 **Line 2: Oversight of Management Activity** typically involves approaches to quality control, finance management, performance management and risk management. This is separate from, but not independent of the management chain, and involves processes and systems regularly reviewed by the Board and its committees and is subject to internal audit review.

2.5.3 **Line 3: Independent/Objective Assurance** relates to independent, objective assurance, with a focus on the programme of work undertaken by internal audit, specifically designed to provide the Accounting Officer with an independent and Assurance Framework Policy.

2.6 The College's external auditors are deemed to sit outside these three lines of internal assurance, and are appointed by, and report to, the Auditor General for Scotland. The

External audit function is thus entirely external to the College with a statutory responsibility for certification audit of the financial statements and governance matters. Nevertheless, it is important that internal audit and external audit work effectively together to the maximum benefit of the organisation and in line with international standards for Assurance Mapping.

2.7 The current Risk register has noted a very high-level assurance mapping. However, this revision now supports the introduction of a more detailed '3 lines of defence' model to better satisfy assurances required by the Board of Management.

3. APPENDIX 1: AUDIT ASSURANCE FRAMEWORK

3.1 Appendix 1 has been prepared in draft for perusal by the College and comments or alterations from the Audit & Risk Committee are welcome.

3.2 Within appendix 1, the College acknowledges that financial sustainability and business continuity processes require enhancement to enable the level of assurance currently in place to be improved upon from an 'orange' to 'green' status. Actions are being taken by the College to address these shortfalls as soon as possible.

3.3 Nevertheless, the College believes that the majority of evidence-based 'lines of defence' noted can be relied upon by the Board to provide sufficient levels of assurance over the College's risk and control environment.

3.4 A further 'deep dive' session exploring risk management, risk appetite, and levels of assurance is expected to be scheduled at a future Board Development Day.

4. EQUALITIES

4.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

5. RISK AND ASSURANCE

5.1 The main risks of not implementing and monitoring the Audit Assurance Framework are:

5.1.1 that there is a lack of oversight where the College may struggle to oversee key risks effectively, leading to potential mismanagement and financial losses;

5.1.2 that there is a failure to meet standards, where the College may not be able to demonstrate compliance with standards which could result in penalties and loss of funding;

5.1.3 that there is an increased Risk of financial mismanagement, which can have serious consequences for the college's financial health; and

5.1.4 that there is a loss of quality and trust if the College is unable to identify and mitigate risks.

6. RECOMMENDATIONS

6.0 Members are recommended to:

5.1.2 Note the contents of the Audit Assurance Framework and appendix 1.

South Lanarkshire College

Audit Assurance Framework

May 2026

Version number 1.0

Document Information

Procedure Published/Created:	May 2026
Review Date:	19/05/2026
Owner:	Finance
Approved by:	FRC
Equality Impact Assessment:	N/A
Next Review Date:	

Version History

Version Number	Date	Author	Rationale
1.0	May 2026	Elaine McKechnie	To provide support to the Chief Accounting Officer and Board of Management in meeting their leadership duties and corporate governance obligations.

Quick Links

We are inclusive and diverse, and this is one of our values.

We are committed to the FREDIE principles of Fairness, Respect, Equality, Diversity, Inclusion and Engagement.



To find out more about FREDIE click [HERE](#)

To find out more about our Vision, Mission and Values click [HERE](#) (link to be added)



Need help with accessibility? Click [HERE](#) to view our accessibility pages.

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Assurance Framework

1. Introduction

1.1 This framework has been developed in response to guidance included in the Scottish Government's Audit and Assurance Handbook.

2. Purpose and Aims

2.1 The purpose of this Assurance Framework is to provide support to the Chief Accounting Officer and Board of Management in meeting their leadership duties and corporate governance obligations, with respect to organisational stewardship, and to the management of risks that threaten the delivery of public service delivery objectives.

2.2 The Assurance Framework provides a structure to the evidence underpinning the assessment of the risk and control environment, affirmed in the College's annual Governance Statement included in the Annual Report and Accounts. This evidence is supported by an independent appraisal from the College's internal auditors.

2.3 In developing this framework, reference is made to HM Treasury guidance and associated process overview and mapping examples, and to the Scottish Government's Audit and Assurance Handbook.

2.4 The benefits of improved coordination of assurance are the enhancement of organisational management of performance, efficient and effective operation, and improved reportage and public accountability. HM Treasury summarises the benefits of an effective assurance framework thus:

- 2.4.1 provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues;
- 2.4.2 facilitates escalation of risk and control issues requiring visibility and attention by senior management, by providing a cohesive and comprehensive view of assurance across the risk environment
- 2.4.3 provides an opportunity to identify gaps in assurance needs that are vital to the organisation, and to plug them (including using internal audit) in a timely, efficient and effective manner;
- 2.4.4 can be used to raise organisational understanding of its risk profile, and strengthen accountability and clarity of ownership of controls and assurance thereon, avoiding duplication or overlap;
- 2.4.5 provides critical supporting evidence to produce the Governance Statement;
- 2.4.6 can clarify, rationalise and consolidate multiple assurance inputs, providing greater oversight of assurance activities for the Board/Audit & Assurance Committee in line with the risk appetite; and
- 2.4.7 facilitates better use of assurance skills and resources.

3 Scope

3.1 The scope of this framework applies to all aspects of College's provision and functions, and those with executive responsibility to the Board of Management for such activity.

4. Principles and Concepts

4.1 The Assurance Framework

This is intended to provide a simple reference for the systemic structured approach to performance delivery, management, and reporting of risk to the achievement of the College's strategic priorities and aims. The framework is owned by the Principal as Accounting Officer, with oversight by the Board of Management (as delegated to the Audit & Risk Committee).

4.2 Three Lines of Defence

There are different types of assurance each best used in different ways to maximise effectiveness and best results. The model referred to in the Scottish Government Audit and Assurance Handbook and other appropriate guidance, to outline an optimal mix of assurance, is the Three Lines of Defence Model. The model broadly involves the following:

4.3 Line 1: Management Assurance from Front Line Operations

This includes reports from senior managers to the Board and its various committees, including progress reports, updates, and performance reports on operations supporting the advancement of the College's strategic plan. This will include monitoring statistics, reports on routine system controls, risk management action plans, and other management information.

This comes from those responsible for the delivery of specific objectives, functions, and operations, and provides assurance that performance is being managed, that risks are identified as appropriate and managed, and that objectives towards strategic aims are being achieved. While this type of assurance is not independent, it has the strength of being provided by those who know the business of the College, and the day-to-day challenges and operational planning involved in specific functional areas.

4.4 Line 2: Oversight of Management Activity

This would typically involve approaches to quality control, finance management, performance management and risk management. This is separate from, but not independent of the management chain, and involves processes and systems regularly reviewed by the Board and its committees – and is subject to internal audit review.

Essentially it is associated with oversight of management activity by the Board and its committees and would include reviews and assessments undertaken to determine whether strategic priorities and policies are being met in line with expectations, via appropriate processes and procedures. For example: purchaser to pay systems, health and safety, data control and information assurance, as well as strategic development and organisational change etc.

Second line assurance is more objective than first line, as it references set expectations, policy, and/or regulatory considerations.

4.5 Line 3: Independent/Objective Assurance

This third line of assurance relates to independent, objective assurance, with a focus on the programme of work undertaken by internal audit specifically designed to provide the Accounting Officer with an independent and Assurance Framework Policy. HM Treasury describes this aspect of internal audit's role as: *"Internal audit will place reliance upon assurance mechanisms in the first and second lines of defence, where possible, to enable it to direct its resources most effectively, on areas of highest risk or where there are gaps*

or weaknesses in other assurance arrangements. It may also take assurance from other independent assurance providers operating in the third line, such as those provided by independent regulators, for example.”

This involves the Internal Audit Service appointed by the Board of Management, Education Scotland, Scottish Funding Council, adherence to applicable codes and regulations, external reviews of effectiveness and various accreditations (e.g. Cyber essentials+, ISO).

The College’s Internal Auditors operate to professional and ethical standards in carrying out their work, independent of the management line and associated responsibilities. Reports compiled by the Internal Auditors are shared with the relevant Board Committee for oversight.

4.6 External Audit

The College’s external auditors are deemed to sit outside these three lines of internal assurance, and are appointed by, and report to, the Auditor General for Scotland. The External audit function is thus entirely external to the College with a statutory responsibility for certification audit of the financial statements and governance matters. Nevertheless, it is important that internal audit and external audit work effectively together to the maximum benefit of the organisation and in line with international standards Assurance Mapping

The Assurance Framework is mapped against the same framework as the College’s Strategy 2030 and Risk Register. This achieves the key objective of alignment with strategic priorities, significant risks, key processes and any significant strategic change programmes. Assurance providers are aligned to their position within the Three Lines of Defence model.

The Audit & Risk Committee may thereby review the adequacy of controls and assurance in a structured way, with oversight of the layers and interaction of the types and level of assurance provided, linked to strategic aims and to key business systems/processes. Reference would be made to the level of risk appetite associated with each category of risk within the Risk Management Policy. In this way, the sufficiency of available evidence of assurance may be ascertained, in proportion to the risk exposures concerned. The Committee may wish to draw attention to areas where:

- risk is being appropriately managed (no action needed);
- risk is inadequately controlled (action needed to improve control);
- risk is over controlled (resource being wasted which could be diverted to other use); and/or
- there is lack of evidence to support a conclusion. If this concerns areas material to the organisation’s operations more assurance work may be needed, subject to an assessment of costs and benefits.

The Audit and Assurance Handbook also provides some detailed prompt questions to assist the Committee in ensuring that their review of assurance is comprehensive.

Assurance Framework: See Appendix 1.

5. Responsibilities

5.1 The Board of Management

The Board of Management is responsible for the College's Governance Statement which is informed by the implementation and review of the assurance framework by the Board's Audit & Assurance Committee.

5.2 The Executive Team

The Executive Team is responsible for ensuring the implementation of Business Management, Corporate Oversight, and Independent Assurance "Lines of Defence" outlined in the Framework.

5.3 Risk Management Group

The Risk Management Group, consisting of the Senior Leadership Team, is responsible for the development and ongoing review of this Assurance Framework.

6. References

Policy Framework

Associated Policy and Procedures	Title
Policy	Risk Management Policy
Procedure	Risk Management Procedure
Strategy	Strategy 2030

External References

Associated Policy and Procedures	Title
Scottish Government	Audit and Assurance Committee Handbook (2018)
HM Treasury	Assurance Frameworks (2012)
International Federation of Accountants (IFAC)	International Standards on Auditing ISA 610 and 315
Scottish Government; Good Governance Steering Group	Code of Good Governance for Scotland's Colleges (2022)

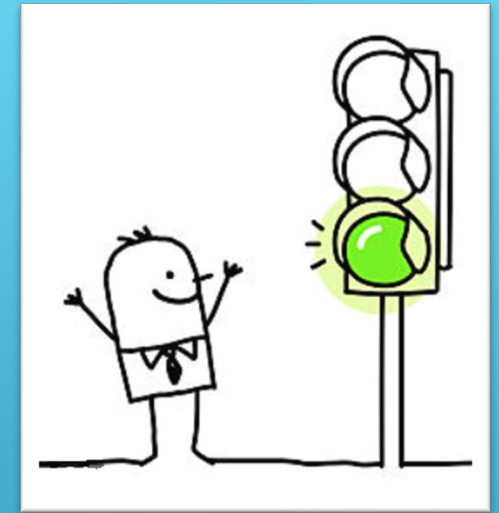
DATE	19 May 2026
TITLE OF REPORT	SLC Bi-annual Cyber Report – May 2026
REFERENCE	11.0
AUTHOR AND CONTACT DETAILS	Chris Sumner, Head of Digital chris.sumner@slc.ac.uk
PURPOSE:	This is a bi-annual report to give an insight into the controls and key performance indicators (KPI's) the College has around cyber security. This allows Members to be assured of the monitoring of cyber incidents, threats and improvements to our service
KEY RECOMMENDATIONS/ DECISIONS:	Members are asked to: <ul style="list-style-type: none"> • Note the contents of the bi-annual report • Please raise any questions about abbreviations or computer jargon so we can improve this report • This report is a follow up to the November 2025 report where important metrics have moved • This report is based on board feedback and highlights any working continuing in to protect SLC from cyber threats. The board are welcome to question the stats and suggest adding or removing certain KPI's
RISK	Cyber security risk leading to potential consequences, such as financial loss, reputational damage, or operational disruption.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • The Student Experience • Growth and Innovation • People and Culture • Sustainability
SUMMARY OF REPORT:	<p>Following the report issued to the Board of Management in November 2025, and following feedback, this is the update cyber security bi-annual report.</p> <p>The report highlights any key indicators and shows any progress made by the SLC IT team to protect the College from cyber threats or attempts. This links to the cyber security risk item on the strategic risk register and should give confidence to the board members that appropriate steps are being taken to defend the college.</p> <p>The report will be improved each time the College reviews KPIs, some will just be figures whereas items such as the incident response and business continuity will have additions to the report due to the on-going work in those areas. Members are also welcome to suggest areas of KPI's that they would like to see in the report in the future.</p>



SLC CYBER SECURITY REPORT

Bi-Annual Board Report – May 2026

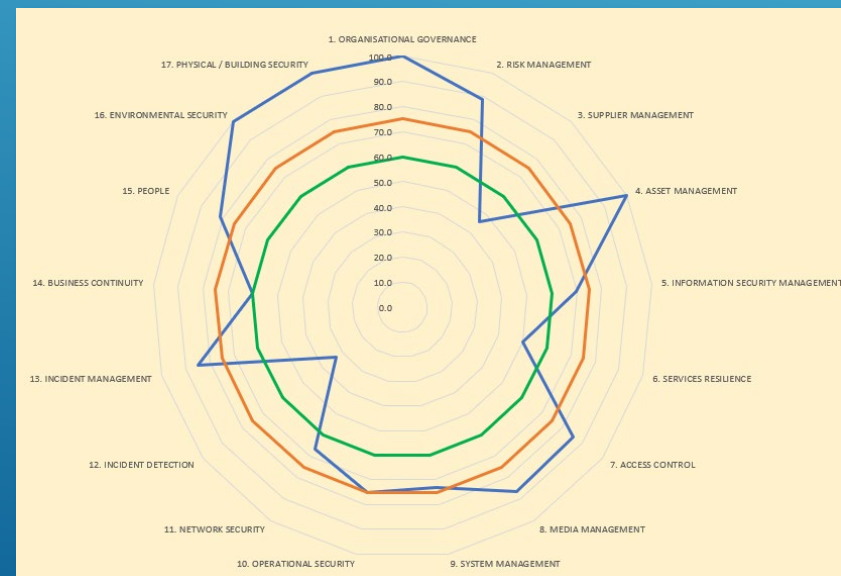
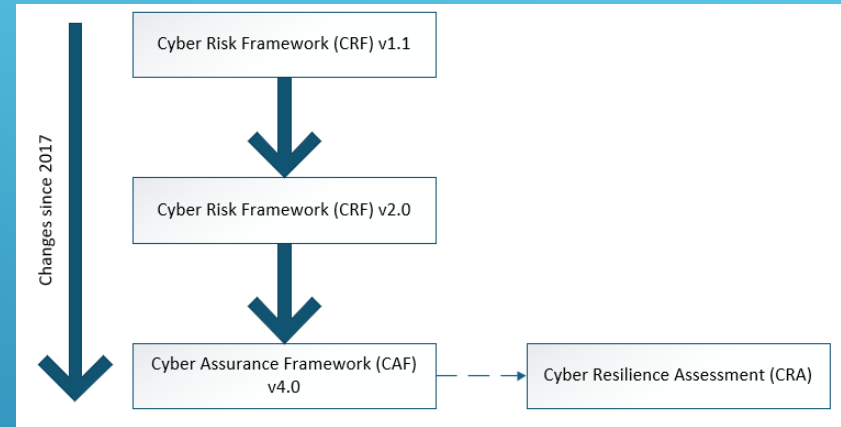
EXECUTIVE SUMMARY



- ▶ Overall Risk Position: GREEN
- ▶ 10 Key risks identified and controlled
 - ▶ 8 Green – 2 Amber (with good progression to Green)
- ▶ No major incidents to report
- ▶ Security posture improving (UK Government CAF v.4)

COMPLIANCE MONITORING

- ▶ Cyber Risk Framework
 - ▶ Scrapped by Scottish Government
- ▶ UK Government Cyber Assurance Framework
- ▶ Progressing to Version 4 throughout 2026 with the help of HEFESTIS



COMPLIANCE MONITORING

- ▶ Cyber Essentials Basic: Expired 10-04-2026
- ▶ Cyber Essentials Plus: Expiring 26-06-2026
- ▶ Work commenced on Cyber Essentials Basic – May 2026



CYBER ESSENTIALS
CERTIFICATE OF ASSURANCE
South Lanarkshire College
College Way, East Kilbride G75 0NE
COMPLIES WITH THE REQUIREMENTS OF THE CYBER ESSENTIALS SCHEME

NAME OF ASSESSOR : Ann Barron
CERTIFICATE NUMBER : 35e0ee9c-ed2d-41d4-9732-ce401aced7e7 DATE OF CERTIFICATION : 2025-04-10
PROFILE VERSION : 3.1 (Montpellier) RECERTIFICATION DUE : 2026-04-10
SCOPE : Whole Organisation

SCAN QR CODE TO VERIFY THE AUTHENTICITY OF THIS CERTIFICATE

CERTIFICATION MARK CERTIFICATION BODY CYBER ESSENTIALS PARTNER
  

The Certificate certifies that the organisation was assessed as meeting the Cyber Essentials implementation profile and thus that, at the time of testing, the organisation's ICT defences were assessed as satisfactory against commodity based cyber attacks. However, this Certificate does not in any way guarantee that the organisation's defences will remain satisfactory against a cyber attack.



CYBER ESSENTIALS PLUS
CERTIFICATE OF ASSURANCE
South Lanarkshire College
College Way, East Kilbride G75 0NE
COMPLIES WITH THE REQUIREMENTS OF THE CYBER ESSENTIALS PLUS SCHEME

NAME OF ASSESSOR : Ann Barron
CERTIFICATE NUMBER : df8b9692-455c-40ce-8b75-9a1497b93d8b DATE OF CERTIFICATION : 2025-06-26
PROFILE VERSION : 3.1 (Montpellier) RECERTIFICATION DUE : 2026-06-26
SCOPE : Whole Organisation

SCAN QR CODE TO VERIFY THE AUTHENTICITY OF THIS CERTIFICATE

CERTIFICATION MARK CERTIFICATION BODY CYBER ESSENTIALS PARTNER
  

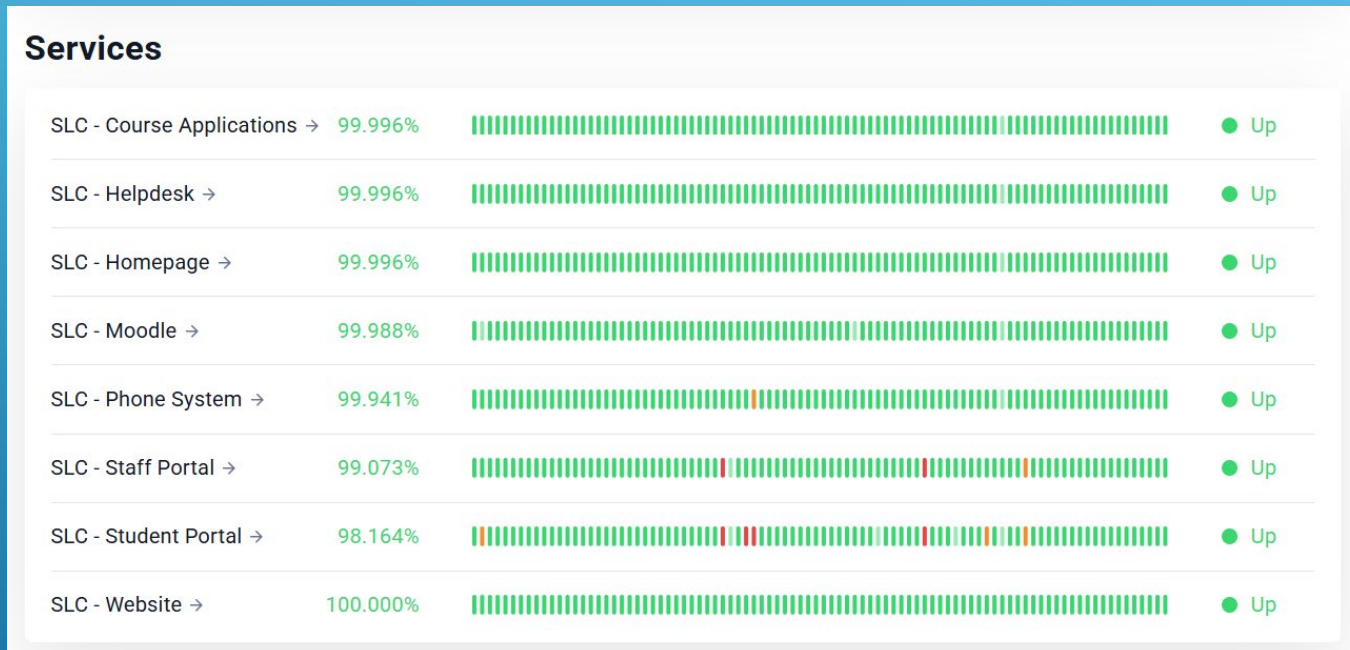
The Certificate certifies that the organisation was assessed as meeting the Cyber Essentials Plus implementation profile and thus that, at the time of testing, the organisations ICT defences were assessed as satisfactory against commodity based cyber attack. However, this Certificate does not in any way guarantee that the organisations defences will remain satisfactory against a cyber attack.

KEY METRICS

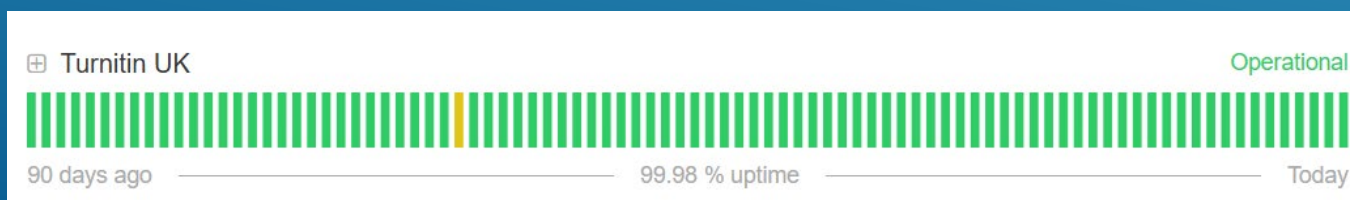
- ▶ Uptime: 99.9% (Last 90 days)
- ▶ Incidents:
 - ▶ Microsoft Estate: 161 Alerts (last 90 days) - 9 high, all resolved
 - ▶ Perimeter Firewall: Intrusion Detection/Prevention – 3500 approx. attempts in last 30 days
- ▶ Malicious Emails blocked: 1,419 approx. (last 90 days)
- ▶ Data Security – Access Controls: Increased by 4%
 - ▶ Significant improvement in App's Control: 52% to 82%
 - ▶ Note: New parameters added by Microsoft, Original Target is 15,917 to 16,932 points of interest. This is ever moving with the new alerts available

COLLEGE UPTIME

SLC - Uptime Robot

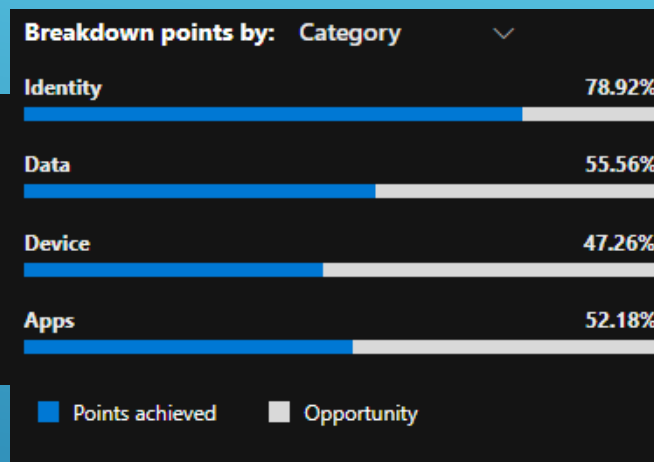
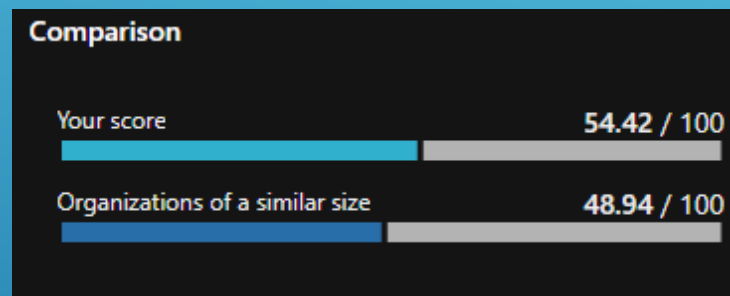


Turnitin Status Page

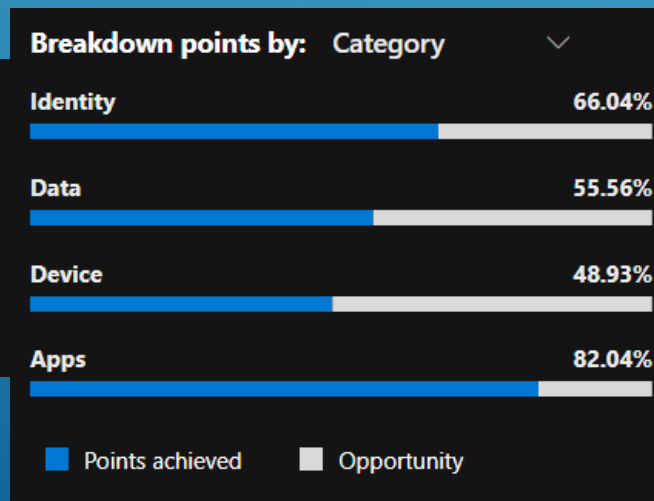
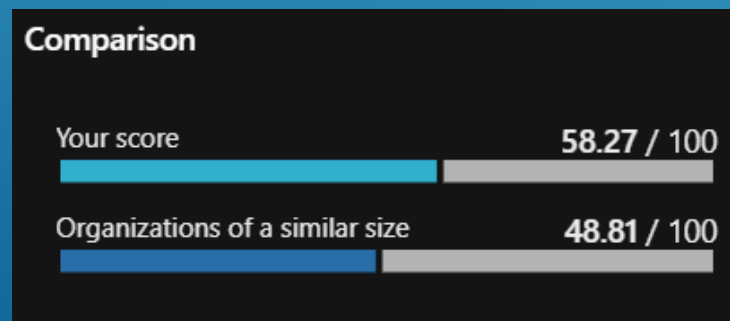


DATA SECURITY – ACCESS CONTROL

Cyber Report – Nov 2025

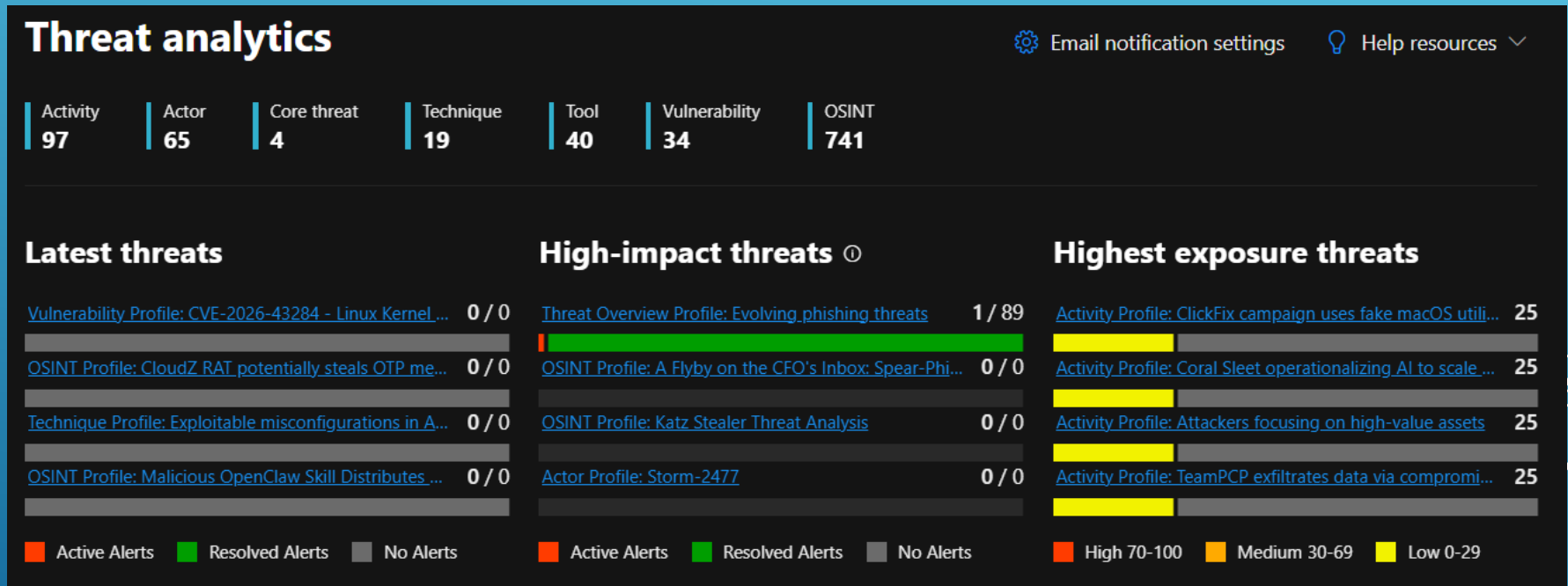


Cyber Report – May 2026




THREAT ANALYTICS - SLC

Active Threats as of May 10th 2026 (threats are currently mitigated)



THREAT ANALYTICS - TRENDS

- ▶ Canvas (Shiny Hunters) – [Click here](#) for more information –
 - ▶ Occurred on May 1st - No known data to be stolen (as yet)
 - ▶ 275 Millions users – the leak thought to have obtained messaging information.
 - ▶ SLC not affected – Canva not in use/security hardened in response to alerts
 - ▶ “RobinHood” Attack (Online Trading Platform) – [Click here](#) for more info
 - ▶ Reporting April 27th
 - ▶ Robinhood Phishing Scam used to obtain real password information
 - ▶ SLC not affected – Incident was blocked by the email filter
- 

ACTIONS & IMPROVEMENTS

- ▶ **Completed:** Migration of App control to Microsoft Intune (shown in the increase in “App” rating)
 - ▶ **In progress:** Work beginning on Cyber essentials accreditation for this year and migration of configuration policies to Microsoft Intune and Microsoft defender platforms
 - ▶ **Planned:** BCP Testing following Business Continuity Documentations being published
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AUDIT AND RISK COMMITTEE

DATE	19 May 2026
TITLE OF REPORT	2025-2026 Quarter 3 Complaints Handling Report *Report Considered by LTSE on 14 May 2026
REFERENCE	Agenda Item 14
AUTHOR AND CONTACT DETAILS	Vari Anderson Vari.anderson@slc.ac.uk
PURPOSE:	To provide Committee Members with an overview of the: complaints received by the College during Quarter 3 (31 January 2026 to 30 April 2026), and an update on the continuing governance of the complaints handling process.
KEY RECOMMENDATIONS/ DECISIONS:	Members are recommended to note: <ul style="list-style-type: none"> • all complaints are logged on the College complaints handling system; • the College complies with Scottish Public Service Ombudsman (SPSO) governance; • An issue with the complaints handling system resulted in email notifications no longer being sent to investigators. The Digital Services Team has since developed a new system, which is currently being tested and is expected to be ready for implementation in the near future.
RISK	<ul style="list-style-type: none"> • That the College does not deal with complaints within the time scales required by the SPSO resulting in a poor experience for our learners and stakeholders.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY OF REPORT:	<ul style="list-style-type: none"> • Nine complaints were received, eight of which were closed within SPSO timescales. One complaint remains ongoing, with a response due by 14 May 2026. • This is an increase in the number of complaints compared to Quarter 3 2024/2025. • The current Complaints System is no longer fit for purpose due to no longer issuing e-mails, Digital Services have developed a new system which is currently being tested. • Lessons learned and actions to improve are identified and addressed. • Two Complaints were upheld, four partially upheld and two not upheld.

1. INTRODUCTION

- 1.1. This paper provides an overview of the complaints received during Quarter 3 2025/2026, the continuing governance of the complaints handling process and complaint trends

2 DISCUSSION

- 2.1 The College complies with the governance of the Scottish Public Service Ombudsman (SPSO), ensuring that all complains are recorded and closed within the required timescale. In addition to publishing the four mandatory Key Performance Indicators (KPIs) quarterly, the College also provides reports on complaint trends and any actions taken to improve service delivery.
- 2.2 The Complaints Handling System currently used by the College was created by New College Lanarkshire in partnership with the College Development Network. In December 2025, the Complaints Team were advised that the system would no longer issue automated e-mail acknowledgements to customers submitting complaints. Since receiving this notification, the Complaints Team have manually issued acknowledgements and updates to complainers to ensure continued communication.
- 2.3 The Complaints Team remain proactive in ensuring that complaints are progressed and responded to within the required timescales. However, following reminders issued to investigators, it was identified that the system is no longer forwarding complaints to investigators. This has resulted in a one complaint requiring an extension to allow sufficient time for investigation and response. It is not known when the system ceased forwarding complaint information. Notwithstanding these issues, all complaints have been responded to as a result of the proactive measures taken by the Complaints Team.
- 2.4 The Digital Services Team have developed a new Complaints System which is currently undergoing testing. A meeting was scheduled mid-April to allow the Complaints Team to provide feedback. It is evident that the current system is no longer fit for purpose, and it is hoped that the new system will be ready for implementation in the near future.
- 2.5 The tables below report for Quarter 3:
 - SPSO KPIs
 - category and outcome of complaints with actions to improve; and
 - complaint trends.

2.6 Table 1 Quarter 3 SPSO KPIs

<p>KPI 1: The total number of complaints received and as a % of college population</p> <p>WDENR at 30 April 4,015</p>	<p>KPI 2: The total number of complaints closed at each stage within the required timescale</p>	<p>KPI 3: The average time in working days for a full response to complaints at each stage</p>	<p>KPI 4: the outcome of each complaint and the % closed at each stage</p>
<p>(0.023%)</p> <p>g*</p> <p>*One Stage 1 complaint ongoing with response due 14 May.</p>	<p>Stage 1 – 4 Complaints Closed</p> <p>Stage 2 – 4 Complaint Closed</p>	<p>Stage 1 – 6 days</p> <p>Stage 2 – 20 days</p>	<p><u>Stage 1</u></p> <p>1 – Partially Upheld</p> <p>2 – Upheld</p> <p>1 – Not Upheld</p> <p>100% Closed.</p> <p><u>Stage 2</u></p> <p>3 – Partially Upheld</p> <p>1 – Not Upheld</p> <p>100% Closed.</p>

2.7 The lessons learned from each complaint are identified and addressed, with follow-up actions managed by the Complaints Handler.

2.8 Table 2: Quarter 3 2025-2026 category of complaint, outcome of complaint and actions to improve:

Complaint Category	Complaints Received	Outcome of Complaint	Actions to improve
Customer Care	6	2 Upheld 2 Partially Upheld 1 Not Upheld 1 Ongoing – response not due until 14 May 2026	<ul style="list-style-type: none"> Staff to uphold consistently professional standards even in challenging situations Value of reflective practice Recognise the impact of behaviour on student experience – students interpret staff behaviour as representative of College’s values Need for clear expectations and regular training
Applications to Progression	1	Partially Upheld	<ul style="list-style-type: none"> Wording on ‘welcome interview’ e-mail to be updated for clarity. Interviewing staff to be
Course Related	1	Partially Upheld	
Services	1	Not Upheld	
Facilities	0		
Other	0		

2.9 In Quarter 3 of 2025–2026, the total number of complaints rose from 4 in Quarter 2 to 9. This also represents an increase compared with Quarter 3 of 2024–2025, when 5 complaints were recorded.

2.10 Table 3 Quarter 3 2025-2026 and 2024-2025 comparison of complaints received and outcomes:

	2025-2026	2024-2025
Total complaints received	9	5
Complaints received resolved	8	1
Complaints received partially upheld	4	0
Complaints received upheld	2	1
Complaints received not upheld	2	1

Currently being investigated	1	2
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2.11 Of the nine complaints received, six related to the Customer Care category. A comparison of Quarter 3 complaint categories between 2025–2026 and 2024–2025 shows a significant rise in Customer Care complaints, increasing from 1 to 6 over the quarter, while complaints related to courses declined.

2.12 *Table 4 Quarter 3 2025-2026 and 2024-2025 comparison of category of complaints received:*

	2025-2026	2024-2025
Customer Care	6	1
Applications to progression	1	0
Course Related	1	3
Services	1	1
Facilities	0	0
Other	0	0

3 EQUALITIES

3.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

4 RISK AND ASSURANCE

4.1 That the College does not deal with complaints within the time required by the SSPO procedures resulting in a poor experience for our learners and stakeholders.

5 RECOMMENDATIONS

5.1 Members are asked to note:

5.1.1 All complaints are logged on the College complaints handling system; and

5.1.2 The College complies with Scottish Public Service Ombudsman (SPSO) governance

5.1.3 A new complaints system will be introduced in due course as the current system is no longer fit for purpose.

AUDIT AND RISK COMMITTEE MEETING

DATE:	19 May 2026
AGENDA REF:	15.0
TITLE OF REPORT:	Governance Rolling Review
AUTHOR AND CONTACT DETAILS	Vari Anderson vari.anderson@slc.ac.uk
PURPOSE:	To update the Board on the most up-to-date Rolling Review document and the updates made thereto.
KEY RECOMMENDATIONS/ DECISIONS:	The Board is recommended to: <ul style="list-style-type: none"> • Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached. • Note the updates provided on the latest document
RISK	<ul style="list-style-type: none"> • Governance is recognised as a potential strategic management risk and appropriate mitigating actions such as maintaining a dynamic Rolling Review is fully consistent with best practice.
RELEVANT STRATEGIC AIM:	<ul style="list-style-type: none"> • The Student Experience • People and Culture Development • Growth and Innovation • Sustainability
SUMMARY	<ul style="list-style-type: none"> • This report sets out the latest version of the Rolling Governance Review for information and comment. • It focuses on the principles of good governance with subheadings of importance relating to each principle. • It also includes key policies and governance documents which the College is required to keep under review.

1. INTRODUCTION

1.1 This paper sets out the latest version of the Rolling Governance Review.

2. BACKGROUND

2.1 The Governance Improvement Plan was established to address any identified or emerging issues identified in the ongoing review of Governance at South Lanarkshire College. This plan was completed, and the Board of Management agreed that there should now be a “Governance Rolling Review”.

3. GOVERNANCE ROLLING REVIEW

3.1 The principles of good governance are:

- Leadership and Strategy
- Quality of the Student Experience
- Accountability
- Effectiveness
- Relationships and Collaboration

3.2 The Governance Rolling Review focuses on these areas, with relevant subheadings of importance.

3.3 The Rolling Review now provides visible audit evidence of the role of the Board in monitoring key Policies and key Governance documents such as the Scheme of Delegation, the Committee Terms of Reference and Standing Orders – all of which the College is obligated to keep under review. The review dates of key policies and procedures has been updated following the discovery that several policies had surpassed the recommended review date. Any policies in this category are in the process of being updated.

3.4 Robust operational systems are already in place, but it is consistent with best practice that the Board has visible oversight of all key matters affecting both governance and management.

3.5 Since the previous rolling review document was presented in January 2026 the following issues have been reclassified from Amber to Green.

- 2.2 Student and Engagement and Quality Monitoring and Oversight – four Board Members participated in the Student Question Time panel held on 21 April 2026.
- 4.5 Identifying Training Needs for the Board – training opportunities have been circulated to the Board in the Governance Professional’s update. A Board Induction Hub is also in the process of being created which will host presentations on topics ranging from Finance, College Landscape and Committee Remits.
- 4.6 Set Objectives and Identifying Training Needs for Principal – the Chair conducted the Principal’s Career Review where objectives and training needs were identified.
- 4.9 Revisit and Refresh Board Evaluation Process and Procedure – work has been ongoing to develop updated surveys to assess both the Chair’s performance and the Board’s self-evaluation. The revised questionnaires include more detailed questions to support the production of a robust report and associated action plan.

3.6 Work is ongoing by the Senior Leadership Team and Governance Professional to ensure that all key policies and procedures are up-to-date and available on both the staff intranet and external website.

4 RISK

4.1 Governance is recognised as a potential strategic management risk and the Audit & Risk Committee has already requested that the Governance Rolling Review should be a standing item on its agenda.

5 EQUALITIES

5.1 There are no new matters for people with protected characteristics or from areas of multiple deprivation which arise from consideration of the report.

6 RECOMMENDATIONS

6.1 The Board is recommended to:

6.1.1 Note that the Rolling Review is a dynamic document and is therefore always a work in progress and comment as appropriate on the latest version, as attached.

6.1.2 Note the updates provided on the latest document.

ROLLING GOVERNANCE REVIEW DRAFT

The actions to deliver improvement contained in this plan will be developed and implemented to address any previously identified or emerging issues as noted by way of the “Ongoing Review of Governance” at South Lanarkshire College (SLC). This is proceeding following consultation with Board Members and Senior Staff. A RAG system has been used to enable tracking of progress against actions and timescales.

Development Categories	Issue	Action	By Whom and When	Status and Progress Update as at Jan 2026
Leadership & Strategy	1.1 Conduct in Public Life	Training in New Code of Governance to be provided	Governance Professional January 2023 already completed but Governance Professional to ensure that CDN online training completed	All Board Members should engage with the online training pack now available via CDN as part of ongoing training. All Board Members receive a comprehensive induction advising on the Code. Gordon Hunt (CDN) attending the Board Training Day on 18 November 2025 for refresher training. Governance Professional encourages all board members to complete the CDN online training course and promotes other governance courses. (Green)
	1.2 Vision & Strategy	Involve Trade Unions (TUs) on Board	Governance Professional	November 2025 No update however it has been confirmed that not having a TU representative is not considered a breach of legislation. May 2026 There is an indication from the Unison Regional Organiser that a new Unison representative may be appointed shortly. College not in breach of any legislation not having a Union Representative. Work is ongoing at GGSG regarding election of TU Members. (Amber)
	1.3 Performance	Refresh paperwork for self-assessment	Governance Professional	November 2025 The externally facilitated review report was published on 30 September 2025.

		and evaluation and plan for externally facilitated self-assessment review		<p>May 2026 A new survey to support Chairs Evaluation has been created and issued to Board Members along with new Self Evaluation Survey which will be issued mid-May. (Green)</p>
1.4 Corporate Social Responsibility		Improve dialogue & communication with all stakeholders	Principal / Chair March 2024	<p>The stakeholder letter has now recommenced.</p> <p>January 2026 A revamped newsletter is being worked on. (Amber)</p> <p>May 2026 The College is changing its strategic approach to marketing, with a view to create a postholder responsible specifically for public relations and stakeholder engagement. This role should be in place by August 2026, with a view to revamping external engagement.</p>
		Board member involvement in the understanding of learning, teaching and assessment and work of the College. Subject to agreement with teaching staff.	Principal / Vice Principal for Learning and Teaching and the Student Experience.	<p>This is to provide an opportunity for Board members to engage with staff and students. They may do this by:</p> <ul style="list-style-type: none"> • Speaking with curriculum managers or support managers; • Informally (and with agreement and notification) pop into classrooms to speak to lecturers and students where appropriate. • Attending (with prior agreement) team meetings. <p>In Committee it was recommended that the Board be represented at staff events, where appropriate. GP sends out campus events to board members.</p> <p>May 2026 Board Members participated in Student Question Time. However, this process will be amended for future sessions.</p>

				(Green)
2 Quality of Student Experience	2.1 Relevant High-Quality Learning which meets local, regional and national skills needs.	Board members through strategic planning days to undertake a curriculum review.	Principal and Vice Principal for the Student Experience and Innovation Ongoing	January 2026 Curriculum Planning has been reworked to ensure it is more efficient, and the new Curriculum Management Team are working on a three-year curriculum plan. (Green)
	2.2 Student and Engagement and Quality Monitoring & Oversight	Work with the Student Association (SA) and Class Reps to improve Quality Monitoring feedback. Identify mechanisms for recognising and rewarding input of student body to support quality	Vice Principal of Student Experience and Innovation Ongoing	Through the Board Member Conversations as outlined in 1.4 give members an opportunity to engage with students. The Learning, Teaching and Student Experience Committee oversees progress of the Quality Enhancement Plan presented. Where possible the College would welcome more Board member involvement, and there has been a “Dragons Den” initiative which has been successful. May 2026 Student Question Time was held on 21 April with 4 Board Members sitting on the panel. New Student Engagement Manager came into post in May 2026 and will work with the Quality and Learning and Teaching Innovation team to enhance and reward student engagement in quality processes. (Green)
3 Accountability	3.1 Accountability & Delegation	Involve staff in discussions on facing challenge	Principal and VP for Finance, Resources and Sustainability	All staff receive a key message update after every Board meeting. November 2025

				<p>SLT and middle managers attended a session with Professor Joe Little which discussed challenges faced by the college sector.</p> <p>May 2026 Following Board Development Day with Graven regarding the College estate, staff and students will be involved in the next round of consultations. (Green)</p>
	3.2 Risk Management	Connect risk appetite to risk register	Vice Principal Finance, Resources and Sustainability	<p>January 2026 Risk appetite is now connected to the risk register, with assurance mapping added to each risk in November 2025. Subject to ongoing review (Amber)</p>
		Consideration of a Risk Assurance Diagnostic Tool	Principal and VP for Finance, Resources and Sustainability	<p>November 2025 Chair of Board, ARC, Exec Team met with Emma Tilley in early November to discuss how Henderson Loggie can support the Board on risk management through an exercise that asks Board members to rate their confidence in the College's ability to monitor and mitigate each risk. Concluded that an internal audit of the Risk Register may give Board members assurances but may consider this more detailed exercise in the future. (Amber)</p>
	3.3 Audit Committee	Membership to be adjusted in line with New Code	Governance Professional	<p>October 2025 Membership was refreshed for the first committee cycle of the academic year. Gordon Hunt from CDN attended the meeting to deliver a presentation outlining the responsibilities of Audit and Risk Committee members. (Green)</p>
	3.4 Remuneration Committee	Terms of reference to be revisited.	Governance Professional & Chair	<p>Implemented and updated October 2025. (Green)</p>
		Identify opportunities and	Principal and Vice Principals	<p>October 2025</p>

	3.5 Financial & Institutional Sustainability	address challenges in context of “flat cash” settlement.	Ongoing	<p>Work is ongoing in this area. The VP for Student Experience and Innovation has been conducting various partnership meetings over the past few weeks.</p> <p>January 2026 Indicative announcement from Scottish Government announced on 10% increased investment in College Sector, expected to lead to a 2-3% core funding increase for 2026/27. Exec Team engaging in sector wide meetings to discuss likely funding and its implications for 2026/27.</p> <p>May 2026 The Board are hosting a Board Strategy Day on 26 June 2026 focusing on income diversification. (Amber)</p>
		Explore options for best use of resources to generate income.		
		Explore options for 3 rd sector partnerships.		
	3.6 Staff Governance	Facilitate regular opportunities for Board members to engage with staff and staff representatives	Principal & Governance Professional [Ongoing]	<p>Governance Professional advises Board Members of campus events which they can attend to engage with staff. Such as ‘Pastries with a Purpose’ and CLIC events.</p> <p>October 2025 The Staff Newsletter is running a ‘Spotlight on..’ session to introduce the Board to staff and welcomes introductions.</p> <p>January 2026 Feedback has been positive from staff regarding the ‘Spotlight’ section. The Governance Professional encourages more Board Members to get involved. (Green)</p>
		Improve information flow to appointed staff representatives	Principal & Governance Professional	<p>Minutes are published in a timely manner on the website and ‘key messages’ are communicated to all staff through the staffing Teams channel. (Green)</p>

		Involve appropriately skilled staff by way of attendance at Committee Meetings and also participation in Strategy and Training days	Principal & Governance Professional	<p>Members of SLT attend to present papers at meetings. More support staff to be encouraged to attend meetings, for example, HR Committee to be attended by HR staff, Facilities staff etc.</p> <p>October 2025 Staff across curriculum/professional services have been encouraged to attend meetings to do deep dives into certain areas and contribute to conversations. (Green)</p>
4.1 Effectiveness	4.2 Board Chair	Plan for appointment of new Chair in 2024	Principal & Governance Professional June 2024	Implemented (Green)
	4.3 Senior Independent Member	Refresh Training & Support	Governance Professional	A new SIM has been appointed. CDN guidance and online training course has been sent to SIM and will be fully supported by the Governance Professional. (Green)
	4.5 Board Members	Identify Training needs	Governance Professional November 2025	<p>November 2025 Skills matrix has been completed and GP continues to advise Board Members of training opportunities. Gordon Hunt from CDN attended the first ARC of the academic session and presented at the Board Training Day in November.</p> <p>January 2026 Four new Board Members have been appointed since September 2025. Three inductions have been carried out with one still to be arranged.</p> <p>May 2026 Governance Professional has created a Board Induction Hub containing presentations on various</p>

				governance aspects and College landscape. Training opportunities continue to be sent via GP's update. (Green)
	4.6 Principal & Chief Executive	Set objectives and identify any training needs.	Chair June 2025	October 2025 The Chair and Vice Chair have an action from the remuneration committee to set objectives for year 2025/26. May 2026 Chair and Principal have conducted a Career review and objectives set for the upcoming year. (Green)
	4.7 Governance Professional	Recruit new postholder	Board	Implemented. (Green)
		Agree overarching policy on resolving issues around grievance, breach of contract and conflict of interest	Governance Professional / Human Resources Director	The new Chairs' Committee remit now provides a suitable mechanism. (Green)
	4.8 Appointment Induction & Training	New processes in anticipation of TU membership	Governance Professional	SLC has had TU observers at Committees and Board for several months. Formal induction has now taken place. (Green)
	4.9 Board Evaluation	Revisit and refresh process and procedure	Governance Professional [Ongoing]	External Effectiveness Review was positive in respect of our process and procedure. The GP will continue to revisit and refresh processes, as appropriate. May 2026

				New Chair's Evaluation survey has been created along with a Board Self Evaluation which will be sent out mid-May. (Green)
5 Relationships & Collaboration	5.1 Partnership Working	Build Collaborative initiatives with Regional Partner	Governance Professional and Principal	July 2025 Principal is now the Chair of the College Partnership West group and attends Skills Led Regional Planning sessions. Quarterly meetings are held with South Lanarkshire Council relating to collaboration. SLC attended the Board Training Day in November to discuss opportunities. (Amber)
		Community Development	Principal and Vice Principal for Learning Teaching and the Student Experience. [Ongoing]	Ongoing. (Amber) The new Student Engagement Manager came into post in May 2026. They will work with external stakeholders to add value to on-campus curricular and co-curricular activities through the development of mutually beneficial relationships with a wide range of community partners. Work has already been initiated with Student Sport Scotland, Kilbride Hospice, Business Gateway Lanarkshire and Healthy & Active East Kilbride.
6 Other	6.1 Equalities	Equalities Awareness Training	Governance Professional Ongoing Training	A dedicated training session has already been provided by the former Governance Professional and is available on the Board Portal, but a refresher might usefully be considered at some future point. The Board manual now includes a briefing on this topic. (Green)

	6.2 Student Association Support & Recognition	Student Awards Funding	Management Ongoing Support	Senior staff are already supporting the SA in seeking funding from the Educational Foundation but further mechanisms for rewarding student effort are being considered. (Amber)
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Schedule of Key Policies & Procedures		
Policy	Date	Due for review
Anti Bribery Policy	September 2024	September 2027
Dignity at work	July 2023	No Date – in process of being updated
Disciplinary Policy & Procedure	July 2023	June 2024 – in process of being updated
E Signature Policy	June 2024	May 2026
Equality Policy	Nov 2023	No Date – in process of being updated
Fee Waiver Policy	July 2023	July 2026
Fees Policy	June 2024	May 2026
Finance Regulations	June 2024	June 2026
Fraud & Anti Corruption Policy	June 2024	May 2027
Grievance Policy & Procedure	July 2023	November 2027
Lettings Policy	September 2024	September 2027
Procurement Policy	June 2024	April 2026
Safeguarding Policy	June 2024	August 2027
Staff Code of Conduct	Oct 2023	March 2026
Student Discipline Policy & Procedure	April 2023	August 2026
Whistleblowing Policy	July 2023	November 2030
<i>Note that this element of the Rolling Review is under ongoing review and further policies may be added at request of Committees</i>		

Schedule of Governance Documentation for Ongoing Review		
Code of Conduct	Reviewed as required by Standards Commission	Up to date
Committee Remits	For review four yearly or as required	Last review 2025
Scheme of Delegation	Ditto	Last review 2025
Standing Orders	Ditto	Last review 2024
Code of Good Governance	Current edition 2024	Adopted

Technical Bulletin

2026/1

Technical developments and emerging risks from
January to March 2026



 AUDIT SCOTLAND

Prepared by Audit Scotland for appointed auditors and audited bodies in all sectors

31 March 2026

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Accessibility

Auditors can find out more and read this bulletin using assistive technology on the Audit Scotland website www.audit.scot/accessibility.

1: Introduction

Purpose

The purpose of Technical Bulletins from Audit Scotland's Innovation and Quality (I&Q) business group is to provide auditors appointed by the Auditor General for Scotland and Accounts Commission for Scotland with:

- information on the main technical developments in each sector during the quarter
- information on professional matters during the quarter that are expected to have applicability to the public sector
- summaries of responses to any requests from auditors for technical consultations with I&Q.

Appointed auditors are required by the Code of Audit Practice to pay due regard to Technical Bulletins. The information on technical developments is aimed at highlighting the key points that I&Q considers auditors in the Scottish public sector require generally to be aware of. It may still be necessary for auditors to read the source material if greater detail is required in the circumstances of a specific audited body. Source material can be accessed by using the hyperlinks.

Any specific actions that I&Q recommends that auditors take are highlighted in **bold**.

Technical Bulletins are also published on the Audit Scotland [website](#) and therefore are available for audited bodies and other stakeholders to access. However, hyperlinks to source material indicated with an asterisk (*) link to files on Audit Scotland's [SharePoint*](#) and are only accessible by auditors.

Highlighted items

I&Q highlights in the following table a selection of the items in this Technical Bulletin that are of particular importance:

Highlighted items		
I&Q has published guidance on potential misstatements in 2025/26 accounts	I&Q has published model Independent Auditors Reports for 2025/26	The Scottish Government has issued statutory guidance on climate change duties
[paragraph 1]	[paragraph 7]	[paragraph 13]
The Scottish Government has issued statutory guidance on the use of capital grant for 2025/26	Treasury has re-issued the 2025/26 FReM and issued the 2026/27 FReM	The Scottish Government has issued the NHS Accounts Manual and Capital Accounting Manual for 2025/26
[paragraph 23]	[paragraph 32 and 44]	[paragraph 45 and 51]

Consulting with I&Q

Auditors should consult with I&Q by completing an [enquiry form](#) and submitting it to TechnicalQueries@audit-scotland.gov.uk.

2: All sectors

TGN on potential misstatements in 2025/26 annual accounts

1. I&Q has published Technical Guidance Note (TGN) 2026/1 to provide auditors with guidance on potential misstatements in the 2025/26 annual accounts of public bodies.
2. The TGN is accessible for auditors on [SharePoint*](#), along with supporting material, and is also available from the Audit Scotland [website](#).
3. The TGN is intended to inform auditors' professional judgement and promote the exercise of professional scepticism. The TGN supplements the Code of Audit Practice and auditors are expected to pay it due regard and use it as a primary reference source when performing 2025/26 audits. Auditors should advise I&Q of any intended departures from the guidance.
4. The TGN comprises a number of modules as summarised in the following table:

Module	Potential misstatement area	Purpose
Overview	Areas that are pervasive to the financial statements as a whole	Concise explains the appropriate accounting treatment related to each potential misstatement
1-9	Specific classes of transactions, balances and disclosures in the financial statements.	
10A	Audited part of Remuneration Report in Local Government	Explains the requirements and provides guidance on the potential misstatements in the audited part of the Remuneration Report
10B	Audited part of Remuneration and Staff Report in other sectors	
11A	Statutory Other Information in Local Government (e.g. Management Commentary and Annual Governance Statement)	Sets out the procedures for considering Statutory Other Information
11B	Statutory Other Information in Central Government (e.g. Performance Report and Governance Statement)	
12	Irregular transactions in Central Government	Explains the requirements and sets out the action auditors should undertake
13	Integration joint boards	

Module	Potential misstatement area	Purpose
14	Pension fund accounts	Provides guidance on the application of the above modules to these specific bodies
15	Section 106 charities – Local Government	
16	Charitable NDPBs – Central Government	

5. Modules 17 and 18 which include guidance on potential misstatements specific to health boards and colleges respectively will be published in due course.

6. The guidance on potential misstatements reflects areas of complexity, subjectivity and uncertainty. The modules have been updated to reflect new requirements which emerged during the 2024/25 audits that remain applicable. A separate note summarises the main changes from 2024/25.

Independent auditors' reports for accounts in 2025/26

7. I&Q has published the following TGN 2026/2 to provide auditors with model forms of Independent Auditor's Reports (IAR) to be used for the 2025/26 annual accounts.

8. Auditors are required by the Code of Audit Practice to prepare their IARs in accordance with the TGN. The TGN, along with model IARs and supporting material is available to auditors on [SharePoint*](#), and is freely available from the Audit Scotland [website](#).

9. As a change for 2025/26, a combined TGN has been prepared covering the model IARs for all sectors. The following changes have been made to the guidance to reflect this change:

- terminology has been standardised to align the language used across sectors, for example using "Remuneration and Staff Report" instead of "Remuneration Report"
- where relevant, guidance that is specific only to certain sectors has been highlighted

10. In addition to the above changes, from 2025/26 health board auditors will no longer be required to report by exception where there has been a failure to achieve a prescribed financial objective. Where a health board fails to meet a prescribed objective, auditors should consider reporting this within their Annual Audit Report.

11. The model forms of IARs have been tailored to reflect relevant legislation and augmented by the reporting requirements of the Auditor General and Accounts Commission.

12. For the 2025/26 audits of public bodies, **auditors should:**

- **use the relevant model form of IAR for each audited body**
- **follow the specified wording other than where tailoring adjustments are set out in the application guidance in the TGN**

- consult with I&Q on any modified opinion or conclusion
- complete an Auditor Action Checklist for each IAR prepared.

Climate change statutory guidance

13. The [Scottish Government](#) has issued [statutory guidance](#), under the Climate Change (Scotland) Act 2009, to support Scottish public bodies in meeting their legal climate change duties to:

- Reduce emissions in ways that best support national emissions reduction targets, including the 2045 net-zero target.
- Support climate adaptation by contributing to the Scottish National Adaptation Plan.
- Act sustainably, ensuring decisions reflect long-term environmental, social and economic wellbeing.

14. The guidance is advisory and aims to help bodies cut operational emissions, build resilience to climate impacts, stay within environmental limits, and contribute to a fair and healthy society. Actions should be proportionate to each body's scale, function and influence.

15. Key areas include:

Area	Guidance
Leadership and Governance	Bodies should make visible climate commitments, embed responsibility at senior levels, and mainstream climate awareness.
Mitigation (Duty 1)	Bodies should develop strategies, plans, targets and reporting to reduce emissions.
Adaptation (Duty 2):	Bodies should assess and manage climate risks and work collaboratively on adaptation initiatives.
Sustainability (Duty 3):	Sustainability should be embedded in decision-making, aligned with the National Performance Framework, and supported by sustainability impact assessments.
Reporting:	Requirements for statutory and voluntary reporting are outlined. Bodies should develop focus on scope 3 emissions across their value chains, such as travel, procurement and construction, in addition to direct (scope 1) and energy-related (scope 2) emissions.

16. A [Climate Adaptation Checklist](#) is provided for senior leaders to benchmark their organisations and identify the next steps needed to build resilience.

17. Environmental Standards Scotland will monitor bodies' delivery of climate activity including compliance with the guidance.

Guidance on summary financial information in 2025/26

18. I&Q has published TGN/SFI/26 to provide auditors with guidance on examining and reporting on summary financial information for 2025/26. The TGN is available to auditors on [SharePoint*](#) and is also freely available from the Audit Scotland [website](#).

19. Summary financial information refers to a structured representation of financial information that is derived from, but contains less detail than, a full set of financial statements. An audited body may include summary financial information in:

- a separate annual report required by its sponsoring body
- a report or other document that it chooses to produce.

20. In either event, **auditors should express an opinion on the summary financial information's consistency with the audited financial statements.**

TGN/SFI/26:

- provides guidance for auditors on the examination of the summary financial information
- sets out and explains the testing and reporting procedures that auditors should carry out (all summarised in the checklist at Appendix 1)
- provides a model form of report at Appendix 2

Trade union facility time disclosures

21. Paragraph 6.5.31(h) of the 2025/26 Government Financial Reporting Manual (FReM) (see paragraph 32) sets out the statutory requirement for public bodies to disclose Trade Union Facility Time information in the Staff Report.

22. However, relevant public bodies in Scotland are no longer required to include disclosures in their annual report and accounts. This is due to the commencement of Section 66 of the Employment Rights Act 2025, which revokes the statutory requirement to report Trade Union Facility Time.

3: Local Government Sector

Statutory guidance on the use of capital grant

23. The [Scottish Government](#) has issued three circulars providing statutory guidance on the use of capital grant.

24. [Finance Circular 9/2025](#) and [Finance Circular 3/2026](#) grant a temporary amendment to the statutory accounting requirements for capital grant set out in Finance Circular 3/2018. The amendment allows local authorities to replace reserves held for capital investment with general capital grant, to allow those reserves to be used to fund other pressures during 2025/26.

25. The amendment allows local authorities to use the general capital grant, detailed in the capital consent letter issued in December 2025 and updated in March 2026, to fund housing revenue account (HRA) or general fund capital expenditure.

26. The temporary amendments to the accounting requirements for capital grant are summarised in the following table:

Use of capital grant	Proposals
Repayment of loan principal	<p>Where the capital grant is transferred to the Capital Fund, the statutory adjustments in Part 2 of Finance Circular 3/2018 are not required.</p> <p>The statutory repayment of debt must still be charged to the General Fund (debit General Fund, credit Capital Adjustment Account).</p> <p>When the capital grant is applied, a separate transaction is required to transfer the capital grant from the Capital Fund (debit) to the General Fund or HRA (credit).</p>
HRA	<p>When the capital grant is utilised, it is transferred to the Capital Adjustment Account (debit General Fund, credit Capital Adjustment Account)</p>

27. [Finance Circular 10/2025](#) also provides a temporary amendment to Finance Circular 3/2018. This amendment allows local authorities to replace reserves held in the capital fund with 2025/26 general capital grant. This allows those reserves to be used to fund RAAC affected buildings.

28. This flexibility applies only to 2025/26. A letter from the Scottish Ministers is required to vary the terms of the general capital grant, including its amount and permitted uses.

Assurance protocols for 2025/26

29. I&Q has published two protocols to provide agreed frameworks for auditors to seek and provide certain information from auditors of other public bodies (assurance protocols). The protocols are available to auditors on [SharePoint*](#) and also freely available from the Audit Scotland [website](#). The purpose of the assurance protocols is summarised in the following table:

Protocol subject	Nature of information
Local Government Pension Scheme (LGPS)	<p>LGPS pension fund auditors request information from employer body auditors in respect of pension contributions payable by the employer body to the pension fund.</p> <p>Employer body auditors request information from pension fund auditors in respect of information provided by the pension fund to the actuary in relation to their reports on employer bodies.</p>
Integration joint boards (IJBs)	IJB auditors request information from the auditors of the constituent authorities regarding information not held by the IJB.

30. The assurance protocols set out the potential range of information but do not compel any specific information to be sought. It is not expected that any information outwith the specified range will generally be requested but that will be a matter for local agreement.

31. Auditors should:

- **judge whether it is necessary to request any information from other auditors in 2025/26**
- **follow the agreed frameworks in each protocol when requesting or providing information.**

4: Central Government Sector

2025/26 FReM

32. [HM Treasury](#) has issued a revised version of the [2025/26 Government Financial Reporting Manual](#) (the FReM). The main changes are explained in the following paragraphs.

33. The 2025/26 FReM was originally issued in December 2024 and the main changes from the 2024/25 FReM were explained in paragraphs 41 to 47 of [Technical Bulletin 2025/1](#). The main changes in this edition are explained in the following table:

Area	Guidance
Fair pay disclosure Paragraphs 6.5.21 to 6.5.27	<p>Clarification that non-executive directors (NEDs) are outside the scope of fair pay disclosures because they are not considered employees.</p> <p>Where fair pay disclosures included NEDs in 2024/25, restatement is not required but a footnote should be added to confirm that they were previously included.</p> <p>Comparative information for each fair pay ratio must be disclosed for the prior year.</p>
Machinery of government changes Section 8.2	<p>Provides an adaptation to IAS 1 removing the requirement to present a third Statement of Financial Position (SoFP) when merger accounting is applied, unless a restatement is required for an accounting policy change or correction of prior period errors</p>
Property, plant and equipment Paragraph 10.1.15	<p>Clarification that, when valuing a modern equivalent asset using the depreciated replacement cost method, the land area applied may differ from that of the actual asset.</p>

Disclosure guide for 2025/26 financial statements

34. [The National Audit Office](#) has published a [disclosure guide](#) on the 2025/26 financial Statements for bodies covered by the FReM.

35. The guide is designed to ensure that bodies covered by the FReM have prepared their 2025/26 financial statements in the appropriate form and have complied with all disclosure requirements. The guide is cross-referenced to the 2025/26 FReM, individual financial reporting standards, and the Companies Act 2006. A tailored checklist can be generated by selecting the criteria that are material to the body.

36. When checking that the FReM's disclosure requirements have been met, **auditors should in accordance with the Overview Module of TGN 2026/1:**

- consider requesting that the body completes the disclosure checklist
- investigate the reasons for any non-compliance that the guide highlights
- evaluate whether the body's responses in the checklist are consistent with auditor's knowledge.

FReM application guidance

37. Treasury has issued updated application guidance on [fair pay disclosures](#), and [accounting for business combinations within the public sector](#), both of which were originally issued in 2012.

38. The updated guidance reflects changes since 2012 including the changes made to the 2025/26 FReM, explained in more detail in the table at paragraph 33.

Amendments to SPFM

39. The Scottish Government has issued [Finance Guidance Note 2026/1](#) updating the [certificates of assurance: internal control checklist](#) section of the Scottish Public Finance Manual (SPFM).

40. The main changes are summarised in the following table:

Area	Amendment
Finance management	Guidance notes have been updated to include consideration of Accountable Officer assessments.
Human resources	New questions have been added covering topics including: <ul style="list-style-type: none"> • workforce support, performance and conduct • management of outside interests, gifts and hospitality.
Information	A new question has been added regarding mobile messaging policy and guidance.
Sponsored bodies	Questions have been added covering: <ul style="list-style-type: none"> • Terms included in a framework document • Updating of framework documents • Reviewing and challenging financial information

2025/26 Remuneration Report disclosure timescales

41. [The Cabinet Office](#) has issued [Employers Pension Notice \(EPN\) 746](#) on the preparation of disclosures for the Remuneration and Staff Report for 2025/26.

42. To allow pension information to be provided earlier than in previous years, bodies were required to submit Annex 13A by 31 January 2026.

43. Pension information will be provided in two stages:

- Stage one: by 31 May 2026

- Stage two: by 26 June 2026, for late Annex 13A submissions or where data changes are required.

2026/27 FReM

44. Treasury has also issued the [2026/27 FReM](#). There are no significant changes in 2026/27. Minor changes relevant to Scottish bodies are summarised in the following table:

Area	Change
Depreciated replacement cost (DRC) valuations	<p>Bodies are permitted to disclose the difference between the land area of a modern equivalent asset (MEA) and the actual land area of the property.</p> <p>A new adaptation has been added in section 8.2, explaining that from 2028/29, the requirement to consider alternative sites as part of DRC property valuations will be removed.</p>
Machinery of government changes – transfers by absorption	<p>Paragraph 9.1.14 has been amended to require any gain or loss arising from the transfer of a function by absorption to be recognised in the general fund. Previously, such transfers were recognised within net expenditure.</p>

5: Health Sector

2025/26 accounts manual

45. The Scottish Government has issued the 2025/26 Manual for the Annual Report and Accounts of NHS Boards* (accounts manual). The accounts manual complements the guidance contained in the 2025/26 FReM but contains some additional or specific requirements.

46. The main changes are set out in the following paragraphs.

47. The Financial Disclosures on pages 11 and 12 have been updated for 2025/26 to reflect that brokerage has been replaced with Deficit Support Funding.

48. Page 13 has been updated for *Statutory Guidance for Public Bodies: putting the climate change duties into practice*. The guidance requires bodies to comply with the relevant sections of the FReM and the Task Force on Climate-related Financial Disclosures (TCFD).

Remuneration report

49. The following table explains the main changes to the remuneration and staff report requirements for 2025/26:

Area	Change
Director remuneration	Page 28 clarifies that salary and allowances should include pensionable and non-pensionable amounts
Facility Time data	Disclosure of Facility Time data is no longer required (see paragraph 21).
Fair pay disclosures	Page 39 clarifies that: <ul style="list-style-type: none"> the mid-point of the highest paid director's remuneration banding should be used for the disclosure where performance pay and bonuses have been paid, disclosure is required non-executive directors should be excluded from the fair pay disclosure calculations as they are not considered employees.
Remuneration bands	The minimum band in the ranges for remuneration disclosure has been increased from £70k to £90k.

50. The following table explains the other changes, to the accounts manual for 2025/26, these are largely to reflect changes to the 2025/26 FReM (see paragraphs 41 to 47 of [Technical Bulletin 2025/1](#)):

Area	Change
Non-current assets	<p>Page 102 explains that revaluations should now be undertaken using either:</p> <ul style="list-style-type: none"> • A quinquennial revaluation supplemented by annual indexation; • A rolling programme of valuations over a 5-year cycle, with annual indexation applied to the assets during intervening years; • For non-property assets only, appropriate indices. <p>In rare circumstances where an index is not available, boards should revalue the given asset using a quinquennial revaluation supplemented by a desktop revaluation in year 3.</p> <p>Page 84 confirms that if there is a change in the asset valuation programme in 2025/26, this should be disclosed.</p> <p>References to:</p> <ul style="list-style-type: none"> • the service potential of operational assets have been replaced with operational capacity. • specialised and non-specialised assets have been removed. <p>Page 73 confirms that intangible assets that are held for their operational capacity should be measured using the cost model.</p>
Financial instruments	<p>Page 144 clarifies the classification of trade and other receivables and cash and cash equivalents as 'Financial assets at amortised costs' rather than 'Financial Assets at fair value through Other comprehensive income (OCI)'.</p> <p>The 'Amounts payable to General Fund' and 'Holiday pay accrual' have been excluded from Financial Liabilities.</p>

2025/26 CAM

51. The Scottish Government has also issued the NHS Scotland Capital Accounting Manual 2025/26* (CAM) to interpret the accounting guidance contained in the 2025/26 FReM on capital accounting issues in the health sector.

52. The main changes to the CAM are to reflect amendments in the 2025/26 FReM (see paragraphs 41 to 47 of [Technical Bulletin 2025/1](#)). These changes are also reflected in the accounts manual as explained in the table above.

Consolidation Schedules

53. I&Q has published TGN/HCS/26 to provide appointed auditors of health boards with guidance on examining and reporting on consolidation schedules which boards are required to submit to the Scottish Government for 2025/26. The TGN is available

to auditors on [SharePoint*](#) and is also freely available from the Audit Scotland [website](#).

54. Auditors are required to examine the consolidation schedules and report on the results in an Assurance Statement. This TGN provides:

- guidance for auditors on the examination of the consolidation schedules (summarised in the checklist at Appendix 1)
- an Assurance Statement at Appendix 2

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Technical developments and emerging risks from January to March 2026



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