

Audit and Risk Committee Meeting

9 February 2026 at 3.30 pm Online

In attendance:

NRC: Mel Higgins (MH); Sinead Scannell (SS); and David Blair (DB)

GB: Chair of ARC - Carla McGovern (CM), P Graham (PG); and J Taggart (JT)

Internal Audit (IA): D Archibald (DA); and S Inglis (SI)

94.1 Apologies: B Devlin. D MacAuley absent.

94.2 Declaration of Interests

None.

94.3 Internal Audit

The 2nd Draft NRC Strategic Internal Audit Plan 2025 to 2028 and the Internal Audit Plan 2025/26, as prepared by Internal Auditors, Henderson Loggie, was shared with members in advance.

CM welcomed all to the meeting including DA and SI from Henderson Loggie.

CM outlined that the purpose of today's meeting is to approve the ToR for the 3 Financial internal audits.

CM further noted that ARC is keen to receive additional assurances, given the position we are in and the scrutiny which we are under.

She noted that previous Internal Audits did not pick up everything, we need a level of comfort on how we can move forward to get the assurances we need.

DA noted that the Audit Needs Assessment exercise, which they had conducted, was very thorough. The table in the Strategic Plan is much wider than previous IAs.

SI noted a further change to the Plan and noted the mandatory DfE review on performance data, which has now been scoped; the detail for this will be in version 3 for the ARC meeting on 18/2/26.

DA noted that the Cash and Bank audit is currently underway and will be concluded within the next week. He noted that the dates had not yet been agreed for the DfE mandatory review and outlined the proposed start dates for the Financial and the Cyber Audits. He outlined the plans for the follow-up reviews.

MH noted the Corporate Risk Register, which will be shared for the ARC meeting scheduled for 18/2/26.

MH noted the 3 audits scheduled for the Finance Department and provided background to the need for the audits and the issues in relation to background workings which need to be included within the audits, he provided examples of the deep dive required during these audits.

DA advised that they would share the ToR of the DfE Data audit for ARC to review once available, to provide further assurances.

He noted that the 3rd draft of the Strategic Annual IA Plan will be presented at the next meeting, noting that the 2nd draft has been reviewed by the Chair and ARC at this meeting.

PG referred to the IA Plan for reviewing Curriculum Planning and noted the days allocated, highlighting that the additional financial audit may impact the number of days for 25/26.

DA confirmed that, with the expanded scope of the Financial areas, it is intended to defer Curriculum Planning as the 43 days will not cover all of these areas. The draft Plan currently shared will be updated for the ARC meeting on 18/2/26.

PG suggested coupling CP and Student Recruitment audits and moving to 2026/27.

SI confirmed that it was agreed at the ARC November 2025 meeting to defer Curriculum Planning to 2026/27.

The Committee confirmed that they are content with the audit plan for 2025/26.

DB confirmed that he is content with the timings proposed for the Financial Audits.

DA advised of issues which had impacted the schedule, acknowledging the condensed timescale and advised that for 2026/27, the schedule will be more spread out. He noted his discussion with NIAO regarding timing, to align with their plans for Department year-end purposes.

The Committee discussed the ToRs for the Financial Audits.

CM referred to existing policies and procedures and internal controls; are these controls sufficiently designed to detect errors? She also referred to the possible inclusion of an Analytical Piece eg GL transactions and noted the requirement for general coverage within the audits.

DA advised that in terms of procedures and policies, it is about making sure they are fit for purpose, if controls are missing or insufficient then we will comment on that, we will expand the ToR to show this analysis which will be undertaken and then will assess if they are operating properly in reality.

CM asked about automated controls, as suggestions to address any inadequacy.

MH noted that the priority with Debtors and Creditors is completeness, he referred to the current position with 2023/24 accounts and issues identified by NIAO and asked if these could be factored into their audits. We would like assurances that this will be checked. The biggest issue was negative balances, an objective added to review any issues identified by NIAO.

PG, making a general comment across all 3 financial audits, asked if we could see linkage to the Risk Register.

DA confirmed NIAO issues can be included and noted the risk register will be cross-referenced on their audit reports, we are part of your risk management arrangements. This can be replicated on an ongoing basis.

SI asked DB if there is a draft of the External Audit report for 2023/24.

DB hopes this will be available soon.

CM asked if IA has had sight of AAB or EY reports.

MH confirmed we can share the AAB report.

DA noted they will include an objective to cover all reports.

CM summarised the position with the IA plan and next steps.

CM referred to the Cyber Security Audit in the context of the College's recent phishing exercise.

DA confirmed IA will review any phishing exercises carried out by the College and referred to new requirements in this area, which were introduced at the start of February 2026; he noted that HL have a cyber security expert auditor as part of their team.

CM asked if there will be a portion of time spent on business recovery, and noted it is reassuring to hear this plan is aligning with the global standard.

MH noted he was delighted to hear that HL has a Cyber expert on their team; he referred to a recent DfE Partnership event and the focus on Cyber Security, this is an important area and the College needs assurance on everything we are doing and assurances that we are minimising risk. Within Treasury guidance there is a suggestion that the Accounting Officer will be giving assurances on Cyber Security and IA can provide that high level of assurance.

DA confirmed the scope of the cyber audit which will provide the assurance required.

In summary, the Audit Plan is to be updated for the ARC meeting on 18/2/26 to include the schedule of dates. There will be an update on the Cash Audit and SI also noted there will be an update on the implementation of audit recommendation.

94.4 AOB

None.

94.5 Next Meeting

18 February 2026.

The meeting closed at 4.40 pm.



Mrs C McGovern, Chair

Date: 18.02.26



Mrs R Toms, Acting Secretary