Board of Management

Date of Meeting	**23 September 2026**
Paper No.	**BoM1-R**
Agenda Item	**5.3**
Subject of Paper	**Committee Annual Reports 2025-26 *[Part 1 of 2]***
FOISA Status	**Disclosable**
Primary Contact	**Marcus Walker** **Associate Director of Governance & Risk**
Date of production	**15 September 2026**
Action	**For Noting**

1. Recommendations

1.1. To note the committee annual reports for the: Audit & Assurance Committee Conveners' Committee and Finance Committee for the 2025-26 academic year.

2. Purpose

2.1. To provide the Board of Management's with a high-level review of the business of its committees throughout the most recent academic year.

3. Consultation

3.1. Members of the respective committees considered their annual reports and approved them as a record of the academic year 2025-26.

4. Key Insights

4.1. Since 2014-15, following an internal audit recommendation, the Board of Management has established the practice of preparing an annual report for each committee. Annual committee reports are tabled early in the academic year.

4.2. The annual reports provide a high-level review and record of a committee's deliberations and decision-making which can be used by members to reflect on the year, as well as to inform other stakeholders. In addition to the regular publication of Board and committee minutes and papers, annual committee reports demonstrate the College's commitment to openness and transparency.

4.3. All of the annual reports prepared for the committees will be used as a basis for the drafting of the College's annual report, in line with the original internal audit recommendation.

5. Impact and Implications

5.1. Annual committee reports are one aspect of the Board's established practices that aim to provide assurance to the College's students, staff and other stakeholders, including the Regional Board, that our systems of governance, effectiveness and accountability remain robust and delivered to a high standard.

6. Appendices

Appendix 1: Conveners' Committee Annual Report 2025-26
Appendix 2: Audit & Assurance Committee Annual Report 2025-26
Appendix 3: Finance Committee Annual Report 2025-26

APPENDIX 1

Conveners' Committee Annual Report 2025-26

Introduction

1. The Conveners' Committee is established by the Board of Management to support the effective discharge of the Board's governance responsibilities. The Committee's remit includes oversight of Board effectiveness, succession planning, remuneration matters delegated by the Board, governance development, strategic risk oversight within its remit, and consideration of matters relating to the appointment and development of Board members.

2. Throughout 2025/26, the Committee continued to provide assurance to the Board that appropriate governance arrangements were operating effectively and that the Board remained well-positioned to fulfil its strategic leadership role

3. The Committee met three times during the academic year and considered a broad range of matters relating to Board effectiveness, succession planning, remuneration, governance development and strategic risk oversight. Through its work, the Committee provided assurance to the Board that governance arrangements remained robust and effective.

Committee Membership

4. The membership of the Committee during 2025/26 was:

- Charandeep Singh (Convener)
- Nicola Cameron
- Chris Deery
- Roderick Gillespie
- Laura Heggie

5. In addition, Amy Paterson, as Chair of the Audit & Assurance Committee, is invited to attend meetings of the Conveners' Committee. Whilst not a voting member of the Committee, this arrangement supports information sharing and coordination between the Board's governance committees while preserving the independence of the Audit & Assurance Committee.

6. The Principal & Chief Executive, Vice Principal People & Corporate Support, and Associate Director of Governance & Risk attended meetings as required to support the Committee in the discharge of its responsibilities.

Attendance

7. During the academic year 2025/26, the Committee met on three occasions: 25 August 2025, 26 January 2026 and 27 April 2026. Attendance across the year was 86%, and all meetings were quorate.

8. The attendance of the Committee for this academic session, and the previous four academic years, is as follows:

Year	No. of Meetings	Possible Attendances	Actual Attendances	Percentage Attendance
2022-23	5	34	26	76%
2023-24	4	21	17	81%
2024-25	3	15	11	73%
2025-26	3	14	12	86%

Board Recruitment and Succession Planning

9. A major area of focus for the Committee during 2025/26 was Board succession planning and member recruitment.

10. Following a review of the Board's Skills Matrix, the Committee identified a strategic requirement to strengthen expertise in people and organisational development, digital and ICT, and environmental, social and governance (ESG) matters. During the year, the Committee approved a recruitment exercise and supporting procedures to facilitate future appointments and strengthen succession planning arrangements.

11. The recruitment campaign was undertaken between December 2025 and April 2026 using a robust and transparent process. Vacancies were promoted through professional networks, sector channels and diversity organisations, supported by an information event delivered in partnership with Changing the Chemistry. Twenty-seven applications were received, eight candidates were shortlisted through an anonymised process, and interviews were conducted by an appropriately constituted selection panel.

12. Following approval by Scottish Ministers, Fred Dinning and Emma Muirhead were appointed to the Board for four-year terms. These appointments strengthened the Board's collective capability, increased membership to nineteen members and achieved gender parity amongst non-executive members. The Committee also maintained oversight of the remaining Trade Union nominee vacancy and ongoing engagement with UNISON.

Board Development and Effectiveness

13. TThe Committee maintained oversight of delivery of the Board Development Plan throughout 2025/26 and monitored progress against a range of governance improvement activities designed to support Board effectiveness. Members considered updates relating to induction, development, governance training, annual evaluation arrangements and future development priorities.

14. During the year, the Committee noted progress relating to Board development activities including a Board Development Event in April 2026 focused on strategic planning and Strategy 2040, together with a governance development session delivered by the College Development Network in June 2026. Members also considered proposals for introducing mentoring and buddy arrangements to further support Board members and strengthen engagement across the Board

Remuneration and Senior Staff Performance

15. The Committee fulfilled its delegated responsibilities for remuneration matters throughout the academic year.

16. Following conclusion of national negotiations, the Committee approved application of the 2025/26 pay award for employees not covered by the National Recognition and Procedure Agreement (NRPA). Members noted that the award mirrored national arrangements for support staff and ensured consistency across the organisation.

17. The Committee also received updates regarding the Performance Development Review (PDR) process for senior staff. Members noted that progression through senior pay scales requires both participation in the PDR process and evidence that performance expectations have been exceeded. The Committee received assurance that three members of the Senior

Management Team progressed through pay scales following successful completion of the process.

18. In addition, the Committee considered arrangements for the Principal's annual performance review and requested updates on the outcome as part of its oversight responsibilities.

Strategic Risk Oversight

19. In accordance with its delegated responsibilities, the Committee maintained oversight of Strategic Risk 5 concerning the realisation of the benefits of regionalisation.

20. Quarterly risk reviews were considered throughout the year, with the Committee receiving updates on risk controls, assurance arrangements and mitigation activities. Members were satisfied with the assurances provided and supported the continued monitoring of the risk through the College's strategic risk management framework.

21. The Committee also considered broader governance implications associated with the College's transition to a regional college and sought assurance that governance arrangements continued to support successful organisational delivery.

Other Matters Considered

22. In addition to the above, the Committee considered a number of other governance matters during the year, including:

- Approval of the Committee's Annual Report for 2024/25.
- Recommendation of a Fellowship nomination in recognition of an individual's significant contribution to the College.
- Consideration of proposals relating to the College Chancellor role and reaffirmation of the Board's previous approval to establish the position.
- Oversight of governance reporting, Board evaluation activity and Board effectiveness arrangements.

Annual Assessment

23. During 2025/26 the Committee undertook a review of its Terms of Reference and concluded that they remained appropriate and aligned with the Committee's delegated responsibilities. The Committee is satisfied that it discharged all key responsibilities assigned to it by the Board, including oversight of Board succession planning, member development, remuneration matters, governance effectiveness and strategic risk. During the year, the Committee's membership was refreshed following the appointment of new committee conveners across the Board structure. The Committee believes this transition was managed effectively and contributed positively to the continued development of governance and leadership arrangements across the College.

24. The Committee is satisfied that it fulfilled its responsibilities effectively during 2025/26 and provided appropriate assurance to the Board of Management across the areas delegated to it.

25. Particular progress was made in strengthening Board succession planning through the successful appointment of two new non-executive Board members, progressing governance development activity, enhancing Board effectiveness arrangements, improving committee reporting and agenda planning processes, and discharging delegated responsibilities relating to remuneration and performance oversight. Throughout the year, the Committee

continued to support high standards of governance and compliance with the Code of Good Governance for Scotland's Colleges.

APPENDIX 2

Audit & Assurance Committee Annual Report 2025-26

Introduction

1. The Audit & Assurance Committee is responsible for reviewing the effectiveness of the College's governance arrangements, financial systems, internal controls and risk management practices. The Committee provides assurance to the Board of Management that the College continues to meet the legislative and regulatory requirements applicable to the college sector.

2. A Paterson convened the Committee and its membership consisted of M Ahmad and R Young. J Green also served as a co-opted committee member.

3. During this academic year, four meetings of the Committee were held to consider the work and priorities of the College within its remit. Members received reports and presentations from the Executive Leadership Team (ELT) and Senior Management Team (SMT), as well as from the College's internal and external auditors - Henderson Loggie and Audit Scotland respectively. A summary of key issues and business of note is enclosed below.

Annual Report and Accounts

4. At a joint meeting of the Audit & Assurance Committee and Finance Committee, held in November 2025, the Chief Financial Officer and the Associate Director of Governance and Risk presented the draft Annual Report and Accounts for 2024-25. After consideration, the Joint Committee agreed to recommend the Annual Report and Accounts to the Board of Management, which issued final approval in December 2025.

External Audit Annual Report

5. Audit Scotland, the College's external auditor, is appointed by the Auditor General for Scotland to examine and report on the College's financial management, sustainability, corporate governance and performance. This annual audit, undertaken for all public bodies in Scotland, is conducted in accordance with Audit Scotland's Code of Audit Practice, the International Standards on Auditing (UK) and the Ethical Standard for Auditors. It provides independent assurance that the College is managed effectively, uses public funds efficiently and complies with relevant legislation and regulations.

6. Audit Scotland presented the External Audit Annual Report 2024/25 to the Committee in December 2025. Members welcomed that the College received unmodified (unqualified) audit opinions on the annual report and accounts, including regularity and other prescribed matters. Key messages in the report included:

    - **Financial Management and Sustainability:** The College has appropriate financial arrangements in place, with controls generally operating as expected. For 2024/25, the College reported an adjusted operating surplus of £0.1 million. While the College has experienced both adjusted operating surpluses and deficits over the past five years, auditors noted that the 2025/26 budget forecasts an adjusted operating deficit. The College has a five-year financial plan covering the period to 2029/30; however, auditors also noted that the College's cash balance had fallen below its target level.

    - **Vision, Leadership and Governance:** The College continues to demonstrate a clear vision and strategic direction, supported by appropriate arrangements to monitor performance and progress. Governance arrangements remain appropriate and

effective, although changes were implemented after the year end to reflect the College's change in regional status. Auditors concluded that the College has suitable leadership and governance arrangements in place to support the achievement of its objectives.

- **Use of Resources to Improve Outcomes:** The College has clear arrangements to ensure resources are directed towards improving strategic outcomes, meeting the needs of learners and stakeholders, taking account of equalities, and delivering continuous improvement. Auditors concluded that the College has effective and appropriate high-level arrangements in place to support Best Value and the efficient use of resources.

- **Audit Findings**: Audit Scotland identified one recommendation relating to the College's staff expenses policy. While no inappropriate expenditure was identified, auditors recommended that the policy be strengthened to provide greater clarity on allowable expenditure, spending limits and approval requirements, helping to support consistency and achievement of Best Value.

Internal Audit Reports

7. Internal audits provide an important independent assessment of the College's governance, risk management and control framework. They help identify opportunities for improvement and provide assurance on the effectiveness of arrangements across a wide range of operational and strategic areas. The Committee receives individual audit reports throughout the year and monitors the implementation of agreed actions arising from audit recommendations.

8. During 2025-26, the Committee considered a programme of internal audits covering Curriculum Planning, Outreach, Fair Work Practices, Data Protection, Staff Recruitment and Retention, Environmental Sustainability and IT Network Arrangements/Cyber Security. Of these audits, two received a Good level of assurance, four received Satisfactory assurance and one received a Requires Improvement assurance rating. Members noted that no high-priority recommendations were identified during the year. A total of six medium-priority and seventeen low-priority recommendations were made and accepted by management.

9. The Committee welcomed the positive assurance provided across most areas reviewed. The Curriculum Planning and Data Protection audits both concluded with a Good level of assurance, confirming that robust controls and effective arrangements were in place. The Outreach, Fair Work Practices, Environmental Sustainability and IT Network Arrangements/Cyber Security audits each received Satisfactory assurance, indicating that systems generally met their control objectives with only minor weaknesses identified. The Staff Recruitment and Retention audit received a Requires Improvement assurance rating and identified opportunities to strengthen workforce planning, succession planning, retention arrangements and workforce analytics. Management accepted all recommendations and developed action plans to address the areas identified.

10. The Committee also maintained oversight of the implementation of agreed audit recommendations through quarterly Audit & Action Overview reports. Members noted that management continued to engage positively with the audit process and that arrangements were in place to monitor progress against all agreed actions. The Committee was satisfied that appropriate measures had been established to address findings arising from internal audit activity and support the continuous improvement of the College's control environment.

11. The Scottish Funding Council requires colleges to obtain independent assurance on the student activity data submitted through the Further Education Statistics (FES) return. Henderson Loggie undertook the annual Credits Audit and confirmed that the College's student activity returns complied with relevant guidance, that adequate procedures were in place to ensure accurate data collection and recording, and that the return was free from material misstatement. The Committee therefore received assurance regarding the accuracy and reliability of the College's student data returns.

	Recommendation Level			
Internal Audit Report	**High**	**Medium**	**Low**	**Assurance Level**
Curriculum Planning	0	0	0	Good
Outreach	0	1	5	Satisfactory
Fair Work Practices	0	1	1	Satisfactory
Data Protection	0	0	1	Good
Staff Recruitment & Retention	0	4	2	Requires Improvement
Environmental Sustainability	0	0	3	Satisfactory
IT Network Arrangements / Cyber Security	0	0	5	Satisfactory
	0	**6**	**17**	

Assurance Framework

12. Members completed a review of the Assurance Framework, which outlines the College's approach to governance, risk management, control and assurance. The new Sources of Assurance table, aligned with the Strategic Plan and Risk Register, documents information and controls through the Three Lines of Defence model.

Audit & Assurance Committee Self-Evaluation

13. Members completed their annual self-evaluation assessing the effectiveness of the Committee and the internal controls, financial reporting and internal/external audit arrangements in place at the College. When discussing the results, the Committee noted the assurance recorded in the self-evaluation and the progress made against the actions agreed in the previous academic year.

Freedom of Information and Data Protection

14. The Committee received the Annual Freedom of Information Report for academic year 2025-26, providing assurance regarding the College's compliance with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. Members noted that the College received 77 information requests during the year, representing a 60% increase on the previous academic year and the second-highest volume of requests recorded by the College. Despite the significant increase in workload, 96% of requests were responded to within the statutory 20-working-day timescale. The Committee noted that all three late responses occurred during September and October 2025 prior to the appointment of the current governance staff, and no late responses were recorded thereafter. Members also noted that 22 internal review requests were received during the year, with the College's original decision either upheld or partially upheld in every case. No applications were made to the Scottish Information Commissioner and no enforcement action was taken against the College. The Committee welcomed the continued effectiveness of the College's information governance arrangements and its commitment to openness, transparency and accountability.

15. The Data Protection Officer (DPO) submitted quarterly reports to provide members with oversight of data protection compliance, training and support across the College. Members noted that 11 data breaches were recorded during academic year 2025-26, none of which met the threshold for notification to the Information Commissioner's Office (ICO). The Committee received assurance that all incidents were managed in accordance with the College's Data Breach Reporting Policy and Procedure and that data protection health checks and action plans had been completed across all faculties and directorates during the year. The Committee noted that, while no reportable breaches occurred, continued vigilance remains essential given the significant legal, financial and reputational risks associated with personal data breaches.

Complaints and Compliance

16. The Director of Excellence presented the Annual Complaint Handling Report for academic year 2025-26. Members noted that the College handled 60 complaints during the year, continuing a six-year trend of declining complaint volumes and representing a reduction from 62 complaints in 2024-25. Of the complaints investigated, 3 were upheld and 6 partially upheld, with actions and lessons learned identified and monitored through the College's improvement processes. Members welcomed the continued improvement in complaint handling performance, particularly the increase in Stage 2 complaints resolved within the prescribed 20-working-day timescale, and noted that one complaint considered by the Scottish Public Services Ombudsman was not upheld. The Committee also received assurance that effective arrangements were in place to identify learning from complaints and drive service improvements, including the introduction of Course Assessment Boards to improve the accuracy and consistency of communicating student results.

17. The Committee were also apprised of the College's compliance with external quality standards and awarding body requirements. Members welcomed the strong levels of compliance reported across the College and noted that all institutional and programme accreditations had been successfully retained during the academic year, providing assurance that effective arrangements remained in place to support compliance and continuous improvement.

Incident Management and Business Continuity

18. The Associate Director of Governance & Risk presented an update on incident management and business continuity activity, including the outcomes of the College’s 2026 Business Continuity Exercise and progress on key resilience plans. Members noted that the College had undertaken an unannounced business continuity desktop exercise in April 2026 which simulated a major security-related incident affecting both campuses. The exercise provided a realistic test of the College’s Incident Management Plan and Business Recovery Plans, with senior leaders required to respond without prior preparation.

19. The Committee was assured that the exercise demonstrated strong engagement from the Senior Management Team, effective collaboration and a clear commitment to incident management and business continuity. Members noted that all exercise objectives were achieved, including testing the effectiveness of the updated Incident Management Plan and assessing organisational preparedness. Assurance was also provided by the successful annual review of all 16 Business Recovery Plans and the introduction of automated review processes. Members noted that a substantive review of the Incident Management Plan would be completed before the end of the academic year, incorporating lessons learned from the exercise, recent management changes and preparations for compliance with the Terrorism (Protection of Premises) Act 2025 (Martyn’s Law).

Risk Management

20. The Committee regularly reviewed the Strategic Risk Register and Management Action Plans for those risks within its remit throughout the academic year, recommending any changes to the Board for final approval. Risks are rated low, medium, high or critical. Members noted that no changes to risk scores were proposed during the Quarter 4 review, reflecting a stable risk profile across the areas within the Committee's remit.

- **SR9 - Performance:** This risk remained at a medium rating during 2025-26 following reductions in recent years. Members noted continued positive performance indicators, including improved student retention, a sector-leading 65% response rate to the student satisfaction survey, strong internal quality assurance activity, and a Highly Effective audit outcome from Qualifications Scotland. Performance and compliance risks were assessed as low, with continued assurance provided through quality enhancement and external recognition, including shortlisting for three Herald Higher Education Awards.

- **SR13 - ESG:** This risk remained at a medium rating during 2025-26. Members noted progress in developing the College's Sustainability Action Plan, increased staff capability through sustainability and climate-awareness training, and continued work on the Green Travel Plan supported by the re-established Environmental Sustainability Working Group. However, delivery risks remain due to limited specialist resources, funding pressures and new requirements relating to sustainability reporting and alignment of budgets with net-zero objectives.

- **SR12 - Statutory Compliance:** This risk remained at a medium rating. Members noted improvements in contract management and procurement controls, with all previous internal audit actions completed and no high-risk findings reported. The Committee also considered emerging compliance challenges relating to UKVI student sponsor requirements and ESOL learner eligibility arrangements.

- **SR14 - GDPR Compliance:** This risk remained at a medium rating. The Committee received assurance from a Data Protection Internal Audit which concluded that the College has a robust data protection compliance framework in place. Progress also continued on enhancing arrangements for managing data subject access requests.

- **SR16 - Business Continuity:** This risk remained at a medium rating. Members noted the successful completion of an unannounced business continuity exercise in April 2026 and welcomed the planned incorporation of lessons learned into the next revision of the Incident Management Plan. Assurance was also provided by the continued maintenance and testing of the College's incident management and business recovery arrangements.

- **SR15 - Corporate Governance:** This risk remained low. Members welcomed the successful completion of a non-executive recruitment exercise, resulting in the Board returning to full membership and further strengthening governance capacity and skills.

Deep Dives

21. During the academic year, the Committee undertook a series of deep dives to strengthen its understanding and oversight of key areas of governance, assurance and performance. These included detailed consideration of the College's response to the QAA Quality

Enhancement Review activity, which provided assurance on the effectiveness of quality enhancement arrangements and the progress being made in supporting improved learner outcomes and performance. The Committee also received updates on the College's governance framework and arrangements to ensure continued alignment with the recommendations of the *Independent Review of the Skills Delivery Landscape* (the Gillies Report), supporting effective governance, accountability and strategic decision-making across the institution.

Members' Attendance

22. The attendance of members of the Committee for this academic session, and the previous four academic years, is as follows:

Year	No. of Meetings	Possible Attendances	Actual Attendances	Percentage Attendance
2021-22	5	20	17	85%
2022-23	5	17	16	94%
2023-24	4	15	11	73%
2024-25	4	16	13	81%
2025-26	4	16	10	63%

23. Attendance levels reduced during the year due to changes in membership and individual availability. The Committee remains committed to maintaining strong attendance and effective participation.

Review

24. Committees review their Terms of Reference annually, recommending any changes to the Board for approval. This is an opportunity for members of committees to reflect on their purpose, remit, business, membership and meetings at the end of the academic year with the next session in mind.

25. The Committee undertook its annual review of the Terms of Reference in May 2026 and concluded that the existing arrangements remained appropriate and fit for purpose. In doing so, members considered Committee effectiveness, membership and quorum arrangements, noting the importance of maintaining robust membership to support effective scrutiny and decision-making. The Committee also discussed potential enhancements to the Terms of Reference, including clearer reference to private meetings with auditors and oversight of fraud-related matters. Having reviewed the existing governance framework and assurance mechanisms in place, the Committee was satisfied that these areas were subject to appropriate oversight and agreed that no amendments to the Terms of Reference were required at this time.

Overall Conclusion

26. Having considered the reports, assurances and evidence presented throughout the academic year, the Committee was satisfied that appropriate arrangements were in place for governance, risk management, internal control, audit, statutory compliance and business continuity. The Committee provided assurance to the Board of Management that the systems of internal control operating within the College were generally effective and supported the achievement of the College's strategic objectives.

APPENDIX 3

Finance Committee Annual Report 2025-26

Introduction

1. The Finance Committee is responsible for overseeing the College's financial management, treasury management, procurement, estate and asset management arrangements and for providing assurance to the Board of Management that appropriate budgets, controls, plans and strategies are in place to support financial stability and long-term sustainability. The Committee also reviews those strategic risks that fall within its remit and makes recommendations to the Board of Management where appropriate.

2. The Committee was convened by Laura Heggie and its membership consisted of Chris Deery, Paul Little and Stewart Robison. During the academic year, four meetings were held and members received reports and presentations from the Chief Financial Officer (CFO), Director of Finance, Associate Director of Governance & Risk, Associate Director of Procurement, and other senior staff.

3. A summary of the Committee's key activities and achievements is provided below.

Financial Sustainability

4. Financial sustainability remained the Committee's principal area of focus throughout the year. Members received regular updates on the College's financial performance, reviewed quarterly forecasts and scrutinised financial assumptions, risks and corrective actions. Particular attention was given to funding pressures, workforce costs, inflation and medium-term financial sustainability.

5. The Committee considered the College's position within the context of increasing financial pressures across the Scottish college sector and welcomed improvements in financial forecasting and planning arrangements. Members also strengthened their oversight of liquidity and treasury management through enhanced cashflow reporting and monitoring.

6. Members noted increasing financial pressures across the college sector and maintained close scrutiny of cashflow, liquidity, financial scenarios and efficiency measures to ensure financial plans remained realistic and deliverable.

7. The Committee approved the College Course Fees framework for 2026-27 and, in June 2026, endorsed the Draft College Budget 2026-27 for recommendation to the Board of Management.

8. The Committee also reviewed five-year financial projections throughout the year, challenging assumptions and considering the actions required to support long-term sustainability. The Committee welcomed continued improvements in financial forecasting and monitoring arrangements, which supported more informed discussion and challenge throughout the year.

Funding Environment

9. The Committee devoted significant attention to understanding the Scottish Funding Council (SFC) funding model and its implications for the College. Members expressed concern regarding the College's relative funding position and the sustainability of current arrangements.

10. At the Committee's request, representatives of the SFC attended a dedicated session in March 2026 to discuss credit funding, price group allocations, demographic assumptions and future reforms. Members welcomed the opportunity to engage directly with the SFC and recognised the importance of influencing future funding model developments.

11. Members discussed concerns that aspects of the current funding model did not fully reflect the College's curriculum profile and delivery costs. Particular attention was given to credit pricing, subject cost groupings, demographic allocations and the impact of the funding model on the College's relative funding position within the sector.

12. The Committee welcomed indications that the SFC intended to undertake a wider review of the funding model and recognised the importance of continued engagement to ensure the College's interests were appropriately represented throughout that process.

Capital Investment and Asset Management

13. The Committee approved the Capital Expenditure Budget for 2026-27 and maintained close oversight of the College's capital investment programme throughout the year. Members noted the significant gap between asset replacement requirements and available funding and recognised the diminishing availability of Foundation resources to support future capital investment.

14. Members also considered the longer-term condition and replacement requirements of the College's assets, particularly digital and IT infrastructure. The Committee recognised that future capital investment decisions would require increasing prioritisation due to the disparity between replacement needs and available funding.

15. The Committee approved revised asset write-off arrangements and welcomed improvements in asset management controls and reporting.

16. Members also welcomed plans to further strengthen asset planning and reporting through improved integration of asset condition information, replacement schedules and capital investment priorities.

Procurement, Governance, and Control

17. The Committee approved the Annual Procurement Report 2024-25 and welcomed continued strong procurement performance, including retention of Gold Procurement Status and high levels of procurement compliance.

18. In June 2026, the Committee approved the Procurement Strategy 2026-2030, recognising procurement's contribution to financial sustainability, regional economic development, student experience and sustainability objectives.

19. Members welcomed the Strategy's emphasis on community wealth building, sustainability, SME engagement and Student Added Value. The Committee recognised the increasingly strategic role of procurement in supporting organisational resilience, environmental sustainability, and wider economic impact across the Glasgow City Region.

20. Members approved revised Financial Regulations and a revised Fraud Prevention Policy. These reviews strengthened the College's control framework through enhanced procurement, treasury management, fraud prevention, asset management and governance arrangements, while aligning key controls with updated organisational structures and regulatory requirements.

21. The Committee additionally approved Student Accommodation Charges and the revised Refund of Course Fees Policy.

Joint Audit & Finance Committee

22. Members participated in the annual Joint Audit & Finance Committee meeting held in November 2025 to consider the Draft Annual Report and Accounts 2024-25. Following discussion of the College's financial performance, liquidity, financial planning assumptions and strategic risks, the Joint Committee recommended the Annual Report and Accounts to the Board of Management for approval.

23. The Joint Committee also highlighted the importance of continuing to monitor liquidity and cashflow risks and agreed that these matters should remain a particular focus for both management and the Board.

Risk Management

24. The Committee regularly reviewed strategic risks within its remit.

- **SR19 – Failure to Achieve Operating Surplus:** The Committee maintained close oversight of financial performance, forecasts and cashflow arrangements throughout the year and increased the net probability score to reflect the emerging financial outlook.
- **SR23 – Funding to Secure a Sustainable Model/Level of Funding:** This remained one of the College's highest-rated risks throughout the year and reflected continuing concerns regarding the College's relative funding position and the sustainability of the current funding model.
- **SR24 – Failure to Secure Sufficient Capital Investment:** This risk remained high throughout the year and reflected the ongoing disparity between available capital funding and the College's capital investment requirements.

25. The Committee welcomed ongoing work to strengthen strategic risk reporting, helping members better understand the relationship between strategic risks, performance and the College's long-term objectives.

Committee Effectiveness

26. The Committee reviewed its Terms of Reference, Schedule of Business and performance measures during the year to ensure they remained aligned to the Board's priorities, strategic risks and assurance requirements. Members also considered the effectiveness of performance reporting and concluded that future development should place greater emphasis on strategic objectives and outcomes.

27. The Committee further considered opportunities to strengthen governance arrangements, future business planning and the operation of the annual Joint Audit & Finance Committee meeting.

Members' Attendance

28. The attendance of members of the Committee for this academic session, and the previous four academic years, is as follows:

Year	No. of Meetings	Possible Attendances	Actual Attendances	Percentage Attendance
2021-22	5	28	22	79%
2022-23	4	20	16	80%
2023-24	4	20	14	70%
2024-25	4	20	15	75%
2025-26	4	16	14	88%

Conclusion

29. The Finance Committee operated during a period of significant financial challenge for both the College and the wider sector. Through its oversight of financial performance, strategic risks, funding reform, procurement and capital investment, the Committee provided assurance to the Board of Management and supported the College's focus on long-term financial sustainability and organisational resilience.