



Audit and Risk Committee Agenda

4.00 pm 16th February 2026 – Boardroom Cumbernauld Campus and Via Teams.

Please Note: This meeting will be followed by a meeting of the Board Members with the External Auditors.

1. Chair's welcome
2. Apologies for Absence
3. Declarations of Interest
4. Minute of meeting 1st December 2025 **(FA)** Minutes Posted
5. Matters Arising from Minutes Paper Posted - YF
6. Technical Bulletin Audit Scotland Oct-Dec 2025 Papers Posted – LM
7. NCL Risk Register* **(FI)** Paper Posted -RG
8. Internal Audit Reports **(FI) *** Papers Posted: Wbj
 - 8.1 Budgetary & Financial Reporting
 - 8.2 Health & Safety
 - 8.3 Equality and Diversity
9. Follow Up Report Paper Posted - LM
10. Governance Reports Papers Posted -GP
 - 10.1 SFC Expectations of Good Governance
 - 10.2 CDN on SFC Expectations of Good Governance
 - 10.3 NCL External Evaluation
 - 10.4 Self Evaluation Approach 2026
11. Committee Business Papers Posted- YF/BS
 - 11.1 Terms of Reference of the ARC Committee **(FR)**

Key Abbreviations: **FI= (For Information) FA (For Approval) FR = (For Recommendation):** *= non – disclosable # = for future publication

IC= Iain Clark; Wbj= Internal Auditors; AS = Audit Scotland CM = Christopher Moore; GP=Governance Professional ; RG= Ronnie Gilmour; RS = Ronne Smith; YF- Yvonne Finlayson; RS= Ronnie Smith; LY=Louisa Yuill AS;LM= Lynn MacKenzie.



11.2 Committee Self- Evaluation Questionnaire (FA)

11.3 Board Development Plan (FI)

- 12. Approval of Publication of Committee Papers (FA) Verbal report - BS**
- 13. AOB**
- 14. The date of the next meeting of the NCL ARC is Monday 11th May 2026 at the Motherwell Campus.**

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Diane McGill Board Secretary NCL Board:
NCL Registered Charity Number SC021206

Minute Audit and Risk Committee

4.00 pm 1st December 2025 – Boardroom Cumbernauld Campus and Via Teams

Present: Yvonne Finlayson, Catherine Pollock,

Via Teams: Alastair Rennie, Kellyann McGraith, Stephen Pringle (wbg).

In Attendance: Emma- Rose Drummond, Ronnie Gilmour, Jennifer Lowe, Diane McGill, Lynn MacKenzie, Christopher Moore, Penny Neish, Elliott Scott, Ronnie Smith and Louisa Yuill (Audit Scotland)

- 1. Chair's welcome:** Yvonne Finlayson welcomed everyone to this pre-Christmas meeting of the ARC.
- 2. Apologies for Absence:** There were no apologies for absence.
- 3. Declarations of Interest:** Ronnie Smith declared an interest as a Director of AMCOL and Jennifer Lowe as the Chair of the Cumbernauld Nursery Group.
- 4. Minute of meeting 1st September 2025:** The minute was approved subject to clarifying Christopher Moore's attendance at the meeting.
- 5. Matters Arising from Minutes:** There were no matters arising.

6. Technical Bulletin Audit Scotland.

6.1 July – September 2025: Lynn MacKenzie informed the Committee that the college relevant issues in this bulletin were for auditors and not directly for the colleges. The issues raised in the section on fraud could not occur in the college because of its system controls.

6.2 Technical Guidance Note for Colleges 2025/6: Lynn MacKenzie also informed the Committee that the technical guidance note was also for auditors and not directly for the colleges.

7. NCL Risk Register:

7.1 Ronnie Gilmour informed the Committee that there is a total of 20 Strategic Risks logged by the CRMG as at 1st September 2025. Risks are considered by the group and the register has a summary which highlights new risks, risks that have either gone up or down and risks which are high level. The risk register shows the level of assessed risk for each risk and where there are control action plans in place.

- Risk Q (the college may fail to improve student outcomes) has reduced from a residual risk score of 8 to 4.
- There are two new risks: Risk S (inaccurate, biased or uncontrolled use of AI with a residual risk score of 9) and Risk T (growing the undergraduate school is dependent on the continued allocation of funded degree places from the UWS SFC allocation – this has a residual risk score of 10)
- Two risks are above the committee's threshold level and therefore are subject to Control Action Planning. These are: Risk A - The college may not have sufficient liquid funds to meet short-term or



medium-term cash commitments. Risk B - The College may be unable to sustain short-term operations at the required standard due to insufficient levels of funding.

7.2. Alastair Rennie informed the ARC that the UK Government had compiled a risk assessment template which was available on the central government web site and that this might be a useful tool for the college as it deals with the risk assessment for AI. Christopher Moore thanked him for this information and the college will look at this.

8. Internal Audit Reports.

Stephen Pringle presented the internal audit reports saying that all reports were good reports and as good as they could be which was not the case with all of their clients.

8.1 SSF Report. There were no recommendations and the audit opinion was as follows:

“We have examined the records of New College Lanarkshire and have obtained such explanations and carried out such tests as we considered necessary. On the basis of our examination and of the explanations given to us, we report that the information set out in these forms are in agreement with the underlying records. We also report that, in our opinion, the College used these funds in accordance with the guidance issued by the Scottish Funding Council. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. This resulted in a £183,977 underspend that will be returned to the Scottish Funding Council. “

8.2 EMA Report. There were no recommendations and the audit opinion was as follows:

“We have examined the books and records of New College Lanarkshire, including evidence of checks of 5% of applications and payments, with a sample size appropriate to the total number of applications, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC’s conditions and the principles of the Education Maintenance Allowance (EMA) programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. “

8.3 Credits Report. There were no recommendations from this year and the prior year recommendation was fully implemented. The audit opinion was as follows:

“The College has reasonable procedures and controls over the collection of data for the credits return and assurance can be taken that the credits count for the College is not materially mis-stated. The systems used by the College are satisfactory.

We were able to confirm that one recommendation raised in 2023/24 has been implemented. We have raised no recommendations for improvement for 2024/25.

The College’s credit threshold for the academic year 2024/25, agreed between the SFC and the College, was 114,942. The total credits claimed for the year was 117,519.”



8.4 Annual Internal Audit Report. There had been 3 substantive reports and 2 strong reports in the year with no high recommendations. NCL had 12 medium and low recommendations as compared to an average of 20 (with 1 high recommendation) for similar audits in other colleges. The audit opinion was as follows:

“We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College’s risk management, control and governance processes. In our opinion, New College Lanarkshire did have adequate and effective risk management, control and governance processes to manage its achievement of the College’s objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money. Our fieldwork was carried out between January 2025 and September 2025, and we have not undertaken any further internal audit assignments at the time of this report.”

8.5 Lynn MacKenzie noted that the college was within the 2% allowable tolerance for credits.

8.6 Stephen Pringle noted that, because of the dissolution of the region, a Regional Assurance Report had not been required this year and this had saved 6 days of time. There would be a concomitant discussion about the re-directed use of this time.

8.6. Yvonne Finlayson thanked Stephen Pringle for the reports. She commented again on the excellent clarity and presentation of the wbg reports format.

9. Follow Up Report: Lynn MacKenzie updated the ARC on progress with implementing recommendations saying that there had been progress in closing off the departmental action plans within the curriculum development plan, AI was now on the risk register, the catering manual had been received and laptop encryption was now at 72% and almost completed. In response to a question from Yvonne Finlayson about the spreadsheet format for the Follow Up report, Lynn MacKenzie noted that this was an interim report to the committee and there would be a full report to the next meeting which would include the agreed spreadsheet format.

10. Annual Audit and Risk Committee Report: The Governance Professional presented the report to the Committee.

<i>Decision: The ARC agreed to recommend the report for approval to the Board at its meeting on the 8th December 2025.</i>

11. Board Development Plan:

11.1 The Governance Professional presented the plan for 2025/26 to the ARC. The plan incorporates the recommendations from the external review of the Board by CDN in 2025 and incorporates progress to date. It also sets out progress on the previous plan. This will go to the Board for approval at the meeting on the 9th December 2025. The ARC noted the plan.

11.2 Ronnie Smith noted that the SFC had published its expectations of Good Governance and this was now putting an emphasis on assurance including financial assurance. The External Effectiveness Reviews are now



being called Governance Effectiveness Reviews. There is a concern about what additional assurances will be required in addition to those carried out by the auditors. The Governance Professional said that the SFC paper and the CDN response had been posted to Teams and this would be part of the consideration of the Board evaluation that would start in the new year. There would need to be consideration of the SFC document in any new approach to evaluation which had been recommended in the CDN effectiveness review. Louisa Yuill said that she would raise the financial assurance aspect with Audit Scotland.

12. Approval of Publication of Committee Papers: The Committee approved the publication of the agenda, the minute and the technical bulletin and guidance note. The annual audit committee report will be published with the accounts and the Board Development Plan after approval by the Board.

13. AOB: Ronnie Smith informed the ARC that, after a recent discussion with the ethics and standards commission where he noted that he had only had two annual reviews by the Scottish Government, he had now had contact from the Scottish Government to set up a date for a review. The Governance Professional said that the SIM review would be relevant to the review and had been submitted to them for past reviews.

14. Date of Next Meeting New College Board ARC is Monday 16th February 2026 at the Cumbernauld Campus.



Item 5 Matters Arising Report

ARC Meeting 1st December 2025

7.2. Alastair Rennie informed the ARC that the UK Government had compiled a risk assessment template which was available on the central government web site and that this might be a useful tool for the college as it deals with the risk assessment for AI. Christopher Moore thanked him for this information and the college will look at this.

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ARC

1st September 2025

There were no matters arising.



Appendix 1

Previous Meetings – Lanarkshire Board

	Matter Arising
Meeting Date: 4th December 2023	
	5.2 Yvonne Finlayson said that she would like to have follow up actions listed from each meeting and a paper which would come to the next meeting under Matters Arising. BS to liaise with YF.
	10.3 Decision: The ARC agreed to recommend the Annual Audit Report for 22-23 to the Board for approval. The ARC noted the Financial Statements which will be considered for recommendation to the Board by the Finance Committee.
	16.2 Decision: The ARC agreed to make this explicit and to confirm the appointment of Wyllie Bisset for the last year of the current 3 plus one plus one contract.
Meeting Date: 19th February 2024	10.2 Yvonne Finlayson raised the issue of how the risks of the financial position were being reflected in the risk register. The external financial environment was driving the financial problems being experienced by NCL and the college sector as a whole and a major part of this is staff costs which due to national bargaining are out with the colleges' control.
	Action: Matthew Smith and Iain Clark will look at this and update the narrative in the risks to enhance the impact of external factors. This will be shared with Yvonne Finlayson.
	14. AOB: Iain Clark asked if a Board Member would like to sit on upcoming Internal Audit tender selection meetings.
	Action: Catherine Pollock agreed to join in this process.
Meeting Date 13th May 2024	9.3.3 Action: Louisa Yuill undertook to check with Audit Scotland if there had been a sector wide national discussion on this subject given the current position in relation to college sector finances.
	Action: Louisa Yuill sent a response on the AS understanding of the issue and IC has produced papers for the meeting on the 2nd September 2024.



Meeting Date 2nd September 2024	8.3.3 The ARC noted the views from Audit Scotland, OSCR and the SFC in the papers submitted to the Committee. In essence, as per Audit Scotland the College as a public body can continue to use the Going Concern concept unless there is any doubt around the continuation of service, irrespective of who delivers that service.
	Action 1: Iain Clark will write back to OSCR for further clarification re Financial Sustainability and any liability of charity trustees in the case of a public body. Action 2: The Board will also receive the report on Going Concern at its meeting on the 7th October 2024
	Iain Clark will update the ARC on the 2nd December 2024. The Going Concern Paper went to the Board on the 7th October 2024.
	10.2 There was discussion about the updating of policies and the keeping of a central register of policies and update times. Iain Clark said that most of the College-wide policies were on the CLAN. Ann Baxter advised that there are departmental lists which are collated centrally by the Quality Team.
	Action: The BS will follow up with the Registrar on the provision of a central list.
	10.2 Annual Plan: Stephen Pringle presented the Internal Audit Plan for the next three years following on from their appointment as the Internal Auditors. They also offered Board and Committee training as part of the contracted services.
	Action: The BS to follow up with the Committee and Board Chairs.
	Update requested from Registrar and follow up on training carried out with Chairs.

Meeting 2nd December 2024

7. Jack Kerr said that some of the points in the Auditor General's report referencing NCL came from the Audit Scotland Annual Audit report in 22/23. The Auditor General's report draws on the Annual Audits of the previous year so there is a direct link between them. Iain Clark recognised this, however, there is context and opinion in the Annual Audit Reports that helps understanding. Louisa Yule thanked the ARC for their feedback.

Action: Ronnie Smith would write to the Auditor General about the point raised about the lack of context and the impact of negative statements without context.

10.8

Action: There will be discussion with the College Registrar and the Board Secretary on bringing the policy register and dates for policy review to the ARC on an annual basis.



Meeting 17th February 2025

10.1 Louisa Yuill informed the Committee that the scheduled meeting on reflection and audit planning with the NCL Finance Department had been postponed to the 13th March 2025. However, she did say that there had been nine versions of the accounts with multiple changes and that there were ninety three matters arising at the clearance meeting. She noted that this was the second year of audit and that, looking at better quality control in the flows of information requests and clarifications between the auditors and the Finance Team and others contributing to the narrative in the accounts, could be beneficial.

10.2 Elaine McKechnie responded, as there was no one from the NCL Team at the meeting, asking if the process of preparing consolidated accounts made the process slower and more complicated. Louisa Yuill responded to say that this did not help. She said that both NCL and SLC had changed the template for the accounts to the format requested by Audit Scotland. Ann Baxter said that there had been delays to the performance figures because of industrial action which could not be helped.

10.3 The Committee was informed that that the accounts direction from the SFC had been late and that there were complex accounting issues which were sector wide that Audit Scotland had to form a view on. It was noted that there may be a value in finding a mechanism to form a sector wide approach to some of these sector wide technical issues that are specific to the college sector.

Action: Ronnie Smith expressed some concern about the level of matters at the clearance meeting and this will be followed up and the reasons for this clarified.

Meeting 19th May 2025

9.2. 2024/25 Audit Plan: Louisa Yuill presented the plan to the committee drawing attention to Exhibit 1 and 2 in the plan and also the need to get a reliable estimate of the job evaluation costs. The plan is published with the papers for the meeting and the ARC noted the plan. Christopher Moore asked if there was any guidance from Audit Scotland on how to estimate the costs of job evaluation and noted that this would be a sector wide issue.

Action: Louisa Yuill would take advice on this and report back to the ARC.

12. Policy and Procedures Report and Register: The ARC noted the report and the policy register and that this report will be brought to the Committee on an annual basis. Louisa Yuill asked how it was known if staff had read the various policies and procedures. Christopher Moore said that the current approach was one of cascading through staff meetings but noted that this could be looked at in the future.

Technical Bulletin

2025/4

Technical developments and emerging risks from
October to December 2025



 AUDIT SCOTLAND

Prepared by Audit Scotland for appointed auditors and audited bodies in all sectors
18 December 2025

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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 issued guidance on planning the 2025/26 audits	CIPFA has issued guidance notes on the 2025/26 accounting code	CIPFA has published a bulletin on the use of indexation in local government
[paragraph 1]	[paragraph 6]	[paragraph 10]
The Scottish Government has issued two pieces of statutory guidance on extending the flexibility on equal pay and accounting for financial instruments	Treasury has issued a PES paper on 2025/26 discount rates	The FEHE SORP Board has published a revised SORP for colleges
[paragraph 14]	[paragraph 32]	[paragraph 39]

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

Guidance on planning 2025/26 annual audits

1. I&Q has issued guidance to assist all appointed auditors in planning their 2025/26 annual audits of public bodies. The guidance supplements the Code of Audit Practice and sets out the range of core annual audit activity and related outputs required for 2025/26, and the timescales for completing the audit in each sector.

2. Auditors should comply with the guidance when planning, performing and reporting their 2025/26 audits. The guidance is accessible by auditors with other supporting materials on [SharePoint*](#) and is also freely available from the Audit Scotland [website](#).

3. The largest component of core annual audit activity is the audit of a public body's annual accounts. However, the audit of the annual accounts has a wider scope than the private sector, and includes:

- conclusions on aspects of public bodies' arrangements and performance
- in local government, public audit includes considering arrangements to secure Best Value and community planning and publishing performance information.

4. Auditors also provide important intelligence to the Auditor General, Accounts Commission, the Controller of Audit, and Audit Scotland in subject areas where they are best placed to do so.

5. The following table provides a summary of the key changes from last year, along with the paragraphs of the guidance in which further information is provided:

Nature of change	Chapter
An increase to the fee level below which auditors may negotiate an increase to the audit fee by up to 20% of auditor remuneration.	Introduction
A new requirement for Annual Audit Plans of councils to reflect meetings of the Local Area Network.	1
Information on a change in financial reporting requirements in respect of asset valuations.	2
Information on assurance around the Scottish Government general ledger system.	2
A new requirement, where an auditor does not expect to meet the target audit completion date in 2025/26, to report on the joint plans to return to target dates in their Annual Audit Report.	2

Nature of change	Chapter
The production of one combined cross-sector technical guidance note on model Independent Auditor's Reports instead of separate guidance for each sector.	2
Enhanced guidance on reporting good practice.	3
Updated guidance on the new SPI Direction and performance reporting requirements for councils.	4
Updated Best Value thematic review subject area for councils.	4
Updated councils for Controller of Audit Best Value reports.	4
A new requirement to ensure bodies submit WGA returns.	5

3: Local Government Sector

Guidance on 2025/26 accounting code

6. [The Chartered Institute of Public Finance and Accountancy](#) (CIPFA) has issued [guidance notes*](#) to support the Code of Practice on Local Authority Accounting in the UK 2025/26 (2025/26 accounting code).

7. The aim of the guidance notes is to explain and illustrate how to apply the accounting requirements of the accounting code, provide background to the requirements, and illustrate how they might be applied in practical situations. The guidance is not mandatory.

8. This edition of the guidance notes has been updated to reflect the 2025/26 accounting code (explained in [Technical Bulletin 2025/2](#) – paragraph 45). The most substantial changes are to Module 4 on the measurement of non-investment assets, including:

- accounting for indexation on pages 519–520 and consequential amendments throughout the module (see paragraph 10 for further explanation).
- measurement after recognition for intangible assets on page 673. The option to measure intangibles using the revaluation model has been withdrawn.

9. Minor updates have also been made to Module 3 to reflect the change in content of the annual governance statement following the publication of [Delivering Good Governance in Local Government: Framework – Addendum](#), which was published in May 2025 (see [Technical Bulletin 2025/2](#) paragraph 51).

Indexation application guidance

10. CIPFA has also published [Bulletin 22](#) to provide application guidance on the use of indexation in local government.

11. Local authorities are required to revalue each class of property, plant and equipment using:

- A quinquennial revaluation supplemented by annual indexation in intervening years.
- A rolling programme of revaluations over a five-year cycle, with annual indexation applied to assets during the intervening four years.
- For non-property assets only, appropriate indices.

12. Where an index is not available, authorities shall revalue the given asset using a quinquennial revaluation supplemented by a desktop revaluation in year three.

13. The bulletin provides additional guidance for practitioners. The key points are summarised in the table below:

Area	Description
Scope	The guidance applies to: • Other land and buildings. • Vehicles, plant, furniture and equipment. • Surplus assets • Right-of-use assets measured at current value.
Indices	Indices should be based on actual market evidence and authorities should exercise judgement to determine suitable indices. The bulletin highlights a number of examples that may be appropriate. Authorities are strongly encouraged not to produce their own indices.
Transitional arrangements	The transitional period will be from 1 April 2025 to the date the next revaluation is due for an asset. The value of assets as at 31 March 2025 can be considered materially up to date Changes to the valuation will be applied prospectively, with no restatement of prior year figures.
Indexation movements	A change in the value of an asset due to indexation should be accounted for in the same manner as a revaluation. Where it is not considered material, indexation may be deferred. However, authorities must evaluate the cumulative impact in subsequent years to ensure this judgement remains appropriate.
Accumulated depreciation	Authorities may adopt either of the following accounting treatments: • The elimination method where accumulated depreciation is eliminated against the gross carrying amount of the asset. • The proportionate method where the gross carrying amount is adjusted in a manner consistent with the adjustment to the carrying amount of the asset.
Disclosures	Example disclosures are provided to explain: • the change in valuation regime • the indices used and the calculations applied.
Audit considerations	The bulletin provides examples of evidence that auditors may expect to support: • Materiality assessments • Use of experts • Selection of indices • Application of indices.

2025/26 disclosure checklist

14. CIPFA has also issued a [disclosure checklist*](#), intended for use as an aide-memoire to assist in meeting the requirements of the Code of Practice on Local Authority Accounting in the UK (the accounting code).

15. The checklist is in the form of a series of questions to assist local authorities satisfies themselves regarding the completeness of disclosures. The implications of the answers are set out in the following table:

Answer	Implication
Yes	The accounting code is being complied with.
Not material	
Not applicable	
No	A justification for departing from the accounting code should be given. For example, a legitimate justification may be that the information resulting from that disclosure is not material.

Statutory guidance on accounting for equal pay

16. The [Scottish Government](#) has issued two circulars providing statutory guidance on equal pay and accounting for financial instruments.

17. [Finance Circular 7/2025](#) extends the financial flexibility allowing local authorities to delay the financial impact of providing for equal pay costs until the payment has been made until 2027/28.

18. [Finance Circular 8/2025](#) permits a variation to [Finance Circular 7/2018](#) which required local authorities to defer any gain arising on the refinancing of loans in the Financial Instrument Adjustment Account (FIAA), and to make an annual transfer from the FIAA to the General Fund.

19. Authorities can now recognise the gain immediately as income through the General Fund, as long as:

- the replacement loan repayment period does not exceed the remaining repayment period of the original loan at the time of refinancing
- the discount is used solely to fund equal pay costs.

Extension of statutory override for infrastructure assets

20. The Scottish Government has issued [Finance Circular 6/2025](#) to extend the period of statutory overrides for infrastructure originally set out in [Finance Circular 9/2022](#).

21. The same overrides available in 2022/23 to 2024/25 now also apply until 31 March 2027 in Scotland.

Section 106 charities accounts

22. Audit Scotland and the [Scottish Charity Regulator \(OSCR\)](#) have issued a joint briefing to encourage a reduction in the number of sets of accounts of registered charities that fall within the scope of section 106 of the Local Government (Scotland) Act 1973 (section 106 charities). The briefing is accessible by auditors with other supporting materials on [SharePoint*](#) and is also freely available from the Audit Scotland [website](#). It provides information on:

- the number of section 106 charities administered by each local authority in 2024/25
- the number of related sets of accounts.

23. OSCR offers guidance to councils seeking to reorganise their section 106 charities and has a regulatory interest in charities that are inactive in terms of not providing public benefit and that may fail to meet the charity test.

24. Following amendment of the Charities and Trustee Investment (Scotland) Act 2005, OSCR commenced registration of all charity trustees on 30 June 2025. Charities are encouraged to comply by registering trustee details through the OSCR Online digital portal.

25. Local authorities continued to administer a total of 141 charities in 2024/25 (a reduction of 8 from 2023/24). In order to reduce the number of section 106 charities further in 2024/25, **auditors should strongly encourage authorities with multiple charities to:**

- **reorganise their charities through merging or winding them up, particularly when they appear to be failing to meet their charitable aims (e.g. by not disbursing funds)**
- **consider appointing an external trustee as this would remove the charity from the scope of section 106.**

26. In the meantime, there is scope under the charity regulations for connected charities to prepare a single set of accounts. The definition of connected charities is met for section 106 charities administered by the same local authority even where trustees differ as they meet the condition for 'unity of administration'. However, in 2024/25:

- Four authorities made only partial use of the connected charities provisions and produced 16 sets of accounts between them
- One authority made no use of the provisions.

27. Auditors should strongly encourage local authorities to make full use of the connected charities provisions in 2025/26.

External quality assessments of internal audit

28. CIPFA has published [Bulletin 21](#) which addresses the requirement for external quality assessments (EQAs) of internal audit in local government.

29. All UK local authorities operating under [the Global Internal Audit Standards \(GIAS\)](#), and the associated GIAS application note: [Global internal audit standards in the UK public sector](#), are required to undertake an EQA at least once every 5 years.

Changes to the Housing Benefit subsidy calculation

30. The [Department for Work & Pensions](#) (DWP) has issued [HB Circular S5/2025](#) to provide guidance on the treatment of prior year overpayments of housing benefit, applicable from 1 April 2024.

31. A calculator has been provided to help local authorities determine the correct values.

4: Central Government Sector

2025/26 discount rates

32. [HM Treasury](#) has issued [PES\(2025\)9*](#) to announce changes in the discount rates for general provisions, post-employment benefit liabilities, leases, and financial instruments as at 31 March 2026.

General provisions

33. The nominal discount rates to be applied as at 31 March 2026 for discounting general provisions recognised under IAS 37 are set out in the following table:

Category	Period	Percentage
Short term	Within 5 years	3.64%
Medium term	Between 5 and 10 years	4.22%
Long term	Between 10 and 40 years	5.32%
Very long term	More than 40 years	5.07%

34. As nominal rates do not take inflation into account, cash flows require to be inflated separately. It is expected that the inflation rates specified in the paper will be used (unless other rates are clearly more applicable). The specified rates are:

- 2.50% for up to one year from the end
- 2.00% between one and two years
- 2.00% for after two years

Post-employment benefits

35. The discount rates for post-employment benefits are set out in the following table:

Use	Rate from 31 March 2026
Real rate used for valuing unfunded pension scheme liabilities and early departure provisions	2.95%
Nominal rate for unwinding discount on liabilities (interest)	5.60%
Rate used for funded pension schemes	Based on returns from AA corporate bonds at 31 March

Financial instruments

The financial instrument discount rates to be applied at 31 March 2026 are set out in the following table:

Use	Rate from 31 March 2026
Nominal rate when financial instrument is not linked to an inflationary index	2.45%
In excess of RPI:	
Real rate when financial instrument indexed to RPI	Until February 2030 (0.55%)
	From February 2030 0.35%

Leases

36. Where a body cannot determine the interest rate implicit in the lease, they are required to use a nominal lease discount rate of 5.32%. This is relevant for new leases that commence or are remeasured between 1 January 2026 and 31 December 2026.

Charities statement of recommended practice (SORP)

37. The [Charities SORP](#) making body has published the [Charities SORP 2026](#), effective for accounting periods commencing after 1 January 2026. Early adoption is allowed where the Financial Reporting Council’s *Periodic Review Amendments 2024* to FRS 102 are also applied.

38. The changes from the 2019 SORP include:

Module	Changes
Scope & application	Clarification of the reporting requirements for each tier of charity based on the charity’s level of income are specified in each module.
1. Trustee’s annual report	New requirements include: • reporting on environmental, governance and social matters • impact reporting • tier 2 and tier 3 charities should provide additional narrative on the recognition of legacies
2.Fund accounting	Additional guidance is provided on restricted funds and to assist with appropriate stewardship of the funds. An updated example disclosure note is provided.
3. Accounting standards, policies, etc	Additional guidance on material uncertainties related to going concern. Charities must take into account all available information about the future for at least 12 months when making a going concern assessment

Module	Changes
5. Recognition of income	Guidance is included on the 5-step model for income recognition. Guidance is also provided on when grant income is a result of a non-exchange transaction.
10. Balance sheet	A new lease accounting module has been introduced (10B) to reflect changes to FRS 102. Recognition exemptions are available for short term leases and low value assets.

5: College Sector

Further and higher education statement of recommended practice (SORP)

39. The [Further Education and Higher Education \(FEHE\) SORP Board](#) has published the [Statement of recommended practice: Accounting for further and higher education, 2026 edition](#), effective for accounting periods commencing after 1 January 2026 with early adoption allowed where the Accounts Direction permits.

40. The changes made to the SORP are similar to the changes to the Charities SORP (see paragraph 37) and reflect the FRC’s *Periodic Review Amendments 2024* to FRS 102.

41. Changes in the 2026 SORP include the following:

Area of change	Details
	A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. (paragraph 14.28)
Leases (Section 14)	Two recognition exemptions relating to short term leases (under 12 months) and to low value leases are available. (paragraph 14.4) When implementing the changes, comparative information should not be restated. The cumulative effect should be recognised as an adjustment to the opening balance of reserves at the date of initial application. (paragraph 27.6)
Revenue recognition (Section 16)	The introduction of the five-step model for recognising revenue from contracts with customers (paragraph 16.7). The changes should be applied retrospectively with the cumulative effect recognised as an adjustment to the opening balance of reserves. (paragraph 27.6) Bursaries, scholarships, or similar awards provided to students are generally expected to represent a consideration payable to a customer and should be accounted for as a reduction to the transaction price. (paragraph 16.38)
The strategic report	The strategic report should include information on environmental, social and governance practices. (paragraph 3.27)

Area of change	Details
Service concession arrangements	Disclosures on service concession arrangements in addition to the requirements of FRS 102 in line with other public sector entity disclosure requirements. (paragraph 26.44)

Technical Bulletin 2025/4

Technical developments and emerging risks from October to December 2025



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Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Announcement

Reference: SFC/AN/19/2025

Issue date: 24/09/2025

SFC's Expectations of Good Governance



SFC's Expectations of Good Governance

Issue Date: 24 September 2025

Reference: SFC/AN/19/2025

Summary: This report is designed to enhance good governance in colleges and universities. The publication sets out what we have learned about sector and institutional governance from analysis of governance effectiveness review reports and Professor Gillies' report into the University of Dundee. The report provides clarity about SFC's expectations of sector governance and how SFC will monitor governance.

FAO: Principals, Chairs, Finance Directors and Board Secretaries of Scotland's colleges and universities and the general public

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SFC's Expectations of Good Governance

Context

1. In June 2024, the Scottish Funding Council (SFC) published its [Outcomes Framework and Assurance Model](#) (OFAM) as the framework that replaced the Outcome Agreements and brought together all of the monitoring and engagement that SFC undertakes in relation to institutional outcomes and performance. One of the core principles that guides the Outcomes Framework, and the Assurance Model that underpins it, is that colleges and universities have flexibility in demonstrating how they deliver the outcomes – this reflects that no two institutions are exactly the same – and that their context can be taken into consideration in understanding how each has delivered the outcomes. SFC is considering how it enhances its institutional scrutiny and the proposals in this document form part of that – this may include an enhanced approach to monitoring financial viability and sustainability, revised Financial Memoranda and updated OFAM guidance.
2. The OFAM includes an explicit expectation about how colleges and universities operate under the Good Governance outcome, which states:

Governing Bodies demonstrate good governance and accountability, including ownership of institutions' performance, compliance with SFC's requirements, proactive risk management, value for money, leadership and integrity in decision making and the way they conduct their business, and having regard to the principles of Fair Work and fair access.

3. In the published OFAM, we set out that the method of monitoring delivery of the Good Governance outcome would continue to include the following:
 - Internal and external audit reports.
 - Corporate Governance Statements within Annual Reports and Accounts (in the narrative part of the audited financial statements).
 - Annual Reports and Accounts meeting the relevant Financial Memorandum and sector code of good governance.
 - Governance effectiveness reviews (GERs).
4. Therefore, in considering the Good Governance outcome, SFC expects that colleges and universities will follow the relevant sector code, each of which adopts a 'comply or explain' principle. This affords individual institutions flexibility in determining compliance that is appropriate for their circumstances. The codes of good governance are owned by the sectors, rather than by SFC. As part of the terms and conditions of funding, SFC requires institutions to comply with the relevant sector code, but SFC also sets out any additional requirements in the Financial Memoranda with institutions. Colleges follow the [Code of Good Governance for Scotland's Colleges](#). Universities follow the [Scottish Code of Good Higher Education Governance](#).

5. To understand the assurance available over the current state of institutional governance, SFC commissioned a review of the most recently available GER report for each college, university and regional strategic body. This was to enable a baseline understanding of external assurance over governance in the institutions that SFC funds. There are two important aspects to note at the outset of this work:
 - The review was of the GER reports and what they tell us about governance in the institutions that we fund, and not a direct review of governance itself. Therefore, a report or GER approach that may need improvement is not the same as governance at the institution needing improvement.
 - SFC provided feedback to colleges following report submissions in 2017-18 and the College Development Network (CDN) undertook an [analysis of college GER reports](#) in 2021. The period covered by the current review included the Covid-19 pandemic years where many institutions and bodies, including the SFC, had to rapidly reprioritise activity and business as usual to manage extraordinary circumstances.
6. The purpose of this paper is to set out what we have learned about sector and institutional governance from this analysis of the GER reports as well as from Professor Gillies' report of the root causes of the issues that arose at the University of Dundee ('the Gillies Report'). It is also to set out SFC's expectations of sector governance because of these pieces of work and how we will monitor delivery of the Good Governance outcome of the OFAM going forward.
7. In setting out these expectations, SFC is cognisant that colleges and universities:
 - Operate under different statutory frameworks in relation to Good Governance – overall, there are strong elements of compatibility between the frameworks for the two sectors, however there are also some key differences.
 - Have dual regulation and legal obligations as charities. SFC's expectations, as set out in this paper, are compatible with expectations on institutions as charities and the approach to monitoring will strengthen the assurance over governance for key stakeholders, including the Office of the Scottish Charity Regulator (OSCR).
8. We are grateful to On Board Training and Consultancy (On Board) and to Professor Gillies and her investigation team for their work, on which we are drawing heavily in this paper.

Analysis of Governance Effectiveness Review Reports

9. In March 2025, SFC commissioned On Board to conduct a desk-based analysis of the most recent GERs and governance statements within the audited financial statements in the Further and Higher Education Sectors in Scotland (this included the GER reports of the Glasgow and Lanarkshire Regional Strategic Bodies that were in place during this period). On Board undertook this review and reported to SFC its key findings for each

sector and provided assurance to SFC, to the extent possible, about the quality of governance and, in particular, financial oversight in operation across the sectors.

10. The approach adopted by On Board, following guidance from SFC, was desk-based only with no follow-up or interviews with the institutions or those responsible for the GERs (reviewers). The conclusions and recommendations in the sector level reports made available to SFC are therefore based solely on review of the GER reports by On Board.
11. In their analysis of the GER reports, On Board identified areas of strength as well as areas for improvement and gives SFC a baseline and template for future reviews. On Board also made recommendations for the SFC that are included as Annex A (for the university sector) and Annex B (for the college sector).
12. The analysis of university GER reports highlighted a number of strengths that were noted in the reports. These included governing body member skills and experience and the quality of governing body and committee papers. About half of GER reports highlighted a culture of respect, openness and inclusion and constructive relationships as a strength, although many other reports commented favourably, but less directly, on these areas which led On Board to conclude that this strength is more widespread.
13. The analysis of college sector GER reports highlighted a number of strengths that were noted in the reports. These included the skills and experience of the Chair and governing body members, constructive challenge and an open culture, and students being at the centre of board decisions.
14. Reinforcing the principle that good governance is good governance regardless of sector, there were several developmental findings in common between college and university GER reports. These were as follows.
15. **Some institutions are long overdue an external governance effectiveness review.** We note that some external GERs were understandably delayed during the Covid-19 pandemic and we expect institutions to undertake these reviews as soon as possible to ensure that they address this area of non-compliance with the governance code. We also expect that future GERs are undertaken on schedule¹. In setting this expectation, we recognise that institutions may have continued to undertake annual internal reviews of governance effectiveness, but this was out of scope of On Board's work. Although the governance codes for each sector adopt a 'comply or explain' approach, regular externally facilitated GERs are essential to provide assurance to the governing bodies, SFC, Scottish Government and other stakeholders that governance is adequate (designed appropriately) and effective (operating as designed) to ensure safeguarding of public funding and security of student interests. Such externally facilitated GERs provider

¹ Under the sector codes, externally facilitated governance effectiveness reviews must be undertaken at least every five years for higher education institutions and every three-five years for colleges.

greater assurance over governance effectiveness than internal reviews due to their independence from executive management as well as from governing bodies themselves.

16. The GER reports often focus on development and do not always have a strong element of assurance. In addition, GER reports are not consistent in providing assurance about the adequacy and effectiveness of governance of institutions – it is important to note that this is a comment on the reports and not a comment on the governance arrangements at institutions themselves. Although we understand and welcome the desire for boards to develop and improve, part of the purpose of externally facilitated GERs is to provide assurance, as noted above. An exclusive focus in GER reports on areas for development does not provide assurance as to whether current arrangements are adequate and effective. Without assurance over existing arrangements, it is unclear whether the recommended developments are intended to enhance and improve already effective arrangements or to make arrangements adequate and effective. The assurance element is vitally important and therefore GERs should be designed to provide both assurance and development opportunities for governing bodies. In this context, we note that neither of the sector governance codes includes an explicit reference to development as being a key purpose of GERs, although the college code states that the GER and an accompanying Board Development Plan should be sent to the SFC and published.
17. Institutions have not always shared the reports with SFC in a timely way and, SFC has not always or consistently (a) chased provision or publication of the reports or (b) reviewed those that we have received. The sector code's requirement for colleges, as public bodies, to share the GER reports with SFC is and has always been clear; the sector code's requirement for universities to share reports is more focused on reporting publicly on the results of effectiveness reviews and associated actions. There has been no explicit requirement in the past for universities to share their GER reports with the SFC. As noted above, SFC's activities and priorities were also impacted by the Covid-19 pandemic and this was an activity that was deprioritised at that time. SFC is addressing this moving forward with colleges and universities being required under the OFAM to undertake the reviews on a frequency in line with the appropriate sector governance code and to submit the reports to SFC in a timely way. SFC will review GER reports on submission and will chase for submission where these are outstanding.
18. There is a need for greater clarity around what assurances are needed or desired and this would provide benefit to SFC and to Governing Bodies – our guidance will support the sectors in understanding our expectations in this space. SFC expects that GER reports provide assurance over compliance with the relevant sector governance code in practice and that the governance arrangements in place at institutions are both adequate (i.e., designed appropriately) and effective (i.e., operating as intended). This includes effective scrutiny stemming from the culture of the governing body and committees being one that is curious, challenging and holds the executive to account. It also includes appropriate governance oversight of the institution's strategy, internal

control and risk management framework and financial viability and sustainability. GER reports should be clear about the evidence on which assurances are based.

19. The **GER process should support the requirement on governing bodies to comply or explain compliance with the relevant sector governance code in their Annual Governance Statement** in the narrative part of the audited financial statements. The analysis noted that there were occasional inconsistencies between the level of compliance indicated in the GER report and what is stated in the financial statements for the period of the review (e.g., the financial statements stating full compliance with the relevant sector governance code and the recent GER showing non-compliance). There is also a lesson for external auditors here in sense-checking the narrative part of the financial statements and considering what evidence they draw on to do so. Checking against the most recent GER report and action plan would enhance the assurance over the statements made by institutions in their financial statements.
20. **No standard approach to GERs is used within each sector and guidance on what is expected to be covered would be helpful**, particularly in terms of the evidence base for the review. Although it is for governing bodies to secure an external reviewer for the GERs, there can be significant variation in the approach adopted by reviewers and so in the assurance that the review itself can provide. Although SFC does not believe that it would be helpful for us to mandate an approach to GERs, we would encourage reviewers to consider the approach that they need to take to provide assurance, including over governance aspects such as the oversight of financial sustainability, with triangulation of evidence. On Board suggests that the approach should include document review, observation of governing body and committee meetings, a survey or questionnaire (that can be benchmarked), interviews and a workshop to gather governing body members' views.
21. There is a **need for improved induction and for training and development for governing body members** (including students). It is insufficient to recruit appropriate governing body members, although that is a necessary first step. It is important that there is an induction programme that ensures governing body members are aware of their role and responsibilities as both board members and trustees and of the context of their institution. It is also important that there is continuing training and development for governing body members and that they avail themselves of these opportunities.
22. Few GER reports commented on the **quality of financial oversight by the governing body** and, where there was comment, this was relatively superficial. Many GERs did not mention finance or financial oversight at all in the report. Although not a primary focus of GERs or a primary source of assurance about financial oversight, the governing body and committee's role here is crucial and lack of appropriate challenge and oversight can lead to financial issues not being identified or addressed in a timely way. This can have significant adverse consequences for the institution.
23. In addition to the common findings above, On Board identified findings specific to

college or university sectors that were more closely related to governance in the institutions and we recommend that governing bodies consider these and whether and how they might apply in their institution. We note that Outcome Managers will engage with institutions in relation to On Board's key findings about them as individual institutions in the coming OFAM meetings.

- For colleges, areas for improvement that were identified in GER reports related to monitoring progress on strategy delivery (including KPIs and strategic reporting), the effectiveness of risk management and its contribution as a strategic enabler to improving College performance, and tracking delivery of implementing previous recommendations.
- For universities, areas for improvement that were identified in GER reports related to more focus on strategic matters, the structure and strategic fit of committees, equality and diversity, and coverage of financial reporting and financial management.

Sector findings of Gillies Report

24. The Gillies Report was primarily focused on the issues that arose at the University of Dundee, but noted that the well-established SFC Financial Memorandum ('FM') with Higher Education Institutions and the Scottish Code of Good Higher Education Governance in Scotland ('Scottish Code') are fit for purpose.
25. Although the Gillies Report noted that the root causes were largely unique to the University of Dundee, the report included a short section that set out the lessons for the sector more broadly. This included a number of lessons for executive teams related to financial management and reporting, including consideration of student recruitment, and decision making.
26. In summary, the lessons for sector governance emphasise the following:
 - Effective governance relies not only on systems and processes, there is critical importance of a culture that values questioning and critical appraisal at all levels, without fear, and encourages curiosity and engagement to uncover risks and issues worthy of debate.
 - The importance of a values-led university culture that prioritises transparency and accountability and that supports evidence-based decision-making, integrity, and openness to challenge.
 - The need for regular updates on sensitive matters, clear communication, and unbiased minutes that reflect challenges and decision-making processes.
 - The importance of the Audit Committees maintaining independence and objectivity, avoiding overlap with other committees to prevent bias.

- Papers being provided sufficiently in advance of meetings to ensure informed decision-making.
27. There are also two specific lessons around roles that we wish to highlight in this paper.
- The report notes that the dual role of the University Secretary as Chief Operating Officer is a potential conflict of interest, requiring careful management to ensure primary responsibility to the Chair of Court. This is not a common arrangement in the Scottish university sector, but instances outside of the University of Dundee do occur. SFC recognises that institutions are autonomous and that staffing matters are not for the SFC. Therefore, we encourage institutions to consider carefully whether this arrangement is appropriate and how best to secure the University Secretary's independence where a dual role is in place.
 - Overlapping attendance, whether or not formal memberships, between Finance Committee and Audit Committee, which can undermine the crucial independence of the Audit Committee. Although the sector codes of governance do not explicitly prohibit this, the spirit of the codes and SFC's view is that impact on the independence of the Audit Committee is detrimental to its oversight and assurance function. We therefore encourage the relevant bodies that own the sector codes of governance to consider carefully whether this should continue to be permitted in future iterations of the codes.
28. While the lessons from the Gillies Report are primarily focused on universities, some of these are also applicable to colleges – good governance is good governance after all. We encourage all governing bodies and executive teams to review these lessons and consider whether and how these may be applicable to their own institution.

Implications for Outcomes Framework and Assurance Model

29. SFC has, over and since the Covid-19 pandemic, had an approach to sectors governance that placed significant reliance on the colleges and universities complying with the relevant sector codes. This has been due to reprioritisation of activities during this period. Having introduced the new OFAM and considered the evidence from On Board's analysis of GER reports, SFC has determined that it would be helpful to set out the monitoring activity that will be undertaken to gain ongoing assurance that governance in colleges and universities is adequate and effective. As previously and to maintain institutions' autonomy:
- Colleges must comply with the principles of good governance as defined in the [Code of Good Governance for Scotland's Colleges](#). The code sets out expectations, roles and responsibilities, including the requirement to undertake an annual internal Board evaluation and an externally facilitated effectiveness review every three to five years.

- Universities must comply with the principles of good governance as defined in the [Scottish Code of Good Higher Education Governance](#). The Code sets out the requirement to undertake an annual internal Governing Body evaluation and an externally facilitated evaluation at least every five years.

30. However, SFC will undertake closer monitoring in this area, including:

- Requiring institutions to submit the reports from the externally facilitated GERs to SFC to provide assurance that:
 - GERs are undertaken regularly in line with sector governance codes.
 - the institution is complying with the relevant sector governance code.
 - the GERs consider and provide judgements about the adequacy (design) and effectiveness (operation) of the governance arrangements at the institution, with a focus on assurance and not just on development.

Where an institution has not undertaken a recent externally facilitated GER in line with the sector governance code timings, we strongly recommend that this is rectified as soon as possible.

- Requiring institutions to submit to SFC regular updates on the implementation of recommendations of the GERs – to manage the burden associated with this, these should be the updates provided to the institution’s Court / Board of Management and therefore will require minimal additional work for institutions.
- Where SFC’s monitoring identifies risks or issues around weak governance, this will be addressed through the OFAM’s institutional engagement and intervention strategy, including issues being discussed with institutions and the development and monitoring of actions plans, where appropriate.
- Requiring non-compliance with the relevant sector governance code to be reported to the SFC, with the report to include details of the non-compliance, how it has arisen and how it will be rectified in future if the institution does intend to rectify the non-compliance. Not all non-compliance with the Code will be considered a breach of the Financial Memorandum or the OFAM, as the governance codes themselves operate on a comply or explain basis and include aspects that institutions **must** comply with and other aspects that they **should** comply with. The materiality of the non-compliance to good governance in an institution will also be a consideration.
- Consideration of breaches of Financial Memorandum (FM) that are required to be reported to the SFC – these may include issues such as failure to observe statutory regulations or obligations, mismanagement of funding, financial irregularity, fraud,

systems failures, breakdown of management or governance relations, etc. SFC is considering publication of further guidance about events that are notifiable by institution. The institution must refer itself to SFC if a breach of the FM has occurred.

- Consideration of the opinions in internal and external audit reports that are already submitted to the SFC by institutions insofar as these are relevant to governance effectiveness – this will include whether there have been internal control failures, qualifications or matters emphasised in the overall audit opinions, and the materiality and scale of any audit recommendations (including whether these are being addressed in a timely way).
 - Requirement that institutions have clear and appropriate whistleblowing policies that are readily accessible to staff and students and clear communication to alert staff to these. The policies should clearly state that if the matters staff members wish to report involve the person they would normally report to under the policy, who they should contact instead (e.g., the Chair of the institution's Audit Committee or SFC directly if no possible alternative internal reporting lines remain).
 - Scrutiny of institutional strategies, which SFC will undertake for a variety of purposes, including any implications for governance. These aspects might include the alignment between the institution's goals and its mission and vision, challenges in decision-making processes, consistency of information provided (such as in financial forecasts) with the institution's strategic plan, the quality of risk management within the strategic plan, stakeholder engagement, and the inclusion of appropriate performance metrics that align with the institution's goals.
31. Other activities that SFC plans to undertake in future to strengthen governance in the sectors include:
- The process set out in the [Higher Education Governance \(Scotland\) Act 2016](#) requires an election by governing body members, staff and students of the Chair. However, it is vital to ensure that those put forward for election have the requisite and appropriate experience and skills to undertake the role and responsibilities of the Chair. Therefore, SFC will work with the Committee of Scottish Chairs and Universities Scotland to support the development of guidance about the process for recruiting Chairs of Court. This process will be compliant with the 2016 Act's statutory requirements but will also include steps to assess the applicants such that all candidates for the election are suitable.
 - Working with relevant sector bodies (such as Advance HE and CDN) to provide training for new governing body members and continuing governing body members at the start of new terms as a refresher. Although training is already provided for governing body members, we plan to supplement this with SFC-presented training

about our expectations of members and the role and responsibilities of governing bodies, the accountable officer and executive teams. SFC recognises that governing body members are unpaid volunteers, but they are also charity trustees of the institution and have personal liabilities in this regard. Undertaking suitable and appropriately frequent training is important in both ensuring that institutions have good oversight and that governing body members are supported in undertaking their work as trustees. SFC will also work with Universities Scotland and Colleges Scotland to agree a way forward to ensure that all governing body members undertake this training, including whether this should be made mandatory under the FM or whether this would be better placed with the sector governance codes.

- Enhance SFC's routine engagement with auditors to include internal auditors in addition to ongoing engagement with external auditors – this will bring additional sector intelligence and enhance the assurance available to SFC.
 - Consider with external auditors how they can ensure that they identify and surface issues of governance and financial control – this will not require any additional audit work to be undertaken but is focused on external auditors raising these matters through their usual reporting mechanisms.
32. We recognise that SFC may be notified of issues concerning governance through complaints, allegations or media reporting. However, we would always encourage institutions to speak with their [Outcome Manager](#) if it identifies issues with governance, as with any other matter. The upcoming revised OFAM guidance will contain further detail on how SFC will monitor and engage with institutions across all outcomes, including Good Governance.
33. We will review our approach to good governance annually to ensure it remains fit for purpose.

Dr Jacqui Brasted

Director of Access, Learning and Outcomes

Annex A: Recommendations re: University GER reports

Annex A sets out the recommendations for SFC from On Board from its review of the university sector GER reports.

1. The Funding Council should remove any current ambiguity and make it a clear requirement that all Universities must send their GER reports to the Funding Council and publish them online.
2. The Funding Council should tighten up its monitoring of the GER process to (1) ensure that GERs are commissioned, undertaken and submitted in line with the deadlines set out in the Code and that (2) what is submitted is the actual GER report and not a summary/cover report, a PowerPoint presentation on the findings, feedback from Governing Body or a Committee on the GER report's recommendations, a self-evaluation etc.
3. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.
4. The Funding Council should provide greater clarity to Universities on what assurances are needed or desired. This would enhance the process (both internal evaluations and externally facilitated evaluations) and provide benefit not just to the Funding Council but also to Governing Bodies. Such an approach would support the requirement on Governing Bodies to comply or explain compliance with the Code in their Annual Governance Statement and the Funding Council's new Assurance Model. This clarity may form part of a new Guidance Note which sets out best practice in undertaking externally facilitated effectiveness reviews. This would serve as a 'standard' and bring the University sector into line with the College sector.
5. Going forward, the Funding Council should review each GER for evidence of strengths and weaknesses in governance (including cases of non-compliance with the Code) and take appropriate follow-up action to address any issues raised. The current process of reviewing GERs within the Funding Council needs to be strengthened.
6. Universities should be asked to benchmark their current GER practices against the findings in this report.

Annex B: Recommendations re: College GER reports

Annex B sets out the recommendations for SFC from On Board from its review of the college sector GER reports.

1. Colleges should be asked to benchmark their current GER practices against the findings in this report.
2. Revisions to the CDN Guidance Note should be considered to take account of the observations in this report and the accompanying report on individual Colleges. Revisions to the Guidance Note should set out clear expectations around the importance of evidence.
3. Instructions to Reviewers should include the requirement to follow the CDN Guidance Note in full or equivalent best practice.
4. Consideration should be given to mandating that externally facilitated GERs are required every three years. GERs which are currently overdue should be prioritised.
5. The Scottish Funding Council should clarify that GERs should be approached as both a developmental tool for College Boards and as a means of providing assurance to Boards and the funding bodies. In doing so, the Scottish Funding Council should specify its assurance requirements, including in relation to compliance with the Code of Good Governance.
6. Assessing the quality of financial oversight exercised by the Board and Finance Committee should be a clear component of the GER process, and revised guidance should highlight this requirement.
7. Where this is not already in place, Colleges should develop a process to assess, monitor and report compliance with the Code of Good Governance. The testing of this process should be a clear component of the GER process.
8. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.

Analysis of the SFC's Expectations of Good Governance Report (September 2025)

Background

This paper has been prepared by CDN to assist the Good Governance Steering Group (GGSG) in considering its response to the recommendations of the [SFC's Expectations of Good Governance Report](#), published in September 2025.

The analysis concentrates on actions that could be taken under the leadership of the Good Governance Steering Group in response to the Report to ensure that colleges continue to deliver good governance in line with SFC's expectations. This includes instances where it may be advisable to consider adjustments to the Code or to other guidance within the sector to facilitate this.

Key Documents

As noted in the Report, the key governance document for the college sector is the Code of Good Governance for Scotland's Colleges ('the Code'). The latest version of this was published by the Good Governance Steering Group in May 2024 and is available [here](#). Minor revisions to the Code are due to be considered by the Good Governance Steering Group in November 2025.

In June 2022, CDN and the Good Governance Steering Group published the latest edition of the Guidance Note for Conducting Externally Facilitated Effectiveness Reviews (the 'Guidance Note'). This edition took account of the findings of CDN's [Overview Report](#) of 20 externally-facilitated effectiveness reviews completed by the conclusion of the previous cycle of reviews in 2021.

CDN published a further report on the implementation of actions from this round of reviews, [External College Governance Reviews: What Happened Next?](#) in June 2023.

It should be noted that the Code and the Guidance Note are both 'owned' by the Good Governance Steering Group although they are created and published by CDN on their behalf.

Terminology

The college sector currently uses the terminology 'externally facilitated effectiveness reviews' (EERs) for its governance reviews, based on the language used in Section D24 of the Code.

It is noted that the SFC Report, and the SFC's [Outcomes and Assurance Framework](#), use the terminology 'governance effectiveness reviews' (GERs).

Consideration should be given to the adoption in future versions of the Code and guidance documents of the GERs terminology in order to ensure consistency.

Training

The emphasis on training and development in the report should be noted. The National Board Development Programme is a key deliverable in CDN's funding agreement with SFC and engagement with it is regularly reported through SFC's quarterly meetings with the CDN senior team.

The programme as currently constituted consists of an extensive suite of online training materials, to which all board members have access, and the provision of in person training for individual boards in a range of areas from briefings on the role of the board to key skills topics such as questioning, chairing and quality assurance.

All new board members in the sector receive a welcome email from CDN containing a copy of the Code of Good Governance, the Guide for College Board Members and a link to the [online materials](#) including the new board member induction module.

CDN is constantly seeking to improve and expand this offer and will review the report to see where it can add new provision in support of the recommendations.

In terms of specific comments in the report:

- The direct involvement of SFC colleagues in the National Board Development Programme would be a positive development, both in the delivery of dedicated content for the online programme and in training events.
 - This could include specific information to be added to the welcome email sent to all new board members, which is an ideal opportunity to raise awareness of SFC's expectations.
- CDN is able to report on the engagement of board members with the National Board Development Programme and already provides this on request to individual colleges.
 - The expectation of, and reporting on, engagement with the Programme could form part of a board's annual self-evaluation and could also be built more explicitly into the guidance for GERs.

Specific Recommendations for Colleges

This section looks at the specific recommendations in Annex B of the report in the context of the wider observations in the body of the report.

1. Colleges should be asked to benchmark their current GER practices against the findings in this report.

This could be undertaken as a collaborative exercise by the Governance Professionals' Network, facilitated by CDN. The benchmarking exercise could include reiteration of the requirements of the Code of Good Governance and the Guidance Note for conducting GERs. It could also assess the current level of compliance with these documents.

2. Revisions to the CDN Guidance Note should be considered to take account of the observations in this report and the accompanying report on individual Colleges. Revisions to the Guidance Note should set out clear expectations around the importance of evidence.

CDN could undertake this revision with the oversight of the Good Governance Steering Group, which endorsed the current guidance. This should be preceded by consideration of revisions to the Code of Good Governance taking account of the observations in this report.

This revision of the Code of Good Governance and the Guidance Note could look specifically at key themes emerging from the report:

- Clarity on the assurance role of the GERs (para 19 of the Report). The existing Guidance Note recommends mapping the GER against the 5 pillars of the Code, which include Accountability (for assurance). This could also be considered in respect of para 22 of the Report in order to ensure that the checklist for evaluation in the Guidance Note adequately reflects the assurance role of the board.
- Ensuring a standard approach to GERs within the college sector (para 20 of the Report). The intention of the Good Governance Steering Group's endorsement of the Guidance Note was that there should be a standard approach based on that guidance. The inclusion in the Code of Good Governance of an explicit requirement for GERs to be conducted in line with a GGSG-endorsed Guidance Note could be considered.

3. Instructions to Reviewers should include the requirement to follow the CDN Guidance Note in full or equivalent best practice.

As noted under 2, the requirement to follow the GGSG-endorsed Guidance Note could be formally enshrined in the Code of Good Governance. This would provide support for individual colleges to require this of their reviewers as part of the tender process.

4. Consideration should be given to mandating that externally facilitated GERs are required every three years. GERs which are currently overdue should be prioritised.

This would be a matter for the Good Governance Steering Group, which approved a shift from a 3 year to a 5 year cycle for reviews after the cycle that concluded in 2021. It should be noted that CDN is unaware of any colleges that are currently overdue a review within the current cycle (2021-26). It is expected that all reviews should be complete on schedule by the end of 2026.

5. The Scottish Funding Council should clarify that GERs should be approached as both a developmental tool for College Boards and as a means of providing assurance to Boards and the funding bodies. In doing so, the Scottish Funding Council should specify its assurance requirements, including in relation to compliance with the Code of Good Governance.

We note that this is a recommendation for SFC. The Code of Good Governance, in its 5 pillars, supports the dual approach of GERs being developmental tools and a means of assurance. The Code and the Guidance Note could be revised to increase clarity on this point if the GGSG feels that to be helpful.

6. Assessing the quality of financial oversight exercised by the Board and Finance Committee should be a clear component of the GER process, and revised guidance should highlight this requirement.

The intention of the current Code of Good Governance and Guidance Note is that this should be the case. CDN can work with the GGSG to ensure appropriate revision of those documents to ensure that this is made clear.

7. Where this is not already in place, Colleges should develop a process to assess, monitor and report compliance with the Code of Good Governance. The testing of this process should be a clear component of the GER process.

This should already be in place as part of the annual self-evaluation required by the Code and reported on via the requirements of the Outcome and Assurance Framework.

CDN, supported by the GGSG, can work to ensure that a revised Code of Good Governance makes clear that the development of such a process is a requirement of the Code. A separate guidance note on best practice in such processes could also be produced.

8. GER reports should be accompanied by a rolling action plan to track the implementation of recommendations from previous GERs (whether external or self-evaluation). The testing of this should be a clear component of the GER process.

As noted in the Report, this is already a requirement of the GER process, but previous CDN research has indicated a lack of consistency of approach across colleges. CDN could produce guidance on the development of action plans as an extension of its previous work in this area.

Next Steps

Once the Good Governance Steering Group has had time to consider the Report and the comments/suggestions in this analysis, CDN will work with key stakeholders in the group, including the Governance Professionals' Network and SFC, to take forward the agreed actions.

Gordon Hunt
Head of Insight, Planning and Impact,
CDN

September 2025

The Lanarkshire Board

Externally Facilitated Effectiveness Review May 2025



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1 INTRODUCTION

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. This review is against the 2024 Edition of the Code.

All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the college board must have in place a robust self-evaluation process. Para D. 24 states

'The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three to five years.'

'The Guide for Board Members in the College Sector' and the 'Board Development Framework' provide additional guidance for college board members and Governance Professionals.

Methodology

This external effectiveness review included a series of stages aimed at building up an overview of the board's effectiveness. The key elements of the review process were:

- Initial meeting with the Chair, SIM, Governance Professional and the Executive Advisor to the Chair to agree the scope of the review and the overall project plan
- Observation of the 17 March 2025 Board meeting
- Desk review of core governance documentation, including Board and committee papers, see Annex 1.
- Interviews with 12 Board members including the Chair, Vice Chair, SIM, both Principals, student, and staff members and each of the Committee Chairs
- Board survey to seek Members' views of governing processes
- Board workshop to review the conclusions and recommendations from the EER

2 EXECUTIVE SUMMARY

This is an external effectiveness review of the combined Lanarkshire Board (Regional Strategic Body) and the New College Lanarkshire Board (Regional College). Under the current structure South Lanarkshire College is assigned to the Lanarkshire Board.

The Lanarkshire Board (RSB) will be dissolved on 31st July 2025 by Scottish Government and New College Lanarkshire (NCL) and South Lanarkshire College (SLC) will become two distinct Regional Colleges.

The transition from a RSB to a smaller and simpler structure as a Regional College presents a range of opportunities for the New College Lanarkshire (NCL) Board to spend more time on strategic decision making, operate as a team, and continue to innovate and focus on the needs of NCL students.

The transition is being carefully planned. It will be important to ensure that the Board of NCL has the right number of members with the blend of skills and experience required by the college. This will require succession planning and building the 'new' Board as a team, which should be a priority.

This is a strong Board with an excellent range of skills and experience amongst the membership.

The launch of the NCL Strategy 2030 is an opportunity to harness the enthusiasm and commitment of the Regional College Board around the new strategic plan. Board members have been engaged in the development of the new strategic plan.

The Board benefits from strong leadership from an experienced and skilled Chair who encourages contribution from all members, builds consensus, and effectively sums up Board discussions and decisions.

There is a constructive working relationship between the Board and the executive team based on respect and a mutual understanding of each other's roles. This is an engaged and supportive Board.

Compliance with the Code of Good Governance is monitored and reported to the Board through a compliance checklist which is maintained by the Governance Professional.

3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

3.1 Leadership and Strategy

This is a large and complex Board which has faced some significant challenges over recent years. Despite this the college has maintained a focus on the quality of the student experience and has continued to be innovative and develop new courses, and funding streams.

The Board is effectively led by a strong Chair, and high levels of satisfaction in the strategic leadership of the Board were expressed in the Board survey. Board culture is constructive, inclusive, value driven and transparent. Despite the size of the Board participation is encouraged from all members who feel that their contribution is valued.

Decisions are made in the spirit of collective responsibility and are effectively summed up by the Chair.

NCL members have been fully engaged with strategic planning and the development of the NCL 2030 Strategy which will launch in September 2025. Members participated in a strategy development day in February 2025, which involved agreeing a clear purpose for the college.

The strategic planning process has included consultations with trade unions and staff as well as external stakeholder engagement.

The Board should agree on a set of strategic KPIs to underpin the strategy. Members should expect to receive regular strategic business reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.

The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and the building of the 'new' board team.

3.2 Quality of the Student Experience

The quality of the student experience is clearly central to board discussions and decision making.

The Curriculum, Student Affairs and Outcomes Committee has oversight of the quality and inclusivity of student experience and ensuring that learning provision meets the skills requirements of both local and national economies. To ensure the student perspective is considered membership of the CSAO committee includes student members.

Reports are presented to the Curriculum and Student Affairs Committee and the Board from both NCL and SLC student associations. As part of the transition to the new structure, and in recognition of the importance of the student input, consideration should be given to moving the Student Association Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.

Resources have been invested in a range of activities to support students and enhance the student experience, as well as improving retention of students at risk of leaving, such as the Wellness Academies.

The Undergraduate Programme, in partnership with the University of the West of Scotland, is evidence of an innovative approach which allows students to study a range of industry focussed degree programmes designed to meet specific skills needs in the region.

3.3 Board Accountability

The Curriculum, Student Affairs and Outcomes Committee monitors the delivery of the regional outcomes agreed with the SFC and reports back to the Board.

Board decision making is rigorous, properly informed, and timely. Board papers support effective decision making but can be lengthy, the volume of papers should be kept under review. All Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, i.e. for decision, for discussion, for noting or other action.

Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and agreed action points.

Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

The committee structure works well; all committees are effectively led by experienced and skilled Chairs and have an excellent range of skills and experience in the members. All committees have Terms of Reference which are updated and reviewed on a three yearly basis.

Committee Chairs provide feedback to the Board, highlighting any items that might require further discussion by the Board.

There is an appropriate level of trust in the committees to scrutinise and provide assurance to the Board.

There is an effective and mature relationship between the committee members and the senior staff that support the relative committees.

Co-ordination of the work of the committees is done through the Chairs Committee. To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Consideration should be given to the ARC and Finance committee meeting, annually, to discuss issues that are common to the work of both committees.

Management of risk is robust, the Regional Strategic Risk Register is reviewed and updated on a regular basis by the Regional Strategic Risk Management Group and the Audit and Risk Committee. Any changes in the RAG status are highlighted for Board attention.

The Board has effective financial monitoring arrangements in place. However financial sustainability is an ongoing challenge and a concern for the Board and the college in the current financial climate.

New income streams such as the Undergraduate School have created additional income which have resulted in an improvement in the college's projections for the underlying operating position for 2024/25.

3.4 Board Effectiveness

The Board is effectively led by an experienced and skilled Chair who promotes an open and transparent culture and encourages effective contribution from all members. There is an appropriate balance of constructive challenge and support provided to the Principal and executive team.

There is an effective working relationship between the Chair, Principal, Governance Professional and the Advisor to the Chair.

The Board has appointed an experienced SIM who leads on the annual appraisal of the Chair.

The Board is well supported by an experienced Governance Professional who provides effective advice and support on the governance of the college.

New members receive induction training which includes meeting the Chair, Chairs of the committees and the opportunity for campus visits. Members are encouraged to participate in the CDN on-line Induction Module. A mentoring programme is also available and is valued by newer members.

All members have an annual appraisal meeting which provides an opportunity for members to consider their ongoing training and development needs.

The Board Development Plan is based on feedback from the annual self-evaluation and Board member appraisals. Members are encouraged to engage with training offered by CDN.

Understanding the external operating environment is important and members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.

The Code requires that the Board must keep its effectiveness under annual review and that there is a robust self-evaluation process in place. Members are asked to evaluate the performance of the Board and any committees they are members of. However, there does seem to be an element of 'survey fatigue' and concerns around the frequency that members are expected to complete questionnaires.

The self-evaluation process could be simplified by reducing the number of questionnaires and introducing a workshop-based approach to self-evaluation. These could be independently facilitated and would be aimed at producing more meaningful results based on discussion between members.

Rather than repeating the same exercise each year, annual self-evaluation could be achieved within the context of a three-year cycle of

- self-evaluation
- action planning and the production of the Board Development Plan,
- workshops to review progress review against the Board Development Plan and the identification of further areas for development to be included for the coming year.

This would provide a more dynamic and effective approach to annual self-evaluation, reduce 'survey fatigue' and present further opportunity board member engagement and team building.

3.5 Relationships and Collaboration

Stakeholder engagement has formed an important part of the strategic planning process and the development of the NCL Strategy 2030.

As noted above, members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.

The college has been innovative in its approach to partnership working as demonstrated by the development of the Undergraduate Programme in partnership with UWS.

4 RECOMMENDATIONS

1	Strategic KPIs - The Board should agree on a set of strategic KPIs to underpin the strategy. - Members should receive regular reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.
2	Build the new Board team - The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and build the 'new' board team. - Succession planning is important to ensure the Board, and the committees have the skills and experience required by the 'new' Board.
3	Student Association Reports to the Board As part of the transition to the new structure consideration should be given to moving the Student Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.
4	Board and Committee Papers - Board papers can be lengthy; the volume of papers should be kept under review. Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, for discussion, for noting or for decision. - Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and action points. - Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

5	Committees • Consideration should be given to the ARC and Finance committees meeting, annually, to discuss issues that are common to the work of both committees. • To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.
6	Board Member Development • Members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings. • A key stakeholder mapping exercise would enable members to better understand the wider operating environment and support effective decision making.
7	Annual Board Self Evaluation • A more dynamic approach could be considered based on a three-year cycle of evaluation, as detailed above.
8	Website • Post dissolution, review the Board section of the college website to add biographies for all members and to ensure that all the governance documentation is up to date.

5 ANNEX 1

5.1 Document Review

1. New College Lanarkshire Code of Conduct
2. Scheme of Delegation and Standing Orders
3. Committee Terms of Reference, Structure and Membership
4. Review of Compliance with the Code: New College Lanarkshire/ The Lanarkshire Board
5. New College Lanarkshire 2023/24 Annual Audit Report
6. Lanarkshire Board Regional Financial Statements to July 2024
7. Board agenda and papers for December 2024 and March 2025 meetings
8. New College Lanarkshire Internal Audit 2021-22 - Corporate Governance & Risk Management April 2022
9. Lanarkshire Board Development Plan
10. Meet the Board
11. Regional Strategic Risk Report February 2025
12. Lanarkshire Board response to the consultation on the RSB dissolution.

Footnote

The reviewer would like to thank the Board Chair, Principal, members, and the Governance Professional for their assistance and insight with this external effectiveness review.



New College Lanarkshire Self – Evaluation Framework

1. Introduction

1.1 The Code of Good Governance for the College Sector sets out that the Board must keep its effectiveness under annual review and have in place a robust self – evaluation process (see Appendix 1).

1.2 The New College Board – formerly the Lanarkshire Board – has undertaken annual self-evaluations as required by the Code of Good Governance. The framework for the self- evaluation has been conducted using questionnaires which have been derived from CDN templates as follows:

- Review Questionnaire for each of the main Committees – CSAO, ARC, RGP and Finance – sent out to each of the Committee members asking them to complete the questionnaire and send it back to the Board Secretariat.
- A second Committee questionnaire sent out to each of the Committee Chairs again asking for this to be returned to the Board Secretariat.
- A Review Questionnaire on the Board sent out to each member of the Board asking them to complete it and send it to the Board Secretariat.
- A Review Questionnaire on the performance of the Chair sent out to each member of the Board asking them to complete and to send back to the Board's SIM.
- One to one sessions annually with the Chair and each Board Member to agree a Personal Development Plan (PDP) for each Board Members with follow up training mentoring arranged if required.

1.3 This Framework results in the following outputs:

- A self - evaluation report which is collated from the Committee and Board Review Questionnaires returned from the Board Members.
- A review of the Chair which is produced from returned questionnaires by the SIM.
- A Board Development Plan for the Board.
- Individual PDPs.

2. Self- Evaluation Issues

2.1 The basic issue is that the completion and return of the questionnaires from Committee and Board Members is decreasing despite the best efforts of the Board Secretariat to have this prioritised and persistent follow up from them with Board Members. This is also the case with the questionnaire on the Chair's performance from the SIM.

2.2 Board Members feel that they have no longer completed one set of forms when they are asked to complete another and there is no defined period for implementation of any suggested improvements.



2.3 This has been an ongoing issue for some time now and there have been suggestions from Board Members in the past that there should be an approach which is cyclical over a longer period. A year of the evaluation questionnaires followed by an implementation period / focus on issues identified and then external review after 5 years.

2.4 CDN undertook an external evaluation of the Lanarkshire Board in 2025 and they were specifically asked to review and comment on the Self - Evaluation framework. The comments from CDN in their external evaluation report are as follows:

The Code requires that the Board must keep its effectiveness under annual review and that there is a robust self-evaluation process in place. Members are asked to evaluate the performance of the Board and any committees they are members of. However, there does seem to be an element of 'survey fatigue' and concerns around the frequency that members are expected to complete questionnaires.

The self-evaluation process could be simplified by reducing the number of questionnaires and introducing a workshop-based approach to self-evaluation. These could be independently facilitated and would be aimed at producing more meaningful results based on discussion between members.

Rather than repeating the same exercise each year, annual self-evaluation could be achieved within the context of a three-year cycle of

- self-evaluation
- action planning and the production of the Board Development Plan,
- workshops to review progress review against the Board Development Plan and the identification of further areas for development to be included for the coming year.

This would provide a more dynamic and effective approach to annual self-evaluation, reduce 'survey fatigue' and present further opportunity board member engagement and team building.

2.5 There are also new factors to take into consideration: the first is the document from the SFC on its expectations from Good Governance and the CDN's document in response to that and secondly there is also the recommendation from the external auditors in their annual report that there is a review – post dissolution as follows:

The Strategic Regional Board was dissolved on 30 July 2025. Under the Strategic Regional Board arrangements, South Lanarkshire College officers attended committee meetings. The dissolution provides an opportunity for the college to review and re-assess governance arrangements to ensure these remain appropriate for NCL. There is a risk that committee arrangements are not revised to suit the needs of NCL. **Details of agreed action:** Committee structure will be included in the evaluation for 2026 and this will start in the February / March 2026 Board cycle



2.6 The SFC expectations document places emphasis on external evaluations (calling them Governance Effectiveness Reviews (GERS) as opposed to external evaluations) with the view that at the moment they are focussed on Board Development but that they should also give financial assurances. The SFC sets out the availability of following documents under the OFAM:

- Internal audit reports
- Corporate Governance Statements within the external auditor's annual reports and the Financial Statements
- Annual Reports and accounts meeting the FM and sector good governance
- Governance Effectiveness Reviews

The SFC will now consider the opinions in the external audit reports and monitor the timely response to recommendations. It will enhance contact with the internal and external auditors, look to whistleblowing policies being in place and that there is scrutiny of institutional strategies with consistency of information to Boards. There will also be assessment of the quality of financial oversight exercised by the Finance Committee and the Board. This should be a clear component of the GERS process and revised guidance should highlight this requirement.

2.7 The SFC notes the need for additional guidance on what assurances are required and notes that there is no standard approach to the GERS. On Board who were asked by the SFC to undertake a desk exercise reviewing the GERS have recommended document review, observation of Committees and the Board meetings. A survey or questionnaire, Board Member interviews and a workshop to give Board Member reviews. This is in fact exactly what CDN did in the Lanarkshire Board/NCL external review last year.

2.8 The SFC highlights the need for improved Board Training and CDN have highlighted the training that is available on their website. The SFC will work with CDN and Advance HE on supplemental training on SFC expectations of Board Members.

2.9 There is also reference to the OFAM meetings engaging with institutions about the On Board review findings and at the NCL OFAM meeting the SFC manager stated that governance would be on the agenda for at least one of the four OFAM meetings held with the SFC each year. This may be with Board Members included in future.

3. Proposed Revised Self- Evaluation Format for 2006.

3.1 It is proposed that the framework is adjusted this year as follows:

- **Undertaking the review of the Committees by setting out time in each Committee to go over the last collated return from that committee thus holding a workshop within the committee rather than separately organising another meeting unless there is a need to do this. In other words, the committee will look at what it said collectively the last time and update or amend. There will be an additional section in the questionnaire for the comments from the Chair of the Committee instead of asking them to complete a further questionnaire.**
- **The same approach would be taken for the Board review with an additional section in the questionnaire for the Board Chair to make comment.**
- **The SIM review will stay as usual with a questionnaire sent out to all Board Members and a separate report compiled by the SIM.**
- **The one to ones with the Board Members would be conducted as usual.**
- **An updated Board Development Plan will be produced for the Board.**



3.2 There has already been discussion of the SFC expectations document in the NCL ARC and Audit Scotland were asked if they had been consulted on this requirement for additional financial assurance. It would appear that there hasn't been consultation at this stage. Audit Scotland already undertake a review of Board documentation – Committee and Board Minutes, whistle blowing and other policies, the Register of Interests. There is a Governance Statement in the Financial Statements which has been formatted on Audit Scotland's advice. There are potential approaches to provide the financial assurance that the SFC want (once they have come to a view on what this is) and this could come through the external audit process and be incorporated into the GERS when it is undertaken. For example, this could be in terms of an enhanced governance statement in the accounts or an additional letter from both auditors as part of the annual audit process. This would be provided with the accounts in December and this could then be incorporated into the self- evaluation process in the following board cycle in February March which will be reported to the Board in June. The Code of Good Governance checklist could be reviewed by the Executive Board and also go to the Board in June. The OFAM meeting in March or June could have the Financial Assurances on its agenda and this completes the inclusion of the SRC in the process. This would keep any additional work to a minimum and give an annual review which can then be incorporated to a three or five year cycle with the GERS.

3.3 There should be dialogue with the auditors, the SFC, Colleges Scotland, CDN on the simplest and least burdensome and effective way of getting the assurance required and incorporating this into the accounts/self- evaluation process/

4. Recommendation

4.1 It is recommended that this approach set out at para 3.1 above is trialled for this year and is part of a cyclical approach that would require a full review every third year with an external evaluation every 5th year. It is noted that the SFC may look to a GERS every 3 years – the Good Governance Steering Group will determine this. In this case, there would be a GER very third year with the new follow up arrangements proposed above in years 2 and 3.



Appendix 1 Extract from the Code of Good Governance

D 24 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years. The board should determine the timing for this externally facilitated review as part of the annual effectiveness review. The board is not required to conduct a self-evaluation of its effectiveness in the same year as an externally facilitated evaluation. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.

D.25 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the senior independent member.

D.26 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.

D.27 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.

D.28 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.



Terms of Reference of Audit Committee

1. Membership/Attendance

1. The Committee shall comprise of at least three non-executive Board Members, one of whom will be appointed Chair.
2. Members of the Resources and General Purposes Committee and Finance Committee or anyone with executive authority should not normally be members of the Audit Committee. Where this is unavoidable for mandatory or practical reasons, such members must be in the minority and must not hold the chair of the Audit Committee.
3. The Principal of New College Lanarkshire must not be a member of the committee but should be in attendance. Any other member of the Colleges' Senior Management Teams must not be a member of the Committee though they may be in - attendance at Committee meetings at the discretion of the Committee.
4. The Chair of the NCL Board should not normally be a member of the Audit Committee but may be in attendance.
5. No connected party such as an employee or partner of NCL's solicitors, bankers, auditors, insurers or other professional advisers should be a member of the Committee.
6. The Committee may, if it considers it necessary or desirable, co-opt non-executive members who are not members of the NCL Board but have particular relevant experience or expertise. Such members will not normally be appointed Chair of the Committee and will not have a vote.
7. Members may be excluded from membership of the Committee if (based on objective criteria) their membership is perceived as compromising the Committee's objectivity or independence. Such a decision will require the approval of the NCL Board.
8. The External and Internal Auditors shall be offered the opportunity to hold discussions at least once per year with the Committee without anyone with an executive responsibility being present.
9. The New College Lanarkshire's Internal Auditors will attend meetings as required by the Committee.
10. Individuals may remain members of the Committee for as long as they are Board members.
11. To comply with the Code of Good Governance at least one member of the audit committee should have recent relevant financial or audit experience.

2. Quorum: The quorum for meetings of the Audit Committee shall be three members.

3 Proceedings of the Committee

1. The Committee shall meet not less than three times per year timed to coincide with the planning and reporting cycles of internal and external audit as well as reporting deadlines for meetings of The NCL Board.
2. The external and internal auditors must attend meetings where relevant matters are being discussed. Examples of such matters are planned audit coverage, the audit report on the financial statements and the audit management letter.
3. The Committee has the authority to investigate any matters within its terms of reference.
4. The Governance Professional to The NCL Board will normally act as Secretary of the Committee unless the NCL Board decides that this is inappropriate.



4. Reporting by the Committee

1. The Chair of the Committee will report on every meeting of the Committee to the NCL Board. This will include circulation of committee meeting minutes to NCL Board Members.
2. The Audit Committee will produce an annual report for The NCL Board as detailed in the Financial Memorandum.

5. Duties of the Audit Committee

The Committee shall take the Code of Good Governance into full consideration in its business and shall be responsible for the following matters:

Internal Control

1. To review and advise the NCL Board of the Internal Audit Service's and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness.
2. To review and advise The NCL Board of the Internal Audit Service's and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness. This will be by receipt of reports from the college's senior management and internal and external auditors.
3. To review and advise The NCL Board on the effectiveness of the Risk Management Process within the Regional College and the overall regional risk (including the assigned college risks) as reported to the committee by the Regional Risk Management Group.
4. To review and advise the NCL Board on its compliance with corporate governance requirements and good practice guidance including the Code of Good Governance.

Internal Audit

1. To advise the NCL Board on the selection, appointment or reappointment and remuneration, or removal of the Internal Audit Service (IAS) provider to the college where the service is contracted-out. The responsibility regarding selection of a contracted-out provider may be delegated to an Evaluation Committee
2. To advise the NCL Board on the terms of reference for the IAS.
3. To review the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the NCL Board on these matters
4. To advise the NCL Board of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes



5. To approve the criteria for grading recommendations in assignment reports as proposed by the Head of IAS
6. To review the IAS's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports
7. To consider salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the NCL Board thereof
8. To inform the NCL Board of the Audit Committee's approval of the internal audit service's annual report
9. To ensure establishment of appropriate performance measures and indicators to monitor the effectiveness of the IAS
10. To secure and monitor appropriate liaison and co-ordination between internal and external audit
11. To ensure good communication between the Committee and the Head of IAS
12. To respond appropriately to notification of fraud or other improprieties received from the Head of IAS or other persons.

External Audit

1. To consider NCL's annual financial statements and the external auditor's report prior to submission to the NCL Board by the Finance Committee. The committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter;
2. To review the external auditor's annual Management Letter and monitor management action on the implementation of the agreed recommendations contained therein;
3. To advise the NCL Board of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto;
4. To review the statement of corporate governance;
5. To establish appropriate performance measures and indicators to monitor the effectiveness of the external audit provision;
6. To review the external audit strategy and plan;
7. To hold discussions with external auditors and ensure their attendance at Audit Committee and NCL Board meetings as required;
8. To consider the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advise the NCL Board of any potential conflict of interest;
9. To secure appropriate liaison and co-ordination between external and internal audit.

6. Management Review

1. To receive reports from the Principal of NCL and/or Financial Services Manager in relation to formal Audit Reports and other ad hoc issues as required.
2. To review regularly the action planned, and taken, by NCL's management to remedy any weaknesses in their financial management systems as identified by the External or Internal Auditors.
3. To investigate any matters within the Terms of Reference, to apply the resources which it needs to do so, and to access any information, including obtaining external professional advice and inviting outsiders with relevant experience to attend meetings if necessary.



4. To investigate any matters relevant to the financial viability of NCL.
5. To oversee the operation of risk management within NCL.

7. Effectiveness of the Audit Committee

Assessment of the effectiveness of the Committee will comprise:

1. Self-assessment by the Committee on an annual basis and feedback from the New College Lanarkshire's senior management. The self- assessment will be reported to the NCL Board.
2. The assessment will include checking compliance with the Code of Good Governance.
3. Feedback from Internal and External Auditors

The assessment may be carried out by external consultants through the Governance External Review (GER) process every 3-5 years provided that they are not the provider of the internal or external audit service.



Board self-evaluation 2026

“The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years.”

Extract from the Code of Good Governance for Scotland's Colleges

Committees

Audit and Risk Committee

Against the following background we are seeking the views of the members of the Audit and Risk Committee for the annual self-evaluation exercise for 2026. We propose to do this through discussion at the February meeting of the ARC Committee.

Self-evaluation report 2024

“Responses to the questionnaire for the ARC were very strong; members are happy with the way this committee is chaired and how it operates

Comments include:

What we have done well over the last 12 months:

- We have ensured that the risks on the risk register are fully reflective of what is and isn't within our control, particularly in the financial area.

Developments I would like to see in the next year:

- I would like to see us have more effective close out on audit recommendations to ensure they are all completed on time and do not feature again on follow up internal audit reports.”

External Evaluation Review 2025

“Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and agreed action points.

.....

“The committee structure works well; all committees are effectively led by experienced and skilled Chairs and have an excellent range of skills and experience in the members. All committees have Terms of Reference which are updated and reviewed on a three yearly basis.

Committee Chairs provide feedback to the Board, highlighting any items that might require further discussion by the Board.

There is an appropriate level of trust in the committees to scrutinise and provide assurance to the Board.



There is an effective and mature relationship between the committee members and the senior staff that support the relative committees.

Co-ordination of the work of the committees is done through the Chairs Committee. To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Consideration should be given to the ARC and Finance committees meeting, annually, to discuss issues that are common to the work of both committees.

Management of risk is robust, the Regional Strategic Risk Register is reviewed and updated on a regular basis by the Regional Strategic Risk Management Group and the Audit and Risk Committee. Any changes in the RAG status are highlighted for Board attention.

The Board has effective financial monitoring arrangements in place. However financial sustainability is an ongoing challenge and a concern for the Board and the college in the current financial climate.”

Points the Audit and Risk Committee may wish to consider:

- 1. Was the joint meeting with the Finance Committee useful? Should we continue to do this?**
- 2. How can we continue to develop members’ understanding of the work carried out by the college to enable better understanding of the financial pressures the college and the sector are currently experiencing?**
- 3. Any other points you wish to make with regard to the committee structure currently in place?**
- 4. Are there any other points we should be taking into consideration to ensure that the ARC serves the college’s strategy 2030?**

Lanarkshire Board Development Plan 2025/26

CDN carried out an External Effectiveness Review of the Lanarkshire Board from January 2005 presenting its final report at the 9th June 2025 meeting of the Board.

It was an external effectiveness review of the combined Lanarkshire Board (Regional Strategic Body) and the New College Lanarkshire Board (Regional College) with South Lanarkshire College assigned to the Lanarkshire Board.

The Lanarkshire Board (RSB) was to be dissolved on 31st July 2025 by Scottish Government and New College Lanarkshire (NCL) and South Lanarkshire College (SLC) would then become two distinct Regional Colleges.

CDN noted that the transition from an RSB to a smaller and simpler structure as a Regional College presents a range of opportunities for the New College Lanarkshire (NCL) Board to spend more time on strategic decision making, operate as a team, and continue to innovate and focus on the needs of NCL students.

It was also noted that the transition was being carefully planned and that it will be important to ensure that the Board of NCL has the right number of members with the blend of skills and experience required by the college. This will require succession planning and building the 'new' Board as a team, which should be a priority.

CDN made the following observations:

- This is a strong Board with an excellent range of skills and experience amongst the membership.
- The launch of the NCL Strategy 2030 is an opportunity to harness the enthusiasm and commitment of the Regional College Board around the new strategic plan. Board members have been engaged in the development of the new strategic plan.
- The Board benefits from strong leadership from an experienced and skilled Chair who encourages contribution from all members, builds consensus, and effectively sums up Board discussions and decisions.
- There is a constructive working relationship between the Board and the executive team based on respect and a mutual understanding of each other's roles. This is an engaged and supportive Board.
- Compliance with the Code of Good Governance is monitored and reported to the Board through a compliance checklist which is maintained by the Governance Professional.

Recommendations and Board Development Plan 2025/26

1. Strategic KPIs

- The Board should agree on a set of strategic KPIs to underpin the strategy.
- Members should receive regular reports on progress against the agreed KPIs with a supporting narrative highlighting any variances and executive team interventions.

Comment: There were special meetings of the Board on the 3rd February and 3rd November 2025 to consider Strategy and this will come to the Board for final discussion and approval on the 8th December 2025. KPI's for the strategy will be discussed at the Board meeting.

2. Build the new Board team

- The transition to a smaller regional board and the development of the new strategy presents an opportunity to harness the enthusiasm and commitment of NCL board members around the strategic plan and build the 'new' board team.
- Succession planning is important to ensure the Board, and the committees have the skills and experience required by the 'new' Board.

Comment: There is enthusiasm for the new structure and there is now the capacity to focus solely on NCL issues. There is more time in committee and the Board now that there are no SLC items and papers on the agenda. The Chair has a focus on succession planning and this will be a feature of the next recruitment round in January /February 2026.

3. Student Association Reports to the Board

- As part of the transition to the new structure consideration should be given to moving the Student Report up the Board and committee agendas to be the first item after the minutes and declarations of interest.

Comment: The Student Report has now been moved up the agenda for the CSAO Committee and the Board.

4. Board and Committee Papers

- Board papers can be lengthy; the volume of papers should be kept under review. Board papers would benefit from a brief introduction highlighting the purpose of the paper and the Board action required, for discussion, for noting or for decision.
- Board and committee minutes should be more succinct, referencing the papers presented to the Board or committee, and recording the decisions made and action points.
- Finance committee and Board papers would benefit from greater structure, clarity, and narrative, especially for members who do not have a background in finance or accountancy.

Comment: There are now fewer papers post dissolution and this will be monitored. There is a Board cover sheet and its use will be further promoted with the Executive Board. The Board Minutes are under discussion. It had been agreed at the Finance Committee on the 17th November 2025 that the Finance reports will be reviewed for future meetings.

5. Committees

- Consideration should be given to the ARC and Finance committees meeting, annually, to discuss issues that are common to the work of both committees.
- To avoid any overlap or duplication the Chairs Committee should monitor which reports are submitted to each committee.

Comment: There will be a joint meeting of the ARC and the Finance Committee on the 1st December 2025 to recommend the accounts and financial statements. This is the first joint meeting and this could become a standing arrangement.

6. Board Member Development

- Members would benefit from the opportunity to hear directly from key stakeholders. Consideration should be given to introducing informal stakeholder engagement sessions before Board meetings.
- A key stakeholder mapping exercise would enable members to better understand the wider operating environment and support effective decision making.

Comment: There have been presentations to the strategic board meetings from wbj and CDN as well as presentations to the CSAO. The strategic board day on the 3rd November was held the UWS site in Blantyre with a tour of the facilities by UWS. There will be a presentation to the February 2026 meeting of the CSAO committee. There will be other presentations organised during 2026. There will be a paper on partnerships going to the Board on the 8th December 2025 along with Strategy 2030.

7. Annual Board Self Evaluation

- A more dynamic approach could be considered based on a three-year cycle of evaluation, as detailed above.

Comment: This is under discussion and any impact from the recent SFC paper on expectations of governance is being considered along with the CDN response. There will be further discussion with CDN and with the SFC.

8. Website

- Post dissolution, review the Board section of the college website to add biographies for all members and to ensure that all the governance documentation is up to date.

Comment: The website has been refreshed with some last adjustments still to be made for new photographs etc.

Progress on Previous Plan 2024/25

A number of constructive suggestions were put forward by Board members:

- **To strengthen the Induction programme for new Board members;** Inductions are now held with the Regional Team including the Chair and not just the Board Secretary. Recent inductions have also included other Chairs. Linking in with the new CDN induction approach for Board Members with on-line materials. Campus visits around key meetings.
- **To revise and reintroduce the mentoring/buddying programme;** paper setting out mentoring partners recommended by the Chairs Committee on the 16th May 2024 and approved by the Board on the 10th June 2024.
- **To have Information sessions on:**
 - Partner agencies, their structure and how they interact with colleges; launch of the undergraduate school, special meeting of the Board in February 2024 to consider Forward Plan which includes key strategic partnerships. Updates to committees and the Board throughout the year on key partnerships and projects. Special strategy meetings of the Board on 3rd February 2025 and 3rd November 2025. There were presentations from wbj on risk and CDN on Being a Board Member at the February meeting. At the November meeting there was a session on the training resources on the VDN website including jargon busting and college sector finance.
 - Sector jargon and acronyms; There is a CDN resource on this which Board members can access through the CDN website. CDN is welcoming all college Board Members across Scotland to their on – line induction materials. Copies of jargon Busting and college sector finance given to Board members at the November 2025 strategy meeting.
 - Sector finances and how they are constructed; paper produced by Iain Clark and presented to Finance Committee and the Board. CDN also now have an on-line video on this and Board Members will be referred to this. Training given and copied handed out at the November 2025 meeting and these have been posted to the Board Teams site,
 - Cyber security; presentation to the Board 12th June 2024. There are updates at the RGP Committee.
- Risk appetite; Risk Register is presented to the Board at each meeting. Wbg gave a presentation to the Board on 3rd February 2025. The risk register has been refreshed following dissolution so that it is now NCL only with all risks reviewed.
- **To work with the senior team at NCL to ensure members have sufficient and appropriate information to enable them to participate in discussions at the Board and in committees;** Senior managers are in attendance at all committee and Board meetings to provide support to Board Members. Chairs of Committee and the Board encourage participation in meetings and in the work of the Board. For example, the CSAO has reviewed its format and has agreed to have a theme at each meeting and presentations on the theme.
- **To consider better interaction between the Board Committees on key issues** especially in relation to finance and risk where crossover meetings between the Finance and Audit and Risk Committees could be beneficial; RGP papers on estates, IT, and ICT development are now included on the Finance Committee agenda as standard items. This was reviewed by the Chairs committee on the 24th March 2025 and will be reviewed again through the RGP committee.
- **How to involve more Board members in important matters;** Board Members have attended key events, key meetings with the SFC, participated in key procurements and in recruitment

of key senior officers. There will be a Board Calendar of Events which will facilitate further engagement

- **Having strategy sessions outwith the regular Board meetings** which of necessity are heavily laden with process issues leaving little time for discussion and the generation of new ideas; further to strategy events in 2024 and a familiarisation event there have been two strategy events in 2025 on the 3rd February and on the 3rd November.
- **Closer collaboration between the Lanarkshire colleges and the region's agencies;** there are close links with local agencies in any case but the undergraduate school in particular has forged closer links with UWS and with the local authorities with the participation of schools over this year. There is also the SMART Hub with the University of Strathclyde and North Lanarkshire Council. There has been the recent launch of the Brain Health Hub and this is a partnership with Alzheimer's Scotland and collaboration with NHS Lanarkshire and also with a range of companies through the Learning Swell. A partnership paper will come to the Board on the 8th December 2025.
- **Setting a defined annual meeting date for the Remuneration Committee;** This is an ad hoc committee of the Board. It has met throughout the year to consider a number of issues. The Committee will meet to review a number of issues including the setting of an annual date.
- **To review how papers are presented to the Board and to ensure there is a cover sheet setting out the context with clear direction for the Board on the action needed.** Progress has been made with papers now being posted on Teams and cover sheets being used by senior managers and this will be further promoted and is in the 2025/26 plan.