

Annual Governance Statement

1. Introduction

The Colleges Scotland Board's Audit and Risk Assurance Committee presents its Annual Governance Statement in respect of the period 1st August 2022 to 31st July 2023.

2. Committee Membership

The board members which served on the committee during 2022/23 are noted below:

Board Member	Organisation	Date of Appointment	Date of Termination
Ronnie Smith (Chair)	The Lanarkshire Board	13 January 2022	
Liz Connolly (Vice Chair)	West College Scotland	10 June 2020	
Fiona McQueen	Ayrshire College	9 June 2022	
Ray McCowan	Borders College	9 June 2022	

3. Committee Meetings

The committee met on two occasions during financial year 2022/23. Dates are noted below:

- Wednesday 14 December 2022 (*quorate*)
- Monday 5 June 2023 (*quorate*)

Meetings were attended by members of the executive team and the external auditors as required.

In addition, the committee also considered an updated Risk Register remotely in order to recommended it be presented to the board for approval at its next meeting. Dates when this action took place are noted below:

- Thursday 13 October 2022
- Wednesday 8 March 2023

4. External Audit – Year End 31st July 2023

Financial Statements

Chiene + Tait presented its Audit Summary and Findings Report for the Year Ended 31st July 2023 to the Audit and Risk Assurance Committee on Monday 18 December 2023.

In relation to the Colleges Scotland Financial Statements for the Year Ended 31st July 2023, Chiene + Tait are satisfied with the results of the external audit and, following approval of the Financial Statements by the Trustees and conclusion of any final matters arising, we intend to issue an unqualified opinion.

Opinion on Financial Statements

In our opinion, the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st July 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on Which we are Required to Report by Exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a strategic report.

5. Risk Management

The Audit and Risk Assurance Committee has overall responsibility for Risk Management as set out in its Terms of Reference. The Risk Register is updated by the Chief Executive on at least a quarterly basis and presented as a standing item to each Audit and Risk Assurance Committee meeting and also shared remotely in between meetings to the committee for review, discussion, amendment and approval.

The Risk Register is also a standing agenda item at scheduled quarterly board meetings.

6. Conclusion

The Audit and Risk Assurance Committee believes that Colleges Scotland has effective systems and processes in place regarding risk management, governance and financial control.

It is the Audit and Risk Assurance Committee's opinion that the Financial Statements for the year ended 31st July 2023 present a true and fair view of the state of affairs of Colleges Scotland.

Accordingly, the Audit and Risk Assurance Committee recommends that the board approve the Financial Statements for the year ended 31st July 2023.

Signed:



Ronnie Smith, Chair, Audit and Risk Assurance Committee

Date: 18 December 2023

Non-Disclosure