

Glasgow Kelvin College

External audit progress report 2024/25



Audit progress

Background

1. At the previous meeting of the Audit and Risk Committee (ARC) on 13 May we presented our annual audit plan for 2024/25. The intention with this report is to provide a progress update on the audit.
2. Please note there was an error in the 2024/25 annual audit plan presented to the ARC in May in terms of the audit fee. The plan erroneously listed the 2023/24 audit fee of £64,350, rather than the 2024/25 fee of £65,580. The fee letter reflected the correct amount which the College has applied in its current year budget. The version of the 2024/25 annual audit plan which will be published on the Audit Scotland website will reflect the correct fee.

Financial audit update

3. We commenced our interim audit in April this year, which is earlier than previous years. Our work involved a walkthrough of the key controls in the material financial systems. These being the general ledger, payroll, accounts payable, accounts receivable and banking. While some of this work is still subject to ongoing review, we have not yet identified any significant issues.
4. We also carried out early substantive sample testing on income and expenditure transactions. This work is also still subject to ongoing review, but our initial testing has not found any significant issues. This represents part of our audit of the financial statements.
5. In advance of the financial statements, an Audit Scotland representative also attended a meeting involving all three Glasgow colleges and their appointed actuary. We attend these meetings in an observing capacity. Through this we obtain assurance that management understand and critically assess the pensions' disclosures in the annual report and financial statements.

Current audit progress

6. Overall, the audit remains on track for completion by the end of December as advised in our annual audit plan.

Update on other aspects of Audit Scotland's work

7. During 2025 Glasgow Kelvin College's appointed auditor, Stuart Nugent, has taken on an additional role as college sector lead within Audit Scotland. As part of this new role, Stuart will liaise with Audit Scotland colleagues (including other appointed auditors) on common issues, such as accounting treatment for the job evaluation exercise.
8. In addition, Stuart attended a meeting of the Finance Development Network on 6 June alongside Audit Scotland Executive Director John Cornett. The

purpose was to discuss some of the issues encountered during 2023/24 audit with a look ahead to 2024/25.

9. Both John and Stuart also plan to attend an upcoming meeting of the group on 3 October to discuss the Future Public Audit Model. The Future Public Audit Model will ensure we have a new Code of Audit Practice in place for 2027/28. The model for the annual audit of public bodies is set out in the Code of Audit Practice, which describes what public audit looks like and what the Auditor General and Accounts Commission need auditors to do. The Code of Audit Practice is reviewed every five years to ensure public audit continues to provide an appropriate level of assurance in an ever-changing environment for service delivery and risk.

10. The Auditor General for Scotland will issue a briefing titled 'Scotland's Colleges 2025' on 2 October. This will include a review of college finances based on figures from audited annual reports and financial statements for 2023/24. For information, the Auditor General has also recently issued statutory reports on the 2022/23 audits of [Lews Castle College](#) and [Forth Valley College](#), which may be of wider interest to members.

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