

**Minute of the Audit and Risk Committee
Held by Hybrid Attendance at Ayr Campus
Thursday 10 December 2024**

Present:

Sharon Morrow	Chair
Jane Grant	Vice – Chair
Gillian Longmuir	Non-Executive Board Member
Jason Currie	Non-Executive Board Member
Chris Boyce	Elected EIS-FELA Staff Member

In attendance:

Anne Campbell	Vice Principal, Skills and Enterprise
David Davidson	Vice Principal, People, Performance and Transformation
Hilary Denholm	Board Governance Advisor & Minutes
Brad Johnstone	Director of Digital Infrastructure
Alan Ritchie	Vice Principal, Finance & Infrastructure
Liz Walker	Chief Financial Controller
Stephen Pringle	Wbg – Internal Auditors
Andy Reid	Azets – External Auditors

Private Meeting between the Committee and Auditors prior to the Committee Meeting

In accordance with the Committee’s terms of reference, the Committee held a meeting with Internal and External Auditors without management in attendance. The purpose of this meeting was to provide Auditors with the opportunity to present their views on the organisation and management.

External and Internal Audit both advised that there were no material issues or concerns raised in this regard, and that good collaborative working and quality information had helped achieve the audit plan completion.

The Chair and the Committee members thanked the Auditors for their contribution and welcomed both the positive feedback put forward and level of assurance provided.

1. Welcome and Declarations of Interest

The Chair, Sharon Morrow, welcomed all present to the meeting,

There were no Declarations of Interest presented.

The meeting was confirmed as quorate.

2. Apologies

No Apologies were received.

3. Minutes of the Previous Meeting held on 24 September 2024 (Paper 1) C/P

The minutes were approved as a correct record.

Proposed: Jane Grant **Seconded:** Chris Boyce

ARC Action & Decision Tracker (Paper 1A) (P)

The Committee noted all previous decisions and actions completed.

4. Matters Arising

There were no other outstanding matters arising from the minutes.

6. National Fraud Initiative (Paper 2) (P)

The College continues to participate in the National Fraud Initiative (NFI) as part of the wider assurance / compliance work undertaken by the organisation. L Walker highlighted key points to the Committee, particularly the two additional 2024 checklist questions highlighted in red. Committee members confirmed agreement with the answers to these additional questions.

The Committee noted the update and approved the report.

Decision: ARC46-D01 The Committee approved the National Fraud Initiative report.

8. 2023-24 Freedom of Information Annual Report (Paper 4) (P)

A Campbell introduced Paper 4 as presented which is provided as part of the overall assurance framework and is a “first line” of defence assurance document. The report forms part of the annual suite of reports considered by the Senior Leadership Team and is published externally. The SLT review the report and assess whether there are any areas of concern or work that requires to be undertaken to address areas of concern.

The Committee noted:

- The number of requests received has slightly increased since 2022-23 with an additional 5 EIRs being received. These EIRs were in relation to RAAC being present in our buildings, emissions for business travel, litter volumes and management, and fly tipping incidents and management.
- The College responded to 95% of all requests within the required timescale. Two requests were responded to after the due date, one due to being unable to trace the original request being received, however, was responded to within 1 working day once chaser received and one due to the delay gathering the information for the request.
- The types of requests received do not indicate any emerging risks that require to be addressed.

- The report highlights to the Committee that the College complies with its legislative requirements and does not highlight any issues that require to be addressed.
- There were no appeals received from the Scottish Information Commissioner.

The Committee were requested to note the content of the report and consider whether the Internal Audit Plan required to be reviewed.

Decision: ARC46-D02 The Committee noted the 2023-24 Freedom of Information Annual Report and agreed that the Internal Audit Plan does not require to be reviewed.

9. 2023-24 Complaints Annual Report (Paper 5) (P)

A Campbell introduced Paper 5 as presented which provided an overview of:

- a) Number and nature of complaints received. Complaints increased by 6% from 2022-23
- b) 99% of complaints (2022-23: 97%) were dealt within the required or extended timescale
- c) Top 5 complaints:
 - a. Staff conduct (2023-24: 49 / 2022-23: 55)
 - b. Assessment and exams (2023-24: 13 / 2022-23: 16)
 - c. Application, admissions (2023-24: 12 / 2022-23: 11)
 - d. Student conduct (2023-24: 8 / 2022-23: 6)
 - e. Providing learning support (2023-24: 7 / 2022-23: 1)
- d) A summary of the actions undertaken following complaints (75 actions of which 67 were completed during the reporting period – 89%). The College continues to monitor and complete the outstanding actions.

There was discussion around the increase in complaints could likely be linked to more students now being on campus and awareness raising of the requirement to record any dissatisfaction as a complaint.

The Committee noted:

- The College management team receives quarterly update reports throughout the year allowing it to take effective remedial action where required.
- The report highlights that the College complies with its legislative requirements and does not highlight any issues that require to be addressed.

The Committee were requested to note the content of the report and consider whether the Internal Audit Plan required to be reviewed.

Decision: ARC46-D03 The Committee noted the 2023-24 Complaints Annual Report and agreed that the Internal Audit Plan does not require to be reviewed.

10. Internal Audit (Paper 6) (P)

S Pringle presented three internal audit reports that were part of the 2023-24 year end audit reporting suite.

a) Mandatory review of the SFC Credit (student activity) return

The Committee noted:

- 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.
- The 1 recommendation raised for 2022/23 has been implemented.
- The College's credit target for the academic year 2023/24, agreed between the SFC and the College, was 111,480. The Credits claimed for the year was 111,600, this was over the target.

b) Mandatory review of the awarding and payment of Educational Maintenance Allowance

The Committee noted:

- The Auditors reported that the information set out in the forms tested is in agreement with the underlying records.
- The College used the EMA funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance (EMA) programme.
- The Auditors were satisfied that the systems and controls of the administration and disbursement of these funds are adequate.
- There were no recommendations carried forward from 2022-23 and no further recommendations were made in relation to the 2023-24 EMA payments.

c) Mandatory review of the awarding and payment of Scottish Funding Council (SFC) and Student Awards Agency for Scotland (SAAS) student support funds

The Committee noted:

- The Auditors reported that the information set out in the forms tested was in agreement with the underlying records.
- The College used these funds in accordance with the guidance issued
- There were no recommendations carried forward from 2022-23 and no further recommendations were made in relation to the 2023-24 either SFC or SAAS payments.

The Committee noted the content of the reports and considered the conclusion of the reports when considering the Report and Financial Statements for the year ended 31 July 2024.

The Chair thanked all concerned for the hard work that went into ensuring that these audits were all completed timeously and accurately.

12. Internal Audit Reports (Paper 8) (P)

S Pringle highlighted key points to the Committee from the reports.

The Audit and Risk Committee were requested to consider and note the reports.

a. Payroll

The Committee noted:

- The Auditors provided a Strong level of assurance surrounding the processes in place to manage payroll.
- The Auditors identified 1 low grade recommendation for improvement and 1 observation for consideration.

b. GDPR/FOI

The Committee noted:

- The Auditors provided strong assurance over the controls and systems in place at the College around Data Protection and compliance with GDPR and FOI.
- The Auditors raised several good practice points and 2 observations for consideration.

13. 2023-24 Audit Report to the BOM and Auditor General (Paper 9) (R)

A Reid presented to the Committee a summary of the work conducted by the external auditors, Azets, to confirm the audit of the financial statements and other reports within the annual report and accounts, and the wider-scope audit responsibilities set out in Audit Scotland's Code of Audit Practice.

The Committee was requested to note the content of the Audit Report.

The Committee noted:

- The auditors expect to issue an unqualified opinion.
- The College had good administrative processes in place to prepare the annual accounts and the supporting working papers.
- The finance team have been proactive and provided good support to the audit team.
- The auditors have obtained adequate evidence in relation to the key audit risks identified in their audit plan.
- Treatment of PFI provision is in accordance with contract.
- Job evaluation treatment has been subject to several iterations which were out with the control of the College. The final accounting treatment which is reflected in the College accounts has been agreed upon between all parties.

- The College was required to make an accounting adjustment in regard to job evaluation after submitting accounts to the auditors. This change requires to be noted in the auditor's report.
- The treatment of SFC estate maintenance funding remains a significant risk to the financial sustainability of the College.
 - The auditors identified a material disclosure adjustment to the NPD future commitment note, which has been updated in the final set of financial statements.
 - The auditors identified no significant weaknesses in accounting and internal control systems during their audit.

The Committee noted the content of the Audit Report.

17. 2024-25 Internal Audit Plan Update (Verbal)

S Pringle gave a verbal update on internal audits, assuring the Committee that everything was on track as per the Internal Audit Plan for 2024-25.

21.AOB

There was a discussion around the volume of meeting papers presented to the Committee, the impact on members time, and possibilities of uploading papers earlier than one week prior, especially in regard to the year end papers, and/or adjusting the Committee Workplan, and potential use of AI to assist highlighting the main elements from papers.

There was also initial discussion around holding a joint meeting with the BRI Committee next year to discuss and approve the annual papers required.

It was agreed to discuss these points in more detail at a future meeting.

Date of Next Meeting – Tuesday 18 March 2025, 4pm @ Kilmarnock Campus

P - Papers will be published on the College Website; R - Papers will not be published for reasons of commercial confidentiality or for reasons associated with data protection legislation; C/P - Confirmed minutes will be published on the College Website

RESERVED ITEMS ON THE NEXT PAGE