

**Present:** Alan Walker (Chair)  
Barbara Graham  
Marri Welsh  
Nicki Beveridge  
Alan McGregor

**In attendance:** Michael Breen  
Jane McKie  
Alistair Gordon  
June Northcote (minutes)  
Phil Charles KPMG  
Kirsty Steele Scott-Moncrieff  
Chris Brown Scott-Moncrieff

**1 Welcome and Introductions**

The Chair welcomed everyone to the meeting.

**2 Apologies**

Apologies were received from Committee Member Fiona Fawdry. Apologies were also received from EMT members Jackie Galbraith, Donna Vallance and Board Secretary Brendan Ferguson.

**3 Declarations of Interest**

There were no declarations of interest.

**4 Minute of the Previous Meeting held on 13 September 2016 (*Paper 1*)**

Subject to the completion of one editorial amendment noted for the Secretary, the minutes were approved as a correct record.

Proposed: Barbara Graham  
Seconded: Nicki Beveridge

**5 Matters Arising**

There were no Matters Arising which were not dealt with elsewhere on the agenda.

## 6 2015-16 Financial Statements to July 2016

### 2015-16 Board of Management Reports and Financial Statements (Paper 2)

A Gordon took the Committee through the above paper and related appendices. The following points were noted:

- The figures contained in the above document were approved at the meeting of the Finance Committee held on 31 August 2016.
- External audit fieldwork had now been completed by KPMG and a close out meeting was held on 13 October 2016.
- FRS102 requirements had been incorporated within the financial statements.
- Significant year-end accounting adjustments were included.

KPMG acknowledged the significant challenges involved in preparing the College accounts and commended the College's approach during the audit process this year.

**The Audit Committee recommended approval of the 2015/16 Board of Management Report and Financial Arrangements.**

## 7 2015-16 External Audit Reports

### Annual Report to BOM and Auditor General (KPMG) (Paper 3)

P Charles introduced the above report noting that the external audit went well, commending A Gordon and his team for the quality of their documents and acknowledging that this was a very complex year to prepare annual financial statements. P Charles took members through the report and the following key points were discussed and noted:

- Accounting for the current campuses and in particular the Holehouse Road campus in preparation for the move to the new campus on Hill Street.
- Potential dilapidations and lease arrangements; to be reassessed year-on-year.
- Complex areas in the financial statement such as the requirements under FRS 102.

KPMN also noted that no ongoing concerns required to be raised. A number of questions were asked and satisfactory responses received.

**The Committee recommended approval of the Annual Audit Report by the Board of Management.**

### Letter of Representation (KPMG) (Paper 4)

The Committee noted that this was the standard disclosure letter, confirming that all information had been provided to the external auditors and that they were satisfied that this was the case.

A number of questions were asked and satisfactory responses received.

**The Committee approved the Letter of Representation and recommended to the Board that the Chair and Principal sign it and forward it accordingly.**

## **8 Internal Audit-Scott Moncrieff**

### Internal Audit Annual Report 2015/16 (Paper 5)

Scott-Moncrieff presented their annual report and provided members with a summary of the key points noting their overall audit opinion that *“Ayrshire College has a strong framework of controls in place that provide substantial assurance regarding the effective and efficient achievement of the organisation’s objectives and the management of key risks. Proper arrangements are in place, in the areas we have reviewed, to promote value for money, deliver best value and secure regularity and propriety in the administration and operation of the organisation”.*

**The Committee noted and welcomed the content of the above report and commended all of the staff concerned.**

### AY2015-16 Credits Data Return (Paper 6)

Scott-Moncrieff took members through the audit paper. Questions were asked and satisfactorily answered. Scott Moncrieff confirmed that all certificates had been signed and return to SFC by their due date of 14 October 2016.

**The Committee noted the paper.**

### AY2015-16 Student Support Funds and EMA Audits (Paper 7)

Scott-Moncrieff took members through the audit paper. Questions were asked and satisfactorily answered. Scott Moncrieff confirmed that all certificates for Student support funds had been signed and return to SFC by their due date of 14 October 2016.

**The Committee noted the paper.**

## **9 2015-16 Audit Committee Draft Annual Report (Paper 8)**

A Walker and A Gordon took the Committee through the report, highlighting where changes had been made.

The Committee requested that point 5.1 be revised to reflect the remit more accurately, as undernoted:

*“The Audit Committee has overall responsibility for overseeing the processes for management of risk as set out in its Terms of Reference.”*

**The Committee approved the above annual report for presentation to the Board of Management.**

**10 2015-16 Internal Audit Rolling Action Plan at October 2016 (Paper 9)**

M Breen provided an update of outstanding recommendations in relation to the rolling internal audit action plan. Questions were asked by members and answered.

**The Committee noted this report.**

**11 2016-17 Risk Management**

College Risk Register (V2) at October 2016

M Breen delivered a summary of the Risk Register. The Committee noted that the new format, incorporating risk appetite, had been well received by each of the Committees.

**The Committee approved V2 of the College Risk Register for consideration by the Board.**

New Campus Risk Register (V18) at October 2016

Donna Vallance took the Committee through the New Campus Risk Register. Members expressed their thanks to Donna and her team for their work.

**The Committee noted the above New Campus Risk Register**

**12 Received for Information**

National Fraud Initiative 2016 (*Paper 12*)

Scott Moncrieff Certificates on AY2015-16 Internal Audit Plan (*Paper 13*)

Scott Moncrieff 2016-17 Internal Audit Plan (*Paper 14*)

**Date of Next Meeting:** Date of Next Meeting – Thursday 23 March 2017 in Ayr Campus