

**Minute of the Audit Committee Meeting
Held on Monday 20 March 2017
At the Ayr Campus**



Present: Alan Walker (Chair)
Barbara Graham
Alan McGregor

In attendance: Brendan Ferguson (Board Secretary)
Michael Breen
Jane McKie
Alistair Gordon
Claire Beattie (Scott Moncrieff)
Elizabeth Young (Scott-Moncrieff)

1 Welcome and Introductions

The Chair welcomed everyone to the meeting.

2 Apologies

Apologies were received from Committee Members Nicki Beveridge, Fiona Fawdry and Marri Welsh. Apologies were also received from EMT members Jackie Galbraith and Donna Vallance, and from external auditor's representative John McLeod of Mazars.

3 Declarations of Interest

There were no declarations of interest.

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

The minutes were approved as a correct record.

Proposed: Barbara Graham

Seconded: Alan McGregor

5 Matters Arising

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

6 Chair Report (*Verbal*)

A Walker as Chair reported that he had attended an Auditors Workshop organised by the Scottish Government. Several important issues had emerged:

- Challenges raised by the audit function with the accountable officers in Government; e.g. lack of funding support for the FE sector allied to the lack

of availability of future funding information, which seriously constrains strategic planning. A Walker added that he had directed a number of questions in this respect to Scottish Government and Audit Scotland Officers present, but no answers were provided.

- A major question raised was in relation to Cyber Attacks and Cyber Fraud and the need for regular risk assessments in this respect for inclusion in corporate risk registers.

The Committee noted the above report with interest.

It was agreed that Brad Johnstone, Head of IT Services, would be invited to the next meeting to present on the College systems and strategies to present and mitigate threats from cyber-attacks.

7 Internal Audit Report 2016/17 – Final Budget Setting (Paper 2)

C Beattie (Scott-Moncrieff) took the Committee through Paper 2 as written.

A number of questions were asked and satisfactory responses provided. Considerable discussion centred around the issue of financial planning, as raised in the above report, in an environment in which future funding projections are not provided by SFC and in which there exists considerable fiscal uncertainties. The uncertainties include the outcomes of National Bargaining, its affordability and the level of Scottish Government support to be provided; and the possibility of future cuts in funding by the Scottish Government. It was agreed that this was a matter to be remitted to the Finance Committee for consideration.

The Committee noted and welcomed the positive nature of the above internal audit report.

The Committee agreed that the matter of financial planning, as raised in the above report, be remitted to the Finance Committee for consideration.

8 Updated 2016/17 Internal Audit Programme (Paper 3)

E Young introduced the above paper and members agreed the proposal to move the internal audit assignment in relation to Business Continuity Planning to 2017/18.

The Committee noted Paper 3 and approved the proposal to defer Business Continuity Planning to 2017/18.

9 2016/17 Internal Audit Rolling Action Plan at February 2017 (Paper 4)

M Breen introduced the above standing report for consideration. Several questions were asked and satisfactory responses received.

The Committee noted the content of Paper 4.

10 Corporate Risk Register (V3) at February 2017 (Paper 5)

A Gordon took the Committee through each section of the Corporate Risk Register, reminding the Committee in the process that, with the exception of the Board which had not yet met, each individual risk section had been considered and approved by its host Committee. A discussion ensued during which a number of questions were asked and satisfactory responses received.

The Corporate Risk Register (V3) was noted and approved by the Committee

11 New Campus Risk Register (V19) at February 2017 (Paper 6)

M Breen took the Committee through the New Campus Risk Register as presented and noted that this document had now reached the end of its existence. At their last meeting, the Estates and New Campus Development Committee had agreed that any risks that remained when the risk register closed would transfer to the Corporate Risk Register.

The Committee noted the New Campus Risk Register

12 National Fraud Initiative 2016 (Verbal Report)

A Gordon verbally reported that this was the first time that Ayrshire College had been included in the National Fraud Initiative, an explanation of which was contained in Paper 12 received by the previous meeting of the Committee. A Gordon added that no significant issues had currently been identified as part of the progress of the initiative at the College.

Date of Next Meeting: Date of Next Meeting – Thursday 15 June 2017 at the Kilwinning Campus.