

**Minute of the Audit Committee Meeting
Held on Monday 18 June 2018
at the Ayr Campus**



Present: Alan Walker (Chair)
Gordon James
Fiona Fawdry
Barbara Graham
Alan McGregor
Marri Welsh

In attendance: Brendan Ferguson (Board Secretary)
Michael Breen
James Thomson
Chris Brown (Scott – Moncrieff – Internal Auditors)
Joanne Buchanan (Mazars – External Auditor)
Lucy Nutley (Mazars – External Auditors)
Clair Stevenson (Scott Moncrieff – Internal Auditors)

1 Welcome and Introductions

The Chair welcomed everyone to the meeting.

2 Apologies

Apologies were received from EMT members Jackie Galbraith, Jane McKie and Donna Vallance.

3 Declarations of Interest

There were no declarations of interest.

4 Minutes of the Previous Meeting held on 20 March 2018 (Paper 1) P

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 by the agenda

6 **Action Tracker (Paper 1A)**

The Chair queried progress on Item 4 of the Action Tracker, the matter of monitoring reports for the cascading of risk management down through the management structure of the College. M Breen confirmed that the first monitoring reports would be received internally within the College for the start of the 2018/19 Academic year. This item was now noted as complete.

The Committee noted Paper 1A

7 **2017-18 Internal Audit Reports:**

- **Key Financial Systems (Paper 2) P**

C Brown, on behalf of Scott-Moncrief, introduced the above report, noting that a new system (I-Trent), had recently been implemented within the College. The auditors considered the system to be well designed and well controlled by the College. No major issues were identified, but a few recommendations were made, designed to tighten up some procedures.

The Committee noted and welcomed the above report and the observations made. During the discussion that followed, it was noted that all of the recommendations contained within the report had already been enacted.

The Committee approved the Key Financial Systems report and were pleased to note that all of the recommendations had already been enacted.

- **SFC Returns (Paper 3) P**

C Brown introduced the annual SFC Returns Report and confirmed that no issues had been identified during the course of the audit work completed.

The Committee approved the SFC Returns report.

- **Student Services (Learning Resources and Technologies) (Paper 4) P**

C Brown, introduced Student Services Report and stated that the Learning Resources and Technologies team had developed an e-learning strategy to drive improvements in learning resources. In addition, the College seeks regular student feedback on the technology available and communicates the actions taken to rectify any issues identified, C Brown concluded by stating that the auditors gained assurance that good practice was reflected in this area, and only three low level risks had been identified.

The Committee considered the above report to be an excellent endorsement of the work being undertaken within this area, with only minor improvements having been identified during the course of the audit.

The Committee approved the Student Services (Learning Resources and Technologies) report.

- **Summary of 2017-18 Internal Audit Progress (Paper 5) P**

C Brown introduced the above Progress Report and noted that all scheduled 2017-18 internal audits had now been completed, with the exception of Estates Strategy which, the Committee had agreed at its previous meeting, would be re-scheduled to take place in 2019-20.

The Committee noted and welcomed the above report, but felt that it should include within it the minute of the decision to reschedule the Estates Strategy audit, which contained the rationale for that decision for any future reference.

The Committee approved the above report subject to the inclusion of the minute of the last meeting of the Committee in relation to the decision to reschedule the Estates Strategy Internal Audit to 2018-19.

8 External Audit Strategy Review and Plan for 12 Months Ending July 2018: Presented by Mazars (Paper 6) P

L Nutley and J Buchanan, on behalf of Mazars, took the Committee through Paper 6.

The Committee noted in discussion that, under Section 5, the following would be reviewed under Financial Sustainability

- The risk associated with the ongoing matter of the Kilwinning Campus PFI payment. Although Mazars noted that support for the PFI payment had been provided for 2018-19, the matter of sustainable funding support being provided by SFC beyond that year remained open.
- The risk associated with the impact of the outcomes of National Bargaining, and how the College had managed any shortfalls in terms of funding provision to meet these outcome requirements.

The Committee approved the plan as set out in Paper 6.

9 2017-18 Internal Audit Rolling Action Plan at 15 May 2018 (Paper 7) P

M Breen introduced Paper 7 and apologised for an arithmetical error in the table within the originally circulated paper. That error had now been corrected and all actions were on target for completion.

The Committee noted and approved Paper 7.

10 Date of Next Meeting – Tuesday 18 September 2018 in 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

A/P - Already published on the College Website

C/P - Confirmed minutes will be published on the College Website

Reserved Items on the next Page