

**Present:** Gordon James (Chair) *(Paper 13)*  
Margarette Bryan  
Fiona Fawdry  
Scott Keir  
Hazel Murphy (Vice Chair)

**In attendance:** Brendan Ferguson (Board Secretary)  
Ellie Onions (Exec. Asst. Board Office)  
Michael Breen (Vice Principal)  
Jane McKie (Vice Principal)  
James Thomson (Director, Finance and Skills)  
Joanne Buchanan (Mazars – External Auditors)  
Claire Robertson (BDO – Internal Auditors)  
Andrew O'Donnell (BDO – Internal Auditors)

## **1 Welcome and Introductions**

The Chair welcomed everyone to the meeting and in particular new Board Members Scott Keir and Hazel Murphy. The Chair added that as agreed by the Board, H Murphy would immediately assume the role of Vice Chair of the Audit Committee.

The Chair thanked Alan Walker for his previous role as Chair of Audit and also welcomed Claire Robertson and Andrew O'Donnell to their first meeting of the Committee, representing newly appointed internal auditors BDO LLP.

## **2 Apologies**

Apologies were received from Steven Wallace.

## **3 Declarations of Interest**

There were no declarations of interest.

## **4 Minutes of the Previous Meeting held on 18 June 2018 *(Paper 1) P***

The minutes were approved as a correct record.

Proposed: Fiona Fawdry.

Seconded: Gordon James.

## **5 Matters Arising**

There were no matters arising which were not dealt with by the agenda

## **6 Audit Committee terms of Reference and 2018-19 Workplan (Paper 2) P**

The Board Secretary introduced the Committee's Terms of Reference (ToR), explaining that the ToR were presented annually to the first meetings of committees in each new academic year. Members were invited to consider the ToR and, where appropriate, suggest updates/amendments. The workplan was presented to inform the Committee of the work to be undertaken and at which meetings over the coming academic year reports will be presented to. The workplans could from time to time be varied to meet the exigencies of the Scottish Government/SFC and the College.

It was noted during discussion that the Committee Chair and Vice-Chair were appointed by the Board

**It was agreed to recommend to the Board the following update to the Committee's Terms of Reference:**

**The receipt, consideration and approval of the Ayrshire College Business Continuity Plan be an annual requirement of Committee business at the first meeting of each session.**

## **7 Presentation by BDO**

BDO, as newly appointed Internal Auditors made a short presentation to the Committee within which they set out corporate information on BDO LLP, audit background and experience and how the company intended to carry out its internal audit role within Ayrshire College.

**The Committee noted the presentation.**

## **8 Annual Internal Audit Plan 2018-19 & Proposed Internal Audit Strategy 2018-21 (Paper 3) P**

C Robertson (BDO) presented Paper 3 explaining the rationale for the proposed internal audit strategy and assignment areas.

The Chair asked whether there was any flexibility in the number of days set aside for each internal audit. C Robertson replied that there would be some flexibility within the time allocation for the individual audits. M Breen reminded Members that the Audit Committee if required could request further internal audit assignments to be completed over and above any agreed annual plan.

In response to a question, the Chair replied that the approach to the Student Experience/Curriculum Review internal audit, and how it would relate to workforce and financial planning, remained to be agreed.

Following discussion, it was agreed that the Chair would speak with the Chair of the Learning & Teaching Committee (LTC) about LTC ownership of the Student Experience/Curriculum Review.

It was further agreed that the Staff Recruitment and Retention internal audit be brought forward in the light of the current position as reflected in risk BRIC7 within the Corporate Risk Register. The Committee also agreed that the Commercial Income Generating Programmes internal audit would be completed put back to quarter four of 2018-19.

Subject to the above, the Internal Audit Plan 2018-19 and Internal Audit Strategy 2018-21 were approved.

**9 September 2018 External Audit Progress Report from Mazars (Paper 4) P**

J Buchanan (Mazars) introduced Paper 4 and stated that interim testing had been completed and the audit timescales were currently being finalised. J Buchanan confirmed that the audit was progressing as expected, that there were no new risks to date or matters requiring to be brought to the attention of Members. J Buchanan highlighted that final fieldwork would commence on 22 October 2018.

**The Committee noted and approved the above progress report as at September 2018.**

**10 Business Continuity Plan (BCP) (V3) at August 2018 (Paper 5) P**

J Thomson introduced Paper 5 and stated that the BCP had been updated in the light of operational experience and, in particular, the relatively recent bomb alert at the Kilmarnock Campus and the snow days occasioned by the severe weather earlier in the year.

During the discussion that followed the Committee clarified that the BCP could be readily retrieved in the event of a failure at any campus. The Committee also clarified that the complexities of the roles and responsibilities of the different staff involved in a business continuity response were clearly laid out and understood.

In response to a question, J Thomson confirmed that desk based exercises and live drills were held on each campus and that the ongoing monitoring and development of the effectiveness of the BCP was not considered solely on the basis of actual operational experience.

**The Committee agreed that an Executive Summary be included at the beginning of the BCP, which included the Business Continuity Risks identified together with their level.**

**The Committee approved the Business Continuity Plan (V3)**

**11 Internal Audit Rolling Action Plan as at 17 August 2018 (Paper 6) P**

The Committee noted from Paper 6 that of 11 points identified during the period, nine had been actioned in period. The two remaining points were adequately explained in Paper 6.

**The Committee noted the content of Paper 6.**

**12 Received For Information.**

**Scotland's Colleges 2018 – Audit Scotland Report (Paper 8) P**

**13 Date of Next Meeting – Tuesday 27 November 2018 in Kilwinning 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**

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