Minute of the Audit Committee Meeting
Held on Tuesday 11 June 2018
At the Kilwinning Campus

Present:	Gordon James (Chair)
	Margarette Bryan
	Hazel Murphy (Vice Chair)
	Steven Wallace
In attendance:	Brendan Ferguson (Board Secretary)
	Michael Breen (Vice Principal, Finance and Skills)
	Yvonne Melvin (Board Office)
	James Thomson (Director of Finance and Student Funding)
	Joanne Buchanan (Mazars – External Auditors)
	Suzie Graham (Mazars – External Auditors)
	Claire Robertson (BDO – Internal Auditors)

1 Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting. There were no declarations of interest.

2 Apologies

Apologies were received from Committee Member Fiona Fawdry and from Strategic Leadership Team Members Anne Campbell and Jane McKie.

3 Minutes of the Previous Meeting held on 19 March 2019 *(Paper 1)* C/P

The minutes were approved as a correct record.

Proposed: Hazel Murphy
Seconded: Margarette Bryan

4 Matters Arising and Action Tracker *(Paper 1A)*

Page 10, Item 10: to bring to this Committee *a brief summary of any GDPR issues that arise* be added to the Action Tracker for future meetings

Action Tracker Item 9 – Rec. ref 2 of the IT internal Audit Report was not accepted because of the implications for vulnerable students were they to be inadvertently locked out of their College Account. Rather secondary protocols were in place to ensure sensitive areas such as Finance, Admincontrol, etc were protected. Further cognisance of this matter would be taken as part of future upgrades.

Action: Completed

Action Tracker Item 10 – Following further discussion it was now considered that, as the Organisational Review was ongoing, 2019-20 would be the most appropriate time to hold the Internal Audit of Income Generation, including the Flexible Workforce Development Fund.

Action: Completed

5   **2018-19 Internal Audit Report: Infrastructure Report** *(Paper 2) (P)*

C Robertson (BDO) introduced Paper 2 and took the Committee through the report and its findings as set out in the paper. M Breen acknowledged the Report's findings and stated that while the College does have a record of accomplishment of effective project delivery, as evidenced by the works completed over the last few years; this had not been clearly set down in terms of paperwork. A formally documented project management framework and methodology in line with best practice would be in place by the start of the new academic session 2019-20.

The Committee noted and agreed the responses from the College to the recommended improvements set out in Paper 2. The Committee also asked that the Report acknowledge the role played by the Business, Resources and Infrastructure Committee (BRIC) and the Board in approving Project proposals, and in monitoring the progress of projects throughout the quarterly Board and committee cycles. The Report, as read, appeared to indicate that project approval lay solely with the Principal, when that was demonstrably not the case. The Report also appeared to indicate that no overarching project monitoring existed. A simple examination of the BRIC and Board minutes would reveal that monitoring does currently exist, but that had not been acknowledged. It was agreed that M Breen would liaise with BDO in revising the wording appropriately.

During discussion, S Wallace raised a question over the recommended use of Prince 2 as a Project Management methodology. It was considered that while Prince 2 was an effective operational framework, it was not necessarily the most cost effective or the most appropriate for the College to use. It was agreed that the approach to be adopted was a matter for College Management to decide, and should not be dictated by the name of a provider contained within the Report.

Paper 2 and the Management Responses were approved, subject to the following caveats:

- **The text of the Report be revised to acknowledge the roles played by the Business, Resources and Infrastructure Committee and the Board of Management in project approval and monitoring.**
- **The choice of project management framework and methodology lie with College Management.**

Action: M Breen liaise with BDO in revising the text of the above report in line with the above discussion.

6   **Summary of 2018-19 Internal Audit Progress** *(Paper 3) (P)*

C Robertson introduced the above. The Chair acknowledged the content was in line with the agreed 2018-19 Internal Audit Plan as approved by the Committee.

The Committee noted and approved the content of the above Report.

7   **Draft Internal Audit Plan 2019-20** *(Paper 4) (P)*

C Robertson introduced Paper 4 as presented and confirmed that the inclusion of Commercial Income Generating Programmes in 2019-20 would increase the total number of days to 53, the additional 5 days being carried over from 2018-19.

The Chair confirmed that following discussion with the Chair of the Learning and Teaching Committee, the Student Experience/Curriculum Review would include:

- 2019-20 – Schools and Community Provision
- 2020-21 – Curriculum Planning

The Committee noted and approved Paper 4, with the inclusion of Commercial Income Generating Programmes, as the Internal Audit Plan 2019-20.

8   **2018-19 Internal Audit Report: Final SFC Return** *(Paper 5) (P)*

C Robertson introduced Paper 5 and confirmed that there were no findings of a medium or significance and no recommendations within the report.

The Committee noted and welcomed the above report.

9   **External Audit Strategy Memorandum: Year Ending 31 July 2019 (***Paper 6) (P)*

J Buchanan (Mazars) took the Committee through the Audit Strategy Memorandum. The Memorandum summarised the external audit approach, set out details of the Audit Team, highlighted significant areas of audit risk and areas of key judgements. These included ensuring that all SFC regulations and requirements in relation to Voluntary Severance costs had been met, and the preparation and submission of the FFR and Financial Sustainability Plan.

The External Audit Strategy Memorandum including fees and reports were approved by the Committee.

10   **2018-19 Internal Audit Rolling Action Plan at 8 May 2019** *(Paper 7)*

J Thomson introduced Paper 7. The Committee noted that the two audit actions identified had been completed and documented.

The Committee noted the content of Paper 7

11   AOB

Following a discussion at the Business Resources and Infrastructure Committee, it was agreed by the Audit Committee that a training/refresher session on Risk Appetite, using FFR as the exemplar, be conducted at the scheduled November 7 Board Development Day.

10   Date of Next Meeting – Tuesday 17 September 2019 at 4pm in the 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.