

**Minute of the Board of Management Meeting
Held at Ayr Campus, Room G93
On Thursday 12 December 2019**

Present: Willie Mackie (Chair)
Elaine Anderson
Margarette Bryan
Scott Cooley
Steve Graham
Christopher Hall
Lauren Howieson
Jack McCrindle
Fiona McQueen
Michael Stewart
Alison Sutherland
Carol Turnbull
Steven Wallace

In attendance: Brendan Ferguson (Board Secretary)
Yvonne Melvin (Executive Assistant)
Michael Breen
Jane McKie
James Thomson

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 Board Members Fiona Blain, Gordon James, Mary McClung, Hazel Murphy and Alan Walker and from Executive Leadership Team member Anne Campbell.

3 Minutes of the Previous Meeting held on 26 September 2019 (Paper 1) (P)

The minutes of the meeting held on 26 September 2019 were approved as a correct record.

Proposed: S Graham; Seconded: M Stewart.

Board of Management Action Tracker (Paper 1A) (P)

The following was noted in relation to the content of the Action Tracker:

Action 11 – This Action had now been completed.

Action 19 – This Action will remain In Progress.

4 Matters Arising

Item 15, page 6; The College's 5-Year Financial Forecast Return was submitted to SFC as per the agreement of the Board at their meeting on 26 September 2019. A response had been received from SFC outlining adjustments to the Return. A follow-up meeting between ELT and SFC would be organised for January 2020 and a future update would be provided to the Board.

5 Student Association Report (Paper 2) (P)

J McCrindle took members through the Student Association Report, highlighting various aspects of the report to the Board. L Howieson noted that the Reclaim the Night march took place on Thursday 28 November, with approximately 30 participants taking part, including representatives from Women's Aid and the STAR Centre.

Further discussions took place and a number of questions were asked and satisfactory responses provided.

The Board noted and welcomed the above Report.

6 Chair's Report

The Chair reported on the following matters that had occurred since the previous meeting of the Board:

- Feedback received on the external Board meeting at Spirit Aerosystems on Thursday 26 September had been very positive. It was proposed and agreed that, in future, one Board meeting per academic year would be held externally of the College.
- Four Ayrshire College Graduation Ceremonies had been held in October and November. The Chair had attended three of the four events, unfortunately missing the Kilmarnock campus ceremony due to ill health. All ceremonies were well attended and positive feedback had been received on the introduction of Fellowship Awards. The Chair commended the Student Association on the excellent delivery of the Vote of Thanks and thanked Shelagh McLachlan and the Marketing Team for their hard work in the preparation of the ceremonies.
- A number of meetings with Ayrshire elected representatives had been held during the period. These meetings would continue in the New Year.
- Along with the Principal, the Chair had attended the Colleges Scotland Board meeting on Thursday 31 October. The Chair advised the Board that Colleges Scotland would shortly be undertaking a review of their articles of governance.
- South Lanarkshire College had announced the appointment of Aileen McKechnie as their new Principal. Ms McKechnie currently held the post of Director of Advanced Learning and Science within the Scottish Government, in which she led in the development of national policy in relation to tertiary

education and student support systems. Ms McKechnie would take up her new role with effect from March 2020.

- The Deputy First Minister had expressed an intention to visit the College in the New Year and a date was in the process of being arranged.

Action: An externally held Board Meeting, at locations conducive with Board Stakeholders, be incorporated annually into the Schedule of Meetings from 2020-21.

7 Statutory Financial Statements 2018-19 (Paper 4) (P)

The Chair reminded members of the importance of the Statutory Financial Statements as the College's final accounts for academic year 2018-19. The Chair added that as G James and H Murphy, as Chair and Vice Chair respectively of the Audit Committee, had provided apologies for this meeting, M Breen would introduce those items below considered and recommended to the Board for approval by the Audit Committee.

The Chair further noted that all Papers contained within the 2018-19 Statutory Financial Statements had been presented to, agreed and recommended for approval by the Business Resource and Infrastructure Committee (BRIC) and Audit Committee respectively.

M Breen introduced Paper 4. The main Financial Statements comprising the Statement of Comprehensive Income, Statement on Changes in Reserves, Balance and Cash Flow Statement, including detailed notes, were set out in Paper 4.1 from Page 35 onwards and were considered and approved by BRIC on 19 November 2019. The Board of Management Report and Financial Statements were considered by the Audit Committee on 26 November 2019. The Audit Committee had recommended these for approval by the Board of Management.

- **2018-19 Annual Financial Statements (Paper 4.1) (P)**

S Wallace, as Chair of BRIC, introduced Paper 4.1 and advised that the statements had been fully considered by the Committee and that a full discussion had been held at the meeting on 19 November 2019. The Committee had concluded that the figures contained within the Paper were in line with the Management Accounts reporting position also received by the Committee and had commended the Annual Financial Statements to the Audit Committee for consideration prior to being presented to the Board.

M Breen confirmed that the Audit Committee had considered the full financial statements at its meeting on 26 November 2019 and had recommended Paper 4.1 to the Board for approval.

- **Annual Report to the Board of Management and Auditor General (Paper 4.2) (P)**

M Breen introduced Paper 4.2, stating that the Report had been considered by the Audit Committee and had been recommended to the Board for approval.

The Board welcomed the statements contained within the Annual Report to the Board and Auditor General and prepared by external auditors, Mazars. The Board was pleased to note the unqualified opinions provided by the auditors.

- **Letter of Representation** (*Paper 4.3*) (*P*)

M Breen introduced Paper 4.3 and confirmed that the Audit Committee had recommended the Letter of Representation to the Board for approval.

- **BDO Internal Audit Annual Report** (*Paper 4.4*) (*P*)

M Breen introduced Paper 4.4 and reminded the Board that this was the first Internal Audit Annual Report provided by BDO for the College. It had been considered by and approved by the Audit Committee. The Board noted and welcomed the Internal Audit Annual Report.

- **2018-19 Audit Committee Annual Report** (*Paper 4.5*) (*P*)

M Breen introduced Paper 4.5, stating that this Report was a summary of the Audit Committee's activities during 2018-19. This included the audit activity presented in the previous papers in which the opinions of both the external and internal Auditors were captured. M Breen confirmed that the Report had been approved by the Audit Committee at its meeting on 26 November 2019.

The Board noted and welcomed the Audit Committee Annual Report.

The Board approved the above Statutory Financial Statements, being Papers 4.1 to 4.5 inclusive, and for signature as appropriate.

8 2018-19 Health, Safety and Wellbeing Annual Report (*Paper 5*) (*P*)

S Wallace, in his capacity as Chair of BRIC, introduced Paper 5 and advised members the Paper had been subject to a robust discussion by the Committee at their meeting in November. S Wallace confirmed that the Paper had subsequently been approved by BRIC, subject to certain actions, including in relation to benchmarking, and had been commended to the Board for approval.

The 2018-19 Health, Safety and Wellbeing Annual Report was approved by the Board.

9 Annual Procurement Report (*Paper 6*) (*P*)

S Wallace, as Chair of BRIC, introduced Paper 6, advising members that the Paper had been discussed by the Committee at their meeting in November. S Wallace confirmed that the Paper had subsequently been approved by BRIC and had been commended to the Board for approval.

The Annual Procurement Report was approved by the Board.

10 **Universal Credit and its Impact on Vulnerable Learners** (*Paper 7*) (*P*)

F McQueen, as Chair of the Learning and Teaching Committee (LTC), introduced Paper 7. F McQueen advised members that the Paper and the issues it highlighted had been the subject of a full discussion by LTC. The Board noted that LTC had raised concerns over the impact Universal credit was having on students' mental health and wellbeing, learning ability and the potential for consequent early withdrawal. F McQueen added that the College was seeking to implement a number of initiatives designed to ameliorate the impact that Universal credit was having on some of the College's more vulnerable students. Included within these initiatives was the availability of porridge at breakfast and soup at lunchtime to all registered students free of charge.

The Board discussed the issues raised by this paper at length during which a number of questions were asked and responses received. C Turnbull confirmed that the College was planning to open the Kilmarnock campus from 11.30am to 2.30pm on Monday 30 December to provide students and their families with a festive lunch. College staff had responded very positively to this initiative and volunteers had been confirmed to provide support on the day. In addition, various cash/food voucher donation points have been allocated on each campus and the response to date had been very generous.

C Turnbull continued that she would like to reflect on how the College could best use this paper to raise awareness of the Scottish Government as to how poverty was affecting the ability of some students to study, to stay on their courses and to achieve success.

The Board noted Paper 7 and regretted the impact that the roll out of this benefit legislation was having on some of the most vulnerable students registered with the College. The Board commended the College's actions on mitigating the potential impact and looked forward to receiving further updates on the progress being made.

The Board further commended the College on its intention to make use of Paper 7 to raise the awareness of the Scottish Government to the issues raised in the Paper, and noted the intention of the Deputy First Minister to visit the College in the New Year.

11 **Externally Facilitated Board Effectiveness Review** (*Paper 8*) (*P*)

B Ferguson introduced Paper 8 and highlighted a number of aspects for information. The Addendum to Paper 8 was then highlighted to members, in particular the decision by SFC to extend the end date to December 2020.

It was proposed and agreed that the Board undertake the review in autumn 2020. This would ensure that new board members had the opportunity to gain experience of at least one year before being asked to contribute to this event, and also to avoid holding the externally facilitated review in the same academic year as the Internal Audit Review of Corporate Governance. It was further agreed that the Chair and the Principal, in discussion with the Board Secretary, be responsible for the appointment of an appropriate External Facilitator on behalf of the Board. The Board noted that the appointment of an external

facilitator may be subject to tendering and that the Board Secretary should meet with M Breen to discuss this further.

The Board noted Paper 8 and agreed that the Externally Facilitated Effectiveness Review be scheduled to take place in autumn 2020.

Action: The Chair, the Principal and the Board Secretary identify an appropriate External Facilitator for the Externally Facilitated Board Effectiveness Review in autumn 2020.

Action: B Ferguson and M Breen to further discuss the potential requirement for the College's tendering process to be used in identifying an appropriate External Facilitator.

12 College Sector Brexit Response (Paper 9) (P)

C Turnbull introduced Paper 9 to the Board for information. It was noted that an EU Exit Action Plan for the College had been prepared in line with Scottish Government requirements and that this was currently being maintained and updated by the College Senior Leadership Team. Further discussion took place and a number of questions of clarification answered.

The Board noted Paper 9 and looked forward to receiving future updates.

13 2019-20 Ayrshire College Corporate Risk Register (V2) at November 2019 (Paper 10) (R)

J Thomson introduced the Risk Register, as approved by the respective Committees and finally the Audit Committee, and set out where individual risk levels had moved from previous assessments. The Audit Committee, having fully considered Risk Register (V2), was content that it was an accurate representation of the current Risk position of the College and had commended it to the Board.

The Board considered the Risk Register (V2) as presented and agreed that it presented an accurate reflection of the current Risk position of the College.

The Chair reminded members that a Risk Appetite review session had been organised as part of the Board Development Day scheduled to take place on 30 January 2020 and encouraged members to attend.

The Board approved the 2019-20 Ayrshire College Corporate Risk Register (V2) as at November 2019.

14 Brexit Risk Register (V2) at November 2019 (Paper 11) (R)

J Thomson introduced the Brexit Risk Register (V2), as approved by the Audit Committee. The Audit Committee, having fully considered Paper 11, was content that it was an accurate representation of the current Risk and had commended it to the Board.

The Board considered the Brexit Risk Register (V2). A number of questions were asked including why this document should be maintained separately from the Corporate Risk Register. M Breen replied that while this represented a corporate risk, the situation was currently fluid and subject to change. As such and in order to ensure a rapid response to any changes in the environment, it was felt appropriate to maintain this as a separate document at this time. This question had been considered by the Audit Committee who had agreed with this rationale. The Board noted and agreed this position.

The Board approved the Brexit Risk Register (V2) as at November 2019.

15 Committee Chairs' Reports

The Committee Chairs provided verbal reports on the matters considered by the Committees since the last meeting of the Board and not already dealt with under the agenda for this meeting. In the absence of G James and H Murphy, as Chair and Vice-Chair of Audit respectively, M Breen provided the Committee Chair's Report on behalf of the Audit Committee. The confirmed minutes of these meetings would be received by the Board at its next meeting.

All of the Chairs reports were noted by the Board.

16 Confirmed Standing Committee Minutes.

The following confirmed Standing Committee Minutes were received by the Board.

- **Learning and Teaching Committee 5 September 2019** (*Paper 12*) (*P*)
- **Business, Resources & Infrastructure Committee 10 September 2019** (*Paper 13*) (*P*)
- **Audit Committee 17 September 2019** (*Paper 14*) (*P*)

17 Date of Next Meeting: Thursday 26 March 2020 at 4pm in the Kilmarnock Campus.

Received for Information

19 FOI – Key facts sheet and Annual Report (*Paper 15*) (*P*)

20 Complaints – Key facts sheet and Annual Report (*Paper 16*) (*P*)

J McKie noted that Paper 16 was not reported to BRIC at their meeting in November 2019 due to issues with timing and would be presented at a future Committee meeting.

21 Colleges Scotland Submission to the Scottish Government Spending Review 2020-21 – 2022-23 (Paper 17) (P)

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

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

Reserved Items on Next Page