

**Meeting of the Business, Resources and Infrastructure Committee  
To be held on Tuesday 03 June 2025 at 4.00pm  
by Hybrid Attendance at Kilmarnock Campus and via Microsoft Teams**

## AGENDA

- |   |   |  |               |
|---|---|--|---------------|
| 1 | Welcome and Declarations of Interest      |  |               |
| 2 | Apologies                                 |  |               |
| 3 | Minutes of the meeting held 11 March 2025 |  | Paper 1 (C/P) |
|   | • BRIC Action & Decision Tracker          |  | Paper 1a (P)  |
| 4 | Matters Arising                           |  |               |

**Part A - For Discussion, Decision and Approval** *papers must be accompanied by an EqIA where required*

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|---|--|--|----------------------|
| 5 | 2025-26 Budget (17)                                    |  | Paper 2 (R) (ARi/LW) |
| 6 | 2024-25 Financial Governance Compliance Report (15/18) |  | Paper 3 (P) (ARi)    |
| 7 | 2024-25 Financial Matters Update Report (21)           |  | Paper 4 (R) (LW)     |

**Part B - Regular Reporting/Monitoring**

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|----|---|--|------------------------|
| 8  | HR & HSW Update Report (Feb 2025 – April 2025) (4/5/7/8/10)   |  | Paper 5 (R) (DD/GB/MH) |
|    | • Including an overview of the new Learning Management System |  |                        |
| 9  | Property Update (11/12/14)                                    |  | Paper 6 (R) (ARi/BM)   |
| 10 | SAI Aerospace Training Ltd (12/13)                            |  | Paper 7 (R) (AC/ARi)   |
| 11 | Management Accounts as at 30 April 2025 (18/20)               |  | Paper 8 (R) (LW)       |

**Part C- Risk Management**

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|----|------------------------------|--|-------------------|
| 12 | Strategic Risk Register (25) |  | Paper 9 (R) (ARi) |
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**Part D - For Information/AOB**

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| 13 | AOB |
|----|-----|

**Date of Next Meeting – Tuesday 09 September 2025 at 4.00pm Kilmarnock**

*(C/P) Confirmed minutes will be published; (P) Papers will be published on the College website; (R) Papers will not be published for reasons of commercial sensitivity or for reasons of personal data confidentiality*

**Minute of the Business, Resources and Infrastructure Committee**  
**Hybrid meeting held at Kilmarnock Campus and via Microsoft Teams on**  
**Tuesday 11 March 2025**

**Present:**

Matthew Wilson	Chair
Michael Ross	Vice Chair
Tracey Dalling	Non-Executive Board Member
Michael Ross	Non-Executive Board Member
Angela Cox	Principal, Ex-Officio
Lisa Keggans	Elected Member, Service/Support Staff
Darcie Hamilton	Elected Student President
Janette Steel	Elected Member, Curriculum

**In attendance:**

Anne Campbell	Vice Principal – Skills and Enterprise
David Davidson	Vice Principal – People, Performance and Transformation
Alan Ritchie	Vice Principal – Finance and Infrastructure
Gillian Brown	Head of HR Services
Martin Hammond	Head of Health, Safety and Wellbeing
Charlotte Mitchell	Equality & Diversity Performance Lead
Liz Walker	Chief Financial Controller
Hilary Denholm	Board Governance Advisor
June Northcote	Executive Assistant (Minutes)

**1. Welcome and Declarations of Interest**

The Chair welcomed everyone to the meeting.

Norman Bone, Vice Chair of BRIC has now left the Board and the Chair gave thanks on behalf of the Committee for Norman's valuable contributions over the last few years. As Norman was the Vice Chair of this Committee, following discussion Michael Ross was appointed as the new Vice Chair.

In addition, it was noted that Faroque Hussain has been taken off the Committee listings as he has also now left the Board.

The Committee vacancies will be recruited for the next academic year - 2025-2026.

The meeting was confirmed as quorate.

There were no declarations of interest.

**2. Apologies**

Apologies were received from Non-Executive Board Member, Gordon Neil, Director of Digital Infrastructure, Brad Johnstone and Director of Enterprise Development, Alistair Rodgers.

**3. Minutes of the Previous Meeting held on 3 December 2024 (Paper 1) (P)**

The minute was approved as an accurate account.

**Proposed: Tracey Dalling**

**Seconded: Angela Cox**

**Action & Decision Log (Paper 1a) (P)**

The Committee noted all previous decisions and completed actions.

**4. Matters Arising**

There were no matters arising out with those detailed on the meeting agenda.

**8. Mainstreaming Equality Outcomes 2021-25 and Proposed Equality Outcomes 2025-29 (Paper 5) (P)**

David Davidson introduced paper 5 as presented. The Committee received the report, which summarised the College's progress and continued commitment to fostering an inclusive and diverse culture.

Charlotte Mitchell delivered a detailed presentation evidencing the measures being taken within the College in relation to the current College Equality Outcomes and the next steps in support of the proposed new Equality Outcomes 2025 – 2029.

The Committee noted that:

- The report is a legal requirement for public bodies, which is published every two years in accordance with the Public Sector Equality Duty (PSED).
- This report follows a progress review in April 2023 and an interim report in 2024, focusing on the Equality Outcomes that were set for the period 2021-2025. The report also proposes Equality Outcomes for the period 2025-2029.
- Significant equality and inclusion risks were highlighted within the report, which arise from the effects of intersectionality, the cost-of-living crisis and the impact of adverse childhood experiences, trauma and deprivation.

Tracey Dalling commended the College on their ongoing good efforts in continually striving to eliminate all forms of discrimination and to support an inclusive and innovative culture that extends beyond the College grounds into the local community.

**The Committee considered and recommended the paper, as presented, to the Board for approval.**

**Decision BRIC31-D01: The Committee recommended the paper, as presented, to the Board for approval.**

**16. AOB**

No other items of business were noted.

**Date of Next Meeting:** Tuesday, 03 June 2025 at 4.00 pm held in the Boardroom on Kilmarnock campus and available to join remotely via MS Teams.

- (C/P) Confirmed minutes will be published on College Website;*
- (P) Paper will be published on the College Website;*
- (R) Paper is reserved, because it contains data or information of a personal nature, which is restricted by legislation, or because it contains commercially sensitive information, and will not be published on the College Website.*

**RESERVED ITEMS ON THE NEXT PAGE**

**Business, Resources & Infrastructure Committee - Action and Decision Log**  
**Meeting No 32 – 03 June 2025**

(Paper 1(a))

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action Decision	Open Complete Approved Declined
11.03.25	Mainstreaming Equality Outcomes 2021-25 and Proposed Equality Outcomes 2025-29	BRIC31: D01	The Committee reviewed and recommended the Mainstreaming Equality Outcomes 2021-25 and Proposed Equality Outcomes 2025-29 paper to the Board for approval.	N/A	27.03.25	Decision	Approved
11.03.25	College Financial Regulations	BRIC31: D02	The Committee reviewed and approved the detailed changes to the College Financial Regulations – Annual Review.	N/A	N/A	Decision	Approved
11.03.25	SAI Aerospace Training Ltd - Governance	BRIC31: D03	The Committee reviewed the SAI Aerospace Training Ltd Articles of Association and recommended these to the Board for approval.	N/A	27.03.25	Decision	Approved
11.03.25	2024-25 Management Accounts as at 31 January 2025	BRIC31: D04	Decision BRIC31-D04: The Committee recommended the January 2025 Management Accounts to the Board of Management for approval.	N/A	27.03.25	Decision	Approved
11.03.25	Property Update Report	BRIC31: D05	The Committee noted the content of the report and approved settlement of the Kilwinning PFI residual value as documented at section 5(c), (the index linked value VAT free).	N/A	N/A	Decision	Approved
11.03.25	2024-25 Strategic Risk Register	BRIC31: D06	The Committee approved the Strategic Risk Register for submission to the Board of Management.	N/A	27.03.25	Decision	Approved

<b>Title of Meeting:</b>	Business, Resources and Infrastructure Committee
<b>Date:</b>	3 June 2025
<b>Subject:</b>	<b>2023-24 Financial Governance Compliance Report</b>
<b>Purpose:</b>	<p>The objective of this report is to provide assurance to the Committee that the College is operating in compliance with:</p> <ul style="list-style-type: none"><li>• The Scottish Funding Council Financial Memorandum</li><li>• The Scottish Public Finance Manual</li></ul>
<b>Recommendation:</b>	The Business, Resources and Infrastructure Committee are requested to consider and note the report.

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## **1. Executive Summary**

- 1.1 The College is required to comply with the conditions stated in the following documents in relation to the overall financial governance:
- The Scottish Public Finance Manual
  - The Scottish Funding Council Financial Memorandum
- 1.2 The Principal as the College Accounting Officer has overall responsibility for maintaining sound systems of internal control, risk management and governance that supports the achievement of the College policies, aims and objectives.
- 1.3 To demonstrate that these arrangements are adequate and effective, the College has reviewed and commented upon the Scottish Public Finance Manual (SPFM) Internal Control Checklist, a copy of which can be found at **Appendix 1**.
- 1.4 The College is also required to comply with the requirements of the SFC Financial Memorandum (FM). **Appendix 2** provides an overview of the review undertaken by the College to show its compliance with the FM.
- 1.5 Effective completion of these checklists at appendices 1 and 2, provides robust evidence that allows the Principal to sign the SFC Annual Assurance Certificate.
- 1.6 The annual SFC Assurance Certificate (**Appendix 3**) has a checklist which requires to be reviewed.

- 1.7 The College used a RAG rating system for each of the items contained within each of the governance documents. Where applicable, evidence to support the RAG rating has also been collated.

High	No / minor issues or weaknesses were identified - Overall high level of assurance provided.
Medium	Some issues or weaknesses identified which require to be addressed – Overall medium level of assurance provided.
Low	Significant issues or weakness identified which require to be addressed urgently – Overall limited or no assurance provided.

- 1.8 Based on the work undertaken, the College is content that it complies with the requirements of:

- The Scottish Funding Council Financial Memorandum
- The Scottish Public Finance Manual

and based on this evidence the College was content to sign the annual SFC Assurance Certificate.

- 1.9 The documents are being reported to the Committee to provide assurance that the financial governance requirements of both the SPFM and SFC FM are being complied with. Based on this assurance, the Board of Management can therefore look to sign off the year end governance statement as part of the annual Financial Statements.

## **2. Associated Risks**

- 2.1 There are no further risks associated with this paper.

## **3. Equality and Diversity Impact Assessment**

- 3.1 The content of this paper does not require an EDIA to be undertaken.

## **4. Publication**

- 4.1 This paper will be published on the College website.

**Liz Walker**  
**Chief Financial Controller**

**3 June 2025**

## **1. Outcome of Reviews**

### **Scottish Public Finance Manual (SPFM) – Appendix 1**

- 1.1 A major element to ensure compliance with the [Scottish Public Finance Manual](#) (SPFM) is that the College maintains an up to date set of Financial Regulations.
- 1.2 The College continues to monitor any changes made to the SPFM and has taken appropriate action should any change impact the Financial Regulations.
- 1.3 Based on the assessment conducted by the College, it is content to categorise overall compliance assurance with the requirements of the SPFM as high.

### **SFC Financial Memorandum – Appendix 2**

- 1.4 Under the terms of the Further and Higher Education (Scotland) Act 2005 the Scottish Funding Council (SFC) may attach terms and conditions to the payment of grant made to institutions. It is a term and condition of grant payments from the SFC that the institution's governing body and its designated officers comply with the requirements set out in the [Financial Memorandum \(FM\)](#).
- 1.5 The FM was revised and issued in December 2014 and has not been subject to any further change since that time. This review has therefore been conducted against the conditions set by the December 2014 version.
- 1.6 Based on the assessment conducted by the College, it is content to categorise each FM condition as high assurance.

### **SFC Certificate of Assurance – Appendix 3**

- 1.7 The College has a duty placed upon Principals/Chief Executives to provide an annual certificate of assurance to the Chief Executive/Accountable Officer (AO) of the Scottish Funding Council (SFC).
- 1.8 This assurance allows the SFC AO, in turn, to provide a certificate to the Principal Accountable Officer (Permanent Secretary) of the Scottish Government, providing the necessary assurance to support him in the signing of the governance statement which forms part of the Scottish Government consolidated accounts for the period 1 April 2024 to 31 March 2025.
- 1.9 In establishing this procedure, the SFC have taken every effort to build upon the assurance work which the College already undertake including the work being conducted by internal and external audit. Reliance is placed on a variety of sources such as:
  - Minutes from board committees dealing with audit, risk, finance, planning and HR.
  - The 2023-24 audit opinion and any audit work conducted in the period from August 2024 to March 2025
  - The College's own views of the operational effectiveness of the controls, processes, and procedures in place.



- 1.10 The College has reviewed the Certificate of Assurance checklist and is content to categorise each condition as high assurance.
- 1.11 This review has allowed the Principal to return the 2024-25 Certificate of Assurance.

**Liz Walker**  
**Chief Financial Controller**

**3 June 2025**

Scottish Public Finance Manual

Paper 3 (1)

Area	Condition	Assurance Level	College Evidence
General	5. The institution must follow the requirements of the Scottish Public Finance Manual, except where any special actions or derogations have been agreed with the Scottish Ministers.		<p>The College reviews on a monthly basis the Scottish Public Finance Manual and will amend the Financial Regulations as required. The Financial Regulations are reviewed and updated annually and presented to the BRI Committee for approval.</p> <p>The internal auditors are due to review the College Financial Regulations in 2025-26 to confirm that they comply with the requirements of the SPFM. The latest version of the Financial Regulation were approved in March 2025.</p> <p>During 2024-25 the internal auditors have also carried out reviews of College financial related matters including:</p> <p>1) Overall Financial Controls</p> <p>2) Payroll</p> <p>No issues were identified and strong assurance was gained from both audits. No further issues have been identified during 2024-25 which would indicate that that College is not complying with the requirements of the SPFM.</p>
	7. In cases where the SPFM requires bodies to notify or request prior approval from the Scottish Government, the institution must, in the first instance, contact SFC.		Where prior approval is necessary the College will comply with this requirement.
Cash management and banking	12. The institution may extend existing banking arrangements provided they are not extended beyond Financial Year 2016-17. Any extension beyond Financial Year 2016-17 requires the agreement of the Scottish Ministers.		The College transferred as required to the Scottish Government banking contract from 2017 and has continued to operate in accordance with this requirement.
	13. The institution can operate bank overdraft facilities to assist it in managing the timing of income and expenditure through its bank account. Overdrafts should not be used as a means of increasing borrowing.		The College does not have in place an overdraft arrangement with its bank nor does it currently require such an arrangement.
Contingent commitments	14. The institution must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the institution must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.		No such letters have been issued, however should this be required the College will seek the required written consent. College Financial Regulations include this requirement.
	15. The institution should also provide assurance that, in the event of the contingent liability arising, it can be met from within the institution's own resource, or that appropriate insurance cover has been arranged.		No such event has arisen to date however it should occur such assurance will be provided by the College.

Area	Condition	Assurance Level	College Evidence
Delegated financial limits and annual reporting requirements	17. The institution's specific delegated financial limits are set out in the FM. The institution must obtain SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with these delegations.		The College Financial Regulations incorporate the delegated limits set out by the SFC FM.
	18. Prior SFC approval must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications.		The College will ensure prior SFC approval is sought in the event any such expenditure is likely to arise.
	21. The institution must establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and the FM.		The Financial Regulations incorporate these delegated limits.
Donation of surplus funds to arms-length foundations	23. The institution may donate any surplus on its income and expenditure account as at 31 March each year to its arms-length foundation (ALF). The donation must take place in the financial year in which it arises and is subject to sufficient cash and resource cover being available.		The College made no donation to an ALF as at 31 March 2025. Should any donation be considered going forward then there will be compliance with the appropriate governance processes.
Duties to provide information on certain expenditure as required by The Public Services Reform (Scotland) Act 2010	24. As soon as is reasonably practicable after the end of each financial year, the institution must publish a statement of any expenditure that it has incurred during that financial year on or in connection with the matters described below. Public relations Overseas travel Hospitality and entertainment External consultancy		The College has been formally notified by the SFC that this is no longer a requirement after discussions with the Scottish Government.
	25. As soon as is reasonably practicable after the end of each financial year, the institution must publish a statement specifying the amount, date, payee and subject-matter of any payment, relating to any of the matters listed above, made during that financial year which has a value in excess of £25,000.		As per point (24).
	26. The institution must follow the requirements of the SPFM in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. In addition, the institution must have regard to the principles of good practice in managing early departures of staff contained in Audit Scotland's May 2013 report: <i>Managing early departures from the Scottish public sector</i> .		The College follows the requirements in relation to these areas and complied in seeking SFC approval for the College Voluntary Severance scheme which was agreed by the College Board of Management and covers the period to 31 July 2025. Any matters arising in relation to such guidance are considered by BRI Committee.

Area	Condition	Assurance Level	College Evidence
Early departures of staff	27. In line with the requirements of the SPFM, the institution's severance scheme must be approved by SFC. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the institution to seek approval to the individual payment from SFC.		Please refer to note (26) above.
	28. However, special severance payments in excess of £1,000 must be approved by SFC, except where provision for such payments has been included in a severance scheme approved by SFC.		No special severance payments in excess of £1,000 have been made to date. Where a special severance payment is more than £1,000 prior approval will be sought by the College from the SFC.
External business and management consultancy contracts	29. Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the SFC.		The College does not have a consultancy contract in place at this level of value. Should there be an intention to award such a contract then the necessary SFC approval will be sought.
Impairments, provisions and write-offs	30. Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost (DRC) for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FReM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed with the SFC.		In line with the College Fixed Asset policy, the fixed assets of the College were subject to a full valuation under the DRC methodology as at 31 July 2023. A indexation valuation exercise as at 31 July 2024 was carried out in line with the requirements of the external auditors.  As part of year-end work all assets are reviewed for major impairments and SFC informed in timely manner as required.
Insurance	33. The Scottish Ministers have agreed a derogation whereby institutions can extend their current commercial insurance arrangements for three years to 31 July 2024.		The College currently holds a full insurance portfolio and has procured insurance services for the three-year period to 31 July 2025 with the option to extend for a further year to 31 July 2026 under an APUC framework agreement.
Investments	34. The institution must not make any investments of a speculative nature without the prior written approval of SFC.		The College has not taken out any speculative investments. Prior SFC approval will be sought for any speculative investments if required.

Area	Condition	Assurance Level	College Evidence
Procurement and payment	35. The institution’s procurement processes must reflect the relevant guidance provided by the Advanced Procurement for Universities and Colleges (APUC), and relevant policy and advice issued by the Scottish Procurement Directorate. Procurement must be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the institution’s objectives consistent with the principles of Best Value, the highest professional standards and any legal requirement.		<p>The College is required to participate in the Procurement and Commercial Improvement Plan (PCIP) Lite assessment with APUC. The PCIP assessment provides a means of measuring and reporting on the procurement and commercial capability of organisations through the provision of evidence, based around a series of set questions and other evaluation methods. A pulse check style review was carried out in June 2024 with the college rating 69%, which is silver level.methods. A pulse check style review was carried out in June 2024 with the college rating 69%, which is silver level.</p> <p>As required by the Procurement Reform (Scotland) Act 2014, the college is required to prepare and publish an annual procurement report which shows how its procurement activity has complied with its published procurement strategy. This was published in December 2024. The strategy also has to be reviewed annually with the revised version to be published by July 2025.</p> <p>College procurement processes follow the relevant guidance, policies and advice provided by APUC and an approved College Procurement Strategy is in place. The College employs an appropriately trained and authorised procurement staff memeber through a shared services arrangement with APUC.</p>
	36. Any proposal to award a contract without competition (non-competitive action) must be approved in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval.		<p>The college awarded 12 single source contract in AY 2024-25 with values of less than £25,000</p>

Financial Memorandum Condition	Assurance Level	College Evidence
Public funds are used in accordance with relevant legislation, the requirements of the FM and only for the purpose(s) for which they were given. Strategic, capital or other grant funding must only be used for the purpose for which it is provided by the SFC.		1) SFC funding and College compliance with the terms and conditions of this are reviewed by external audit and internal auditors. SFC also requires information to be submitted periodically during the year to demonstrate the College is complying with terms and conditions of grant funding e.g. monthly cash flow, financial forecast returns and high priority maintenance funding. Any funding not used in accordance with grant conditions would be reported to the College Board of Management.  2) Subject to review by the external auditors as part of their year end work there are no reported occurrences of non-compliance during the 2023-24 year.  3) College fully anticipates the external auditors will report no instances of non-compliance during the 2024-25 financial year.
Subject to any legal requirement to observe confidentiality, the institution will be open and transparent with the SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds.		The College and its Board of Management ensure that decisions in relation to public funds are documented in a transparent manner with meeting agendas, minutes and papers available through the College website.
The institution strives to achieve value-for-money and is economical, efficient and effective in its use of public funding.		The definition of value for money is based on an approach of economy (spending less), efficiency (spending well) and effectiveness (spending wisely). Taken together these examine whether the College have made optimal use of resources to achieve its intended outcomes, both in quality and quantity. The College is committed to the pursuit of efficiency, economy and effectiveness within its overall strategic plan. The College will seek, wherever possible, to adopt best practice and to incorporate value for money principles in all its activities. The Board, senior management team and managers consider value for money in all of their decision-making processes and are accountable to fulfil this responsibility.
There is effective planning and delivery of the institution's activities in accordance with its mission and its Regional Outcome Agreement as agreed with SFC.		The Scottish Funding Council has introduced a revised approach to assurance and accountability for 2024-25. The Outcomes Framework and Assurance Model (sfc.ac.uk) AY 2023-24 was the final year of college and university Outcome Agreements. The October 2024 considered and approved the final report from the College to the SFC under the old framework.  The SFC introduced new arrangements for quality assurance and enhancement of provision delivered at funded institutions through SFC Guidance on Quality for Colleges and Universities AY 2024-25 to AY2030-31. In 2024-25, as part of the new arrangements, the Self Evaluation and Action Plan (SEAP) will replace the annual report and statement of assurance on Institution-Led Review for universities. It will also replace the Evaluative Report and Enhancement Plan (EREP) which formed part of the quality arrangements in colleges informed by the 'How Good is our College'framework, but was paused during COVID. For both colleges and universities,the SEAP will replace the learning and quality aspects of the outcomeagreement process. The Ayrshire College SEAP is was approved at the October 2024 Board of Management meeting.  The College is therefore content to state that it is complying with the current arrangements.
The institution plans and manages its activities to remain sustainable and financially viable. An institution is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.		1) The Board of Management at its June 2024 meeting approved the 2024-25 Budget and in September reviewed the 3-Year Financial Forecast. The approved 2024-25 operational surplus was £2.46m subject to the achievement of further efficiencies and pay award being settled in line with the budget assumption. The Board, through the Business, Resources and Infrastructure Committee have been kept appraised of the College budget progress.  2) The March 2025 BRI Committee were updated that the operational surplus for the year was £2.48m.  3) The College in April 2025 was made aware by the SFC of the introduction in 2025-26 of an updated redistribution model. This model would see Ayrshire College being subject to a reduction in its core teaching grant of £2.1m over the following years. This along with the settlement of pay awards, increase NI costs, increased pension costs and overall increases in running costs is presenting a significant challenge to the financial sustainability of the College.  4) The College has met with the SFC to make them aware of the financial challenges faced and to request what support is available to allow the College to tranistion to the revised level of core funding. This matter is still ongoing and therefore represents a risk to the College.
The institution has a sound system of internal management and control, including an Audit Committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery.		Assurance in this area is provided by: 1) Annual report of internal and external auditors - these have indicated no concerns in any of the stated internal management and control areas.  2) Audit and Risk Committee reviewed the effectiveness of the internal audit service as part of the Committee 2024-25 Annual Report to the Board of Management in March 2025. The Committee concluded that the service was effectively delivered.  3) Audit and Risk Committee reviewed the effectiveness of the external auditors in March 2025 for the 2023-24 financial year. The Committee concluded that the service was effectively delivered.  4)Specific procedures approved by the Audit and Risk Committee are in place to assist in preventing fraud and bribery including training for staff in high risk areas such as finance. These are kept under review and updated if/as required on an ongoing basis.
The institution has an effective policy of risk management and risk management arrangements.		The College has an approved Risk Management Policy and Procedure and risk management is a standing item at Senior Leadership Team, Board of Management and Board of Management committee meetings. Risk management is integral element of the College governance framework. The approved Risk Management Policy included a consolidation of the College Strategic Risk Register, a revised format for individual risks and the introduction of a summary risk register.

Financial Memorandum Condition	Assurance Level	College Evidence
The institution has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to the SFC on request, as necessary, for the exercise of its functions and to gain assurance		<p>Regular reports are provided to Board Committees and to the Board of Management in a timely manner in relation to performance and use of public funds. The College Management Accounts pack, which includes a commentary and areas of risk, are a standing item for consideration and approval at each BRI Committee. The Management Accounts are also reported to the Board of Management following each review by the BRI Committee.</p> <p>Information is also made available to SFC on an on-going basis and as required.</p>
The institution is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes		<p>1) The College has a dedicated Education Scotland Inspector who works closely with the College Senior Leadership Team in providing an external overview of quality systems and processes.</p> <p>2) The College Education Scotland Inspector has been proactive in meeting with College teams and co- delivering enhancement workshops for teaching staff.</p> <p>3) The College has a proactive Student Association (SA) with dedicated College staff liaising and assisting the Student Association. The SA are actively involved in national NUS work with a new SA constitution in place.</p>
The institution must have regard to public sector pay policy set by the Scottish Ministers.		The College has regard to Public Sector Pay Strategy through representation on the College’s Scotland Employers’ Association and associated National Pay Bargaining mechanism. The College Board of Management also takes this into account in considering levels of pay for those members of staff who are out with the scope of national bargaining. Public sector pay strategy is built into any financial modelling undertaken by the College.
Where applicable, the institution must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.		The College adheres to these regulations.
Where appropriate, the institution must provide data returns requested by the SFC by the deadlines and to the standards specified.		<p>1) The College continues to comply with requests for data from the SFC within the deadlines required.</p> <p>2) Unqualified audit opinions were received regarding the College 2023-24 SFC student activity audit and financial statements and these returns were provided to the SFC in accordance with required deadlines.</p>
Where appropriate, the institution must follow SFC’s Student Support Guidance.		The College complies with all SFC and Student Award Agency for Scotland (SAAS) student support guidance.
Where the institution is in receipt of European Social Fund funding, it must follow SFC ESF guidance.		This is now an historic issue as European funding is no longer available to the College. The College continues to comply with all SFC ESF document retention guidance.
The governing body must appoint an Audit Committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. For incorporated colleges and Regional Boards, Audit Scotland will appoint external auditors.		<p>1) The College has an Audit and Risk Committee in place. The ARC remit was reviewed in September 2024 and the effectiveness of the Committee is reviewed annually. The review of Committee effectiveness was undertaken in December 2024 as part of the compilation of the Annual Committee Report to the Board of Management. The Committee concluded that "Based on the engagement with both Internal and External Auditors at each Audit and Risk Committee meeting, the Members of the Audit and Risk Committee believe their responsibilities to the Board of Management have been satisfactorily discharged for 2023-24 in relation to the matters contained within this report."</p> <p>2) The Board of Management appointed WBG as internal auditors for an initial 3 year period to 2024-25 with the option to extend the contract for a further two years to 2026-27. The effectiveness of the internal audit function is reviewed annually and was reviewed in full during 2024-25 in advance of consideration of a further two year extension. The ARC approved the extension of the internal audit contract for a further two 1 year periods.</p> <p>3)The Audit and Risk Committee annually review and update the Internal Audit Plan which extends to the end of the potential internal audit contract.</p> <p>4) Audit Scotland has appointed Azets Audit Services as the College external auditor for 5 years commencing with the audit of 2022-23. The Audit and Risk Committee annual review the effectiveness of the external audit function and respond to an annual Audit Scotland survey.</p>
The Audit Committee must produce an annual report to the governing body of the institution.		An Annual Report is produced by the Audit and Risk Committee and presented to the Board of Management each year. The Committee presented its last Annual Report to the December 2024 Board of Management.
The institution must follow the SFC’s current Accounts Direction in the preparation of its annual financial statements.		<p>The College adheres to the annual SFC Accounts Direction and this compliance is subject to review by the external auditors.</p> <p>The SFC Accounts Direction is provided to the Business, Resources and Infrastructure &amp; Audit and Risk Committees for review.</p>
The institution must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the Scottish Public Finance Manual.		The College has in place a system which enables the Audit and Risk Committee to annually review the effectiveness of the internal audit service. The 2023-24 review by the Audit and Risk Committee confirmed that the internal auditors were operating effectively. The next review of internal audit effectiveness is due to be undertaken as part of the September 2025 Audit and Risk Committee meeting.

Financial Memorandum Condition	Assurance Level	College Evidence
The institution must inform SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.		The SFC was informed in June 2022 of the appointment of WBG (formerly Wylie & Bisset) as the College internal auditors from 1 August 2022, for the 3 years to 31 July 2025, with the option to extend the contract for a further 2 years.
The internal audit service must provide the governing body and senior management of the institution with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for-money.		The internal audit plan is designed to provide the coverage required in order that the auditors can comment upon the adequacy and effectiveness of risk management, internal control, governance, and value for money. An Annual Internal Audit Report is received by the Audit and Risk Committee each year.
The internal audit service must extend its’ review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the institution has a financial interest, including those not funded by SFC.		The College Internal Audit Plan is reviewed annually, considering any movements in the audit needs assessment, based on reports received during the year and the College Strategic Risk Register.  An annual Internal Audit Plan is presented to the Audit and Risk Committee for review and approval. The Internal Audit Plan provides coverage of all financial control systems and activities in which the College has a financial interest, including those not funded by the SFC.
The head of internal audit must produce an annual report for the governing body on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the institution’s risk management, internal control, and governance.		The Annual Internal Audit Report is produced each year with the next one due to be received by the September 2025 Audit and Risk Committee meeting as part of the scheduled Committee business. The Committee receives an update report at each meeting as to the status of the internal audit work.
The report must be presented to the institution’s Audit Committee and a copy sent to SFC.		A copy of the Annual Internal Audit Report is provided to College Audit and Risk Committee and to the SFC as part of the financial year end reporting process.
The institution must have a strategy for reviewing systematically management’s arrangements for securing value for money.		The College Procurement Strategy also covers Value for Money and best practice regarding purchasing of goods and services and an annual report on outcomes is presented to the Business, Resources and Infrastructure Committee.
As part of its internal audit arrangements, the institution must obtain a comprehensive appraisal of management’s arrangements for achieving value for money.		The definition of value for money is based on an approach of economy (spending less), efficiency (spending well) and effectiveness (spending wisely). Taken together these examine whether we have made optimal use of resources to achieve our intended outcomes, both in quality and quantity. The College is committed to the pursuit of efficiency, economy and effectiveness within its overall strategic plan. The College will seek, wherever possible, to adopt best practice and to incorporate value for money principles in all its activities. The Board, SLT and managers consider value for money in all of their decision-making processes and are accountable to fulfil this responsibility.
The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.		Arrangements are in place to ensure that external auditors receive such forms of communication and can attend any meetings as required.
The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the institution's annual report and financial statements are presented.		The external auditors attend and present their Audit Report on the Financial Statement to the joint Audit and Risk / Business, Resources and Infrastructure Committee meeting at which the annual financial statements are approved.
The external auditor is expected to attend, as a minimum, any meetings of the Audit Committee where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the audit committee to notify the external auditor of such meetings.		The external auditors receive all agendas and minutes of Audit and Risk / Business, Resources and Infrastructure Committees and attend the Audit and Risk Committee as required. The external auditors attend the annual joint Audit and Risk / Business, Resources and Infrastructure Committee meeting which approves the financial statements.



**Certificate of Assurance to the Accountable Officer of The Scottish Funding Council  
April 2024 – March 2025**

I am aware that as Accountable Officer you are required to provide assurance to the Principal Accountable Officer of the Scottish Government to enable her to sign a governance statement as part of the Scottish Government consolidated accounts for 2024-25.

To assist in that process, I can confirm that I have undertaken a review of the internal control arrangements in the college and obtained required assurances.

Based on that review, and my own knowledge of the internal control matters in the college:

I can confirm that these controls have been, and are, working well. There are in my opinion no significant matters arising in the college which would require to be raised specifically in the governance statement

~~OR~~

~~I would draw your attention to the following matter(s) which should be considered in the preparation of the governance statement.~~

**PLEASE COMPLETE**

Apart from the above, I can confirm that controls in the college have been and are working well. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the governance statement.

Name: Angela Cox



Job Title: Principal and Chief Executive

Date: 1 April 2025

## **Certificate of Assurance to the Accountable Officer of The Scottish Funding Council**

### **Schedule of Required Assurances**

1. Ensure that appropriate financial systems are in place and applied and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major change.
2. Ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts:
  - ensure that the public funds for which you are responsible are properly managed and safeguarded;
  - ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment, are controlled and safeguarded;
  - ensure that the financial implications of any new policies have been considered;
  - ensure that delegation of responsibility is accompanied by clear lines of control and accountability together with reporting arrangements.
3. Ensure that procurement activity is conducted in accordance with the applicable public sector procurement requirements.
4. Ensure that effective management systems appropriate for the achievement of the body's objectives, including financial monitoring and control systems, have been put in place.
5. Ensure all risks relating to delivering business objectives, regularity, propriety or value for money are identified. In doing this, you have ensured that their significance was assessed, that systems appropriate to the risks are in place in all relevant areas to manage them and that the level of skills and training of those staff directly managing key risks has been assessed.
6. Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.
7. Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes and performance in relation to those objectives.
8. Ensure that all managers are assigned well defined responsibilities for making the best use of resources.

9. Ensure that all managers have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.
10. Ensure that the body achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by the Scottish Ministers – in particular the Scottish Public Finance Manual where it applies to your organisation – and the Financial Memorandum document defining the key roles and responsibilities which underpin the relationship between your organisation and the Scottish Funding Council. Propriety involves respecting the Parliament’s intentions and conventions and adhering to values and behaviours appropriate to the public sector.
11. Ensure that you have a well communicated fraud policy, an up-to-date fraud response plan and effective avenues for reporting suspicions of fraud.
12. Ensure that there are processes in place around compliance with an IT security policy and for dealing with potential breaches.
13. Ensure that appropriate consideration has been given to business continuity planning and disaster recovery for key activities.
14. Ensure that you have an up-to-date publication scheme, that it is sufficiently open and proactive in publishing information of interest to your stakeholders.
15. Ensure that you have a people/HR strategy in place and that you measure levels of employee engagement (e.g. through a staff survey) and take action in response as required.