



		Directors on 28 November 2017 for approval.		Committee	
4b	External Audit Annual Report 2016-2017 (Paper 3)	<p>Ross McLauchlan spoke to the External Audit Annual Report for the year ended 31 July 2017. The Committee noted the following points:</p> <ul style="list-style-type: none"> <li>• For the year ended 31 July 2017 the College has made a surplus of £24,332 compared with a deficit of £23,356 for the year ended 31 July 2016. This surplus includes net costs in relation to the pension valuation of £63,000. The surplus excluding these pension costs is £87,332.</li> <li>• The Balance Sheet as at 31 July 2017 shows a net asset position of £625k, an increase from the prior year position of £409K.</li> <li>• Three recommendations with medium and low priority have been made for 2016-2017 as a result of the audit and have received management responses: <ul style="list-style-type: none"> <li>○ Year-end bank reconciliation was not fully prepared and a number of errors, duplicate entries and older cheques issued were included within the bank nominal ledger.</li> <li>○ A suspense account was being used during the year to record financial transactions</li> <li>○ The submitted bursary return had not been reconciled to the account system.</li> </ul> </li> <li>• The Committee agreed that a Fraud Policy and Fraud Response Plan requires to be put in place. Ross agreed to send a suitable template for use with this activity.</li> <li>• The Committee agreed that a Capitalisation Policy should be developed and be considered on a regular basis by the Audit Committee.</li> </ul> <p>The Chair noted that the Audit Committee was satisfied with the draft External Audit Annual Report 2016-2017, which will be considered by the Board of Directors on 28 November 2017 for approval. The Board will also be advised that a draft Fraud Policy and Plan will be considered and reviewed by the Audit Committee Meeting at their next meeting.</p>	16.11.17	Audit Committee	Information
			8.2.18	RMcL/ JC	Ongoing
			8.2.18	RMcL/ JC	Ongoing
			28.11.17	Audit Committee	Ongoing
			8.2.18	Audit Committee	Ongoing

5.	Internal Auditors Update				
5a	Internal Audit Annual Report 2016-2017 (Paper 4)	<ul style="list-style-type: none"> <li>The Internal Auditors Financial Controls Report was noted. The report concluded that there is significant evidence that the college is committed to a sound control environment. Some potential enhancements to the control environment were noted in relation to payroll, non-pay expenditure and income collection. An action Plan has been prepared by the Executive and will be implemented with immediate effect.</li> </ul> <p>The report concluded that:</p> <ul style="list-style-type: none"> <li>Risk management arrangements remain in place and are used to good effect;</li> <li>There are policies and procedures in place to support management in achieving value for money;</li> <li>There are opportunities to enhance financial controls and health and safety arrangements to ensure they continue to operate effectively;</li> <li>Control processes that were observed are effective and the college welcomes recommendations to improve them.</li> </ul> <p>The Committee discussed that Risk Management would be considered at the Audit Committee Meeting. A 1 hour session will be allocated for this agenda item.</p> <p>The Chair noted that the Audit Committee was satisfied with the Internal Audit Report 2016-2017, which will be submitted to the Board of Directors on 28 November 2017 for approval.</p>	16.11.17  31.12.17  8.2.18  28.11.17	Audit Committee  AS/JC  Audit Committee  Audit Committee	Information  Ongoing  Ongoing  Ongoing
6.	Credits Audit Report 2016-2017 (Paper 5)	<p>Ann Southwood spoke to the Credits Audit Report 2016-2017. The Committee noted the following:</p> <ul style="list-style-type: none"> <li>The college has reasonable procedures and controls over the collection of data for the credits return and assurance can be taken that the credits count for the college is not materially mis-stated.</li> </ul>	16.11.17	Audit Committee	Information

		<p>The systems used by the college are satisfactory in most areas.</p> <ul style="list-style-type: none"> <li>The college credit target for the academic year 2016/2017, agreed between SFC and the college, was 926 credits. The final credits figure of 833 is 93 lower than the agreed target. However, the Principal advised the Committee that this figure only relates to SFC funded activity and is exclusive of student enrolments for HNC and Adult Achievement Awards.</li> <li>One medium priority has been recommended this year as a result of the audit: <ul style="list-style-type: none"> <li>All extended learning support students require a personal learning support plan to be completed as evidence of ongoing support</li> </ul> </li> </ul> <p>The Chair noted that the Audit Committee was satisfied with the Credit Audit Report 2016-2017, which will be submitted to the Board of Directors on 28 November 2017 for approval.</p>	16.11.17	JC	Ongoing
			28.11.17	Audit Committee	Ongoing
7.	Education Maintenance Allowance Audit Report 2016-2017 (Paper 6)	<p>Joyce Clark spoke to the Education Maintenance Allowance Audit Report 2016-2017. The Committee noted the following:</p> <ul style="list-style-type: none"> <li>The college has used funds in accordance with the guidance issued by the Scottish Funding Council.</li> <li>The audit is satisfied that the systems and controls of the administration and disbursement of these funds are adequate.</li> <li>One medium priority has been recommend this year as a result of the audit: <ul style="list-style-type: none"> <li>Payments should only be made after a learning agreement has been signed and the student has 100% attendance for that specific period.</li> </ul> </li> </ul> <p>The Chair noted that the Audit Committee was satisfied with the Education Maintenance Allowance Audit Report 2016-2017, which will be submitted to the Board of Directors on 28 November 2017 for approval.</p>	16.11.17	Audit Committee	Information
			16.11.17	JC	Ongoing
			28.11.17	Audit Committee	Ongoing
8.	Student Support Funds Audit	<p>Joyce Clark spoke to the Student Support Funds Audit Report 2016-2017. The Committee noted the following:</p>	16.11.17	Audit Committee	Information

	Report 2016-2017 (Paper 7)	<ul style="list-style-type: none"> <li>The information set out in the report is in agreement with the underlying records.</li> <li>The college used the funds in accordance with the guidance issued by the Scottish Funding Council.</li> <li>Systems and controls of the administration and disbursement of funds are adequate.</li> </ul> <p>The Chair noted that the Audit Committee was satisfied with the Student Support Funds Audit Report 2016-2017, which will be submitted to the Board of Directors on 28 November 2017 for approval.</p>	28.11.17	Audit Committee	Ongoing
9.	Audit Committee Report 2017	The Audit Committee Report 2017 will be considered at the next Audit Committee Meeting.	8.2.18	Audit Committee	Ongoing
10.	Committee Self-Evaluation	As per the minute of the Audit Committee held on 5 June 2017, a revised Committee self-evaluation checklist will be prepared and considered at the meeting on 8 February 2018.	8.2.18	JC/Audit Committee	Ongoing
11.	AOCB	<p><b>Secretary to the Board</b> Janet Nixon has been appointed as Secretary to the Board and will take up post on 28 November 2017.</p> <p>As this was Ann Southwood's last Audit Committee Meeting before she retires from the post of Principal. The Committee thanked her for her commitment over the years.</p>	28.11.17  16.11.17	Audit Committee  Audit Committee	Information  Information
	Date of Next Meeting	8 February 2018, from 11am - 1pm.	8.2.18	Audit Committee	Information