

Meeting of the People, Infrastructure & Finance Committee
To be held on Thursday 11 June 2026 at 4.00pm at Kilmarnock Campus and via Teams

AGENDA

- 1 Welcome and Declarations of Interest
- 2 Apologies
- 3 Minutes of the meeting held 10 March 2026
 - PIFCo Action & Decision Tracker
- 4 Matters Arising

Paper 1 (C/P)
 Paper 1a (P)

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

- 5 People Strategy Annual Report 2025-2026 (7) (Pres't) Paper 2 (R) (DD/GB/MH)
- 6 Mainstreaming Equality & Diversity Data Insights Report (8) (Pres't) Paper 3 (R) (DD/CM)
- 7 Committee Self-Evaluation Process Paper 4 (R) (HD/ARi)
- 8 2026-27 Budget (17) (Pres't) Paper 5 (R) (LW/
- 9 Internal Audit Reports Paper 6 (P) (ARi)
- 10 Facilities and Sustainability Report (12/14/15) Paper 7 (R) (BM)
- 11 Subsidiary Company Loan (12/13) Paper 8 (R) (ARi)

Part B - Regular Reporting/Monitoring

- 12 People Strategy Dashboard Quarterly Update - [Link to People Dashboard](#) Presentation (R)
- 13 2025-26 Financial Compliance Report (15/18) Paper 9 (P) (ARi)
- 14 2025-26 Financial Matters Update Report (21) Paper 10 (R) (LW)
- 15 Management Accounts as at 30 April 2026 (18/20) Paper 11 (R) (LW)

Part C- Risk Management

- 16 Strategic Risk and Opportunities Register (25) Paper 12 (P) (ARi)

Part D - For Information/AOB

- 17 AOB

Date of Next Meeting – Tuesday 15 September 2026 at 4.00pm

(C/P) Confirmed minutes will be published; (P) Papers will be published on the College website; (R) Papers will not be published for reasons of commercial sensitivity or for reasons of personal data confidentiality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 People, Infrastructure and Finance Committee
Hybrid meeting held at Kilwinning Campus and via Microsoft Teams on
Tuesday 10 March 2025**

Present:

Matthew Wilson	Chair
Tracey Dalling	Vice Chair
Alicia Clyde	Non-Executive Board Member (from Item 5 onwards)
Jason Currie	Non-Executive Board Member (from Item 7 onwards)
Angela Cox	Principal, Ex-Officio
Darcie Hamilton	Elected Student President
Janette Steel	Elected Member, Curriculum

In attendance:

Sara Rae	Vice Principal – Skills and Enterprise
David Davidson	Vice Principal – People, Performance and Transformation
Alan Ritchie	Vice Principal – Finance and Infrastructure
Gillian Brown	Strategic People Partner
Martin Hammond	Head of Health, Safety and Wellbeing
Barry Morton	Head of Facilities
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.

The meeting was confirmed as quorate.

Matthew Wilson declaration of interest due in relation to his core employment.

2. Apologies

Apologies were noted from Brad Johnstone, Director of Digital Infrastructure and Lisa Keggans, Elected Member, UNISON.

3. Minutes of the Previous Meeting held on 18 November 2025 (Paper 1) (P)

The minute was approved as an accurate account.

Proposed: Angela Cox **Seconded:** Tracey Dalling

3.1 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.

12. Sustainability Framework and Climate Change Report Paper 7 (P)

Barry Morton introduced Paper 7 to the Committee, going on to present the College's Sustainability Framework and provided an update on progress against its climate change commitments, including the completion of the Public Bodies Climate Change Duties (PBCCD) return. It outlined the College's strategic approach to social, economic and environmental sustainability (SEES), highlighted performance across key emission areas and identified ongoing actions to support continuous improvement in sustainability outcomes.

Members were asked to:

1. Approve the draft Sustainability Framework for implementation.
2. Endorse continued monitoring and optimisation of energy, water and waste performance.
3. Note the completion and submission of the PBCCD return.

Decision PIFCo36-D09: The Committee commended the approach being taken by the College and approved the Sustainability Framework for implementation.

Decision PIFCo36-D10: The Committee endorsed continued monitoring and optimisation of energy, water and waste performance.

Committee members noted:

- The completion and submission of the PBCCD return.
- Challenges in monitoring and gathering data to evidence improved performance.

14. AOB

No other items of business were noted.

Date of Next Meeting

The next meeting is scheduled to take place on **Thursday** 11 June 2026 at 4.00pm

(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

People, Infrastructure and Finance Committee - Action and Decision Log
Meeting No 37 – 09 June 2026

(Paper 1(a))

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action Decision	Open Complete Approved Declined
18.11.25	Strategic Risk and Opportunities Register	PIFCo35: A01	Alan Ritchie and Mathew Wilson to liaise further on using the external audit report as a control measure.	A Ritchie	11.12.25	Action	Complete
10.03.26	College Financial Regulations Annual Review	PIFCo36: D01	The Committee approved the updated Financial Regulations	N/A	26.03.26	Decision	Approved
10.03.26	Management Accounts as at 31 January 2026	PIFCo36: D02	The Committee recommended the Management Accounts as at 31 January 2026 to the Board of Management for approval.	N/A	26.03.26	Decision	Approved
10.03.26	2026-27 Budget Update	PIFCo36: D03	The Committee endorsed the continued implementation of the Financial Sustainability Plan, recognising the importance of delivering the planned staff and non-staff savings in full.	N/A	09.06.26	Decision	Approved
10.03.26	2026-27 Budget Update	PIFCo36: D04	The Committee supported ongoing engagement with the Scottish Funding Council (SFC) to seek clarity on funding allocations, the revised funding model, and the unresolved CDEL/RDEL treatment.	N/A	09.06.26	Decision	Approved
10.03.26	2026-27 Budget Update	PIFCo36: D05	The Committee agreed that further actions to close the remaining 2026-27 deficit will be brought forward once the impact of restructuring and voluntary severance outcomes is confirmed.	N/A	09.06.26	Decision	Approved
10.03.26	2026-27 Budget Update	PIFCo36: D06	The Committee approved the 2026-27 Budget Update to the Board of Management for approval.	N/A	26.03.26	Decision	Approved
10.03.26	SAI Aerospace Training Ltd Report	PIFCo36: D07	The Committee endorsed the planned further governance session with College Committee Chairs, SAI Chair, Managing Director & College Executive, aimed at finalising business planning, reporting	N/A	09.06.26	Decision	Approved

Meeting Date	Agenda Item	Reference	Details	Action Owner	Due Date	Action Decision	Open Complete Approved Declined
			expectations; & clarification of roles and responsibilities.				
10.03.26	SAI Aerospace Training Ltd Report	PIFCo36: D08	The Committee Requested continued monitoring and reporting of key dependencies affecting SAI's transition from start-up to full operational delivery, including facilities readiness, key staffing transitions, and international licensing and market development activity.	N/A	09/06/26	Decision	Approved
10.03.26	Sustainability Framework and Climate Change Report	PIFCo36: D09	The Committee approved the Sustainability Framework for implementation	N/A	26.03.26	Decision	Approved
10.03.26	Sustainability Framework and Climate Change Report	PIFCo36: D010	The Committee endorsed continued monitoring and optimisation of energy, water, and waste performance.	N/A	26.03.26	Decision	Approved
10.03.26	Strategic Risk and Opportunities Register	PIFCo36: D011	The Committee approved the Strategic Risk & opportunities Register for submission to the Board of Management.	N/A	26.03.26	Decision	Approved

Title of Meeting: People, Infrastructure and Finance Committee

Date: 11 June 2026

Title: Internal Audit Reports

Purpose: This report provides a comprehensive summary of two Internal Audit reviews presented to the March 2026 Audit & Risk Committee, with a specific focus on matters relevant to the remit of the People, Infrastructure and Finance Committee:

- [Financial Regulations and Compliance](#)
- [Non-SFC Income](#)

The report highlights key assurances, strengths, and areas for ongoing oversight relating to financial management, infrastructure, workforce capacity, and performance delivery.

Recommendation: The Committee is requested to note the contents of the report and the level of assurance provided in the audited areas.

1. Executive Summary

Two internal audit reviews, Financial Regulations & Compliance and Non-SFC Income, were presented to the March 2026 Audit & Risk Committee, and both provide a strong level of assurance with no recommendations. Collectively, these reports contribute to the overall assurance framework that the College has a well-controlled financial environment, effective governance arrangements, and robust processes supporting both core financial operations and commercial income activity.

Financial Regulations and Compliance

The audit confirms that the College's financial control framework is operating effectively across all core processes, including purchasing, payroll, banking, income, and fixed assets. Extensive testing identified no control weaknesses, with strong evidence of compliance with Financial Regulations, appropriate segregation of duties, and effective management oversight.

Financial reporting arrangements are well established, with monthly management accounts and quarterly reporting to the Committee providing reliable and timely information to support governance and decision-making. The Finance function is supported by a clear organisational structure and a

comprehensive procedures manual, reinforcing consistency and operational resilience.

The audit also confirms that current finance systems are performing effectively, while noting the ongoing transition to the BluQube system. This represents a key area for continued Committee oversight, alongside the planned update to Financial Regulations to reflect system changes.

Non-SFC Income

The Non-SFC Income audit provides strong assurance that the College has effective arrangements in place to generate, manage, and monitor commercial income, with income exceeding budget targets year to date.

A clear strategic framework, through the Employer Engagement Strategy (2024–27), underpins commercial activity and is supported by robust performance monitoring via monthly finance reviews, Power BI dashboards, and regular reporting to senior committees. Controls over billing, income processing, and compliance are operating effectively, with no issues identified through audit testing.

The audit highlights a well-defined organisational structure that supports income generation; however, it also identifies emerging capacity constraints within the Business Engagement and Innovation function, which are affecting delivery in areas such as sponsorship and employability frameworks. In addition, there is variability in engagement across curriculum areas, indicating an opportunity to strengthen cross-college collaboration to maximise income potential.

Overall Implications for the Committee

Taken together, the reports provide high assurance over financial stewardship, governance, and performance management, and demonstrate that the College is operating within a strong, mature control environment.

For the People, Infrastructure and Finance Committee, the key areas for ongoing oversight are:

- Successful implementation of the BluQube finance system and alignment of Financial Regulations.
- Workforce capacity and resourcing within commercial/enterprise activity.
- Strengthening cross-college engagement to support income growth and diversification.
- Sustaining the quality and timeliness of financial reporting.

Overall, the audits confirm that the College is well-positioned in terms of financial control and income performance, with a small number of forward-looking considerations focused on capacity, systems change, and strategic delivery.

2. Associated Risks

There are no risks identified within this paper that are not already noted within the College Strategic Risk Register.

3. Equality and Diversity Impact Assessment

In relation to the contents of this paper, there is no requirement for an Equality and Diversity Impact Assessment to be conducted at this time.

4. Publication

This paper will be published on the College's website.

Alan Ritchie
Vice Principal, Finance and Infrastructure
11 June 2026

Title of Meeting: People, Infrastructure and Finance Committee

Date: 11 June 2026

Subject: 2025-26 Financial Governance Compliance Report

Purpose: The paper is intended to support the Committee in strengthening its oversight of governance, risk management and internal control arrangements in line with Scottish Public Finance Manual expectations.

Recommendation: The Committee is requested to note the characteristics of good practice outlined in this paper.

1. Executive Summary

- 1.1 The 2025-26 Financial Governance Compliance Report and supporting assurance papers demonstrate that the College has a well-established and effective framework for governance, risk management and internal control, aligned to the expectations of the Scottish Public Finance Manual and the Scottish Funding Council.
- 1.2 The Board and its Committees are operating within a structured governance framework, supported by annual self-assessment, internal and external audit assurance, and comprehensive reporting. The College has completed its internal control review and Certificate of Assurance, concluding that controls are operating effectively with no significant issues requiring escalation, providing a strong evidence base to support the Accountable Officer's governance statement.
- 1.3 The supporting Financial Memorandum compliance analysis further evidence that the College is meeting all key SFC requirements, including financial stewardship, value for money, sustainability planning, and robust audit and risk arrangements. Assurance is drawn from multiple sources, committee oversight, audit opinions, risk management processes and performance reporting, indicating a high level of overall assurance across governance and financial management arrangements, albeit with recognised external financial pressures that present an ongoing strategic risk.
- 1.4 Together, the paper confirms that the College has a mature and evolving assurance framework, with further development underway (e.g. integrated assurance mapping) to enhance transparency, strengthen Board oversight and align fully with emerging best practice.

2. Associated Risks

- 2.1 The paper collectively addresses the College's core governance, compliance and assurance risks, demonstrating that robust structures are in place to manage the risk of non-compliance with the Scottish Public Finance Manual (SPFM) and Scottish Funding Council (SFC) Financial Memorandum.
- 2.2 This risk is mitigated through a comprehensive framework of Audit and Risk Committee oversight, internal and external audit assurance, and formal Certificates of Assurance, all of which confirm that internal controls are operating effectively with no significant issues requiring disclosure. The papers also address the risk of weak internal control or ineffective governance, evidencing structured self-assessment, clearly defined committee responsibilities, and strong audit arrangements, supported by regular reporting and a clear audit trail.
- 2.3 In addition, the papers highlight and respond to strategic financial sustainability risk, particularly arising from changes to the SFC funding model, cost pressures and pay settlements. This risk is managed through active financial planning, Board oversight, engagement with the SFC, and ongoing monitoring through management accounts and committee scrutiny. The College also mitigates risks related to inadequate risk management, performance monitoring, and value for money through embedded risk management processes, regular performance reporting, and a clear focus on economy, efficiency, and effectiveness. Importantly, the development of an integrated assurance framework (assurance mapping) is identified as a further enhancement, strengthening the College's ability to identify assurance gaps, reduce duplication and provide the Board with a holistic, RAG-rated view of risk and control effectiveness.

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.

Alan Ritchie
Vice Principal, Finance and Infrastructure
11 June 2026

(Liz Walker, Chief Financial Controller)

1. Background

1.1 The Scottish Public Finance Manual (SPFM) establishes the framework for proper stewardship of public funds, requiring bodies to demonstrate:

- Robust governance arrangements.
- Effective risk management.
- Strong internal control systems.
- Clear accountability to Scottish Ministers and the public via the Scottish Funding Council.

1.2 The Audit and Risk Committee play a central role in this framework, providing independent assurance to the Board on these matters.

1.3 However, SPFM is principles-based rather than checklist-driven, meaning the College must translate its requirements into practical, evidence-based assurance processes.

2. What a Good Assurance Framework Looks Like

2.1 Good practice in SPFM compliance is characterised by an integrated, evidence-based assurance framework, rather than reliance on a single checklist. The College has historically relied on a checklist, but because the SPFM is an ever-evolving document, maintaining it is a substantial undertaking.

2.2 The College has therefore reviewed what assurance documents exist and compared these to what is considered best practice.

2.3 The following sections outline the assurance documents available and the assurance level provided.

a) Governance: Strong Audit and Risk Committee Self-Assessment

2.4 A key feature of the College high performance objective in this area is the annual use of the Audit Committee Handbook self-assessment checklist.

2.5 Good practice includes:

- Formal annual self-assessment using a structured checklist
 - *This was considered at the June 2026 Audit and Risk Committee where members reviewed the Committee 2025-26 Annual Report, which makes specific reference to the self-assessment checklist.*
- Explicit alignment to the Scottish Government Audit Committee Handbook
 - *Reviewed annually as part of the Committee effectiveness review.*
- Clear documentation of:

- Committee effectiveness
- Independence and skills mix
- Terms of reference and remit
- Identification and tracking of improvement actions

- Based on the above work undertaken, there is a clear evidentiary trail regarding the above four aspects.

2.6 This approach is widely used across the FE sector as a primary method of demonstrating governance compliance with SPFM.

b) Internal Control: Structured Assurance Framework

2.7 The College complements its governance self-assessment with formal internal control assurance processes, typically based on the SPFM internal control checklist.

2.8 College good practice includes:

- Completion of structured assurance returns by senior managers
- Coverage of all key control areas, including:
 - Risk management
 - Financial management
 - Procurement and fraud
 - Information governance and HR

2.9 The resulting review provides clear documentation of:

- Level of assurance
- Supporting evidence
- Control weaknesses and actions

2.10 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).

2.11 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 them in the signing of the governance statement, which forms part of the Scottish Government consolidated accounts for the period 1 April 2025 to 31 March 2026.

2.12 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.

2.13 Reliance is placed on a variety of sources, such as:

- Minutes from board committees dealing with audit, risk, finance, planning and HR.
- The 2024-25 audit opinion and any audit work conducted in the period from August 2025 to March 2026.
- The College's own views of the operational effectiveness of the controls, processes, and procedures in place.

2.14 The College has reviewed the Certificate of Assurance checklist (**Appendix 1**) and is content to categorise each condition as high assurance.

2.15 This review has allowed the Principal to return the 2025-26 Certificate of Assurance (**Appendix 2**).

c) Integrated Assurance Mapping

2.16 The College is looking to go further by developing a single, consolidated assurance framework that links:

- Risks → Controls → Assurance sources → Gaps

2.17 College good practice includes:

- A mapped view of the three lines of defence:
 - Management controls
 - Oversight functions (risk, finance, compliance)
 - Internal and external audit
- RAG-rated assurance against key risk and control areas
- Clear identification of:
 - Duplication of assurance
 - Gaps or areas of limited assurance

2.18 This provides the Committee with a holistic view of control effectiveness, rather than fragmented reporting.

2.19 As noted at agenda item 18 – Review Performance Relating to Risk Management, the College is in the process of completing an overarching Assurance Map, which will address the above good practice areas.

d) Evidence-Based Reporting to Committee

2.20 The College contends that it operates in a strong governance environment, where SPFM compliance is not theoretical but is demonstrated through evidence.

- 2.21 College good practice reporting includes:
- Regular assurance reports to the Committee showing:
 - Compliance status
 - Key control issues
 - Progress against agreed actions
 - Explicit linkage between:
 - Internal audit findings
 - Risk register
 - Governance statement disclosures
 - Clear audit trails supporting all assurance statements

2.22 *The work undertaken by the internal and external auditors, combined with the Committee reporting, provides a high level of assurance reporting to the Committee.*

e) Continuous Improvement Culture

2.23 The College treats SPFM compliance as a continuous improvement process, not an annual exercise.

- 2.24 College good practice includes:
- Annual refresh of checklists and frameworks
 - Benchmarking against:
 - Sector peers
 - Audit Scotland expectations
 - Use of internal audit to:
 - Validate assurance
 - Test control effectiveness
 - Ongoing training for Committee members on governance and risk

3. Why This Matters

3.1 The above works provide assurance that is then capable of:

1) Supporting the Accountable Officer

3.2 SPFM places personal responsibility on the Accountable Officer to ensure:

- Proper use of public funds
- Adequate systems of internal control

3.3 A robust compliance framework provides the evidence base necessary to support the Financial Statements Governance Statement and Certificates of Assurance.

2) Strengthens Board Assurance

- 3.4 A structured approach enables the Committee and Board to:
- Move beyond anecdotal assurance
 - Rely on systematic, documented evidence
 - Identify areas of:
 - Strong assurance
 - Limited or emerging risk
- 3.5 All the above improve the quality and credibility of Board decision-making.

3) Enhances Audit Effectiveness

- 3.6 External and internal audits rely on clear assurance frameworks to:
- Assess control effectiveness
 - Avoid duplication
 - Focus on high-risk areas
- 3.7 A well-developed SPFM framework, therefore:
- Reduces audit burden
 - Improves audit outcomes

4) Ensures Compliance with SFC and Public Sector Expectations

- 3.8 For colleges, SPFM compliance is not optional; it is embedded within the Financial Memorandum and funding conditions. **Appendix 3** provides an overview of the FM conditions and how the College is complying with them.
- 3.9 This work demonstrates a structured compliance, thereby reducing the risk of:
- Governance weaknesses
 - Regulatory challenge
 - Reputational damage

5) Drives Better Risk Management and Value for Money

- 3.10 Ultimately, the SPFM is about economy, efficiency and effectiveness in the use of public resources
- 3.11 A strong compliance framework:
- Embeds risk management in decision-making
 - Strengthens financial discipline
 - Supports delivery of Best Value obligations

4. Summary

- 4.1 The College believes it provides a good assurance framework through:
- Annual Audit Committee self-assessment aligned to SG Handbook
 - Structured internal control assurance using SPFM checklist
 - Integrated assurance mapping (risk → control → assurance)
 - Evidence-based, RAG-rated reporting
 - Continuous improvement and audit alignment

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

Schedule of Required Assurances

Required Assurances	Status
1. Ensure that effective governance structures are in place, including an audit and risk committee, with clear terms of references, which meets with sufficiently frequently and provides appropriate scrutiny and challenge to officers.	
2. Ensure you have a structured view of where assurance is derived from, including management, internal audit, external audit and independent reviews, and that gaps in assurance or over-reliance on single sources are identified.	
3. Ensure that recommendations from sources of assurance are responded to and that implementation is tracked.	
4. Ensure that appropriate organisational culture and behaviours are embedded, with effective leadership, clear accountability, ethical conduct and constructive challenge supporting the control environment and ensure that there are clear routes to senior leadership, and that significant control weaknesses are treated transparently and with a commitment to improvement.	
5. 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.	
6. 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;	

Required Assurances	Status
<ul style="list-style-type: none"> - ensure that delegation of responsibility is accompanied by clear lines of control and accountability together with reporting arrangements. 	
<p>7. Ensure that procurement activity is conducted in accordance with the applicable public sector procurement requirements, including effective post-award contract management, monitoring of performance, value for money and sustainability outcomes; appropriate controls over the use of consultants, including spend controls, correct coding and approvals; and the integration of sustainability, green recovery and net zero considerations within procurement activity.</p>	
<p>8. 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.</p>	
<p>9. Ensure all risks relating to the delivery of business objectives, regularity, propriety or value for money are identified. In doing so, ensure that their significance of those risks is assessed, that systems proportionate to the risks are in place in all relevant areas to manage them effectively and that the skills and training of staff directly responsible for managing key risks are appropriate and sufficient.</p>	
<p>10. Ensure explicit consideration of organisational risk appetite and tolerance, aligned with decision-making; that risk management is embedded in routine decision-making, with staff confident to raise risks and concerns; and that learning from issues, near-misses and failures is used to improve controls.</p>	
<p>11. Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.</p>	
<p>12. 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.</p>	
<p>13. Ensure that structured plans are in place for change and improvement, with arrangements to monitor the delivery of change alongside business-as-usual activity.</p>	
<p>14. Ensure that business continuity and organisational resilience are embedded, with business continuity plans aligned to critical objectives and regularly tested and exercised to ensure effectiveness.</p>	
<p>15. Ensure that all managers are assigned well defined responsibilities for making the best use of resources.</p>	
<p>16. Ensure that appropriate governance arrangements are in place for major projects or investments, including proportionate business cases, compliance with assurance gateways, and arrangements for benefits realisation and post-implementation review, and that delivery capacity and access to specialist expertise are assessed and secured as required.</p>	

Required Assurances	Status
17. 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.	
18. 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.	
19. Ensure that you have a well communicated fraud policy, an up-to-date fraud response plan and effective avenues for reporting suspicions of fraud.	
20. Ensure that there are processes in place around compliance with an IT security policy and for dealing with potential breaches.	
21. Ensure that appropriate consideration has been given to business continuity planning and disaster recovery for key activities.	
22. Ensure that an up-to-date publication scheme is in place and is sufficiently open and proactive in publishing information of interest to stakeholders; and that clear processes exist for reporting, recording and responding to information security incidents.	
23. Ensure that a people/HR strategy is in place that employee engagement is measured and acted upon; that leadership capability and management skills are developed; that performance management processes are applied consistently; and that hybrid working is managed safely and effectively with health, safety and wellbeing fully integrated.	
24. Ensure that effective health and safety governance arrangements are in place, including completion of mandatory training; up-to-date risk assessments for workplaces and activities; and appropriate arrangements for fire safety and the provision of equipment to support safe home and hybrid working.	
25. Ensure that equality and human rights considerations are embedded, including compliance with the Equality Act 2010, early assessment of impacts on people with protected characteristics, awareness and capability to meet statutory UNCRC duties, and arrangements to monitor and evidence that equality processes deliver improved outcomes and not solely compliance.	
26. Ensure that Fair Work principles are embedded, including payment of at least the real Living Wage, effective workers’ voice, inclusive and fair employment practices, workforce development and wellbeing; and that Fair Work considerations are applied proportionately and monitored to demonstrate improved outcomes, not solely compliance.	



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

April 2025 – March 2026

College Name: Ayrshire College

I am aware that as Accountable Officer you are required to provide assurance to the Principal Accountable Officer of the Scottish Government to support the signing of a governance statement provided as part of the Scottish Government consolidated accounts for 2025-26.

To assist you in that process, I can confirm that I have undertaken a review [evidenced by the attached internal control checklist] of the internal control arrangements in the college and obtained required assurances.

Having done that:

I can confirm 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 assurance you are required to give the Accountable Officer

~~OR~~

~~I would draw your attention to the following matter(s) which may wish to consider when preparing the assurance you are required to give to the Accountable Officer.~~

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 Accountable Officer.

Principal Name: Angela Cox

Signed:

Date: 10 March 2026

SFC Financial Memorandum

Financial Memorandum Requirement	Financial Memorandum Condition	Assurance Level	College Evidence	
<p>SFC’s governance requirements of the institution - SFC requires the governing body to comply with the principles of good governance set out in the Code of Good Governance for Scotland’s Colleges. The SFC also require the governing body to ensure that:</p>	<p>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.</p>		<p>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.</p> <p>2) Subject to review by the external auditors as part of their year end work there are no reported occurrences of non-compliance during 2024-25.</p> <p>3) College fully anticipates the external auditors will report no instances of non-compliance during 2025-26.</p>	
	<p>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.</p>			<p>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.</p>
	<p>The institution strives to achieve value-for-money and is economical, efficient and effective in its use of public funding.</p>			
	<p>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.</p>		<p>The Scottish Funding Council has introduced a revised approach to assurance and accountability from 2024-25. 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 outcome agreement process. The Ayrshire College SEAP is was approved at the October 2024 Board of Management meeting.</p> <p>The College is therefore content to state that it is complying with the current arrangements.</p>	
	<p>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.</p>			<p>1) The Board of Management at its June 2025 meeting approved the 2025-26 Budget for forecast. The approved 2025-26 operational surplus was £1.748m subject to the achievement of further efficiencies and pay award being settled in line with the budget assumption. The Board, through the People, Infrastructure and Finance Committee (PIFCo) have been kept apprised of the College budget progress.</p> <p>2) 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 transition to the revised level of core funding. This matter is still ongoing and therefore represents a risk to the College.</p>
	<p>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.</p>		<p>Assurance in this area is provided by:</p> <p>1) Annual report of internal and external auditors - these have indicated no concerns in any of the stated internal management and control areas.</p> <p>2) Audit and Risk Committee reviewed the effectiveness of the internal audit service as part of the Committee 2025-26 cycle of activities. The Committee concluded that the service was effectively delivered.</p> <p>3) Audit and Risk Committee reviewed the effectiveness of the external auditors for the 2024-25 financial year. The Committee concluded that the service was effectively delivered.</p> <p>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 as required on an ongoing basis.</p>	
	<p>The institution has an effective policy of risk management and risk management arrangements.</p>			<p>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.</p>
	<p>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>			<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 PIFCo meeting. The Management Accounts are also reported to the Board of Management following each review by PIFCo.</p> <p>Information is also made available to SFC on an on-going basis and as required.</p>

Financial Memorandum Requirement	Financial Memorandum Condition	Assurance Level	College Evidence
	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>
Public sector pay policy	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.
Tuition Fees	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.
Student Activity	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 2024-25 SFC student activity audit and financial statements and these returns were provided to the SFC in accordance with required deadlines.</p>
Student support guidance	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.
European Social Funds	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.
Audit and accounting	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 2025 and the effectiveness of the Committee is reviewed annually. The review of Committee effectiveness was undertaken in December 2025 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 2024-25 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 and have subsequently extended 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 2025-26 in advance of consideration of the last year of the contract extension. The ARC approved the extension of the internal audit contract for a further year.</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 2025 Board of Management.
Accounts direction	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 PIFCo and ARC 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 2024-25 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 2025-26 Audit and Risk Committee work plan.
	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.

Financial Memorandum Requirement	Financial Memorandum Condition	Assurance Level	College Evidence
<p>Internal Audit</p>	<p>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.</p>		<p>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.</p>
	<p>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.</p>		<p>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.</p>
	<p>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.</p>		<p>The Annual Internal Audit Report is produced each year with the next one due to be received by the September 2026 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.</p>
	<p>The report must be presented to the institution's Audit Committee and a copy sent to SFC.</p>		<p>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.</p>
<p>Value for Money</p>	<p>The institution must have a strategy for reviewing systematically management's arrangements for securing value for money.</p>		<p>The College Procurement Framework also covers Value for Money and best practice regarding purchasing of goods and services and an annual report on outcomes is presented to PIFCo.</p>
	<p>As part of its internal audit arrangements, the institution must obtain a comprehensive appraisal of management's arrangements for achieving value for money.</p>		<p>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.</p>
<p>External Audit</p>	<p>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.</p>		<p>Arrangements are in place to ensure that external auditors receive such forms of communication and can attend any meetings as required.</p>
	<p>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.</p>		<p>The external auditors attend and present their Audit Report on the Financial Statement to the joint ARC / PIFCo committee meeting at which the annual financial statements are approved.</p>
	<p>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.</p>		<p>The external auditors receive all agendas and minutes of ARC / PIFCo committees and attend the Audit and Risk Committee as required. The external auditors attend the annual joint ARC / PIFCo committee meeting which approves the financial statements.</p>