

Sabhal Mòr Ostaig Audit Committee

Draft Minutes

Date and Time	Friday 10 November 2017
Location	Seòmair Shomhairle, Ionad Iain Nobail
Present	Willie MacDonald, Chair Murdo Campbell Arthur Cormack Iain Graham Sandy Jones (by video link)
In attendance	Louise Carmichael, TIAA (by phone) Iain Gordon, Director of Finance and Planning Stuart Inglis, Director, Henderson Loggie, External Audit Partner Karen Kennedy, Director of Finance and Planning Marie MacKay, College Accountant
Apologies	John Taylor Fiona MacKinnon, Secretary to the Board
Minutes	Christine Mackenzie
Minute status	Draft

Summary of Action Items

Ref. Number	Action	Responsibility	Time line
AUD 13-01 Item 9	Arrange the Chair's attendance at the next Board of Directors' meeting. [timescale updated]	C. Mackenzie	Mar 2017
AUD 17-03 Item 5	Forward sample Whistle Blowing policies to I. Gordon, for reference Circulate updated Whistle Blowing policy for approval of committee	S. Inglis C. Mackenzie	Mar 2017 Mar 2017
AUD 17-03 Item 11	Circulate alternative dates for next meeting	C. Mackenzie	Dec 2017

Agenda Item**1. Welcome and Apologies**

The Chair welcomed the members and those in attendance, in particular Karen Kennedy, who was attending her first meeting. Karen has been appointed as Director of Finance and will take up her post in December.

Apologies were received from John Taylor and Fiona MacKinnon

2. Declaration of Interests

M. Campbell declared his interest as a director of Cànan, of SMO Developments, and of Bail' Ùr Ostaig. I. Gordon declared his interest as a director of Cànan. A. Cormack declared his interest as his son is an employee of the College. I. Graham declared his interest as his wife is a tenant of the College.

3. Minutes of the meeting held on 23 June

The minutes were approved as an accurate record.

4. Matters arising not on the Agenda / Action Points

All actions had been completed except for arranging the attendance of the Chair at a Board of Directors' meeting. The next meeting of the Board is on 9 March 2018.

5. Whistle Blowing Policy

The College Whistle Blowing Policy was reviewed and the committee recommended that staff should have the right to take their concerns to a member of the Board, if they felt their concerns had not been properly addressed at an operational level. They also felt that reference should be made to the Audit Committee. S. Inglis offered to forward sample policies to I. Gordon. C. Mackenzie will circulate the updated policy for approval.

ACTION: S. Inglis to forward sample Whistle Blowing policies to I. Gordon, for reference.

ACTION: C. Mackenzie to circulate updated policy for approval of committee.

6. Business / Disaster Recovery Planning

The draft Business Recovery Plan was noted. The plan took longer to complete than was expected and so was unable to be reviewed by the internal auditors this year. Highland Council held a Major Incident exercise at the College in September and staff writing the plan felt it was important to incorporate feedback from this exercise. The plan will be presented to the Senior Management Team and then the Board, for

approval, and the Audit Committee may recommend that it be part of the internal audit review in the spring. The plan will link to UHI's plan and staff training will be put in place.

7. Internal Audit

a) Marketing and Recruitment Report

The final draft of Marketing and Recruitment Report was noted. TIAA are offering limited assurance and there are six Priority 2 recommendations. Some of these recommendations have already been implemented.

The Committee recognised the importance of marketing with regards to student recruitment, and the College budget. The Committee were made aware of the impact that the Curriculum for Excellence has had in limiting the number of subjects pupils can take. This has affected many subject areas, Gaelic in particular. The Committee noted that advocacy at Scottish Government level was needed.

b) Report on Credits Recording and Evaluation

The report (formerly known as the SUMS Report) was noted. TIAA are offering substantial assurance and there were no recommendations.

c) Follow up on 2016 Review and Matters Outstanding from 2015

Management responses to the 2016 internal audit review and matters outstanding from 2015 were noted.

8. Financial Year End Reporting

a) Draft Financial Statements 2016-17

The draft financial statements were noted. Henderson Loggie have recommended that the Library Special Collections be treated as a Heritage Asset, and not depreciated each year as other books are. They have also recommended that the scholarship fund be recorded as a donation (as there are no restrictions imposed by the donors) and recognized as a part of the College's revenue reserves, in accordance with FRS 102 and SORP regulations. Discussions are on-going with regards to this issue as management feel treating the fund in this way does not give a true picture and would affect budgets going forward.

The College is still in the process of settling matters with regards to the potential clawback from ERDF of funds for the first phase of the Kilbeg project; this will need to be clarified before signing-off on the financial statements.

The draft financial statements were approved and recommended to the Board, subject to signing-off by the external auditors.

b) External Auditors' Report

The external auditors' report was noted and S. Inglis spoke to the report. There are six category B (significant) findings which management needs to review. Henderson Loggie's intention is offer an unmodified opinion on the financial statements, subject to the resolution of the scholarship fund issue (see 8a above).

The Finance team at Sabhal Mòr, and Henderson Loggie, were thanked for their work.

c) Audit Committee Report to the Board of Directors

The annual report was approved and signed by the Chair. The report has been updated in accordance with best practice guidance from UHI.

9. Risk Register

The Risk Register had been updated since the previous meeting and the high risk items were discussed.

10. AOCB

a) M. Campbell raised the issue how positive news about the College is disseminated and it was agreed to recommend to the Senior Management Team that this is reviewed.

b) It was noted that this was I. Gordon's last meeting as Director of Finance and Planning, although he will be remaining at the College until the spring to continue some of the consultancy work that the College does for other bodies. On behalf of the Committee, the Chair thanked him for all his work and support over the last eight years.

11. Date of Next Meeting

The next meeting was due to be held on 9 February but as that date is not suitable for all members, C. Mackenzie will circulate alternative dates.

ACTION: C. Mackenzie to circulate alternative dates for next meeting.

The meeting adjourned at 4.00pm