

Sabhal Mòr Ostaig Audit Committee

Draft Minutes

Date and Time	Friday 22 February 2019, 11.00am
Location	Seòmair Shomhairle, Ionad Iain Nobail
Present	John Taylor, Chair Murdo Campbell Iain Graham Jo MacDonald
In attendance	Gill Callaghan, TIAA (by phone, to 12.10) Janey Forgan, Director of Finance (Maternity Cover) Marie MacKay, College Accountant Donald Angie MacLennan, Head of Estates and Finance (to 11.30) Martin MacDonald, Head of ICT (11.10 to 11.55)
Apologies	Stuart Inglis, Director, Henderson Loggie, External Audit Partner
Minutes	Christine Mackenzie
Minute status	Draft

Summary of Action Items

Ref. Number	Action	Responsibility	Time line
AUD 18-03	Discuss best practice on IT Recovery with other colleges in the UHI network	K. Kennedy	To be clarified
AUD 19-01	Clarify how internal audit review and follow-up is dealt with internally	J. Forgan	Jun 2019
AUD 19-01	Draft updated risk register for Board meeting on 8 March	J. Forgan	Mar 2019
AUD 19-01	Contact potential committee members	C. Mackenzie	Jun 2019
AUD 19-01	Inform APUC that the internal audit contract will be open to tender outwith the framework.	J. Forgan	Feb 2019

Agenda Item**1. Welcome and Apologies**

As W. MacDonald had completed two five-year terms as Chair, he was obliged to step down prior to this meeting. J. Taylor agreed to chair this meeting and welcomed the members and those in attendance. The committee thanked W. MacDonald for his contribution and commitment to the committee and it was agreed that a letter of thanks should be sent to him on their behalf.

Since the last meeting Arthur Cormack has resigned from the College's Board of Directors, and therefore, this committee. The members thanked him for his contribution to the committee.

Janey Forgan has been appointed Finance Director while Karen Kennedy is on maternity leave and the Chair welcomed her to her first meeting.

2. Declaration of Interests

There were no declarations of interest.

3. Minutes of the meeting held on 2 November 2018

The minutes were approved as an accurate record.

4. Matters arising not on the Agenda / Action Points***(i) Internal Audit Management Response***

I. Graham raised the issue of management response to the internal audit and how to ensure that feedback from staff involved in audit areas is passed on to the internal audit team for inclusion in the final report. J. Forgan agreed to follow up on this.

ACTION: J. Forgan to clarify how internal audit review and follow-up is dealt with internally.

(ii) Report on Fas Building and Legal Proceedings

Donald Angie MacLennan, Head of Estates and Services, updated the committee on the on-going legal dispute with Gillespies, the architects of the Fàs building, regarding the repairs to the damage caused by periodic ingress of water into the building. The damage has resulted in the College being unable to use two offices in the building, a potential loss of revenue. It has not been established if the fault lies in the construction, or in the design, of the building (the construction company, UBC, have since gone out of business). Tenders have been received for intrusive investigations which will ascertain the extent of the damage and the potential cost of repairs. It is

hoped that this work will begin in March. Gillespies had previously made an offer to the College, which was rejected. The committee will be kept informed of progress.

The committee thanked D.A MacLennan for attending the meeting.

D.A MacLennan left the meeting.

(iii) ICT Recovery Plan

The ICT Recovery Plan was noted. Martin MacDonald, Head of ICT, was in attendance to provide clarification on points raised by the committee with regard to data back-up, fibre links, and the implications if the College's relationship with UHI changed in the future.

The committee thanked M. MacDonald for his attendance.

M. MacDonald left the meeting.

5. Risk Register

J. Forgan reported that the risk register would be re-configured in response to recommendations from the internal audit, to include:

- clear iteration of risk and potential consequences
- better mapping of risk by strategic areas
- timeframe for actions
- re-assessment of risk after mitigation

J. Forgan will be reviewing how risk is dealt with and developing strategy and procedures to embed risk management as part of day to day College management. The Board will need to state its appetite for risk. It was agreed that risk training should be for the whole Board.

It was agreed that the new risk strategy, procedures and revised risk register be proposed to the Board in June.

ACTION: J. Forgan to draft updated strategy, procedures and risk register for Board meeting in June 19

Risk management training to be proposed to the Board.

6. Internal Audit Reports

(i) 2018-19 Report

The internal audit report was noted. TIAA are offering a reasonable assurance that effective risk management, control and governance processes are in place to manage the achievement of the College's objectives.

Five areas were reviewed; in only one area were controls assessed as offering limited assurance (Business Continuity Plan). There were two urgent recommendations. There was evidence to support the College's achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.

(ii) 2016-17 Follow-up

The follow-up report to the 2016-17 internal audit was noted. There were 12 recommendations, three of which have been implemented, one has been superseded, and eight are outstanding. TIAA did note the impact of changes at senior management level (new Principal and Vice Principal appointed in August 2018).

(iii) 2019-20 Draft Plan

The draft audit plan for 2019-20 was noted.

7. External Audit 2017/18 Final Report

The updated and final draft of the External Audit Report was noted.

8. Summary of Estates and Finance Committee Minutes

The summary of the minutes from the Estates and Finance Committee meeting of 30 January was noted.

9. AOCB

(i) Chair

The committee approved the appointment of J. Taylor as Chair.

(ii) Membership

The committee discussed potential members and C. Mackenzie agreed to contact those suggested.

ACTION: C. Mackenzie to contact potential committee members.

(iii) Internal Audit Tender

J. Forgan informed the committee that the contract for internal audit would be going out to tender shortly and is expected to be awarded in May. APUC will facilitate the process. Following discussions, the committee agreed to recommend the use of an open tender, allowing companies outwith the APUC framework to submit a tender. APUC will still support the process in this case.

ACTION: J. Forgan to inform APUC that the internal audit contract will be open to tender outwith the framework.

10. Date of Next Meeting

The next meeting will be held on 7 June 2019

The meeting concluded at 12.40