

Sabhal Mòr Ostaig Audit Committee

Draft Minutes

Date and Time	Friday 10 February 2017
Location	Seòmair Shomhairle, Ionad Iain Nobail
Present	Willie MacDonald, Chair Murdo Campbell Arthur Cormack (by phone) Sandy Jones (by phone) John Taylor
In attendance	Steve Cartwright, External Audit Partner (by phone) Louise Carmichael, TIAA (by phone) Iain Gordon, Director of Finance and Planning Marie MacKay, College Accountant Fiona MacKinnon, Secretary to the Board
Apologies	None
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 16-02 Item 6	Chair to meet with members separately before next meeting [timescale updated]	W. MacDonald	Jun 2017
AUD 17-01 Item 6 (b)	Prepare matrix of items covered by internal audit over past 5 years	I. Gordon	Jun 2017
AUD 17-01 Item 7 (b)	Raise with Board of Directors need for another director on Audit Committee	I. Gordon	Jun 2017

Agenda Item**1. Welcome and Apologies**

The Chair welcomed the members and those in attendance, in particular Steve Cartwright, Lead Partner, Henderson Loggie, newly appointed as external auditors, and Fiona MacKinnon who was appointed Secretary to the Board in January and was attending this meeting as an observer.

There were no apologies.

2. Declaration of Interests

M. Campbell and I. Gordon declared their interest as directors of Cànan. S. Jones declared her interest as a board member of Ceòlas (during the discussion of the Risk Register, the issue of competition from Ceòlas was raised).

3. Minutes of the meeting held on 25 November

The minutes were approved as an accurate record. The action points were discussed.

4. Matters arising not on the Agenda*(a) Kilbeg Capital Project*

I. Gordon updated the committee on the continuing discussions with ERDF and the the Scottish Government's Internal Audit team; the College is still awaiting the outcome of Phase 2 of the audit.

(b) Annual Report to Committee and SFC

The report had been received and forwarded to the Scottish Funding Council.

5. External Auditors' Report

The report was noted. Following the previous meeting the report had been updated to include management responses.

6. Risk Register

The Risk Register had been updated since the previous meeting and the updates and high risk items were discussed. The committee agreed that the Risk Register should be moved up the agenda in order to allow sufficient time for discussion.

7. Internal Audit*(a) Closing Report on Internal Audit 2016*

The report was noted. Three reviews had been carried out and in only one area were the internal control arrangements assessed as having limited assurance.

(b) Options and Recommendations for Review 2017

The committee discussed the options for areas to be reviewed in 2017, based on TIAA's original strategic plan for 2015-2019. The committee had been provided with the Council of Higher Education Internal Auditors' 'Audit Universe' and it was agreed that it would be helpful for I. Gordon to prepare a matrix of areas already covered in the past five years. This will be circulated to members following the meeting, after which a decision will be made on areas to be covered. Business Continuity Planning has been carried over from 2016 and the SUMS Audit is a fixed item.

ACTION: I. Gordon to prepare matrix to assist committee in deciding on areas to be covered by internal auditors in 2017.

8. Audit Committee

(a) Re-appointment of Chair

W. MacDonald was re-appointed Chair of the committee.

(b) Membership of the Board

The committee was reminded that as per the remit, three directors should be members of the Audit Committee; at present there are only two. It was agreed that this matter should be raised at the next meeting of the Board of Directors.

ACTION: I. Gordon to raise issue of Audit Committee membership at next Board meeting.

9. AOCB

(a) Director of Finance and Planning

The committee was informed that the College was still in the process of recruiting a Director of Finance and Planning; I. Gordon will be retiring in the summer.

10. Date of Next Meeting

The next meeting will be held on 23 June at Sabhal Mòr Ostaig.

The meeting adjourned at 3.15pm