

**Final Version Minutes of the Audit Committee
held at 11.45pm on Friday 13th March 2020
at CERC, Lochgilphead and by Phone**

Present: Scott Matheson (SM) Chair by VC, Gillian McCready (GMcC), Faye Tudor (FT)
Apologies: Tony Dalgaty (TD),
In Attendance: Steven McNaught (SMcN) Henderson Loggie by VC for 20.1.6, David Archibald (DA)
 Henderson Loggie by VC for 20.1.6, Ailsa Close (AEC), Vicky Daveney (VD)(Secretary)

| No | Item | Action |
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| 20.1.1 | <p>Welcome and apologies for absence The chair welcomed members to the committee meeting and welcomed Faye Tudor to her first Audit Meeting as Staff Representative. Apologies were received from Tony Dalgaty and Martin Jones.</p> | |
| 20.1.2 | <p>Declaration of interest & to identify if any items deemed to be confidential. There were no declarations of interest. 20.1.8 is a confidential item.</p> | |
| 20.1.3 | <p>Minutes of Joint FGP and Audit Committee meeting held on 29th November 2019 were approved. The minutes to be signed by Chair as an accurate record of the meeting.</p> | VD/SM |
| 20.1.4 | <p>Matters arising</p> <p>(a) Helensburgh update – AEC confirmed that no funding has been received from UHI. MJ has raised it with EO. MJ to give JC information for JC to email EO.</p> <p>(b) Nursery update – AEC confirmed that the nursery is to close on 26th June. Two of the remaining staff have new jobs to go to, 1 is leaving imminently 1 is staying until the nursery closes. AEC reported press coverage had been reasonable, this is testament to MJ’s ability to deal with the situation and take meetings head on with Elaine Munro’s support and Mo McKenna managing PR.</p> <p>SM confirmed that he felt the reporting was balanced and fair and asked what risks there might be with relation to staffing costs or other costs over the next few months. AEC stated that the main issue is maintaining staffing ratios. A key member of staff is currently self-isolating and coronavirus may result in closure. Bad debts are also a risk. GMcC asked what the cost of bad debts is likely to be. AEC confirmed that some are quite high. AEC also confirmed that the Care Inspectorate will not be coming in to do an inspection.</p> | |
| 20.1.5 | <p>Risk Register AEC reported that the Risk Register was not available for this meeting but the main changes will be the nursery and coronavirus. SM suggested that the change of auditor should also be added. GMcC asked if staff sickness appears. AEC confirmed</p> | |

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| | <p>that it does. SM to contact MJ to discuss the Risk Register before he meets with the new internal auditors.</p> <p>ACTION: Items to be added to Risk Register – Nursery, Coronavirus and change of auditors.</p> | MJ |
| 20.1.6 | <p>Internal auditors discussion with Committee on 2019/20 Audit Plan – by VC</p> <p>Steven McNaught and David Archibald of Henderson Loggie joined the meeting by VC.</p> <p>SM welcomed SMcN and DA to the meeting and told the committee that he has a meeting scheduled with them for w/c 16 March. SM then asked Henderson Loggie to inform the committee of their intended plans and approach as the new Internal Auditors. DA confirmed that they already work with 10 other colleges and a number of UHI Assigned colleges. This gives them an understanding of the wider UHI environment and means they have a tried and tested methodology. After the meeting next week with SM they will be programming 2 distinct blocks of work, the first being to end of July. The audit committee should then make sure they are in agreement with the proposed topics in the plan. SM asked what a good audit committee could give in terms of direction. DA stated that they want to know from the committee which key areas to concentrate on. He also suggested that the Risk Register be used as a guide to changing internal activity as required. He expressed the need for continued dialogue and that they are there to provide positive assurance and help move things forward. The committee agreed it was looking for a proactive approach from the auditors.</p> <p>At this point Henderson Loggie left the meeting and further discussions were held. SM asked AEC for further feedback. AEC felt that previous internal audit reports could have been more in depth or more directive. With Henderson Loggie’s experience of working with colleges there is potential for sharing of good practice. GMcC said that strategic direction has been missing in the past and will be helpful going forward. SM confirmed that SMcN will be speaking to MJ and EM to get their views before he speaks with him w/c 16 March. SM asked GMcC to email him with any suggestions for the audit plan. AEC confirmed that the plan will come to the committee for approval via email due to time constraints.</p> | |
| 20.1.7 | <p>Update on appointment of external auditor</p> <p>AEC confirmed that a tender has gone out with a return date of w/c 16 March. Evaluations will then take place. AEC to find out what level of board involvement may be required and keep SM informed should he want to be involved. SM stated that it will require board approval.</p> | |
| 20.1.8 | <p>Confidential Item</p> | |
| 20.1.9 | <p>AOCD</p> <p>SM thanked GMcC for her time on the committee.</p> | |
| | <p>Signed by</p> <p>..... Date</p> <p>Chair of Audit Committee</p> | |

