

Meeting: Audit Committee	Venue: College Board Room	Date: 15 November 2018	Time: 11am - 1pm
Minute Taken By: Jackie Kane	Sederunt: Gillian Hogg (Chair), Marian Docherty, Richard Butt (up until 12.30pm), Pete Smith, Joyce Clark, George Archibald, Jean Urquhart (via VC) In Attendance: Jackie Kane (Secretary to the Board), Ben Wood (University of Edinburgh), Sandy Hogg (Wylie & Bisset)	Apologies:	Absences:

No.	Agenda Item		When	By Whom	Status
1.	Apologies	There were no apologies.	15.11.18	JK	Information
2.	Minute of Meetings held on:				
2a.	16 May 2018 (Paper 1)	Approved as an accurate record.	15.11.18	Audit Committee	Complete
2b.	25 September 2018	Unfortunately there was no minute to approve due to the termination of employment of the Secretary to the Board. The Business & Resource Manager and Secretary to the Board to construct a minute from 25 September 2018.	15.11.18	Audit Committee JC/JK	Information. Ongoing
3.	Matters Arising	There were no matters arising that are not already on the agenda.	15.11.18	Audit Committee	Information
4.	External Auditors Report		15.11.18	SH	Information
4a.	Financial Statements for the year ended 31 July 2018 (Paper 3)	Sandy Hogg (Wylie & Bisset) spoke to the revised Financial Statements for the year ended 31 July 2018 along with the Annual Report to the Board of Directors. The committee considered the following: <ul style="list-style-type: none"> For the year ended 31 July 2018 the college has made deficit before other gains and losses of £59,546 compared with a surplus before other gains and losses of £24,332 for the year ended 31 July 2017. The deficit includes net costs in relation to the pension valuation of £71,000. The surplus exceeding these pension costs is £11,454. The 	15.11.18	Audit Committee	Information

		<p>Balance Sheet shows a net asset position of £914k increase from the prior year position of £625k. After discussion the committee requested an actuarial report be submitted before the Board meeting on 29 November 2018. This narrative would make explaining the deficit easier to the Board.</p> <ul style="list-style-type: none"> • The committee requested that the terminology of non-teaching support be changed. The Business & Resource Manager will progress this request along with the anomaly of teaching staff numbers. • As the college is moving from Sage to QuickBooks the use of a suspense account will no longer be an issue. This was a medium recommendation from the previous year's audit. • The college will continue to monitor on a monthly basis the corporation tax exemption threshold. <p>The Financial Statements for the year ended 31 July 2018 along with the Annual Report will be presented to the Board on 29 November 2018 for their approval.</p>	29.11.18	Audit Committee	Information
4b.	Credits Audit Report 2017-2018 (Paper 4)	The committee considered the Credits Audit Report 2017-2018. This report will be presented to the Board on 29 November 2018 for their approval.	29.11.18	Audit Committee	Information
4c.	Education Maintenance Allowance Audit Report 2017-2018 (Paper 5)	The committee considered the Education Maintenance Allowance Audit Report 2017-2018. This report will be presented to the Board on 29 November 2018 for their approval.	29.11.18	Audit Committee	Information
4d.	Student Support Funds Audit Report 2017-2018 (Paper 6)	The committee considered the Student Support Funds Audit Report 2017-2018. This report will be presented to the Board on 29 November 2018 for their approval.	29.11.18	Audit Committee	Information
5.	Internal Auditors Update				

5a.	Internal Audit Report (Paper 7)	<p>Ben Wood spoke to the Internal Audit Report. The committee noted the following:</p> <ul style="list-style-type: none"> The college is committed to a sound governance and reporting environment. The audit therefore provides sufficient assurance that the key risks are being appropriately managed. The main risk associated with the current arrangements relates to the need to clarify the relationship between the college and the Trustees. This will be highlighted at the next Trustees meeting in January 2019. Reporting and tracking of agreed actions to include a log of all outstanding actions from previous meetings. Update on progress to be provided by the responsible person for each outstanding action. The committee agreed that all agendas and committee papers have a cover sheet clearly specifying the action expected from the relevant committee. The Business & Resource Manager agreed to submit a paper to the Board on the committee's progress from 1 August 2017 - 31 July 2018. <p>This report will be presented to the Board on 29 November 2018 for their approval.</p>	15.11.18 January 2019 29.11.18	Audit Committee MD/Chair of Board Audit Committee	Information Information Information
6.	Risk Register	<p>The committee considered the Risk Register and Risk Management Policy and the following was noted:</p> <ul style="list-style-type: none"> The risk to be specified under the risk description. The relationship between the Board and the Trustees to be added. Comments on the Risk Management Policy to be emailed to the Business & Resource Manager. <p>SMT to update the Risk Register regularly and to present to the committee any risks causing concern.</p>	15.11.18	Audit Committee	Information
7.	AOCB				
	Potential Internal Audit Topics 2018-	The committee agreed that the internal audit topic for 2018-2019 would be Procurement and Tendering Arrangements.	15.11.18	Audit Committee	Ongoing

	2019	General Data Protection Regulations would be the internal audit topic for 2019-2020.	2019-2020	Audit Committee	Ongoing
8.	Date of Next Meeting	Thursday, 7 February 2019 at 11.00am.	7.2.19	Audit Committee	Information