

Meeting: Audit Committee		Venue: College Board Room	Date: 8 February 2018	Time: 11am - 1.00pm	
Minute Taken By: Janet Nixon		Sederunt: Gillian Hogg (Chair), George Archibald, Pete Smith, Marian Docherty, Joyce Clark In Attendance: Noel Lawlor, Janet Nixon	Apologies: Jean Urquhart, Dr Richard Butt, Ross McLauchlan		Absences:
No.	Agenda Item		When	By Whom	Status
1.	Apologies	Apologies were received from Jean Urquhart, Dr Richard Butt and Ross McLauchlan.	8.2.18	JN	Information
2.	Minute of Meeting held on 16 November (Paper 1)	Approved as an accurate record.	8.2.18	Audit Committee	Complete
3.	Matters Arising	There were no matters arising not otherwise on the agenda			
4.	Risk Management	Noel Lawlor introduced the topic of Risk Management. Points included: <ul style="list-style-type: none"> • A risk register containing an inventory of items that never vary should not be produced: the point is to manage risk, not merely report upon it • The risk register is a management tool that causes things to happen • As a first step an assessment of the organisation's appetite for risk should be undertaken • The risk management process should include clear articulation of the risks, the controls in place to reduce the inherent risks and the actions to be undertaken to reduce the risk to a level the Board is happy with. <p>Following discussion, it was agreed that:</p> <ul style="list-style-type: none"> • The Chair of the Board be asked to consider including risk appetite and horizon scanning on the agenda for the upcoming Board Strategy Day 	8.2.18	Audit Committee	Ongoing

		<ul style="list-style-type: none"> The Audit Committee would recommend strongly that this be a facilitated discussion Before a final decision is taken by the Board of Directors on the appetite for risk, input will be required from the Trustees on their appetite for risk 	10.5.18 2018	Audit Committee BOD	Ongoing Ongoing
5.	External Auditors Report				
5a.	Fraud Policy and Response Plan (Paper 3)	<p>The Audit Committee considered the draft Fraud Prevention Policy and Response Plan prepared by Business & Resource Manager based on a template provided by Wylie & Bisset.</p> <p>The Audit Committee approved the draft, subject to some amendments, including the following:</p> <p>Initiating Action</p> <ul style="list-style-type: none"> All actual or suspected incidents in respect of the Principal or Business & Resource Manager must be reported to the Chair of the Audit Committee. The Business & Resource Manager/Principal will, within 24 hours hold a meeting to decide on an initial response and the membership of this group may be drawn from the Senior Management Team, the Chair of the Board of Directors and a representative of the college Internal Audit Providers <p>4.1: Establish an Audit Committee with a clear remit to provide advice and assurance on the appropriateness and effectiveness of the financial control systems in place</p> <p>4.4: All reports about suspected fraud must be reported to the next meeting of the Audit Committee.</p> <p>The Prevention of further loss etc. sections:</p> <ul style="list-style-type: none"> deletion of the reference to Internal Audit's contact with the police deletion of punishment of the perpetrator as a major objective, replaced with establishing the facts and putting in 	8.2.18	Audit Committee	Ongoing

		<p>place controls to ensure that the fraud does not recur.</p> <p>Recovery of losses: In cases where there is a relevant insurance policy in place, there will be liaison with the insurers</p> <p>References: The Senior Management Team will provide advice to the person writing the reference.</p>	February/March 2018	JC	Ongoing
5b.	Depreciation and Capitalisation Policy	<p>The Audit Committee considered the draft Depreciation and Capitalisation Policy prepared by Business & Resource Manager.</p> <p>Following discussion, it was agreed that some minor adjustments would be made and the policy circulated by correspondence for approval.</p>	8.2.18 February 2018	Audit Committee JC/Audit Committee	Ongoing Ongoing
6.	Proposal for 2017-18 Internal Audit theme (Paper 7)	<p>In view of the earlier discussion regarding Risk Management, it was agreed that it is too early in the process for the Internal Auditors to provide an analysis of ways in which the college's risk management processes and reporting can be developed.</p> <p>It was noted that the Internal Auditors would consider further and propose by correspondence an alternative suitable theme.</p>	8.2.18 16.5.18	Audit Committee NL	Information Ongoing
7.	Audit Committee Report 2017	<p>The Audit Committee considered the Audit Committee Report 2017.</p> <p>Following discussion, the Report was approved subject to minor amendment and it was agreed that, following the amendments being made, the Report would be signed by the Chair of the Audit Committee.</p>	8.2.18 16.5.18	Audit Committee JC/GH	Ongoing Ongoing
8.	Committee Self-Evaluation	<p>The Audit Committee considered the Committee Self-Evaluation.</p> <p>It was noted that the Audit Committee currently meets three times a year (as opposed to quarterly as recommended in the checklist), but there is potential to call another meeting should that be required.</p>	8.2.18	Audit Committee	Information

9.	AOCB	No other competent business was raised.			
10.	Date of Next Meeting	16 May 2018, from 11am - 1pm.	16.5.18	Audit Committee	Information

DRAFT