

**Minutes of the CGLMC Ltd Audit Sub-Committee Meeting held in the CGLMC Office
on Friday 27 April 2012**

Present: G Murray, L Gordon

In Attendance: G Duncan (General Manager), I Palfrey (Henderson Black)

Meeting began 0930 hours.

Apologies

There were no apologies.

1. Role and Powers of the Audit Committee

Iain Palfrey explained the purpose of the Audit Committee and in particular the roles and responsibilities for Directors.

It was agreed that the Audit Committee should avoid duplications / overlap with other Committees, if at all possible, and that it should work on the basis of providing recommendations to the full board for approval.

2. Risks

Currently, CGLMC have two sets of risk tables, a finance risk table prepared by Henderson Black and an overall organisational risk table prepared with the help of Henderson Loggie. Work has been done on both of these documents but there still remain improvements to be carried out.

Discussion took place particularly on the location of computer hardware and how the organisation would cope with the risk of server failure.

It was agreed that a disaster recovery plan should be drawn up and that the two existing risk tables should be reassessed by the Audit Sub-Committee in an attempt to streamline the document and to identify relevant risks.

3. Presentations and Reporting

It was agreed that the Audit Sub-Committee could either do work itself or assign it and that it would receive reports as required from the management team.

It was also understood that the Audit Sub-Committee would require on occasion presentations from relevant external experts such as insurers, employment experts and health and safety experts.

4. Liaison with Auditors

I Palfrey said that two meetings a year should take place, one immediately prior to the audit taking place and one following the audit.

5. Roles of Directors for Governance and Management

It was agreed that an A4 sheet of instruction advising the Directors of their precise roles and responsibilities would be useful and this should be drawn up as part of an induction pack for Directors.

6. Induction Packs for Directors

These should be drawn up and contain a copy of the company memorandum and articles, audited accounts and minutes for all new Directors. New Directors should also meet existing Directors and be aware of the general job terms and conditions for managers. Finally a walk round and introduction to staff should take place for all new directors.

7. Disaster Recovery Plan

It was agreed that a comprehensive disaster recovery plan should be drawn up and while this should particularly include a computer disaster recovery plan, it should also review every aspect of CGLMC business.

8. Action Points

- (i) It was agreed that G Duncan should be responsible for drawing up a draft disaster recovery plan for presentation to the Audit Sub-Committee.
- (ii) A meeting was agreed for 28 May 2012 at 9.00 am to review the current risk tables and to prepare a new working document.
- (iii) It was agreed that G Duncan would draw up a draft induction pack for new Directors which would be then reviewed by the Audit Sub-Committee.

9. Next Meeting

I Palfrey said he would provide a date for the next meeting once he had definite dates for the completion of the audit.