

**FOI MINUTES OF THE MEETING OF THE AUDIT COMMITTEE  
HELD AT 9.45AM ON TUESDAY, 25<sup>th</sup> NOVEMBER 2008  
100 BOTHWELL STREET, GLASGOW**

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<b>Present:</b>	Mr Ian Dickson	Chair	ID
	Mr David Edelman	Non-Executive Director	DE
	Mr Ralph Seymour-Jackson	Chief Executive	RSJ
<b>Assessor:</b>	Mr Michael Hipkins	DIUS	MH
<b>By Invitation:</b>	Mr Chris Andrew	Company Secretary	CA
	Mr Les Campbell	Finance Director	LC
	Mr Keith Bedell-Pearce	SLC Chairman	KBP
	Mr Graeme Duncan	Asst to Company Secretary (Mins)	GD
<b>Apologies:</b>	Mr Christian Torkington	Non-Executive Director	CT
<b>Distribution:</b>	As Above		

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### 1. Chairman's Opening Remarks

The Chairman welcomed everyone to the meeting, especially DE who was attending his first Audit Committee. He then noted apologies from CT.

### 2 Formal Notings & Approvals

#### 2.1 Approval of External Auditors for FY08-09

LC provided a background to process the Company had gone through in appointing External Auditors for FY08-09 and advised that following a thorough tender process, the selection panel were recommending the appointment of KPMG as the Company's external auditors. He added that as KPMG's current audit director, Grant Macrae, had been carrying out the Company's external audit duties for seven years, they were now required to rotate this position over the coming months. LC further advised that the Company's stakeholders had been informed and should the recommendation be approved, it would thereafter be submitted to the November Main Board for final approval.

LC then added that although the National Audit Office had scored well throughout the process, they lacked the strength in depth required as only one individual in NAO was registered with ICAEW to carry out Companies Act audits. KBP queried whether NAO were aware of the position and LC advised that they would be informed following approval of the recommendation by the November Main Board. KBP suggested that the Company offer a full debrief to NAO to assist them in tendering for future audits and to demonstrate that a thorough and balanced approach had been taken regarding this appointment **Action AC36 – LC.**

The Audit Committee then approved the appointment of KPMG as the Company's External Auditors for FY08-09 for onward approval by the Main Board.

#### 2.2 Audit Committee Performance Review 2008

ID introduced the final version of the Audit Committee Performance Review 2008 which he advised had been submitted in draft format to the September Audit Committee. The Audit Committee noted the review and ID advised that he would submit the final version to the December Main Board for information **Action AC37 – GD.**

**3 Any Other Business**

A short discussion took place on the terms and conditions for the external audit contract for FY08-09 and LC agreed to ensure that the terms were acceptable to the Company **Action AC38 – LC.**

**4 Date of Next Meeting**

The date of the next meeting was approved as Tuesday, 16<sup>th</sup> December 2008.

**The meeting closed at 10.00am.**

**NB: Where asterisks appear these items have been excluded from the minutes before placing on the website as the subject under discussion falls within one or more of the exemptions contained in Part II of the Freedom of Information Act, 2000 and can be reasonably withheld.**

FOI VERSION