

## Agenda

The 50th meeting of the Audit and Compliance Committee of the Scottish Funding Council

- Date:** 7 June 2018
- Time:** 10.00am
- Venue:** Apex 1, 99 Haymarket Terrace, Edinburgh

Prior to the commencement of the meeting private sessions will take place with the Council executive, Internal Auditors and External Auditors

### General business

1. Chair's business
2. Declarations of interest Oral
3. Minutes of previous meeting, 6 March 2018 ACC/18/Min01
4. Matters arising ACC/18/13

### Items for discussion: Regularity, compliance and risk

5. Risk Register ACC/18/14  
*This paper is withheld from publication on the Council website under the Freedom of Information (Scotland) Act, 2002, Section 30 Prejudicial to the effective conduct of public affairs*
6. SFC Legislative and Regulatory Schedule ACC/18/15
7. Best Value Improvement Plan: progress report ACC/18/16
8. Scottish Government's Audit and Assurance Committee Handbook ACC/18/17
9. Update on General Data Protection Regulation implementation ACC/18/18

### Items for discussion: Internal audit

- |     |                                   |           |
|-----|-----------------------------------|-----------|
| 10. | Internal audit reports            | ACC/18/19 |
|     | 10.1 Follow-up                    |           |
|     | 10.2 Annual Report 2017-18        |           |
|     | 10.3 Procurement                  |           |
|     | 10.4 Progress                     |           |
| 11. | Draft Internal audit plan 2018-19 | ACC/18/20 |

### Items for discussion: Review of Committee's effectiveness

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|-----|--|-----------|
| 12. | Committee's review of effectiveness of internal auditors | Oral      |
| 13. | Committee's review of effectiveness of external auditors | Oral      |
| 14. | Audit and Compliance Committee draft annual report       | ACC/18/21 |

### Items for discussion: External audit

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| 15. | External Auditors Covering Letter including Letter of Representation | ACC/18/22 |
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| 16. | SFC's Draft 2017-18 Annual Audit Report | ACC/18/23 |
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| 17. | Governance Statement 2017-18   | Oral      |
| 18. | Scottish Further and Higher Education Funding Council (SFC) draft annual report and accounts, year ended 31 March 2018 | ACC/18/24 |

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**Items for discussion: SFC**

19. Long-term agenda planning ACC/18/25
20. Future Audit and Compliance Committee meeting dates ACC/18/26\*
21. Date of next meeting: 18 September 2018

## **Remit of the Audit and Compliance Committee**

### **Effectiveness and financial control**

- Consider SFC's annual financial statements prior to submission to the Council.
- Review the effectiveness of the Council's financial and other control systems.
- Consider the Council's policies on whistle-blowing and fraud and irregularity.
- Monitor the Council's arrangements to secure VFM, whether these are made via internal or external audit or other means.

### **Risk management**

- Consider and advise the Council on the adequacy of the arrangements for the assessment and management of risk in relation to the achievement of SFC objectives, with particular regard to the Council's top-level register of risks.
- The Board monitors the Council executive's management of the top-level register of risks and the Audit and Compliance Committee only need undertake this role if requested by the Board. However, so that the Committee can properly fulfil its remit under the previous bullet point, it will receive a copy of the risk register at each meeting and may review specific risks in detail if it considers that to be necessary.

### **Internal audit**

- Consider and advise the Council on the annual and longer term operating plans for internal audit and the resourcing of the internal audit function to deliver these plans.
- Consider and advise the Council on internal audit reports and monitor the implementation of approved recommendations.
- Monitor the effectiveness of internal audit.
- Tendering and appointment of internal audit.

### **External audit**

- Consider planned external audit activity.

- Consider and advise the Council on external audit reports and, where appropriate, report to the Council any issues from the external audit of the Council, and any matter that the external auditors bring to the attention of the Committee.
- Monitor the implementation of approved recommendations.
- Monitor the effectiveness of external audit.

### **Legal and regulatory compliance**

- Consider and advise the Council on the adequacy of the arrangements for the management of the Council's compliance with legislation and regulation, focusing on data security, freedom of information and health and safety, and covering other aspects as part of the Committee's risk management responsibilities.
- Advise the Board on the financial impact of new accounting policies, changes to the Scottish Public Finance Manual and any new laws and regulations.
- Consider and advise the Council on amendments to the Management Statement and Financial Memorandum between SFC and Scottish Government.

### **Other**

- Consider and report to the Council any other matters remitted to the Committee by the Council.