

Audit and Compliance Committee minutes

The fifty-eighth meeting of the Audit and Compliance Committee of the Scottish Funding Council (SFC) was held on Tuesday, 15 December 2020 at 10.00am by videoconference.

Present: David Alexander (Chair)
Sheila Duncan
Andy Kerr
Caroline Stuart

Officers: Martin Fairbairn (Secretary)
Lorna MacDonald
Fiona O'Neill
Jude Thomson (Item 20/47)
Angela Seymour (Clerk)

In attendance: Pamela Morrison (Audit Scotland)
Tom Reid (Audit Scotland)
Alan Browne (Internal audit)
Louis Waters (Internal audit) (Item 20/44)

20/38 Welcome

The Chair welcomed members, officers and visitors to the meeting.

20/39 Chair's business

There were no specific matters about which the Chair needed to brief the Committee.

20/40 Declarations of interest

The Chair reminded members, and those in attendance, of their responsibility to indicate if they have, or may be perceived to have, a conflict of interest under any item.

The following declarations of interest were made:

- David Alexander –West College Scotland.
- Andy Kerr - South Lanarkshire College and New College Lanarkshire.
- Caroline Stuart – Dumfries and Galloway College.
- Audit Scotland – Edinburgh College, Dundee and Angus College.

The Committee **noted** that it was each attendee's personal responsibility to inform the Committee of any conflict at any point during the meeting and, if appropriate, to absent themselves for that part of the meeting.

20/41 **Minute of the previous meeting: 7 August 2020**
(ACC/20/Min02)

The Committee **agreed** that the minutes of the 7 August 2020 meeting were a true record of the meeting.

20/42 **Matters arising (ACC/20/32)**

The Committee **noted** the actions taken since the previous meeting.

With regard to GDPR training for board members, the Executive advised that all board members had been provided with details of appropriate online training and that some members had asked to undertake the course. In discussion, the Committee expressed the strong view that all members should undertake the training or similar development (for example, through their employment with or membership of another organisation).

The Committee **agreed** that the Executive would strongly encourage all members to undertake the offer of GDPR training or similar development activity.

20/43 **Follow up of internal audit recommendations**
(ACC/20/33)

The Committee received **noted** a report on the current progress on the implementation of agreed internal audit recommendations.

The Committee **agreed** that future reports should include all outstanding internal audit recommendations.

20/44

Internal audit reports (ACC/20/34)

The Committee considered the following reports:

- Corporate Governance.
- IT risk assessment.
- Internal audit progress report.

The Committee **noted** all the reports. The Committee discussed the key challenges highlighted in the IT report, particularly in relation to IT security and the need for additional assurance on the organisation's potential exposure to external attack.

The Committee **agreed** that a specific cyber security assessment be undertaken and that the Executive provide an update to the Committee before the next meeting.

20/45

External audit update report (ACC/20/35)

The Committee received an update on the progress of the SFC audit since the August 2020 Committee meeting. The Committee **noted** the contents, including the helpful guidance published by Audit Scotland on COVID-19 matters.

20/46

SFC Risk Register (ACC/20/36)

The Committee received the latest version of SFC's Risk Register.

In discussion, the Committee **noted**:

- There are currently 14 risks in the Register, of which two have been rated as 'Critical': COVID-19 (Risk 1) and the financial health of colleges and universities (Risk 2).
- The introduction of a new risk, relating to SFC's IT services (Risk 14).

Following discussion, the Committee **agreed** that:

- The IT-related risk needed to be updated to be consistent with the internal audit report.
- That identification of infrastructure risk should recognise both estates infrastructure and IT infrastructure.

20/47 Procurement report (ACC/20/37)

The Committee received a paper providing information on procurement spend for SFC for the Financial Year (FY) 2019-20. The Committee **noted** the report and welcomed the work that had gone into producing it.

20/48 Monitoring and evaluation of strategic projects

The Committee received an oral update the monitoring and evaluation of strategic projects. The Committee **noted** that a paper on monitoring and evaluation would be brought to a meeting in the first half of 2021.

20/49 Annual agenda plan (ACC/20/38)

The Committee **noted** the paper.

20/50 Next meeting

5 March 2021, 10.00am.