
AUDIT AND COMPLIANCE COMMITTEE MEETING MINUTES

The 68th meeting of the Audit and Compliance Committee of the Scottish Funding Council (SFC) was held on Friday, 8 September 2023 at Apex 1, 99 Haymarket Terrace, Edinburgh.

PRESENT: David Alexander (Chair)
Caroline Stuart
Sheila Duncan
Veena O'Halloran

OFFICERS: Allan Fyfe (Internal Audit - Scottish Enterprise)
Cameron Waddell (External Audit – Mazars)
Gary Stewart (Internal Audit – Scottish Enterprise)
Ishana Singh (External Audit – Mazars)
Louisa Baker
Richard Maconachie (Secretary)
Sybille Rush (Clerk)
Tiffany Ritchie

OBSERVERS: Susan McKenzie

APOLOGIES: Andy Kerr
Paula Haynes

23/35 Welcome

The Chair **welcomed** members and officers to the meeting.

23/36 Chair's business: 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 members declared an interest:

- Caroline Stuart, in relation to her position as Chair of Dumfries and Galloway College and as member of the Scottish Police Authority Board.
- Veena O'Halloran, in relation to her role as Special Adviser to the Principal of the University of Strathclyde and as External Facilitator for the University of Glasgow Court Effectiveness Review 2023.
- David Alexander, in relation to his role as Principal and Chief Executive at Gateshead College where SFC's external auditor Mazars also provide external audit services, and his role as Trustee at the Beamish Museum.

23/37 Minutes of 8 June 2023 meeting (ACC/23/MIN02)

The Committee **agreed** that the minutes of 8 June 2023 were a true record of the meeting.

This paper will be published on the Council website in edited format, as it contains information which will be withheld under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

23/38 Matters arising (ACC/23/29)

The Committee **received** a paper providing updates on outstanding actions.

This paper will be published on the Council website in edited format, as it contains information which will be withheld under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

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

{7x paragraphs}

23/39 Update on key issues

The Committee **received an oral update** on the Government reform agenda, ongoing uncertainty around the annual budget and pressures due to the annual savings exercise.

{1x paragraph}

23/40 Risk Register (ACC/23/30)

The Committee **received** a paper providing an update on SFC's Risk Register.

These papers will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee **noted** the update.

{11x paragraphs}

23/41 SFC Risk Assurance Map (Assurance Framework) (ACC/23/31)

The Committee **received** a paper with a copy of SFC's current Risk Assurance Map.

This paper will be published on the Council website in edited format as it includes information which – if disclosed – would inhibit the effective conduct of public affairs in accordance with S.30 of the Freedom of Information (Scotland) Act 2002.

The Committee **noted** that the approach to the Assurance Framework had developed since the last iteration reviewed by the Committee and assurance was now mapped against each of the corporate risks. The Committee **noted** the new approach to the Assurance Framework.

{1x paragraph}

Action: SFC Executive Team to align ratings between the risk register, outstanding audit actions and the risk assurance map.

23/42 Audit Actions Progress Update (ACC/23/32)

The Committee **received** a paper providing a summary and progress update on the internal and external audit recommendations and agreed management actions from internal reviews and self-assessments.

These papers will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee was asked to (i) **consider** the updates provided in the paper and (ii) **approve** closure of actions where appropriate.

{12x paragraphs}

23/43 Procurement Annual Report and Strategy (ACC/23/33)

The Committee **received** a paper providing details of the SFC procurement spend during Financial Year 2022-23 and assurance that SFC's procurement activity is conducted in accordance with the requirements of the Procurement Section of the Scottish Public Finance Manual.

This paper will be published on the SFC website in edited format as it includes information which – if disclosed – could be prejudicial to the SFC’s commercial interests under the Freedom of Information (Scotland) Act 2002, Section 33.

The Committee **noted** the update and **welcomed** the refreshed and strengthened approach to contract management, especially with a view to managing cyber security.

{5x paragraphs}

23/44 Best Value Implementation Plan (ACC/23/34)

The Committee **received** a paper providing a summary of the progress made in delivering the agreed actions following SFC’s 2021 Best Value Self-Assessment.

This paper will be published on the SFC website in edited format as it includes information which – if disclosed – could be prejudicial to the SFC’s commercial interests under the Freedom of Information (Scotland) Act 2002, Section 33.

The Committee **noted** the report.

23/45 Report on Legislative and Regulatory Schedule (ACC/23/35)

The Committee **received** a paper providing an update on SFC’s Legislative and Regulatory Schedule which sets out SFC’s main legal compliance requirements.

The Committee **noted** the report.

23/46 Internal Audit Reports (ACC/23/36-37)

The Committee **noted** internal audit reports as follows:

These papers will be withheld from publication on SFC’s website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

{3x paragraphs}

23/47 Governance Statement 2022-23

The Committee **noted** the assurance processes used by SFC to inform its Governance Statement for FY 2022-23.

Members **welcomed** SFC’s plans to update the Board on UCAS figures as part of the CEO report at the upcoming Board meeting.

23/48 External Auditor covering letter including Letter of Representation (ACC/23/38)

The Committee **received** the covering letter and Letter of Representation and **noted** the information contained therein.

This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

23/49 External Auditor Draft Annual Audit Report 2022-23 (ACC/23/39)

The Committee **noted** a paper with Mazars' draft Annual Audit Report 2022-23 and **noted** the key messages from the Report.

This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002; Section 27: Information intended for future publication.

{8x paragraphs}

23/50 SFC final draft Annual Report and Accounts, year ended 31 March 2023 (ACC/23/40)

The Committee **received** a paper providing a final draft of SFC's Annual Report and Accounts (ARA) for FY 2022-2023.

This paper is withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, under Section 27 (information intended for future publication).

The Committee **considered** the final draft ARA and **noted** the changes to the ARA since the previous version.

{3x paragraphs}

Action: SFC to submit final version of SFC's Annual Report and Accounts to the Committee ahead of the Board's next meeting on 15 September.

23/51 Annual review of ACC remit (ACC/23/41)

The Committee **received** a paper setting out the Committee's current standing orders.

The Committee **considered** the paper and, in discussion:

{1x paragraph}

- **Suggested** that each committee should complete a review of its own standing orders, followed by a consolidated review of committee remits by the Audit and Compliance Committee and a final consideration by the Board.
- **Requested** more clarity on responsibilities within the Committee's standing orders.

23/52 Update on draft ACC Annual Report (ACC/23/42)

The Committee **received** a paper providing an updated draft report of the work of the Audit and Compliance Committee for the period August 2022 to July 2023.

These papers will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee **considered** the report and **agreed** that a finalised report would be circulated by correspondence.

{1x paragraph}

Action: SFC to circulate finalised Committee Annual Report.

23/53 Long-term agenda (ACC/23/43)

The Committee **received** a paper informing members of substantive agenda items proposed for future meetings and **agreed** the long-term agenda.

23/54 Date of next meeting

Members **noted** that the next meeting of the Committee would take place on Friday, 15 September 2023 in person. The following meeting would be on Thursday, 7 December 2023 via Microsoft Teams.

The Chair thanked Sheila Duncan, Veena O'Halloran and Caroline Stuart for their work on the Committee due to their term as Board members ending in the coming weeks.