



Matters arising

Purpose

- 1 To update the Committee on matters arising from the minutes of the previous meeting not addressed elsewhere on the agenda.

Publication

- 2 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.

Recommendation

- 3 The Committee is invited to note the matters arising reported.

Financial implications

- 4 There are no programme fund or running cost implications arising from this paper that are not already allowed for in the Council's programme fund or running cost budgets.

Further information

- 5 Contact: Martin Fairbairn, Tel: 0131 313 6524;
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Date	Minute	Action	Owner	Comment
7 June 2018	18/21 SFC's Risk Register (ACC/18/14)	In discussion the Committee agreed that: <ul style="list-style-type: none"> • The Council executive would consider ways that individual committees could consider risk in relation to their remits. 	Martin Fairbairn/ Richard Hancock	Ongoing: In parallel with creation of the new committee, the Council executive is in the process of replicating the approach used by the Finance Committee to risk across all other Council committees.
7 June 2018	18/24 Scottish Government's Audit and Assurance Committee Handbook (ACC/18/17)	The Committee agreed that: <ul style="list-style-type: none"> • GDPR training be provided for Council members. 	Callum Morrison	Ongoing: The Council executive is making available an appropriate online resource for Council board members.
11 December 2018	18/42 SFC's Assurance Framework (ACC/18/29)	The Committee agreed that the updated Framework would be provided to the March 2019 Committee meeting to allow members to assess the levels of assurance.	Martin Fairbairn	It was planned to present the updated Assurance Framework at this meeting, to take account of SFC's new Strategic Framework. However, because of staff availability it has been necessary to postpone this item.
11 December 2018	18/47 Follow up of internal audit recommendations (ACC/18/34)	The Committee agreed that a report on procurement be provided to the March 2019 Committee meeting.	Martin Fairbairn	On agenda for this meeting.
11 December 2018	18/50 Appointment of internal auditors (ACC/18/37)	The Committee considered the options for SFC's internal audit services and agreed to approve: <ul style="list-style-type: none"> • A one year extension to the Scott Moncrieff contract. • The further exploration of alternative internal audit services. 	Martin Fairbairn	On agenda for this meeting.

Date	Minute	Action	Owner	Comment
27 March 2019	19/09 Monitoring and evaluation of SFC's Strategic Projects (ACC/19/06)	The Committee agreed that an updated paper be provided to the June Committee meeting.	Morag Campbell	In order to allow this work to be integrated with the separate exercise on strategic funds, this item has been postponed to the next meeting Committee meeting.
27 March 2019	19/12 Audit Scotland National Report: Scotland's Colleges 2018 update (ACC/19/09)	The Committee agreed that the actions would be updated to include timescales. Future updates would be provided at each meeting, incorporated into the Committee's matters arising report.	Andrew Millar	An update for the 2018 and 2019 reports is on the agenda for this meeting.
27 March 2019	19/13 Follow up of internal audit recommendations (ACC/19/10)	The Committee agreed that revised timelines would be provided for the implementation dates of recommendations in future versions of the update.	Steve Keightley	Ongoing, the 'Follow up' paper is next due to be presented to the September Committee meeting and implementation dates will be included in that version.
13 June 2019	19/24 Audit and Compliance Committee draft annual report (ACC/19/17)	The Committee agreed that: <ul style="list-style-type: none"> External audit key performance indicators would be specified in future external audit reports. Following update of the remaining sections and amendments as discussed at the meeting, authority was delegated to the Chair to finalise the report. The finalised Audit and Compliance Committee annual report would be presented to the June Council Board meeting. 	Audit Scotland Martin Fairbairn Martin Fairbairn	Next report – June 2020 Complete Complete

Date	Minute	Action	Owner	Comment
13 June 2019	19/26 External Auditor Covering Letter including Letter of Representation (ACC/19/19)	Following detailed consideration of these matters the Committee agreed to recommend to the Board that the Chief Executive can sign the Letter of Representation as drafted in the paper.	Lorna MacDonald	Complete
13 June 2019	19/27 SFC's Draft 2018-19 Annual Audit Report (ACC/19/20)	<p>The Committee agreed that the:</p> <ul style="list-style-type: none"> • Timetable for the accounts, through the Audit and Compliance Committee and Council Board process, would be revised for next year. • Recommendations within the Annual Audit Report would be incorporated into the Matters Arising paper going forward to allow tracking of progress by the Committee at each meeting. 	<p>Martin Fairbairn</p> <p>Martin Fairbairn</p>	<p>Complete</p> <p>See Annex</p>
13 June 2019	19/29 Scottish Further and Higher Education Funding Council (SFC) draft annual report and accounts, year ended 31 March 2019 (ACC/19/21)	<p>The Committee agreed that:</p> <ul style="list-style-type: none"> • The presentation of the Foreword be revisited for this year and that the Annual Report be revised for next year. • Authority be delegated to the Chair of the Committee to confirm approval of the Scottish Further and Higher Education Funding Council annual report and accounts for the year ended 31 March 2019 following receipt of comments from all Council Board members. 	<p>Martin Fairbairn</p> <p>Martin Fairbairn</p>	<p>The Foreword of the 2018-19 annual report and accounts was revised. We are currently developing a broader annual review document.</p> <p>Complete</p>

Date	Minute	Action	Owner	Comment
13 June 2019	19/40 Annual agenda plan (ACC/19/31)	The Committee agreed that the schedule of meetings be revised to reduce the burden on the June meeting and spread the work through the year where possible.	Martin Fairbairn	The schedule of meetings has been amended to reduce the burden on the June meeting and spread the workload throughout the year. This allows all priorities in relation to the annual report and accounts process to be complete in good time for the Committee's annual review.
13 June 2019	19/41 Future Audit and Compliance Committee meeting dates (ACC/19/32)	The Committee received a paper providing the future Audit and Compliance Committee meeting dates and agreed that the meeting schedule would be revisited.	Martin Fairbairn	Complete

Audit Scotland Annual Audit Report 2018/19 Recommendations

Recommendation	Management response	Action	Owner	Timeline
1. SFC should review its timetable and arrangements for preparation, submission to audit and approval of its annual report and accounts to ensure they are achievable.	Agreed.	Audit timetable will be updated. Audit and Compliance Committee and Council meetings moved forward to reduce pressure on tight timeline.	Lorna MacDonald	February 2020
2. Officers should review the accounting treatment of financial transactions funded loans to ensure it remains appropriate.	The accounting policy will be reviewed annually.	The accounting policy will be considered by the Audit and Compliance Committee in advance of the year end.	Lorna MacDonald	February 2020
3. Management should carry out an annual assessment of the accounting treatment of ESF funding to ensure it is in accordance with the FReM.	The accounting policy will be reviewed annually.	The accounting policy will be considered by the Audit and Compliance Committee in advance of the year end.	Lorna MacDonald	February 2020
4. SFC should work to implement its workforce plan to ensure it has sufficient capacity across the organisation.	Agreed	The Council executive is discussing with the Scottish Government a reconfiguration of its running cost budget.	Martin Fairbairn	September 2019
5. SFC should work to complete medium to longer-term financial plans which measure the likely impact of major developments affecting the higher and further education sectors. These plans should be linked closely to the objectives set out in its new Strategic Framework.	Agreed. The upcoming Spending Review provides the platform to take this forward.	This will be taken forward on the back of the Comprehensive Spending Review considerations.	Lorna MacDonald	February 2020

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<p>6. SFC should consider the content of its 2019/20 performance report to ensure it provides users of the annual report and accounts with a more understandable analysis of its performance.</p>	<p>Agreed.</p>	<p>The Foreword of the 2018-19 annual report and accounts was revised. We are currently developing a broader annual review document.</p>	<p>Martin Fairbairn</p>	<p>December 2019</p>