

## **Audit and Compliance Committee minutes**

The sixty-third meeting of the Audit and Compliance Committee of the Scottish Funding Council (SFC) was held on Thursday, 9 June 2022 at 12.30pm by videoconference.

**Present:** David Alexander (Chair)  
Caroline Stuart

**In attendance:** Alan Browne (Internal Audit - Scottish Enterprise)  
Lesley Aitkenhead  
Martin Boyle (item 22/26)  
Pauline Gillen (Audit Scotland)  
Rebecca Seidel (Audit Scotland) (item 22/30)  
Richard Maconachie (Secretary)  
Steve Keightley  
Steve McDonald (item 22/26)  
Sybille Rush (Clerk)  
Tiffany Ritchie  
Will Ford (Audit Scotland) (Observer)

**Apologies:** Andy Kerr  
Gordon Laidlaw  
Karen Watt  
Sheila Duncan  
Veena O'Halloran

### **22/18 Welcome**

The Chair invited members and officers to introduce themselves.

### **22/19 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 declaration of interest was made:

- Caroline Stuart – Chair of Dumfries and Galloway College and member of the Scottish Police Authority Board

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.

The Chair **highlighted** that more consideration should be given going forward to the terminology used for Committee actions under each agenda item. The Chair **requested** a formal set of action categories be drawn up in line with other Board committees.

**Action:** SFC to review terminology of agenda item actions to align these with other Board committees.

**22/20 Minutes of the meeting of the Committee held on 3 March 2022 (ACC/22/Min01)**

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 **agreed** that the minutes of the 3 March 2022 were a true record of the meeting.

**22/21 Matters arising (ACC/22/15)**

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

{1x paragraph}

There was **agreement** that the action on the committee self-evaluation should remain open as this would require further consideration at the next meeting.

**Action:** The Committee **agreed** that the action on the committee self-evaluation should remain open.

**22/22 Business Resilience and Recovery Policy update (ACC/22/16)**

The Committee **considered** a paper providing an overview of the arrangements in place for the management of risks associated with Business Resilience.

This paper will be withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 27, Information intended for future publication. It will be published on the Council website following approval by the SFC Board.

The Committee was **asked to recommend approval** to the Board of the policy statement set out in the paper.

{5x paragraphs}

**Action:** SFC to provide updated paper on the Business Resilience and Recovery Policy Statement for the Committee's August meeting.

**22/23 SFC draft Annual Report and Accounts, year ended 31 March 2022 (ACC/22/17)**

The Committee **noted** a paper providing the draft Annual Report and Accounts (ARA) for year ending 31 March 2022.

This paper is withheld from publication on the Council website under the Freedom of information (Scotland) Act 2002, under Section 27. It must be laid before Parliament first.

The Committee **noted** that a final draft of the Annual Report and Accounts would be brought to the Committee's August meeting before it is then considered by the SFC Board in early September.

{11x paragraphs}

**22/24 Follow-up of internal audit recommendations (ACC/22/18)**

The Committee **noted** a paper with an update on the progress for internal audit recommendations.

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.

{3x paragraphs}

**22/25 Internal audit reports (ACC/22/19-21)**

The Committee **considered** the following reports:

- People and Culture
- Annual Internal Audit Report

- Internal Audit Progress Report

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.

{10x paragraphs}

**22/26 Cyber security update**

The Committee **received** an oral update on SFC's work on cyber security.

{7x paragraphs}

**22/27 SFC Risk Register (ACC/22/22)**

The Committee **received** a paper with the latest Risk Register.

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.

{2x paragraphs}

**22/28 Update on engagement with Audit Scotland**

The Committee received an oral report regarding recent correspondence between SFC's CEO and the AS Auditor General.

{1x paragraph}

The Committee **noted** this update and that it was helpful to have these matters clarified.

**22/29 Evaluation questionnaires initial responses (ACC/22/23)**

The Committee **received** a paper with a summary of responses to the annual self-evaluation questionnaires.

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.

{3x paragraphs}

**22/30 Audit Scotland Planning for Skills update (ACC/22/24)**

The Committee **considered** a paper providing an update on SFC's response to the Audit Scotland Planning for Skills Report.

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.

{3x paragraphs}

**22/31 Annual agenda plan (ACC/22/25)**

The Committee **considered** the annual agenda and:

- **Agreed** that the agenda for the August meeting would be drafted as soon as possible and there would be liaison with the Committee Chair to take a decision on any agenda items that may be dealt with via correspondence.
- **Agreed** that the August meeting should take place in person and 15-minute sessions with internal and external auditors preceding the meeting should be arranged.

**Actions:**

- (i) Committee Secretary to liaise with Committee Chair on August agenda.
- (ii) SFC to arrange in-person meeting for August including 15-minute sessions with internal and external auditors preceding the main meeting.

**22/32 Future ACC meeting dates (ACC/22/24)**

The Committee **received** a paper with suggested meeting dates for 2023.

The Committee **agreed** that Committee members would check suitability of the proposed dates and feed back to the Committee Clerk.

**Action:** Committee members to liaise with Clerk on suitability of suggested 2023 dates.

**22/33 Next meeting**

The Committee **noted** the next meeting was scheduled for 26 August.

**[Update post-meeting:** The date of the next meeting has been changed to 22 August.]