

Agenda

The 53rd meeting of the Audit and Compliance Committee of the Scottish Funding Council

- Date: 13 June 2019
- 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 Oral
2. Declarations of interest Oral

Items for discussion: Internal audit

3. Internal audit reports ACC/19/16 To consider
 - 3.1 Data security
 - 3.2 Follow up
 - 3.3 Annual report 2018-19
 - 3.4 Progress report

Items for discussion: Review of Committee's effectiveness

4. Committee's review of effectiveness of auditors Oral
5. Audit and Compliance Committee draft annual report ACC/19/17 To consider

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Items for discussion: External audit

6. National Fraud Initiative update ACC/19/18 To note

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| 7. | External Auditor covering letter including Letter of Representation | ACC/19/19 | To consider |
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| 8. | SFC's Draft 2018-19 Annual Audit Report | ACC/19/20 | To consider |
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| 9. | Governance Statement 2018-19 | Oral | |
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| 10. | Scottish Further and Higher Education Funding Council (SFC) draft report and accounts, year ended 31 March 2019 | ACC/19/21 | To consider |
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General business

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| 11. | Minutes of previous meeting, 27 March 2019 | ACC/19/Min01 | To approve |
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| 12. | Matters arising | ACC/19/22 | To consider |
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Items for discussion: Regularity, compliance and risk

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| 13. | Risk Register | ACC/19/23 | To note |
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| 14. | Update on SFC's General Data Protection Regulation and Data Protection Act 2018 Implementation | ACC/19/24 | To note |
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| 15. | SFC Legislative and Regulatory Schedule | ACC/19/25 | To note |
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| 16. | Best Value Implementation Plan annual update | ACC/19/26 | To note |
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| 17. | Business Continuity Annual Update | ACC/19/27 | To note |
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| 18. | Updates to the Scottish Public Finance Manual | ACC/19/28 | To note |
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| 19. | Audit Scotland National Report: Scotland's Colleges 2019 | ACC/19/29 | To note |
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Items for discussion: Internal audit

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| 20. | Internal Audit Plan 2019-20 | ACC/19/30 | To note |
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Items for discussion: SFC

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| 21. Annual agenda plan | ACC/19/31 | To consider |
| 22. Future Audit and Compliance Committee meeting dates | ACC/19/32 | To note |
| 23. Date of next meeting: 3 September 2019 | | |

Remit of the Audit and Compliance Committee

1. The Committee will consider the SFC annual accounts and matters relating to the internal operations of the executive, in particular those relating to risk management, corporate governance, internal audit, external audit and compliance with legislation and regulation.
2. The specific duties of the Committee are listed under the headings below:

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.
- Gain assurance through the internal audit process on the evidence used to measure and report on SFC's performance, including from the Performance Report and Outcome Agreement Guidance.

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.

3. The Committee is an advisory body with no executive powers. However, it is authorised by the Council to investigate any activity within its terms of reference, and to seek any information it requires from staff in the conduct of its enquiries. The Committee is authorised to obtain independent professional advice if it considers this necessary. The Committee should be mindful of the cost of such resources.