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AUDIT AND COMPLIANCE COMMITTEE MEETING MINUTES

The 64th meeting of the Audit and Compliance Committee of the Scottish Funding Council (SFC) was held on Monday, 22 August 2022 at 10am at 99 Haymarket Terrace, Edinburgh.

PRESENT:	David Alexander (Chair) Veena O'Halloran Sheila Duncan Caroline Stuart
OFFICERS:	Alan Browne (Internal Audit - Scottish Enterprise) Allan Fyfe (Internal Audit – Scottish Enterprise) Gordon Laidlaw Lesley Aitkenhead Pamela Morrison, Audit Scotland Richard Maconachie (Secretary) Sybille Rush (Clerk) Tiffany Ritchie Tom Reid, Audit Scotland
APOLOGIES:	Andy Kerr Morag Campbell Steve Keightley

22/34 Welcome

The Chair welcomed members and officers to the meeting and invited attendees to introduce themselves.

22/35 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 her role in supporting the Committee of Scottish Chairs in its review of the Scottish Code of Higher Education Governance.

22/36 Chair's business: items for report

The Chair invited members to indicate if they wished to discuss any of the starred items on the agenda.

Paper ACC/22/40 (Risk Register) was unstarred for discussion, all other papers taken by correspondence remained starred.

22/37 Minutes of 9 June 2022 meeting (ACC/22/MIN02)

The Committee **agreed** that the minutes of the 9 June 2022 were a true record of the meeting.

22/38 Matters arising (ACC/22/27)

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

21/44 - Information Governance update on GDPR

It was **agreed** that this action should be reworded to reflect that the Committee still required confirmation of when all relevant staff will have completed GDPR training. The Committee **agreed** that the action should remain on the Matters Arising to ensure training is carried out.

{2x paragraphs}

22/19 - Committee agenda

This action remains in progress and will be picked up as part of the SFC Governance review. The Committee **agreed** to close the action.

{1x paragraph}

The following actions were completed or **agreed** to be closed:

22/22 - Business Resilience and Recovery Policy update

22/23 - SFC draft Annual Report and Accounts, year ended 31 March 2022

22/25a - Internal audit reports – People and Culture
22/29 - Evaluation questionnaires initial responses
22/31 - Annual agenda plan
22/32 - Future ACC meeting dates

{6x paragraphs}

22/39 Business Resilience (ACC/22/28)

The Committee **considered** an updated paper providing an overview of the arrangements in place for the management of risks associated with Business Resilience. This is a new approach to SFC's policy framework which will utilise high-level policy statements as a framework.

The Committee **welcomed** the development of the document and **recommended approval** to the SFC Board of the policy statement set out in the paper.

{8x paragraphs}

22/40 Monitoring and evaluation of strategic projects (ACC/22/29)

The Committee **received** a paper to update on reporting on non-core programme fund investments and outlining the principles SFC has identified for non-core funding allocation.

{12x paragraphs}

22/41 External Auditor covering letter including Letter of Representation (ACC/22/30)

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

22/42 External Auditor Draft Annual Audit Report 2021-22 (ACC/22/31)

The Committee **noted** a paper with Audit Scotland's draft 2021-22 Annual Audit Report and **noted** the key messages from the Report.

The executive expressed their gratitude for the good working relationship between the two organisations.

{12x paragraphs}

22/43 Governance Statement 2021-22

The Committee **noted** the assurance processes used by the SFC to inform its Governance Statement for FY2021-22.

22/44 SFC final draft annual report and accounts, year ended 31 March 2022 (ACC/22/32)

The Committee **considered** the final draft of the SFC Annual Report and Accounts year ended 31 March.

{10x paragraphs}

22/45 Evaluation questionnaires and ACC Annual Report (ACC/22/33)

The Committee **received** a paper summarising the feedback from the Committee evaluation questionnaires.

Members **noted** that the overall review was positive and **considered** the comments noted in the paper. SFC colleagues **welcomed** the feedback received from the questionnaires and will work to implement this.

{5x paragraphs}

22/46 Follow-up of internal audit recommendations (ACC/22/34)

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

{7x paragraphs}

22/47 Internal audit reports

Health and Safety (ACC/22/35)

The Committee **noted** a paper with the internal auditor's report on Health and Safety.

The Committee **noted** the main health and safety regulations and penalties for context, followed by the recommendations from the report.

{2x paragraphs}

22/48 Internal Audit Progress Report 2022-23 (ACC/22/36)

The Committee **noted** progress on internal audit actions.

22/49 Risk register (ACC/22/40)

The Committee **received** the latest copy of the SFC Risk Register.

{8x paragraphs}

22/50 Long-term agenda (AC/22/41)

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

22/51 Date of next meeting

Members **noted** that the next meeting of the Committee would take place on 8 December 2022 virtually, followed by an in-person meeting in Edinburgh in February 2023.