



The forty-fifth meeting of the Audit and Compliance Committee of the SFC was held on Thursday 30 March 2017, 12.00pm, at the SFC offices, 97 Haymarket Terrace, Edinburgh.

Present: Marlene Wood (Chair)
Caroline Stuart
Paul Little
Keith Nicholson (items 17/08 to 17/14)

Officers: John Kemp
Martin Fairbairn
Lorna MacDonald
Sheila Meehan (Clerk)
Fiona O'Neill

In attendance: Chris Brown (Scott Moncrieff) (items 17/05 to 17/14)
Elizabeth Young (Scott Moncrieff) (items 17/05 to 17/14)
Claire Stevenson (Scott Moncrieff)
Gordon Smail (Audit Scotland)
Tom Reid (Audit Scotland)

17/01 Welcome

The Chair welcomed Claire Stevenson of Scott Moncrieff and members and officers to the meeting.

The Chair also welcomed Gordon Smail and Tom Reid of Audit Scotland to their first meeting.

17/02 Chair's business: Papers for discussion and 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 declarations of interest were made:

- Audit Scotland – Edinburgh College, Dumfries and Galloway College
- Scott Moncrieff – Audit clients: Edinburgh Napier University; Glasgow School of Art; The Royal Conservatoire of Scotland; University of Dundee; Ayrshire College; City of Glasgow College; Edinburgh College; Glasgow Colleges’ Regional Board; Glasgow Kelvin College; Inverness College; Lews Castle College; South Lanarkshire College and West Lothian College.

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.

17/03 Minutes of the meeting of the Committee held on 29 September 2016 (ACC/16/Min03)

The minutes of the meeting held on 29 September 2016 were approved as a true record of the meeting.

17/04 Matters arising (ACC/17/01)

The Committee discussed the paper and noted the actions taken since the last meeting.

The following two paragraphs are withheld from publication on the Council website under the Freedom of Information (Scotland) Act, 2002, Section 30, Prejudicial to the effective conduct of public affairs

[] × 2 paragraphs

17/05 Annual Audit Plan 2016-17 (ACC/17/05)

The Committee received a paper providing Audit Scotland’s Annual Audit Plan for 2016-17.

The Committee noted that:

- Audit Scotland intended to publish all outputs from its audit work

- Audit Scotland and Scott Moncrieff would work closely to ensure that there was no duplication in their work over the period of the year to ensure best use of resources.

17/06 Interim Audit Report 2016-17 (ACC/17/06)

The Committee received and noted a paper providing Audit Scotland's Interim Audit Report for the year ending 31 March 2017.

17/07 Follow up of internal audit recommendations (ACC/17/07)

The Committee discussed a paper providing a follow up of internal audit recommendations.

In general discussion the Council executive advised that:

- An update on Business Continuity Planning (BCP) would be provided to the June Committee meeting and the BCP Annual Report at the September Committee meeting
- Arrangements were in place to ensure that staff would be updated on the latest EU data protection legislation.

Scott Moncrieff confirmed that they would share good examples from other Non-Departmental Public Bodies of Business Impact Analysis work.

17/08 Internal audit reports (ACC/17/08)

The Committee received and discussed the following internal audit reports:

- Progress report
- Financial controls self-assessment
- Grant Funding Distribution.

Paul Little declared his interest in relation to the 'Grant Funding Distribution' report, given his position as Principal and Chief Executive of a college in receipt of Scottish Funding Council grant funding.

The Committee congratulated the Council executive for the positive assessments noted in the reports discussed.

17/09 Draft Internal audit plan 2016-17 (ACC/17/09)

The Committee discussed Scott Moncrieff's draft internal audit plan for the year ended 31 March 2018.

In general discussion the Council executive advised that:

- The (approximately) five days that were still available for audit work for the year would be held to maintain flexibility and used as required during the year
- Under health and safety, the Remuneration Committee would take forward any specific staff-related matters that were noted from the staff survey.

The Committee **agreed** that:

- Consideration be given in the planning for 2018/19 internal audit work to amending the 'ICT health check' item to cover 'Data security and information governance' instead
- The item for 'Monitoring support to institutions governance, leadership and management arrangements', would also take into account the outcome agreement process and SFC's responsibility in relation to governance of the sectors.

The Committee commended Scott Moncrieff on the audit universe that was included as part of the internal audit plan.

The Committee **agreed** the draft Internal Audit Plan for 2017-18.

17/10 Update on whistleblowing and fraud (ACC/17/02)

The Committee received a paper informing on SFC's current whistleblowing policy and updating on fraud and Audit Scotland's 2017 National Fraud Initiative.

The Committee **agreed** that an update on the final result of the 2017 National Fraud Initiative would be provided at the June Committee meeting.

17/11 Best Value: outcomes of self-assessment (ACC/17/03)

The Committee received and noted a paper providing a report on SFC's compliance with the principles of Best Value and the results of a Best Value self-assessment exercise undertaken by the Council executive.

In discussion the Council executive confirmed that the self-assessment exercise was useful and showed positive results across a range of areas.

17/12 Risk Register (ACC/17/04)

The Committee received and noted the latest version of SFC's Risk Register.

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17/13 Long-term agenda planning (ACC/17/10)

The Committee received the long-term agenda paper outlining the substantive agenda items proposed for future meetings.

The Committee **agreed** that the detail of future internal audit reports, which was now available, would be added to the long term agenda in advance of the next meeting.

17/14 Next meeting

8 June 2017, 9.30am.