

## MINUTES

Meeting of: Scottish Futures Trust  
Audit Committee

Date & Time: 3.30pm 17<sup>th</sup> August 2010

Place: Noble Grossart, 48 Queen Street, Edinburgh

Members: Graeme Bissett (GB) - Chair  
Cllr Jim Fletcher (JF)

In attendance: Barry White, Chief Executive (BW)  
Peter Reekie, Director of Finance & Structures (PR)  
Nick Bennett, Audit Partner – Scott Moncrieff (NB)

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**The Chairman opened the meeting.**

### **1. Minutes of the Previous Meeting**

Subject to the agreed amendment being made to Section 5, the minutes of the 8<sup>th</sup> March meeting were adopted as a true and fair record.

### **2. Audit Management Report**

The Chairman asked Nick Bennett to talk the Committee through the Audit Management Report for the year ended 31 March 2010. It was noted that such a report was not produced last year due to SFT being in its infancy at the end of the last financial year. NB drew particular attention to a number of points including recommendations in relation to the ‘going concern’ basis of accounts presentation. The Committee agreed that this should be discussed explicitly at the September Board meeting. NB was asked to consider several points and revert to the Committee with a final version in time for the September Committee meeting.

PR talked the Committee through the letter of representation to the Auditors, which had been annotated to explain the basis on which the representations may fairly be given. The Committee raised no points and recommended that the Chief Executive should sign the letter on behalf of the Board.

### **3. Annual report and Accounts**

Peter Reekie talked the Committee through the draft Annual Report and Financial Statements noting that the Chairman’s Statement and Business Review awaited completion of the Benefits Statement in order to be finalised. It was noted that this meeting represented the Committee’s technical review of the accounts prior to the submission of the completed report

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and accounts to the main Board in September. Committee members made a number of observations including in particular the presentation of IAS19 pensions disclosures.

PR will update the report and financial statements accordingly and circulate to Committee members prior to the September Board meeting.

#### **4. Internal Audit Function**

The Committee discussed the means by which the Board, through the Audit Committee can execute its responsibilities for governance and control. It was agreed that it was not necessary to establish an internal audit function for SFT or SFT Investments in relation to their financial and related transactions and stewardship of funds as the means to monitor these were available through regular reporting and senior management control. The means by which the projects for which SFT is responsible or in which SFT has involvement maintain governance and financial control was discussed at some length. It was agreed that a paper summarising the governance and control models of all projects would provide a baseline for any future assessment of the need for additional internal audit involvement. The paper would be available for the September Committee meeting and monitored thereafter.

#### **5. AOB**

There being no other business, the meeting was drawn to a close.

#### **6. Date of next Meeting**

13 September 2010.