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## MINUTES

Meeting of: Scottish Futures Trust Ltd - Audit Committee

Date & Time: 27<sup>th</sup> June 2011 at 2:00pm

Place: SFT, 11-15 Thistle Street, Edinburgh

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

In attendance: Barry White (BW)  
Peter Reekie (PR)  
Nick Bennett - Audit Partner, Scott Moncrieff (NB)

Apologies: None

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**The Chairman welcomed all to the meeting.**

**1. Group Audit Committee Terms of Reference**

The Group Audit Committee Terms of Reference, noting the extension of the remit of the Committee to include SFTI, were approved by the Committee.

**Action:** Approval to be sought at Board level.

**2. Minutes of previous meeting**

The minutes of the 4th May 2011 meeting were accepted as a true and fair record.

**3. Policy on Non-Audit Services**

The Committee approved the policy on the provision of non-audit services by external auditors.

**4. Review of Whistleblowing policy**

The Committee reviewed the whistleblowing policy and agreed that no changes were required.

**5. Review of Internal Audit Function and Project/Programme Governance**

The Committee examined whether SFT requires an in-house or contracted internal audit function. It was agreed that, given the straightforward and transparent nature of financing controls, the current internal control function should remain.

**Action:** Addition to be made to the review document regarding the provision of an overview of project governance and benchmarks; standing agenda item to be created.

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**6. Review of Compliance with Management Statement and Financial Memorandum**

Compliance with the MSFM was reviewed by the Committee. The Chairman asked for some clarifications and amendments to be made to the wording of certain sections. No significant non-compliance was noted.

**Action:** PR to make amendments and file.

**7. Annual Report and Financial Statements – SFTI**

The Committee talked through the SFTI Annual Report and Financial Statements for the period 2 July 2010 to 31 March 2011. The Committee asked for some minor amendments to be made and then agreed to propose approval to the Board.

**8. Annual Report and Financial Statements – SFT and Group**

The Committee talked through the SFT Annual Report and Financial Statements for the year ended 31 March 2011. The Committee asked for some minor amendments to be made and then agreed to propose approval to the Board.

**9. Audit Management Report**

The Committee discussed the Audit Management Report covering SFT and SFTI and noted that there were no very high or high risk exposure observations from the auditors. The Committee reviewed management's proposed responses to the audit issues raised and was content with these.

The Committee considered the draft letter of representation for the year ended 31 March 2011 and agreed to recommend that the Board authorise BW to sign on its behalf.

The Chairman thanked PR and Gemma Gordon for their work.

The Committee met with the auditor in private with no executives present and no issues or concerns were raised.

**10. AOB**

There being no other business, the meeting was closed.

**11. Date of next meeting**

TBC