

Audit and Risk Committee
of the
Directors of The Promise Scotland (SC693269)
on Friday 21 April 2023 at 10.00-12.00
at The Promise Scotland, South Charlotte Street, Edinburgh

MINUTE

Attendees - Directors

Fiona Duncan	Committee Chair (Interim)
Victoria Underwood	Committee Chair (Designate)
Sally Loudon	Director

Apologies

Anna Black	Director
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In attendance – Senior Leadership Team

Fraser McKinlay	Director and Chief Executive
Morag Burnett (MB)	Head of Governance and Operations (minutes)

10:00 – 10:05 Item 1. Welcome, apologies and purpose of meeting

Fiona Duncan (FD) welcomed Directors of The Promise Scotland to the first meeting of the Audit and Risk Committee. She noted that its purpose was to consider strategic risks and the risk register, and to receive an update on the appointment of an auditor.

FD further noted that she was chairing today's meeting in an interim capacity, as Victoria Underwood is Chair Designate of the committee. The committee noted that Fraser McKinlay was attending the meeting as Chief Executive of The Promise Scotland, not in his capacity as a Director of the company.

Apologies were noted from Anna Black.

10:05 – 10:10 Item 2. Declarations of interests

There were no interests to declare in relation to the business of the meeting.

**10:10 – 11:10 Item 3. Strategic Risk
Papers 1 and 1a**

FD introduced Paper 1a. Directors discussed the external review and highlighted the strategic risk of the promise not being delivered and the related risk to The Promise

Scotland's role in delivering on its purpose. This will be added to the risk register and discussed by all Directors in their meeting in August 2023.

Directors discussed risk in maintaining financial and governance independence, including the role of Directors in helping to secure core guaranteed longer-term funding.

Directors were in agreement with the conclusions set out in Paper 1a.

FMcK expanded on Paper 1, the Strategic Risk Register, and set out the process to date of its development.

Directors discussed the process of risk identification and the risk scoring for each of the six risk categories: Function, Engagement and Development, Culture and People, Governance, Finance and Legal.

Directors suggested some additions to risk areas as well as some amendments to potential effects and mitigation. Directors requested that gross risk scores be added to the risk register and the current net risk scores were reviewed accordingly.

Directors discussed the format of the Strategic Risk Register and suggested the addition of a traffic light system and a key for ease of use.

It was agreed that the updated Strategic Risk Register would be come to the Directors' meeting in August 2023 and continue to be reviewed every six months by the Audit and Risk Committee.

11:10 – 11:30 Item 4. Verbal update on Appointment of Auditor

FMcK and MB updated Directors on the tender process and confirmed that this was still open. Directors suggested audit firms to approach, recognising that the audit market is particularly tight this year.

11:30 – 11:35 Item 5. Any other business

There was no further business.