

Audit and Risk Committee
of the
Directors of The Promise Scotland (SC693269)
on Wednesday 6th November 2024 at 14.00 to 16.30
at The Promise Scotland, South Charlotte Street, Edinburgh

MINUTE

Attendees - Directors

Victoria Underwood (VU)	Committee Chair
Anna Black (AB)	Director
Jane O'Donnell (JOD)	Director
Fraser McKinlay (FMK)	Director and Chief Executive

In attendance

Asima Hussain (AH)	Finance and Central Services Delivery Manager
Gillian Graham (GG)	EA and Governance Co-ordinator (minutes)
Morag Burnett (MB)	Head of Governance and Operations
Philip Griffiths	Thomson Cooper (External Auditor)

Apologies

Fiona Duncan	Director
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1. Pre-meet with External Auditor

The Directors and Philip Griffiths from Thomson Cooper, held a short pre-meet, following good practice guidelines.

2. Welcome, apologies and purpose of meeting

Fiona Duncan is attending The Promise debate in Parliament this afternoon and sends her apologies.

VU noted the purpose of the meeting is to agree the draft accounts before being submitted for final approval at The Promise Scotland AGM on 3rd December 2024.

3. Minutes and Matters Arising

Minutes of the last meeting were approved at the Directors' meeting on 29 August 2024. VU went through page by page to ensure the committee had no other issues to discuss.

MB confirmed the grant letter had been received from Scottish Government. Asima Hussain to double check the auditors received the grant letter.

MB asked the committee if there was still appetite to write to the Scottish Government now about the grant letter, this was discussed in the April 2024 Audit and Risk committee. The chair is keen to action this to safeguard against a delay in the grant letter in 2025. All agreed on this being actioned.

MB confirmed that extra mitigations were included in risk ED04 prior to the Scottish elections, as requested in the Directors' meeting.

4. Declarations of interests

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

5. The Promise Scotland audit of financial statements and draft annual report - Paper 2

VU introduced Mr Philip Griffiths - Audit Manager from Thomson Cooper. Mr Griffiths presented the audit of the accounts for the financial year 2023-24.

Mr Griffiths thanked The Promise Scotland staff for work on the audit that took place in August 2024. There were no significant issues to note. Committee members discussed the Audit Memorandum and were satisfied with the comments and clarifications provided by Mr Griffiths.

The Committee agreed the draft Income and Expenditure Account and The Balance Sheet presented today should be submitted for approval at The Promise Scotland AGM on 3rd December 2024. It was also agreed that once approved, the Letter of Representation to be signed by Fraser McKinlay, Director and Chief Executive. The statutory accounts will be submitted to Companies House in December.

Mr Griffiths wrote to HMRC last year to check if The Promise Scotland was exempt from corporation tax. Clarification is still to be established around and Thomson Cooper will follow up.

The Audit and Risk Committee approved the additional Directors' narrative to the report to go to all Directors', and found the summary of achievements useful. VU requested a change in some of the language on the project expenditure. All agreed to include in the papers for the AGM on the 3rd December for discussion. MB confirmed that the management financial information reported in this paper is not required to be filed at Companies House, but will be put into a graph and published on The Promise Scotland website and published in the annual review in spring 2025.

Mr Philip Griffiths concluded his presentation, was thanked by Directors, and left the meeting.

6. The Promise Scotland Strategic Risk Register

FMK and MB presented the strategic risk register to the Committee.

MB confirmed that there has been little movement since the August Directors' meeting. The changes noted are:

- F04 - Independent Strategic Advisor's contract ends in May 2025 was added.
- Fin02 - Reduction in Scottish Government grant for The Promise Scotland risk was lowered.

- ED04 wording has been updated in the register.

MB reminded the Committee the action agreed from The Promise Directors meeting FOURTEEN to produce a timeline of external risks and related mitigations. A draft external risks timeline has been produced for the Committee's discussion.

- The Committee discussed the delivery of The Promise Bill on the timeline, which is mentioned under Risk ED04: Failure to account of and influence the external relationship. The Committee requested it should have more prominence at this point.
- The Committee also discussed the Scottish elections, potential funding cuts and the risk of partners and stakeholders losing momentum.

The timeline of external risks will be taken to The Promise Scotland Director's meeting in December as part of the strategic plan and glide path discussion.

FMK confirmed that Fiona Duncan's contract is under discussion with Scottish Government officials. It was agreed to leave the risk unchanged at present.

Asima Hussain (AH) gave an update on the Cyber Security plan and training that has been implemented. It was agreed to increase Risk G02: Cyber security breach until the disaster recovery plan is formalising, a deadline was agreed for this to be in place for December 2024. The chair congratulated the team on the implementation.

7. Any other business

No other business raised.