

Title of report	Audit and Assurance Committee report to Council
Public/Confidential	Public
Summary/purpose of report	To make recommendations from the Audit and Assurance Committee.
Recommendations	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> 1. the Council accepts that the assurance report presents a true and fair view of the SSSCs performance towards achievement of strategic objectives, financial management and risk identification and management. In particular that <ol style="list-style-type: none"> a. operational performance as measured by strategic key performance indicators give confidence that the SSSC is delivering as forecasted to meet strategic objectives agreed with the Sponsor Department b. financial performance is consistent with forecasted spend and this does not present concern relating to year-end outturn of approved budget c. operational delivery and financial expenditure are consistent 2. the Council approves <ol style="list-style-type: none"> a. the Annual Audit and Assurance Committee report b. the appointment of Lindsay MacDonald as Counter Fraud Champion from 1 June 2023 3. the Council notes <ol style="list-style-type: none"> a. concern was expressed over the continuing uncertainty over the budget b. the changes to the risk register included closure of risk seven and a further report to be submitted on a review of the wording of risk five

	<ul style="list-style-type: none"> c. a revised framework for reporting on the strategic Plan was approved d. the annual report from the internal auditors was noted e. the internal audit report on Organisational Development was considered and there were no recommendations f. the Internal Audit report on Shared Services contained four recommendations g. Committee approved the Annual Governance Statement for inclusion in the Annual Report and Accounts h. an amended Counter Fraud, Bribery and Corruption Framework was approved i. a fraud action plan for 2023/24 will be submitted to the Committee in August j. changes were requested to be included in the benefits realisation reporting k. an updated report on the interim arrangements for the Senior Team will be presented to Council.
Author	Alan Baird, Chair of the Audit and Assurance Committee
Responsible Officer	Maree Allison, Acting Chief Executive
Link to Strategic Plan	<p>The recommendations in this report link to:</p> <p>Outcome 1: Trusted People who use services are protected by a workforce that is fit to practise.</p> <p>Outcome 2: Skilled Our work supports the workforce to deliver high standards of professional practice.</p> <p>Outcome 3: Confident Our work enhances the confidence, competence and wellbeing of the workforce.</p> <p>Outcome 4: Valued The social work, social care and children and young people workforce is valued for the difference it makes to people's lives.</p>
Link to Risk Register	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
Impact assessments	<ul style="list-style-type: none"> 1. An Equalities Impact Assessment (EIA) was not required. 2. A Data Protection Impact Assessment (DPIA) was not required.

	3. A Sustainability Impact Assessment (SIA) was not required.
Documents attached	Appendix 1: Assurance report as of 31 March 2023, including the Risk Register
Background papers	Draft Audit and Assurance Committee Minutes of 02 May 2023

INTRODUCTION

1. As set out in the Executive Framework Document and Scheme of Delegation, accountability for strategic oversight remains with the SSSC Council and the responsibility for oversight and scrutiny of achievement of operational key performance indicators, monitoring of Financial Performance and Strategic Risk Management is delegated from the SSSC Council to the Audit and Assurance Committee.
2. This report records the recommendations of the Audit and Assurance Committee to SSSC Council following the Audit and Assurance Committee meeting of 2 May 2023.

ASSURANCE REPORT

3. The Audit and Assurance Committee of 02 May 2023 reviewed the assurance report relating to the activities of the SSSC. Appendix 1 to this report is a copy of the assurance report as at 31 March 2023 which was considered. The unconfirmed minutes of the meeting are linked as a background paper. These documents should satisfy Council that the Committee has discharged its responsibilities. The Committee highlights the areas below.

Budget

4. The Committee discussed ongoing budget concerns including
 - the pay award for 2022/23 which was, as yet, unresolved
 - insufficient budget provision for the 2023/24 pay award
 - the pension contributions and holiday pay for Fitness to Practise Panel members
 - the reduction in fee income generated given the amount of refunds being made to Local Authorities
 - the absence of a final position on the lease of parts of the headquarters buildings.
5. Additionally, lack of confirmation of funding for the Future Proofing Programme was a concern, however during the meeting some confirmation on this was received from Scottish Government.

Risk Register

6. The owner of each of the risks was revised to take account of the interim arrangements for covering the work of the former Interim Director of Finance and Resources.
7. The Executive Management Team (EMT) is to discuss the wording of risk five and consider whether this should be divided into two separate risks. EMT will report back to Committee on its decision.

8. As of April, risk number seven is to be removed as the Business Continuity Plans are now in place.

Other matters

9. Other matters discussed as causes for concern were the rate of sickness absences and the rate of staff turnover.

STRATEGIC PLAN REPORTING FRAMEWORK

10. The Committee considered and approved the revised Strategic Plan Reporting Framework, noting that refinements were still to be made and that where some measures were to be discontinued in the report, these will continue to be reported by exception.

AUDIT REPORTS

11. The Committee considered a number of reports pertaining to the internal audit function.

Annual Report

12. The Committee noted that the overall opinion of internal auditors for the year 2022/23 was that the organisation had adequate and effective arrangements in place. Some improvements to strengthen processes had been suggested throughout the year.

Shared Services Internal Audit Report

13. The Committee was advised that there were four recommendations for improvements to the Shared Services all of which were accepted by management and had deadline dates agreed. A report on improvements will be submitted to the August meeting of the Committee.

Organisational Development Internal Audit Report

14. The Committee noted that some weaknesses had been identified in the organisational Development processes, however these had already been actioned and there were no actions outstanding.

Follow up review and action tracker

15. The Committee noted that of the actions reported during the year, requests were made and the Committee approved extensions of the time permitted to complete four of the actions reported as partially completed. Committee was satisfied that these requests were reasonable.

16. The Internal Auditor satisfied the Committee that his company is suitably staffed to carry out the agreed audit plan for the coming year.

DRAFT ANNUAL GOVERNANCE STATEMENT

17. The Committee reviewed the Draft Annual Governance Statement, which forms part of the Annual Report and Accounts. The Statement was accompanied by the Certificates of Assurance which were completed and signed by each Director and submitted to the Acting Chief Executive. Members were reminded that the Statement and Certificates were relevant to the year to 31 March 2023 and therefore reflected the issues for that period.
18. The Committee was assured by the certification provided and approved the Annual Governance Statement for inclusion in the Annual Report and Accounts.

DRAFT ANNUAL AUDIT AND ASSURANCE COMMITTEE REPORT TO COUNCIL

19. The Committee reviewed and approved for submission to Council, the Annual Report on the Audit and Assurance Committee. This report forms part of the process for the Annual Report and Accounts. The report is submitted to the Council meeting held today (25 May 2023).

FRAUD BRIBERY AND CORRUPTION ASSURANCE REPORT

20. The Committee considered a number of matters relating to fraud bribery and corruption. First, it was noted that there were no cases of fraud, bribery or corruption detected in the year 2022/23.
21. Committee also considered the revised Counter Fraud, Bribery and Corruption Framework and approved this subject to minor amendments being made, once a response is received from the Counter Fraud Service.
22. The Committee noted that Anne Stewart, Head of Legal and Corporate Governance is appointed the Fraud Liaison Officer, to replace the Interim Director of Finance and Resources. The Committee recommends to Council that Council Member, Lindsay MacDonald is appointed Counter Fraud Champion to replace Theresa Allison who temporarily filled the post on the departure of Russell Pettigrew.
23. A fraud action plan for 2023/24 will be presented to Committee in August, once the EMT has fully reviewed the fraud risk assessment report received

from the Counter Fraud Service (which was appended to the report to Committee).

24. Committee took assurances on the progress being made on counter fraud, bribery and corruption work.

BENEFITS REALISATION REPORT

25. The Committee noted the benefits realised from projects which had closed over the six months October 2022 to March 2023. Future reports would contain further breakdown of information in order to provide more focussed information.

SENIOR STRUCTURE INTERIM ARRANGEMENTS

26. Committee received a report from the Acting Chief Executive advising Members of arrangements and responsibilities put in place to cover the remit of the former Interim Director of Finance and Resources. The contract for the post ended on 31 March 2023.
27. An updated report on arrangements to cover the duties, to include information on support for strategic financial services and decisions will be presented to this Council meeting (25 May 2023).

CONSULTATION

28. No specific stakeholder engagement was necessary in the preparation of this report.

RISKS

29. We have an averse risk appetite to governance matters. This report gives assurances to Council that the Committee is carrying out its remit.

IMPLICATIONS

Resourcing

30. There are no resource implications arising from this report.

Compliance

31. There are no compliance issues arising from this report.

IMPACT ASSESSMENTS

Equalities

32. An EIA was not necessary as this report relates to internal governance matters. It is not therefore a new proposal and has no impact on people with protected characteristics.

CONCLUSION

33. This report, appendices and background minutes give assurances to Council that the Audit and Assurance Committee is carrying out its remit in accordance with the terms of reference contained in the Code of Corporate Governance.
34. The Committee requests that Council approves the recommendations, notes actions taken by the Committee and takes assurance following consideration of the attached documents that the Committee has been presented with a fair view of the operational and financial performance and risk facing the SSSC.