

Title of report	Audit and Assurance Committee report to Council
Public	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. 2. the Council notes that Committee <ol style="list-style-type: none"> a. approved the revised Assurance Report template b. noted the internal audit reports and approved the management response to the recommendations in the auditors Consultancy Review of the Rewards Review c. approved the Counter Fraud Policy.
Author	Alan Baird, Chair, Audit and Assurance Committee
Link to Strategic Plan	<p>The information in this report links 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	An Impact Assessment (IA) was not required.
Documents attached	Apx 1 - Assurance report at 30 June 2024 Apx 2 - Risk Register Apx 3 - Assurance Map
Background papers	Draft minutes of meeting on 30 July 2024

INTRODUCTION

1. As set out in the Executive Framework Document and Scheme of Delegation, accountability for strategic oversight remains with the SSSC Council. The Council has delegated responsibility for oversight and scrutiny of achievement of operational key performance indicators, monitoring of Financial Performance and Strategic Risk Management to the Audit and Assurance Committee.
2. This report records the business and any recommendations of the Audit and Assurance Committee to SSSC Council following the Committee's meeting on 30 July 2024.

ASSURANCE REPORT

3. The Committee reviewed the assurance report as of 30 June 2024 relating to the activities of the SSSC. Appendix 1 to this report is the assurance report considered by the Committee. The Committee approved the revised report template. One slight amendment to table 1.1 was agreed, that a 'year to date, column be added.

Finance

4. Committee noted a saving of £287k on staffing costs, partially due to posts budgeted from June but not filled until around three to four months later. This is due to recruitment timing, workload and processes.
5. Committee also discussed the draw down and was advised that it is sitting at £3.1 million currently, the monthly average being £1.5 million.
6. Committee also discussed the general reserve figure sitting around 3.2%. Reserves above the 2.5% maximum target will be put towards reducing reliance on the spending pressure. The reserves and spending pressure will be discussed with Scottish Government.

Strategic Performance Indicators

7. Committee noted that some of the figures would not yet show the benefits from the launch of the Future Proofing Programme (FPP) and these would filter through into results in the next few months. Some examples to figures expected to change were
 - Time to register workers will improve, currently sitting at red RAG status, partly due to the pause in accepting registrations over the transition period
 - Number of open Fitness to Practise cases should return to green RAG status and measures will be put in place should the status remain at amber for three consecutive months.
 - Data was not yet available on workers feeling supported by the learning measures offered.

- More accurate data on unqualified workers will become available, including numbers of workers granted, and currently into, extensions to the qualification period.
8. Members accepted the figures and assurance provided that the launch of the FPP would result in more accurate figures being provided in future and would therefore assist in forward decision making.

HR data

9. Committee noted that staff long-term absence figures are continuing to improve and that there is no identifiable trend in these.

Risk Register

10. Committee noted that the Executive Management Team had provided more robust wording, especially of mitigation and controls, in the Risk Register.

Assurance Map

11. Members noted the Assurance Map.

AUDIT REPORTS

12. The Committee was presented with the following audit reports from Henderson Loggie:
13. Future Proofing Programme Phase 2
Draft Future Proofing Programme System Controls
Internal Audit Progress report
Consultancy Review on Rewards Review.
14. The Future Proofing Programme Phase 2 report provided a good level of assurance with no recommended actions. There were no weaknesses identified in this review.
15. The Future Proofing System Controls report was a draft report. It was commissioned to review the system for payments through D365 and through the telephone system as well as the processes for processing and recording refunds. Committee noted that while the telephone system was installed, it had not been tested and therefore the audit fieldwork and report could not be concluded. A further report will be submitted. There was one recommended action within the draft report regarding the processes for refunds.
16. The follow-up review for the 2024/25 audit provided information on the planned fieldwork for the audit work agreed in the 2024/25 audit plan.

17. The Committee reviewed the internal/external audit tracker.
18. The Committee considered the Consultancy Review on the Rewards Review along with a report from the Chief Executive on the management response and proposed actions. The reports were well received by Members who had been provided with the opportunity to meet with the auditor to discuss their views on the rewards review project, particularly the governance surrounding the decision-making process. The reports detailed the auditors' conclusions, actions already taken by management, and the recommendations from the auditor which were accepted by management. These are:

Conclusions

- a. The decision in July 2019 to conduct an evaluation of all job roles in the organisation was a decision which carried significant strategic risk due to the potential financial impact and impact on staff.
- b. There was insufficient consultation with Council, management and the trade union in advance of the July 2019 decision, and insufficient work at the outset to develop a shared understanding of what issues were present, if any, to necessitate such a significant piece of work.
- c. Council was not appropriately involved in key decisions until August 2020 due to a view that it was an operational matter and within executive authority.
- d. There was disagreement within the executive team as to progress and management of the project, which was not appropriately recorded.
- e. Governance and project management weaknesses were evident in the initial stages of the project and slow to be remedied, including a lack of planning, feasibility studies, governance, benefit identification, budgetary and risk management and information sharing.
- f. Communication was handled sensitively however slippage in the project was not effectively communicated.

Steps Taken

- a. Improvements in risk management arrangements.
- b. The development of a Programme Management Office and improvements to project and programme management.
- c. Establishment of a panel comprising Directors, Head of HR and Unison to evaluate new roles as a pragmatic solution.
- d. Agreement to include within the annual corporate governance review timetable an annual session on the Standards Authority guidance on operational/strategic decisions.

Recommendations

- e. It is important that any differences of opinion within Executive Management Team (EMT) on key decisions are recorded in the notes of EMT meetings, to provide a clear record of any dissenting voices, whether this alters the final decision taken or not.

- f. In future, feedback should be considered in the award of future procurement contracts to reappoint consultants who are being commissioned to carry out sensitive staff-facing work.
- 19. Committee agreed that the auditor had carried out a full impartial review of the project, which was stopped last November. The Committee accepted that lessons have been learned and that steps already taken, and implementation of those recommended by the auditor will address any outstanding issues which arose as part of the rewards review. The Committee will have oversight of implementation of the recommendations.
- 20. The Committee took assurances from the auditor's reports and management's responses that the issues which affected the rewards review project would not be repeated and the Committee approved management's response to the recommendations. The Committee will have oversight of management's implementation of the recommendations.

BENEFITS REALISATION - JANUARY TO JUNE 2024

- 21. The Committee reviewed the benefits realisation report for the period January to June 2024. It was noted that one product was, unusually, reversed as the workarounds required for redaction of documents, after it was rolled out into general usage, were counterproductive. The reversal will result in a saving on licence costs and the product previously used will again be utilised.
- 22. Committee noted that nine benefits had been realised since the last report, in January 2024.

COUNTER FRAUD POLICY

- 23. Committee approved the new Counter Fraud Policy. This was required after the contract with Counter Fraud Services (CFS) expired. Committee took assurance that the SSSC now had its own bespoke policy, following the principles of the agreement with CFS, but tailored to suit the specific needs for the organisation.
- 24. Committee was given assurance from the Head of Digital Services that favourable and improving results are being seen following the programme of cyber security exercises and activities which take place.

HORIZON SCANNING

- 25. Committee noted that
 - The worldwide Microsoft outage had no noticeable effect on the organisation's systems.

- Officers were in contact with Scottish Government to provide it with requested benchmarking information.
1. A paper on an anonymous complaint and the Nursing and Midwifery Council report will be presented to this meeting of Council.
 2. The Children (Care and Justice) (Scotland) Bill may impact on the work of the SSSC and its progress will be closely monitored.

CONSULTATION

26. No specific stakeholder engagement was necessary in the preparation of this report as this forms a summary of the matters discussed at the Audit and Assurance Committee earlier in the meetings cycle.

RISKS

27. 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

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

Compliance

29. There are no compliance implications arising from this report.

IMPACT ASSESSMENT (IA)

30. An IA was not necessary as this report relates to internal governance matters.

CONCLUSION

31. 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.
32. The Committee requests that Council takes assurance, following consideration of the documents, that the Committee has been presented with a fair view of the operational and financial performance and risks facing the SSSC.