

SCOTTISH SOCIAL SERVICES COUNCIL

Unconfirmed minutes of the Audit and Assurance Committee held on 03 May 2022 at 10.00 am by Teams meeting

Present: Professor Alan Baird, Council Member, Chair
Theresa Allison, Council Member
Rona King, Council Member
Russell Pettigrew, Council Member

In Attendance: Lorraine Gray, Chief Executive
Maree Allison, Director of Regulation
Lynn Murray, Interim Director of Finance and Resources
Laura Shepherd, Director of Strategy and Performance
Laura Lamb, Acting Director of Development and Innovation
Anne Garness, Head of Legal and Corporate Governance
David Archibald, Internal Auditor, Henderson Loggie
Audrey Wallace, Corporate Governance Coordinator

1.	Welcome
1.1	The Chair welcomed everyone to the meeting and noted apologies from Peter Murray, Council Member.
2.	Declarations of interest
2.1	There were no declarations of interest.
3.	Minutes of the previous meeting
3.1	The minutes of the meeting held on 3 February 2022 were approved as a correct record subject to the deletion of Lorraine Gray from the list of attendees. The minutes noted that Lorraine Gray had tendered apologies and was not present at that meeting.
4.	Matters arising
4.1	Item 7 – Draft 2021/22 External Audit Plan Lynn Murray confirmed that the external Audit Plan had been finalised and would be circulated to Council Members and Senior Officers shortly after today's meeting.
5.	Assurance report as of 31 March 2022
5.1	Laura Shepherd introduced report 11/2022, the assurance report to 31 March 2022. The report provided performance, financial and risk

	information as at 31 March 2022. She advised that there had been no significant movement in risk ratings in the quarter to 31 March. The Performance Summary at Strategic Performance Indicator (SPI) 4.3, Members noted that extensions had been given for time to process two level two complaints, which shifted this indicator into the red category.
5.2	<p>Laura Shepherd also confirmed that two risks which had been included in the Risk Register up until 31 March 2022, had now been removed. These are:</p> <ul style="list-style-type: none"> risk 4 'we fail to plan and resource our activities to deliver our digital strategy' and risk 9 'the SSSC is unable to operate due to effects of global pandemic COVID-19'on COVID-19. <p>COVID-19 related issues were now included within the risk description of any category in the register where it was considered as a risk cause. She confirmed that a new risk 'we fail to have the appropriate measures in place to protect against cyber security attacks' was added to the register. The risk register was attached at Appendix 1 to the report.</p>
5.3	Lynn Murray advised Members of an error in the presentation of the corporate financial position at page 7 of the assurance report. The projected underspend was stated in the narrative as £2,308k which is correct. The table below the narrative omitted to include the sum of £55k savings on travel and subsistence as we are not working in the office and therefore displayed an underspend of £2,253k which is incorrect.
5.4	Laura Shepherd confirmed that there were no other significant changes to highlight from the report.
5.5	the Committee
	1. endorsed the direction of travel for the strategic measures
	2. approved the risk register position.
6.	Audit Reports
6.1	Anne Garness presented report 12/2022 which introduced reports prepared by internal auditors Henderson Loggie for the period ending 30 April 2022 as well as the internal and external audit tracker information at Appendix 5 to the report.
6.1.1	Internal Audit Annual report 2021/22
	David Archibald advised, in terms of the audits carried out, that the SSSC was in a good position overall and compared to other organisations. The report summarised the work carried out and findings of the internal auditors over the year. He congratulated management and officers on ensuring that work was up to a good

	<p>audit standard. Alan Baird echoed the thanks on behalf of the Committee Members.</p> <p>In answer to a question, Lynn Murray advised that the recommended actions in relation to the audit on HR data and performance management was in progress. We will improve processes to follow sickness absence policy, train managers how to follow them and enhance the applications in the MyView system to assist in managing sickness absences.</p>
6.1.2	Internal Audit report – Budgetary Control
	David Archibald commented on a positive audit. There were no recommended actions, and he was particularly pleased with the management and reporting skills identified during the audit.
6.1.3	Internal Audit report – Data protection
	<p>David Archibald presented a positive report on the audit of data protection arrangements, which are working effectively for the organisation. He advised that there were no formal recommendations but there were two actions which would enhance current arrangements. These were setting up a log of historical privacy notices and setting up a process for deletion of HR documents which were past retention dates.</p> <p>Anne Garness confirmed that dates had been agreed for these recommendations. Any deletion would need to comply with our retention schedule which we are currently reviewing.</p>
6.1.4	Members congratulated officers on the positive reports and suggested that staff be made aware of the positive audit reports which had been received over the year. Lorraine Gray agreed that she would cover this in her upcoming broadcast and that the communications team would also be asked to ensure that the positive message was put out to all staff.
6.1.5	Internal Audit follow-up reviews
	David Archibald advised that there was only one outstanding recommended action and that this was a very positive position for the organisation. He emphasised that it was unusually good for a public body to be in this position. Members noted that the outstanding action was being progressed and a revised completion date was requested.
6.1.6	Internal-external audit action tracker
	Anne Garness presented the extract from the internal-external audit tracker, maintained by the corporate governance team. She drew attention to the revised completion dates for the actions recommended by the external auditor. These were regarding the dilapidation agreement and statement in actuaries report regarding the pension fund. A revised date for the procurement and implementation of a corporate learning management system was requested.

	<p>Lynn Murray updated Members that we have asked the actuaries to take the action identified on the pension fund but will not know whether this has happened until they prepare their report for the year-end financial statements.</p> <p>Committee acknowledged the difficulties in carrying out the audits over the year under the circumstances created by COVID-19 and thanked both internal and external auditors for the work carried out. David Archibald thanked staff for their help and compliance with the audit work.</p>
6.1.7	The Committee
	<ol style="list-style-type: none"> 1. endorsed <ul style="list-style-type: none"> Appendix 1 - the 2021/22 Internal Audit Annual Report Appendix 2 - the Budgetary Control report Appendix 3 - the Data Protection report Appendix 4 - the Internal Audit Follow-up Reviews report 2. noted Appendix 5 - the internal and external audit tracker and endorsed the revised due dates.
7.	Fraud, Bribery and Corruption Assurance report
7.1	Lynn Murray presented report 13/2022, the Fraud, Bribery and Corruption Assurance report which provided a summary of counter fraud, bribery and corruption work carried out.
7.2	Lynn Murray also advised that the Counter Fraud, Bribery and Corruption Framework had been reviewed and brought into SSSC language and style. There were no material changes necessary to the wording of the framework.
7.3	Lynn Murray then directed Members to Appendix 2 to the report which gave detail of some recent cases of fraud in the public sector that Audit Scotland had identified. There was some discussion about how this type of information should be shared with employees.
7.4	The Committee
	<ol style="list-style-type: none"> 1. noted there were no incidences of fraud, bribery or corruption detected in the SSSC in the 2021/22 financial year 2. noted progress on counter fraud work and that officers have carried out the review of the Counter Fraud, Bribery and Corruption Framework and that no material changes were necessary.
8.	Draft Annual Governance Statement
8.1	Anne Garness presented report 14/2022, which contained the Annual Governance Statement, to be included within the Annual Report and Accounts along with the signed Certificates of Assurance from each of the directors.

8.2	The Committee:
	1. approved the draft annual governance statement.
9.	Draft Annual Audit and Assurance Committee report to Council
9.1	Alan Baird presented report 15/2022, the Annual Report of the Audit and Assurance Committee to Council.
9.2	The Committee:
	1. approved the annual report of the Committee for submission to Council
	2. noted that the content of the report informed the preparation of the annual governance statement in the annual report and accounts for 2021/22.
10.	Assurance Map
10.1	Anne Garness presented report 16/2022 with the completed assurance map appended. Members noted that of 14 issues listed, 11 were rated as green or high, meaning that the level of controls in place were assessed as adequate/effective in proportion to the risks. Three issues were rated medium or amber, meaning there are some areas of concern over the adequacy/effectiveness of the controls in place in proportion to the risks.
10.2	Russell Pettigrew advised that in relation to the issue of fraud and fraud prevention, he and Lynn Murray were carrying out a live broadcast to all staff on 4 May.
10.3	Anne Garness advised that further procurement training will be rolled out to relevant staff. She also advised that there were no particular issues with health and safety in the organisation, but that there was a gap in that no report was made direct to Council. It was noted, however, that this is an area included in the Directors' Certificates of Assurance. It was agreed that an annual report on Health and Safety will in future be submitted to Council, the schedule for this to be decided.
10.4	The Committee:
	1. approved the assurance map
	2. endorsed the next steps.
11.	Horizon Scanning
11.1	There were no matters brought to Members' attention.

12.	Audit and Assurance Committee Action Record
12.1	The Committee reviewed the Audit and Assurance Committee action record, noted that all actions had been completed and agreed that actions A66, A80, A81, A82, A83, A84 and A85 be deleted from the quarterly report and saved in archive for future reporting.
13.	Date of next meeting – 02 August 2022 at 10.00 am
13.1	The next meeting of the Audit and Assurance Committee will be held at 10am on Tuesday 2 August 2022.
14.	Minutes of private session of 3 February 2022
14.1	The minutes of the private session of the Audit and Assurance Committee meeting of 3 February 2022 were agreed as an accurate record, subject to a correction to show that Lorraine Gray submitted apologies and was not in attendance.

Committee started: 10:00 am
Committee finished: 10:45 am

Signed _____
Alan Baird
Chair of the Audit Committee

Date_____