

<b>Title of report</b>	Audit and Assurance Committee report to Council
<b>Public</b>	Public
<b>Summary/purpose of report</b>	To make recommendations from the Audit and Assurance Committee
<b>Recommendations</b>	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> <li>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"> <li>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</li> <li>b. financial performance is consistent with forecasted spend and presents no cause for concern relating to year-end outturn of approved budget</li> <li>c. operational delivery and financial expenditure are consistent</li> </ol> </li> <li>2. the Council takes sufficient assurances from the internal audit report, the management audit report and internal and external audit action tracker</li> <li>3. the Council approves the appointment of Theresa Allison as Counter Fraud Champion on an interim basis</li> <li>4. the Council notes: <ol style="list-style-type: none"> <li>a. the appointment of the external auditors from April 2023</li> <li>b. the concern of the Committee over the delay in external auditors carrying out their audit of the annual accounts and the pressure this puts on staff to adhere to the terms of the Executive Framework in presenting our annual accounts to Parliament</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>c. the concern of the Committee about the future funding and budget situation and risks</li> <li>d. that data is now gathered on projects run across the organisation</li> <li>e. the positive report on procurement.</li> </ul>
<b>Author</b>	Alan Baird, Chair, Audit and Assurance Committee
<b>Responsible Officer</b>	Maree Allison, Acting Chief Executive
<b>Link to Strategic Plan</b>	<p>The information in this report links to:</p> <p>Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.</p> <p>Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.</p> <p>Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.</p> <p>Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</p>
<b>Link to Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
<b>Impact assessments</b>	<ul style="list-style-type: none"> <li>1. An Equalities Impact Assessment (EIA) was not required.</li> <li>2. A Data Protection Impact Assessment (DPIA) was not required.</li> <li>3. A Sustainability Impact Assessment (SIA) was not required.</li> </ul>
<b>Documents attached</b>	<p>Appendix 1: Assurance report as of 30 June 2022 including the Strategic Risk Register</p> <p>Appendix 2: Draft minutes of meeting of the Audit and Assurance Committee of 2 August 2022</p> <p>Appendix 3: <a href="#">Link to draft minutes of the private session of the Audit and Assurance Committee of 02 August 2022</a></p>
<b>Background papers</b>	None

## **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 recommendations of the Audit and Assurance Committee to SSSC Council following the Committee's meeting of 2 August 2022.

## **EXTERNAL AUDITORS**

3. The Committee was advised that Scottish Government has appointed Deloitte as the external auditors who would take over the role from 1 April 2023, when the contract with Grant Thornton expires.

## **ANNUAL REPORT AND ACCOUNTS**

4. The Committee instructed Lynn Murray to write to Scottish Government and Audit Scotland expressing its concern over the position the SSSC has found itself in where the external auditors are unable to carry out the audit of the annual accounts for 2021/22 within the planned timescale. This was due to staff shortages in the company. Lynn Murray advised the Committee of the adjustments being made to the process for preparing and approving the accounts and also of the risks in not being able to present the accounts to Audit Scotland for laying before Parliament within the timescale set down in the Executive Framework.

## **ASSURANCE REPORT**

5. The Committee reviewed the assurance report as of 30 June 2022 relating to the activities of the SSSC. Appendix 1 is the assurance report considered by the Committee and Appendix 2 is the draft minutes of the meeting, to satisfy Council that the Committee has discharged its responsibilities.

### **Budget**

6. The Committee was advised of concerns over current budget pressures. The main areas of risks discussed were the costs of:
  - pay remit
  - Future Proofing Programme
  - office accommodation
  - rewards review.

7. Any use of working capital must be planned and forecasted to avoid the risk of this being clawed back by Scottish Government.
8. Committee instructed that a robust report be presented to Council on the issues associated with the accommodation costs and the government's stance on rent payable to it even if the SSSC occupy a smaller portion of the office building.
9. Members expressed concern about the impact that any reduction in funding, by way of working capital not being carried forward, would have on the Future Proofing Programme and therefore the future work of the organisation.
10. Members were uncomfortable that the future funding and budget position were less than favourable, noted that a report on review of fees will be submitted to Council and instructed that a report on accommodation also be submitted.

#### **Performance summary**

11. After noting that data on revised indicators will be provided, in future reports, the Committee agreed that the following Key Performance Indicators will be removed from the assurance report:
  - 3.8 Development and Innovation: Deliver the SSSC's commitments under the National Health and Social Care Workforce Plan to schedule and evaluate satisfaction with the outputs.
  - 4.6 HR: Percentage of people in post for less than six months and percentage of budgeted posts that are empty.

### **INTERNAL AUDIT**

12. Members were presented with the following:
  - Internal Audit Report – Health and Safety**
13. The report provided a satisfactory standard of assurance with two recommendations regarding monitoring of timetable for policy/guidance approval and annual reporting to Council. Committee agreed that officers will schedule a development session on Health and Safety responsibilities of board members, hopefully to take place in October 2022.
14. The Committee also noted that officers had commissioned two interim audits on the Future Proofing Programme and the Rewards Review.
  - Management Audit Report**
15. Committee was presented with an updated extract from the internal/external audit tracker. Lynn Murray gave assurance that mandatory training was taking place and the delay in implementation of

the auditor's recommendations was due to the process of procuring the new Learning Management System which would track and record the training.

16. Subject to recommendations being actioned and scheduling of Members training, the Committee took assurances from the audit reports and management's responses.

### **FRAUD BRIBERY AND CORRUPTION ASSURANCE REPORT**

17. Committee was presented with a report from management confirming that no instances of fraud were detected in quarter one of this year.
18. Committee approved Theresa Allison as interim replacement Counter Fraud Champion until a more permanent replacement for the position is appointed following Russell Pettigrew coming to the end of his term of appointment to the Council on 31 August 2022.
19. The report provided the Members with assurance on the fraud, bribery and corruption workstream.

### **BENEFITS REALISATION REPORT**

20. Committee was presented with a biannual report on benefits realised from projects run across the organisation. The appendix provided information on the benefit realised during this reporting period October 2021 to March 2022. The Committee noted that benefits had not yet been realised from two digital projects. It also noted that detailed reporting is made to the relevant project boards and to sponsor.
21. Committee took assurance from this summary report that data is being ingathered to provide evidence that projects undertaken provide measurable benefits.

### **PROCUREMENT UPDATE AND PERFORMANCE REPORT**

22. Committee was presented with the Annual Procurement report for 2021/22 and took assurance that that year on year this was a consistently positive area of work.

### **REWARDS REVIEW**

23. This report was discussed in the private session of the meeting. The report was noted and Committee agreed, instead, that the matter be discussed at the meeting of the Council in August. Committee however agreed to increase the position of risk 5 in the strategic risk register.

## **CONSULTATION**

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

## **RISKS**

25. 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**

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

### **Compliance**

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

## **IMPACT ASSESSMENTS**

### **Equalities**

28. 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**

29. This report gives 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. The report makes recommendations to the Council on matters requiring Council approval.