

Minutes

- Meeting:** Audit Committee
- Date:** 28 November 2014
- Time:** 1.30pm
- Venue:** Rooms 0.7 and 0.8, Compass House, Dundee
- Present:** Mike Cairns, Convener
Ian Doig
Linda Pollock
- In Attendance:** Paul Edie, Chair
Gordon Weir, Director of Corporate Services
Kenny Dick, Head of Finance and Corporate Governance
Peter Lindsay, Audit Scotland
Neil Reid, Audit Scotland
Robert MacKenzie, Scott-Moncrieff
James Thomson, Scott-Moncrieff
Pamela Hill, Administrative Assistant
Karen Anderson, Director of Strategic Development/
Depute Chief Executive
- Apologies:** Cecil Meiklejohn, Board Member
Christine Dunlop, Board Member (not notified)
Annette Bruton, Chief Executive

Item	Action
1.0 APOLOGIES FOR ABSENCE	
Apologies for absence were noted as above.	
2.0 DECLARATION OF INTEREST	
Linda Pollock declared her interest as a Member of the Accounts Commission.	

Version: 3.0	Status: <i>Approved 18.3.15</i>	Date: 11/03/2015
--------------	---------------------------------	------------------

3.0 MINUTE OF MEETING HELD ON 23 SEPTEMBER 2014

The minute of the meeting held on 23 September 2014 was approved as an accurate record.

4.0 ACTION RECORD OF MEETING HELD ON 23 SEPTEMBER 2014

The action record of the meeting held on 27 August 2014 was discussed and updated.

5.0 MATTERS ARISING

- 5.1 Item 10 Improving our Scrutiny Following Requirements: Some Proposed Changes to Practice and Reporting –** training had commenced with staff in relation to requirements and the review of KPI3 to enable more accurate corporate performance reporting and targeting of finite resources. A paper would be submitted to a future Committee.

6.0 INTERNAL AUDIT PLAN 2014-15 PROGRESS REPORT

James Thomson introduced the report, which provided information to the Audit Committee on the internal audit work performed to 19 November 2014.

Three reviews had been completed in line with the 2014-15 Plan, however, the reviews for Inspection arrangements (B10) and Shared services (C4) were still under discussion with management and not yet ready to be reported to Committee. There were no significant issues with any of the reviews; the delays were due to inadequate notice being provided by Scott-Moncrieff when scheduling reviews outcomes meetings with management.

The Director of Corporate Services provided an overview of the audit process. Scott-Moncrieff would ensure that future Internal Audit plans were clear about which Committee meetings reports would be submitted.

The Committee:

- Noted the progress report.
- Received assurance that remedies had been put in place to ensure that the Audit reports were submitted when expected.

Version: 3.0	Status: <i>Approved 18.3.15</i>	Date: 11/03/2015
--------------	---------------------------------	------------------

7.0 A2 PAYROLL

James Thomson introduced the report, which assessed the effectiveness of the Care Inspectorate's operational payroll controls and the extent to which desired benefits of the new Pulse payroll system had been delivered. The report was very positive and concluded that the controls in place over the payroll system at the Care Inspectorate were robust and, on the whole, operating effectively. The Pulse arrangements had been helpful and the areas highlighted for improvement would further strengthen the system of control already in place.

The Head of Finance and Corporate Governance clarified that the recommendation at 2.2 was only partly agreed as consideration was being given to the whole process including whether the procedure to complete a leavers form was of any benefit. With the introduction of Pulse, standard operating procedures were under review. If the decision was taken to use a form then the procedure would be amended to ensure that the forms were used on all occasions. There was no risk of any employees being paid the incorrect amounts as there were other, robust processes in place.

The Committee:

- Noted the report.
- Noted the interim position on recommendation 2.2.

8.0 EXTERNAL AUDIT – PROGRESS UPDATE

Peter Lindsay provided a verbal update on the 2014-15 audit work, which would be planned in December 2014 and agreed by the end of January 2015. The financial statements audit would take place as usual in July/August 2015.

It was likely that audit fees would be increasing by 1% from previous years but this was still to be confirmed.

The Committee:

- Noted the verbal update.

9.0 AUDIT RECOMMENDATIONS PROGRESS REPORT - REPORT NO: A-07-2014

The Head of Finance and Corporate Governance introduced the report, which advised members of the implementation of agreed management responses to internal audit recommendations, due to be implemented on or before 31 October 2014. All recommendations were progressing appropriately except the shared services recommendation, which had been delayed by a

Version: 3.0	Status: <i>Approved 18.3.15</i>	Date: 11/03/2015
--------------	---------------------------------	------------------

request from the SSSC that additional work on specifying performance measures in the Service Level Agreement (SLA) be carried out.

2014-15 was the first year that the Care Inspectorate had the capacity to properly consider the recharges and SLAs. The ICT SLA recharge was still under discussion. Sharing the ICT network across the two bodies produced a substantial saving to the public purse. It was important to get the SLA signed off to avoid potential disputes over recharges. It was hoped that the SLA would be signed by the two chief executives by 30 November 2014.

The Committee:

- Noted the progress made to date.

10.0 SCHEDULE OF COMMITTEE BUSINESS

The Schedule of Committee Business was reviewed and updated.

It was discussed and agreed with the Chair that it would be beneficial to consider the Strategic Risk Register at the same time as the Corporate Plan. The next phase of reviewing the Strategic Risk Register was to also consider the Board's appetite for risk and agree a Risk Appetite Statement. The Chair agreed that this would be done as a development session for the full Board and senior management before March 2015 so that the Board's recommendations could be reported to the 18 March 2015 Audit Committee.

Chair
28 Feb 2015

11.0 HORIZON SCANNING (INCLUDING AUDIT SCOTLAND PUBLICATIONS)

The Director of Corporate Services advised that Audit Scotland had produced an audit report entitled 'NHS in Scotland 2013-14', which may be of interest to members but was not directly applicable to the work of the Care Inspectorate.

12.0 AOCB

- 12.1** Neil Reid, Audit Scotland had been liaising with the Care Inspectorate's communications and Scottish Government sponsor team and was able to confirm that the Annual Report and Accounts should be laid before Scottish Parliament by the following week.

13.0 AOCB

There was no other competent business.

Version: 3.0	Status: <i>Approved 18.3.15</i>	Date: 11/03/2015
--------------	---------------------------------	------------------

14.0 DATE OF NEXT MEETING

The date of the next meeting, which would be an effectiveness session, was confirmed as 30 January 2015 at 1.30pm in rooms 0.18 and 0.24, Compass House, Dundee.

Signed:

Mike Cairns
Convener