

Minutes

- Meeting:** Audit Committee
- Date:** 18 June 2014
- Time:** 1.30pm
- Venue:** Rooms 0.18 and 0.24, Compass House, Dundee
- Present:** Mike Cairns, Convener of the Committee
Ian Doig
Cecil Meiklejohn
David Wiseman
Christine Dunlop
Linda Pollock
- In Attendance:** Annette Bruton, Chief Executive
Gordon Weir, Director of Corporate Services
Kenny Dick, Head of Finance and Corporate Governance
Robert MacKenzie, Scott-Moncrieff
James Thomson, Scott-Moncrieff
Angela Morton, Operational Support Manager
Ayslynnne Craig, Administrative Assistant
- Apologies:** Sally Witcher
Paul Edie, Chair
Peter Lindsay, Audit Scotland
Neil Reid, Audit Scotland

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.

3.0 MINUTE OF MEETING HELD ON 18 MARCH 2014

The minute of the meeting held on 18 March 2014 was submitted and approved as a correct record.

4.0 ACTION RECORD OF MEETING HELD ON 18 MARCH 2014

The action record of the meeting held on 18 March 2014 was noted.

5.0 MATTERS ARISING

There were no matters arising.

6.0 INTERNAL AUDIT FOLLOW-UP REVIEW 2013-14

Scott-Moncrieff presented the report which provided the Committee with a summary of the progress made by the Care Inspectorate's management in implementing the agreed management actions.

It was highlighted and noted that significant action had taken place during the past year, and a very good attempt had been made to complete the audit recommendations. The total number of actions to be completed by management was reduced from over 30 in March 2013 to 7 in March 2014. All but one of the open actions carried forward are due to be completed by September 2014. There were no 'high' grade recommendations outstanding.

The Committee:

- Sought assurance that the actions scheduled for completion in May 2014 were complete. It was agreed the Employee Code of Conduct was presented to the Resources Committee that morning and the Members Code of Conduct would go to the Board on 27 June 2014.
- Questioned why the Duty of User Focus paper was to be presented to the Board and not the Resources Committee. It was confirmed that this paper was taken to Strategy and Performance Committee on 23 May 2014 and that the Committee requested a view from the Board on the principles of the paper, before moving forward with any cost implications.
- Noted the report.

7.0 INTERNAL AUDIT ANNUAL REPORT 2013-14

Scott-Moncrieff presented the report advising the Committee that the internal audit assignment plans were linked to the Care Inspectorate's risk register and confirmed the internal control system was effective in managing the key risks. The report summarises the work that was carried out and the variations that took place during the year. It was also noted that there were no grade 4 or 5 actions raised during the year.

The Committee:

- Welcomed a very positive report
- Discussed the four specific reviews in table 3 of the report, of which the majority of the control objectives were green, with only four being yellow (no major weakness in control but scope for improvement).
- Agreed the report provided evidence of a positive controlled environment.
- Noted the report.

8.0 STRATEGIC INTERNAL AUDIT PLAN 2013-2016 AND ANNUAL INTERNAL AUDIT PLAN 2014-15

Scott-Moncrieff presented the report noting that this was the final version of the Internal Audit Plan. A draft report was previously submitted to the Audit Committee in March for consideration. The audit had taken into consideration the Care Inspectorate's risk management framework, strategic objectives and priorities, along with the views of senior managers and the Committee. The report included a pie chart of the allocation of audit days which provided a measure of the proposed coverage of areas being looked at. Appendix 1 set the context of the three year strategic plan, appendix 2 set out the strategic risk register that audits were linked to, and appendix 3 provided the audit timetable.

The Committee:

- Requested that hard copies of papers are printed in colour as and when required.
- Discussed the fact there were no contingency days included in the plan for 2014-15. It was agreed that, if required, the Committee would look to reprioritise the plan if necessary
- Sought assurance that the plan covers the highest risks.
- Noted that paragraph 4 of page 18 should read 'The internal audit activity is established by the Audit Committee on behalf of the Board', not 'Council'.
- Agreed the timing of the Efficiency savings review required to be rescheduled.
- Approved the report following the amendments and presentation issues discussed.

Admin

Scott-Moncrieff

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9.0 FINANCIAL STATEMENTS PROGRESS UPDATE (VERBAL UPDATE)

The Head of Finance and Corporate Governance provided a verbal update advising the Committee some interim work had been completed. The Draft Annual Report and Accounts is due to be presented to the Board on 27 June 2014. An update will again be provided to the Audit Committee on 27 August 2014. The Draft Annual Report and Accounts will then be presented to the Audit Committee on 23 September 2014, following which it will finally be submitted to the Board for approval in October 2014.

10.0 ANNUAL REVIEW OF RISK REGISTER REPORT NO: A-04-2014

The Director of Corporate Services presented the above report to advise the Committee of the outcome of the review of the risk register session held on 7 February 2014. At the session the group looked at the risks from the previous risk register along with identifying new risks.

Appendix 1 details the analysis of the risks based on those raw risks that were high or medium. These have all been lowered by control measure to a medium or low tolerance.

The Committee:

- Noted its involvement in this process and that the report, in its current format, had also been approved by the Executive Team.
- Approved the report for further consideration by the Board.

11.0 DRAFT AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD REPORT NO: A-05-2014

The Head of Finance and Corporate Governance presented the report to the Committee highlighting it was the first draft of the annual report to the Board and requested comments on it. The report is due to be presented to the Audit Committee again in August for further review prior to it being submitted to the Board along with the 2013-14 Annual Report and Accounts on 3 October 2014.

The Committee:

- Noted that the report format is based on the previous years' report along with any updates from the Audit Committee Effectiveness Review Meeting.

- Noted there have been no incidents of fraud identified within the Care Inspectorate during 2013/14.
- Requested in section 3.5 the second heading should read 'Annual Review of Risk and Risk Management'.
- Requested a programme of committee meetings be included.
- Reviewed the report and agreed the above comments and changes should be made prior to seeing the report again in August.

Head of
Finance &
Corporate
Gov

12.0 DRAFT CODE OF CORPORATE GOVERNANCE REPORT NO: A-05A-2014

The Head of Finance and Corporate Governance introduced the report, advising the Committee that this was an overarching document which pulled all work in relation to Corporate Governance together. The Committee was requested to make a recommendation to the Board that it is appropriate to approve the Code. If approved by the Board, the Code of Corporate Governance will be published on the website.

The Committee:

- Welcomed a very helpful document.
- Requested additional commentary in section 4.4.3 of appendix 1 to highlight committee consideration of risk.
- Discussed and debated how risk is captured on an on-going basis. The Committee agreed an additional section could be added to the covering paper of policy reports to identify risks and any control measures.
- Requested that additional examples of joint Board meetings with HIS and SSSC be added to section 4.6.4 of appendix 1.
- Agreed that with the amendments suggested, the draft Code of Corporate Governance should be referred to the Board for its consideration.
- Agreed to refer to the Convenor of the Board, the decision of whether Board member involvement in the Corporate Governance Review working group is required.

Head of
Finance &
Corporate
Gov

Head of
Finance &
Corporate
Gov

13.0 DRAFT CODE OF CONDUCT FOR MEMBERS REPORT NO: A-06-2014

The Head of Finance and Corporate Governance presented this report, advising the Committee that it is based on the revised Model Code for Members of Devolved Public Bodies which was approved by Scottish Parliament on 4 December 2013.

The Committee:

- Reviewed, considered and agreed that the draft Code of

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Conduct for members should be recommended to the Board for approval.

14.0 SCHEDULE OF COMMITTEE BUSINESS

The Committee agreed the Schedule of Committee Business, noting that the 22 November 2014 should be 28 November 2014.

15.0 HORIZON SCANNING

15.1 Results of the 2012-13 Central Government Survey

The Committee noted the results of the survey for information.

15.2 Scotland's Public Sector Workforce – Good Practice Guide

The Committee noted the guidelines. It was agreed it would be beneficial for management to consider how the organisation compared to the guidance and to report to committee if required.

It was noted that the Public Audit Committee published its report on older people's care on 16 June 2014 and that a summary of the report would be shared with members.

**Chief
Executive**

16.0 AOCB

16.1 Internal Audit Report – Development of the Methodology for Joint Strategic Inspection of Services for Adults

This report was considered under AOCB as it had been received immediately prior to the Committee papers being issued.

Scott-Moncrieff introduced the report, noting it is one of a series on this topic.. The report did not identify any major weaknesses and evidenced that controls are working effectively.

The report highlighted that significant stakeholder involvement and contact had taken place, and noted the planning and delivery input required between HIS and the Care Inspectorate. A formal 'lessons learned' exercise will also be completed.

The Committee:

- Sought assurance that adequate training would be provided to inspectors and partnership organisations. It was advised the Programme Board would have a view on the on-going training.
- Welcomed and noted this informative report.

17.0 DATE OF THE NEXT MEETING

The date of the next meeting was confirmed as 27 August 2014 in Compass House, Dundee at 1.30pm.

Signed:

Mike Cairns
Convener