



Minutes

Meeting: Audit Committee

Date: 28 August 2015

Time: 1.30 pm

Venue: Room 0.24, Compass House, Dundee

Present: Ian Doig – Acting Convener
Christine Dunlop
Cecil Meiklejohn
Linda Pollock

In Attendance: Paul Edie, Chair
Karen Reid, Chief Executive
Gordon Weir, Director of Corporate Services
Kenny Dick, Head of Finance and Corporate Governance
Clare Butter, Directorate Support Officer

| Item | Action |
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1.0 WELCOME

The Acting Convener welcomed everyone to the meeting and provided an update to the Committee on purpose of meeting which was to allow early scrutiny of the draft 2014/15 Annual Report and Accounts.

The Acting Convener informed the Committee that a revised draft Annual Report and Accounts will be presented to the September Audit Committee for approval and onward submission to the Board.

2.0 APOLOGIES FOR ABSENCE

Apologies were received from Mike Cairns, Convener.

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3.0 DECLARATION OF INTEREST

The following declarations of interest were noted:

- Linda Pollock in respect of holding the position of member of the Accounts Commission.

4.0 Draft Audit Committee Annual Report to the Board

The Head of Finance and Corporate Governance introduced the draft Audit Committee Report to the Board.

Members discussed the covering report and noted the following points for amendment.

Page 3

- Amend date to from 31st January 2015 to 29th January 2015. **HoF&CG**

Page 4

- Amend date of Audit Committee from 23rd September 2015 to 18th September 2015. **HoF&CG**

The following amendments to Appendix 1 were also highlighted.

Page 4

- Table– heading ‘Assurance’ to be renamed to ‘Control Objective Assessments’. **HoF&CG**
- Terminology to be checked in paragraph 3.3 **HoF&CG**

Page 6 and 7

- Risk Register – Head of Corporate Services and Head of Finance and Corporate Governance to update paragraph and email update to Chair.
- Appointment of Internal Auditors, paragraph to be updated for the September meeting **HoF&CG**
- Programme of Committee meetings table to be updated. **HoF&CG**

Page 8

Discussion took place on the quality of internal audit. The Director of Corporate Services advised that there have been issues with the administration and scheduling of audits.

Members discussed their experience of internal audit and asked management for their comments.

Following discussion, it was agreed that The Director of Corporate Services would re-draft section 7.0 and email it to members for consideration. **DoCS**

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Page 9

- 8.0 remove word 'developing'. HoF&CG
- 11.0 add in word 'true' to sentence: ' - - accounts, taken as a as a whole, are true and fair, - -'. HoF&CG

5.0 Draft Annual Accounts 2014/15

The Head of Finance and Corporate Governance gave a short presentation on the annual accounts and the process followed for their preparation.

The Head of Finance and Corporate Governance also advised the Committee that the Risk Register will be presented to the September meeting of this Committee.

5.1 Annual Report of the Care Inspectorate

The Head of Finance and Corporate Governance advised that not all of the Annual Report and Accounts document is subject to audit, only the Annual Accounts are formally audited. However, the whole document is reviewed for consistency by the Audit Committee.

The Committee members discussed the Report and the significant points highlighted.

Page 4 – Foreword from Chair

- to include reference to the change in Chief Executive. HoF&CG

Page 8 – Chief Executive Introduction

- Include reference to sharing of good practice HoF&CG

Page 14

- Last paragraph – last sentence after enforcement issues add 'and/or' before CI resources HoF&CG

Page 16

- Check the reference to 125 enforcements to the figures in Appendix 4 for consistency HoF&CG

Page 34 -

- Members noted the positive work by the Care Inspectorate on Equality and Diversity. HoF&CG
- Include information shared at the Board Development Event into the section HoF&CG
- Include reference to employee welfare. HoF&CG

Page 36

- After (SCNE) add in 'see page 76' HoF&CG

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Section 2 – Directors Report

Committee agreed no changes to this section.

Section 3 – Remuneration Report

- Update table to show Sally Witcher’s term as Board member came to an end in February 2015.

Section 4 – statement of accountable officers responsibilities

Committee agreed no changes to this section.

Section 5 – Governance statement

Committee agreed no changes to this section.

Section 6 – Independent Auditors Report

Committee agreed no changes to this section.

Section 7 – Financial Accounts

- Members queried the exit package figure in Section 4, page 87 and were advised this arose due to contractual rights Inherited from a previous employer.
- The Acting Chair was given an explanation on the position with regard to consultancy spend and contractors. Scottish Government has clear guidelines re consultancy spend which is followed by the Care Inspectorate.
- The Director of Corporate Services provided the Committee with an update on zero hour contracts.
- The Committee was also given an update from the Chief Executive and Chair on foreign travel. The Chief Executive advised that an International Strategy has been developed by the Board.

The Acting Convener confirmed he was content with the level of assurance provided on the Annual Report and Accounts.

5.2 Financial aspect subject to audit – verbal update

Committee agreed no changes to this section.

5.3 External audit progress on the audit of financial statement – verbal update

The Head of Finance and Corporate Governance provided an update on behalf of the External Auditors.

- The 2014/15 audit of the Annual Report and Accounts is substantially complete. However, the External Auditors will need to review the updated version of the Annual Report and

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Accounts post Audit Committee comments at today's meeting.

- There are no significant issues arising from the audit of the 2014/15 Annual Report and Accounts.
- The ISA260 Report on the audit of the Annual Report and Accounts and 2014/15 Annual Audit Report will be presented to the next Audit Committee meeting in September 2015.
- The 2014/15 Annual Audit Report will provide an update on progress in respect of the National Fraud Initiative (NFI).
- Dave McConnell from Audit Scotland will sign off the Independent Auditor's Report following Board approval and signing of the Annual Report and Accounts by the Chief Executive.

6.0 AOCB

There was no other competent business.

7.0 DATE OF NEXT MEETING

The date of the next meeting was confirmed as 18 September 2015 at 1.30 pm in Compass House, Dundee.

Signed:

Ian Doig, Acting Convener