

Minutes

Meeting: Audit Committee

Date: 11 March 2016

Time: 1.30 pm

Venue: Room 0.24, Compass House, Dundee

Present: Mike Cairns, Convener
Ilan Doig
Christine Dunlop
Linda Pollock

In Attendance: Paul Edie, Chair
Karen Reid, Chief Executive
Gordon Weir, Director of Corporate Services
Rami Okasha, Executive Director of Strategy and Improvement
Kenny Dick, Head of Finance and Corporate Governance
Robert MacKenzie, Scott-Moncrieff
Michael Smith, Scott-Moncrieff
Gary Devlin, Scott-Moncrieff
Liz Macconachie, Audit Scotland
Fiona Angus, Committee Support Officer

Apologies: Cecil Meiklejohn, Board member
Peter Lindsay, Audit Scotland

Item	Action
1.0 WELCOME	
The Convener welcomed everyone to the meeting and there were round the table introductions for the benefit of the new members of the external and internal audit teams.	
2.0 APOLOGIES FOR ABSENCE	
Apologies for absence, as listed above, were noted.	

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3.0 DECLARATION OF INTEREST

There was no declaration of interest.

4.0 MINUTE OF MEETING HELD ON 27 NOVEMBER 2015

The minute of the meeting held on 27 November 2015 was approved as an accurate record.

CSO

5.0 ACTION RECORD OF MEETING HELD ON 27 NOVEMBER 2015

The action record of the meeting held on 27 November 2015 was discussed and updated in respect of item 12.0. The Committee was advised that the topic of ICT security would be considered at the Board risk register review session.

6.0 ACTION RECORD OF EFFECTIVENESS MEETING HELD ON 29 JANUARY 2016

The action record of the Effectiveness meeting held on 29 January 2016 was noted. Item 3.4 in respect of risk review had been addressed under item 5.0 above.

CSO

7.0 MATTERS ARISING

7.1 Complaints Handling Update

The Executive Director of Strategy and Improvement (EDoS&I) provided background information to the Committee on the long-standing complaints handling review which was commissioned in 2013. The update report prepared by Scott-Moncrieff noted that the Complaints Committee had continued to monitor progress of the Complaints Improvement Plan and that additional work was underway to ensure the seamless transfer of the complaints function to the new Scrutiny and Assurance Directorate. It was agreed that implementation of the plan would be addressed through the Complaints Committee.

The Committee recorded its thanks to the contributions made by Scott-Moncrieff and officers.

Internal Audit Reports

8.0 INTERNAL AUDIT PLAN 2015/16 PROGRESS REPORT

Scott-Moncrieff presented the report which provided a summary of internal audit activity during the year to date and confirmed the reviews planned for the coming quarter, identifying any changes to the original annual plan. It was noted that the auditors had

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identified no significant issues in the internal audits that had been completed, and that delivery of the full programme of audit days remained on track.

The Committee noted the report.

9.0 B5: PARTNERSHIP WORKING

Scott-Moncrieff presented the report which concluded that the Care Inspectorate had robust partnership working arrangements in place and that these were operating effectively.

The Committee had no further questions and noted the report.

10.0 C9: INSPECTION AND PLANNING

Scott-Moncrieff's report concluded that the controls surrounding inspection planning and monitoring were robust. It also highlighted the risks of the Care Inspectorate not meeting its planned Statutory inspection targets by 31 March 2016, however, it was a key focus of management to meet these.

The Committee noted the report.

11.0 B3: LEGAL SUPPORT AND ADVICE

Scott-Moncrieff presented the report which covered the evaluation of how the Care Inspectorate determined the most appropriate source for obtaining professional legal advice.

Overall, it was a very positive report. It noted that the recommendations made following the independent review of legal services had not been fully undertaken, however, management was committed to achieving these by April 2016. The Chief Executive (CE) reported that, although not all of the recommendations had been implemented, significant cost savings had still been made.

The Committee noted the report.

12.0 C2: HR RECRUITMENT ARRANGEMENTS

Scott-Moncrieff's report of the review carried out in October 2015 of the recruitment arrangements in place for the Care Inspectorate concluded that those arrangements were robust and operating effectively, however, there were two areas where there was scope for improvement. These were in relation to Advert Request Forms and the drafting and issuing of contracts.

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It was noted that the Executive Team had accepted the recommendations.

The Committee noted the very positive report.

13.0 B2: FINANCIAL SUSTAINABILITY (Phase 2)

Scott-Moncrieff presented the report on its review into the Care Inspectorate's planning and delivery of services and strategic objectives within anticipated funding levels. The report covered Phase 2 of a two stage review that had taken place in October 2015.

Overall, the report was very positive and highlighted many of the areas that the Executive Team was already looking at. The DoCS explained that one of the main challenges had been the late announcement of funding for 2016/17 and no indication for future years. For this reason, it was very difficult to undertake detailed forward planning.

The Committee noted the report and commended the work of the Care Inspectorate's Finance team.

14.0 STRATEGIC INTERNAL AUDIT PLAN 2016/17 TO 2018/19

Scott-Moncrieff presented the Strategic Internal Audit Plan and invited the Committee to consider the proposed audits for 2016/17 to 2018/19 and whether they covered the key risks faced by the Care Inspectorate.

Members asked if the proposed plan allowed for contingency in the event of any additional major investigations arising. The Committee was informed that, in these circumstances, extra audit days could be negotiated or audit activity in other areas could be reduced.

Scott-Moncrieff explained that they would prepare individual audit assignment plans for review by the Executive Team, for subsequent referral to the Audit Committee meeting on 27 May 2016 for agreement.

S-M/CE

The Committee agreed to the proposed audit plan with the addition of a baseline audit of Health and Safety to be carried out in 2018/19

S-M

External Audit Reports

15.0 ANNUAL AUDIT PLAN 2015/16 – ANNUAL ACCOUNTS

Audit Scotland presented its report which outlined the scope of the planned audit work on the Care Inspectorate's 2015/16 financial statements, the financial management arrangements, financial sustainability and the organisation's governance and performance arrangements.

The Committee noted the report and thanked Audit Scotland for the update.

Items for Discussion/Information

16.0 REVISING THE CARE INSPECTORATE'S APPROACH TO PERFORMANCE REPORTING: UPDATE BRIEFING REPORT NO: A-01-2016

The EDoS&I presented the report which advised the Committee of progress in the development of a revised performance reporting framework. He reported that a short life working group had considered a number of principles and particular attention had been given to those recommended by the Audit Commission, namely that performance measures should have clarity of purpose, focus, alignment, balance and regular refinement.

Members were informed that a work programme had been established by the working group and six workstreams had been identified. The collective work would be brought together during April, with further consultation with staff before submission to the Executive Team and reporting to the Audit Committee.

The Committee noted the report.

17.0 AUDIT RECOMMENDATIONS PROGRESS REPORT REPORT NO: A-02-2016

The Head of Finance and Corporate Governance (HoF&CG) presented the progress report on the implementation of agreed management responses to internal audit recommendations. The Committee was recommended to agree the revised deadlines for two actions arising from the Intelligence Strategy Audit Report and three actions from the Communications with Stakeholders Audit Report.

The Committee noted the report and agreed to the recommendation from Scott-Moncrieff that the table in the report should include risk grades.

HoF&CG

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**18.0 NATIONAL FRAUD INITIATIVE
REPORT NO: A-03-2016**

The HoF&CG presented the report, which advised the Committee on the outcome of the Care Inspectorate's participation in the National Fraud Initiative, which was UK government sponsored and led in Scotland by Audit Scotland.

It was reported that the Care Inspectorate had investigated all data matches in the five review areas and no fraud was identified. The overall exercise will be repeated periodically and results will be reported to the Audit Committee.

The Committee noted the report.

**19.0 ANNUAL REVIEW OF PREVENTION OF FRAUD AND
PREVENTION OF BRIBERY POLICIES
REPORT NO: A-04-2016**

The DoCS presented the report, which explained the periodic review of the Prevention of Fraud Policy (and associated Fraud Response Plan) and the Prevention of Bribery Policy.

The Committee approved the Policies, with the addition of a section on "Communication" to the Prevention of Fraud Policy, to reflect the same section in the Prevention of Bribery Policy.

DoCS

20.0 PLANNING FOR UPDATE OF STRATEGIC RISK REGISTER

The DoCS explained that a date was required to conduct the annual review of the Strategic Risk Register. This would be discussed with the Chair.

Chair/CSO

21.0 SCHEDULE OF COMMITTEE BUSINESS

The Committee agreed to add the following to the Schedule:

- National Fraud Initiative
- Review of individual internal audit assignment plans 2016/17

CSO

22.0 HORIZON SCANNING (AUDIT SCOTLAND PUBLICATIONS)

The DoCS drew the members' attention to two Audit Scotland reports that had been published since the last meeting of the Audit Committee:

- Report on Health and Social Care Integration
- Changing Models of Health and Social Care

The CE also informed the Committee that it was the Care Inspectorate's intention to discuss integration arrangements with Audit Scotland, following the publication of a recent report on Integrated Joint Boards.

23.0 AOCB

There was no other competent business.

24.0 DATE OF NEXT MEETING

The date of the next meeting was noted as 27 May 2016 at 10.30 am in Compass House

Signed:



Mike Cairns
Convener

