

Minutes

Meeting: Audit Committee

Date: 18 November 2016

Time: 10.30 am

Venue: Room 0.24, Compass House, Dundee

Present: Ian Doig (Acting Convener)
Christine Dunlop
Cecil Meiklejohn
Linda Pollock
Paul Edie

In Attendance: Gordon Weir, Executive Director of Corporate and Customer Services
Kenny Dick, Head of Finance and Corporate Governance
Gary Devlin, Scott-Moncrieff
Fiona Angus, Committee Support Officer

Apologies: Mike Cairns
Karen Reid, Chief Executive
Michael Smith, Scott-Moncrieff
Joanne Brown, Grant-Thornton (not required to attend this meeting)

Item	Action
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1.0 WELCOME

The Acting Convener welcomed everyone to the meeting and there were round the table introductions.

2.0 APOLOGIES FOR ABSENCE

Apologies for absence were recorded, as noted above.

3.0 DECLARATIONS OF INTEREST

There were no declarations of interest.

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
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4.0 MINUTE OF MEETING HELD ON 16 SEPTEMBER 2016

The minute of the meeting held on 16 September was reviewed and the Committee approved it as an accurate record.

5.0 ACTION RECORD

The action record was reviewed and the following updates noted:

Item 10.0 of the meeting held on 27 May 2016 – It was noted that Audit Scotland’s report on Workforce Planning Performance was imminent and the request for an embargoed copy of the report would be followed up.

EDCCS

The Committee was pleased to note completion of all other actions.

6. MATTERS ARISING

Under item 13.1 of the previous meeting (Risk Policy), the Executive Director of Corporate and Customer Services reported that development of the Risk Policy was still in progress and sought agreement from the Committee to present to the next business meeting in February.

EDCCS

The Committee agreed for this item to be considered at the February 2017 meeting.

7.0 INTERNAL AUDIT PLAN 2016/17 – PROGRESS REPORT

Scott-Moncrieff presented the report which indicated to members that good progress was being made with the Internal Audit Plan for 2016/17 and everything required to meet the plan was in place.

The Committee raised a point regarding the Care Inspectorate’s project planning and management function and asked if the audit plan covered this, or if a separate audit might be considered, so that assurance could be given to the Board on this matter, especially around resources.

The Executive Director of Corporate and Customer Services explained that the Executive Team had been discussing project planning and management and how the organisation could properly resource this. The forthcoming governance review report produced by CIPFA would cover project planning.

It was agreed that this matter be kept under consideration in terms of providing assurance to the Board as regards implementing the Transformation Programme. The Committee agreed that further

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
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discussion would be held between the Chair, the Chief Executive and the Executive Director of Corporate and Customer Services.

**Chair/CE
/EDCCS**

Overall, the Committee was pleased to note the good progress with the internal audit plan.

8. INTERNAL AUDIT FOLLOW UP REPORT

Scott-Moncrieff presented the report which advised members of progress of the audit recommendations actions that were due for implementation by 30 September 2016.

The report concluded that no high risk recommendations were outstanding and no issues that would impact on the timely implementation of audit actions had been reported. The Executive Team monthly meetings now included regular discussion on internal audit progress.

The Committee was pleased to note the completed actions. It was noted that the actions in respect of Information Governance were not yet due for completion and members were informed that this had been due to the lead officer having left the organisation. Scott-Moncrieff explained that the main reason for delays to the actions was resource levels. It was acknowledged that the Care Inspectorate had been going through a period of significant change and this presented capacity and skills challenges. The organisation was currently tendering for independent consultancy advice on information governance and it was anticipated that a clear action plan would be developed from this work. It was noted that information governance had also been identified as a strategic risk.

It was agreed that an update on information governance audit recommendations be provided to the next meeting of the Committee.

EDS&I

The Committee noted the report.

9.0 B7: REVIEW OF BEST VALUE ARRANGEMENTS

Scott-Moncrieff presented the report, which gave information on the Care Inspectorate's arrangements for monitoring and reporting its compliance with the Scottish Government's Best Value themes.

The review concluded that the organisation had a very robust approach to implementing best value, through its Best Value Programme.

The report highlighted two areas where there was scope for improvement, namely:

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
--------------	----------------------	----------------

- the need for the organisation to review and update its Best Value Programme and timetable. This had not been carried out as planned due to the proposed senior management team restructure.
- the need for the management team to ensure that there is sufficient capacity and resources to deliver the Best Value Programme.

The Executive Director of Corporate and Customer Services explained that the management restructure had been carried out with a best value approach. The Best Value Programme was being reviewed at the current time and would be considered by the Executive Team at its December meeting. It was noted that an annual Best Value report was presented to the Resources Committee.

The Committee noted the report and was pleased that it demonstrated how the Care Inspectorate was delivering its best value requirements.

10.0 C5: DUTY OF USER FOCUS

Scott-Moncrieff presented the report, which gave assurance to the Committee of the processes that were in place to ensure the Care Inspectorate's compliance with the duty of user focus.

The report identified a number of areas of good practice. These included a clear commitment to user focus throughout the organisation; a Charter of Involvement that had been developed which helped to address perceived barriers to involvement; good mechanisms in place to enable the gathering of feedback and the refreshed performance framework that included a number of areas relating directly to involvement activities.

The Committee noted the report and welcomed the achievements made by the organisation in this critical area.

11.0 THE NATIONAL FRAUD INITIATIVE (NFI) IN SCOTLAND – REPORT NO: A-11-2016

The Head of Finance and Corporate Governance presented the report which included a request to the Committee to review the management response to the self-appraisal checklist, as outlined in the Audit Scotland NFI report.

The Committee reviewed and agreed some revisions to the self-assessment checklist. Assurance was given to the Chair that the Board would be kept fully informed through the Audit Committee's work in reviewing the checklist.

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
--------------	----------------------	----------------

In Part A, which applied to those charged with governance, some further points were noted against each of the following checks:

No 2 - Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?

It was agreed to include this when undertaking the next review of the Prevention of Fraud policy.

No 4 - Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?

It was agreed that the Board would be appraised of the NFI progress and outcomes, through the report of the Audit Committee, at the Board meeting in December.

**EDCCS/
HFCG**

No 8 – Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?

It was agreed to consider, as part of the review of the Prevention of Fraud policy, the publication of identified frauds, in order to act as a possible deterrent.

The Committee agreed that the checklist gave assurance to members that the Care Inspectorate was taking a balanced approach the planning and progression of the NFI 2016/17 exercise.

The Committee also agreed that the fraud response plan would be required to be updated in due course.

12.0 CORPORATE GOVERNANCE REVIEW GROUP

The Head of Finance and Corporate Governance reported that the member/officer working group had met in May to consider the corporate governance statement for the annual report and accounts. The most recent meeting of the group had looked closely at the action plan, which was progressing well.

The Committee was informed that the timescales had been affected by the Governance Review being carried out by CIPFA. It was noted that the Board would receive a report of the review at its meeting in December.

13.0 SCHEDULE OF COMMITTEE BUSINESS

The schedule was reviewed and agreed.

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
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14.0 HORIZON SCANNING

The Executive Director of Corporate and Customer Services informed the Committee of the announcement of the Scottish Government's planned spending review, which was due on 15 December. It was likely to be January 2017 before the Care Inspectorate had a clearer picture of its budget allocation.

The Committee was also informed that the organisation was looking at the agile development of its ICT systems and the Resources Committee was being kept updated on this matter.

A recent meeting of the Public Bodies Finance Directors Forum, attended by the Executive Director of Corporate and Customer Services, had received a presentation on business resilience. It was proposed to include this as part of the organisation's analysis of cyber risk and external advice and expertise on this matter would be sourced.

Scott-Moncreeff drew the Committee's attention to the guidance document "On Board" which was currently being revised. It was recommended that the Board considered this in line with the CIPFA Governance review and the Committees' effectiveness sessions.

15.0 IDENTIFICATION OF RISK

There were no new risks identified.

16.0 AOCB

There was no other competent business.

18.0 DATE OF NEXT MEETING

The date of the next meeting was noted as Friday 27 January 2017 at 1.30 pm in Compass House (Effectiveness session).

Signed:

Ian Doig
Acting Convener of Committee

Version: 1.0	Status: <i>Draft</i>	Date: 02/12/16
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