



Minutes

Meeting: Audit Committee

Date: 21 September 2017

Time: 10.30 am

Venue: Room 0.24, Compass House, Dundee

Present: Mike Cairns, Convenor
Gavin Dayer
Ian Doig
Christine Dunlop
Linda Pollock

In Attendance: Paul Edie, Chair
Gordon Weir, Executive Director of Corporate and Customer Services (EDCCS)
Kenny Dick, Head of Finance and Corporate Governance
Gillian Berry, Senior Accountant
Gary Devlin, Scott-Moncrieff
Cathie Wylie, Scott-Moncrieff
Lindsay Robertson, Grant Thornton
Megan Dallas, Grant Thornton
Louise Bremner, Directorate Support Officer (DSO)

Apologies: Karen Reid, Chief Executive
Fiona Angus, Committee Support Officer

Item	Action
1.0 WELCOME	
The Convenor welcomed everyone to the meeting.	
2.0 APOLOGIES FOR ABSENCE	
Apologies for absence were received, as noted above.	

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3.0 DECLARATION OF INTEREST

There were no declarations of interest.

4.0 MINUTES OF PREVIOUS MEETINGS

4.1 MINUTE OF MEETING HELD ON 25 MAY 2017

The minute of meeting held on 25 May 2017 was approved as an accurate record.

4.2 MINUTE OF MEETING HELD ON 17 AUGUST 2017

The minute of meeting held on 17 August 2017 was approved as an accurate record.

5.0 ACTION RECORD OF MEETINGS HELD ON 25 MAY AND 17 AUGUST 2017

The Committee noted the updated action note.

6.0 MATTERS ARISING

There were no matters arising.

INTERNAL AUDIT REPORTS

7.0 INTERNAL AUDIT FOLLOW-UP REPORT

Scott-Moncrieff presented their report, which summarised the progress made by the Care Inspectorate towards implementing audit recommendation actions that were due for implementation by 31 July 2017.

The report highlighted that management had made good progress on implementing actions and that there were more actions being removed from the table than going on.

There were some concerns that the timescale provided for completion of the PDRS process were not accurate. The committee was advised that a revision to the PDRS scheme was being worked on and an update would go to the Resources Committee.

There was also a query about the update provided for the Duty of Cooperation section with respect to finalising guidance related to the review of the Link Inspector and Relationship manager roles.

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The Audit Committee were advised that this was due for completion by end October 2017 and that further explanation would be provided alongside confirmation of completion of the action. **HFCG**

8.0 INTERNAL AUDIT PLAN 2017/18 PROGRESS REPORT

Scott-Moncrieff presented their report which provided members with a summary of internal audit activity during the year to date and confirmed the reviews planned for the coming quarter.

Committee members were advised that the Care Inspectorate remain on track to deliver the full programme of audits in line with the Audit Plan.

Members queried if the timescale for the A2 & A6 Financial Systems review was achievable. It was agreed that the timescale would be reviewed and Audit Committee members would be advised if there was a change. **HFCG**

The Committee noted the content of the report and approved the plans for the next quarter.

9.0 B1: STRATEGIC PLANNING

Scott-Moncrieff presented the report and advised members that the Care Inspectorate's controls and procedures in place for governing Strategic Planning were satisfactory.

Members were advised of a potential improvement area regarding the Care Inspectorate's communication to stakeholders. There was evidence of wide internal communication of consultation impact on the Corporate plan but limited evidence of the Care Inspectorate informing their external stakeholders how it took into account their views and opinions.

The key findings of the report showed a number of areas of good practice and overall it was a positive report.

The Committee noted the content of the report.

ITEMS FOR DECISION

10.0 CONSIDERATION OF THE ANNUAL REPORT AND ACCOUNTS

10.1 DRAFT ANNUAL REPORT AND ACCOUNTS

The Committee noted and agreed the Draft Annual Report and Accounts.

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10.2 COMBINED ISA260 REPORT TO THOSE CHARGED WITH GOVERNANCE AND ANNUAL REPORT ON THE AUDIT

Grant-Thornton presented the report and advised the Audit Committee members that this was a draft and, once finalised, it would be published on the Audit Scotland website. The key messages of the report were that a very good draft annual report and accounts had been received within the agreed timescales, that the organisation's governance arrangements were strong and that staff costs were a large proportion of the organisation's costs which created issues for the Care Inspectorate's medium term financial planning.

The Committee asked that the audit fee should be made clearer within the report and pointed out that there was a word missing within the text for "Risk" on page 15.

It was also noted that text needed to be included into two boxes on page 10. Finally, it was noted that the Action Plan should be brought forward to avoid duplication of information.

The Committee noted and approved the report.

10.3 DRAFT AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD – REPORT NO: A-07-2017

The Committee considered and approved the draft Audit Committee Annual Report to the Board and agreed it should be submitted to the Board meeting of 28 September 2017.

ITEMS FOR DISCUSSION/INFORMATION

11.0 SCHEDULE OF COMMITTEE BUSINESS

The Committee noted the Schedule of Committee Business and discussed Cyber Resilience and requested that a briefing would come back to the Committee.

HFCG

12.0 HORIZON SCANNING – INCLUDING AUDIT SCOTLAND PUBLICATIONS

The external auditors informed members that a focus area of the 2017/18 audit would be leases. Members raised concern about whether this would affect the revenue account but were advised it would be likely accounted for through adjustment to the Statement of Financial Position.

Members also discussed the General Data Protection Regulations (GDPR) and the requirement this should be implemented by

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25 May 2018. It was noted that the Chair and the Executive Director of Corporate and Customer Services would discuss this further and the item might go to the Board rather than the Audit Committee.

Members discussed that a presentation on GDPR compliance should feature at the Board so issues can be talked through with all members present. It was agreed that a verbal update should be prepared for the Strategic Event or Development event. **EDS&I**

The Committee noted the report.

13.0 IDENTIFICATION OF RISK

Scott-Moncrieff highlighted the potential removal of the pay cap as a financial risk. Following discussion it was noted that the Financial Strategy provided a good framework for this to be considered.

14.0 AOCB

There was no other competent business.

15.0 DATE OF NEXT MEETING

The date of the next meeting was noted as Thursday 16 November 2017 at 10.30am.

Signed:

Mike Cairns, Convener