



Minutes

- Meeting:** Audit and Risk Committee
- Date:** 11 August 2022
- Time:** 10.30 am
- Venue:** Compass House Dundee and via Teams video-link
- Present:** Bill Maxwell, Convener
Gavin Dayer
Rona Fraser
Paul Gray
Ronnie Johnson
Maria McGill
- In Attendance:** Paul Edie, Chair
Naghat Ahmed, Board member
Charlotte Armitage, Board Member
Sandra Campbell, Board member
Keith Redpath
Edith Macintosh, interim Chief Executive
Jackie Mackenzie, Executive Director of Corporate and Customer Services
Kevin Mitchell, Executive Director of Scrutiny and Assurance
Craig Morris, interim Executive Director of Strategy and Improvement (EDSI)
Fiona McKeand, Executive and Committee Support Manager (ECSM)
- Apologies:** Audrey Cowie, Board member
Rosie Moore, Board member
Carole Wilkinson, Board member
Kenny Dick, Head of Finance and Corporate Governance (HFCG)
Gordon Mackie, Executive Director of IT and Digital Transformation (EDIDT)
Claire Brown, Executive Support Officer (ESO)

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Item**Action****1.0 WELCOME**

The Convener welcomed everyone to the meeting, which was open to all members of the Board. In particular, it was noted that this was the first meeting for Maria McGill in her recent appointment to the Committee.

On behalf of the Committee, the Convener thanked the Chair for his support, guidance and leadership over the years, with this being his last Committee meeting before his term of office as Chair ended on 31 August 2022.

2.0 APOLOGIES FOR ABSENCE

Apologies were received as noted above.

3.0 DECLARATION OF INTERESTS

There were no declarations of interest.

**4.0 REVISED EXTERNAL AUDIT TIMETABLE –
REPORT NO: ARC-19-2022**

The Executive Director of Corporate and Customer Services presented a paper outlining the current position regarding the external auditors' adjusted timetable for audit fieldwork and their reports. Thus, will cause a delay to the date when the Board would be required to formally approve the Care Inspectorate's Annual Report and Accounts.

The reasons for the external auditors' adjustments were outlined in the paper, and members noted that, although the revised timing would still allow for submission of the reports and accounts package to the Scottish Parliament within the statutory deadline of 31 December 2022, the advice from the Sponsor department was that the Board give approval prior to its December meeting.

The Committee was invited to consider a revised timeline, whereby it would discuss and recommend to the Board the final draft of the annual report and accounts at its meeting on 17 November 2022, and that the Board would then be able to consider these later on the same date, convening as separate public Board meeting prior to its Board Development session.

Members were advised that officers and their teams had completed the work required within the original timescales and recognised that the changes to the timetable were outwith the control of the Care Inspectorate. Members noted that the external auditors had given

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assurance the work would be completed within the revised timescales.

The Committee **agreed** to the revised timetable and that a Board meeting be convened on 17 November 2022 in order to approve the final submission of the annual report and accounts.

E&CSM

5.0 DRAFT AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD 2021-22 – REPORT NO: ARC-20-2022

The Convener presented the second draft of the Committee’s annual report to the Board and invited discussion on the specific areas outlined in the covering report prepared by the Head of Finance and Corporate Governance.

The following modifications were noted:

HoF&CG

Section 3.2, final paragraph

To add in a sentence to reflect that the committee had satisfied itself that any delays in management actions caused by the pandemic did not result in any significant additional risk.

Section 7.2

To change the first sentence in the last paragraph to read, “The Committee is of the opinion that the Statement is a fair reflection of the adequacy and effectiveness” etc.

Section 8.1

To remove the extra “/” at 2021/22 in third paragraph.

During discussion on this section, which covered fraud, irregularity and whistleblowing, it was noted that one Board member had formally recorded their position as Chair of NHS National Services Scotland which encompassed the NHS Counter Fraud Service on the Care Inspectorate’s Register of Members’ Interests.

Section 9.1

To add wording to the end of this paragraph to acknowledge it was an exceptional year in which the care sector and organisation were challenged by the tragic circumstances of pandemic. Ensure the wording is consistent with that used in other corporate documents.

Section 10.0

To remove the word “largely” at the end of the second sentence.

ESO

During discussion on this section, the Committee agreed that the internal auditors be invited to attend its annual self-assessment and effectiveness sessions.

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There was also discussion on the membership of the Committee, specifically in relation to financial/accounting experience and it was agreed that the word “substantial” be added to this bullet point.

The Committee agreed that these modifications be made to the final version of the report and noted the changed timetable for its submission to the Board.

6.0 DRAFT ANNUAL REPORT AND ACCOUNTS – REPORT NO: ARC-21-2022

The Executive Director of Corporate and Customer Services presented the draft Annual Report and Accounts, which were opened to the Committee and wider Board members to comment and ask questions on. Following review, the amended final draft would be formally considered along with the external audit report at the Audit and Risk Committee meeting of 17 November 2022.

There was initial discussion on the Chair and Chief Executive signatories to the annual report and accounts and it was agreed that, since these related to the previous year, the outgoing Chair would be provided with sight of any further changes prior to finalising the documents. Board members were advised that, as Accountable Officer at the point the Annual Report and Accounts would be finalised, the incoming Chief Executive would sign the documentation.

The following modifications were agreed by the Board:

**Actions to be taken
Cross-Directorates**

**SECTION A
Section 1.6**

- To remove the words “or reduce” in the first sentence.
- To change the wording in the first sentence of final paragraph in this section to read: “A combination of the statutory maximum fees chargeable being unchanged since 2005 and our core grant in aid remaining static in cash terms over several years has meant that **it has been particularly important** to identify significant efficiencies”

Section 1.7

To add a footnote to explain the amount that went into Care Inspectorate reserves, and to move the graphic to the end of the narrative section, to be used as a summary point.

Section 2.2

- To modify this section by adding wording to reflect that the lower numbers last year would be expected to vary upward to some degree in the coming year, since 2021/22 was an exceptional year caused by pandemic.

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- To also request that the Communications team review the graphical presentation of this section.

Section 2.3

- To check that the link takes the reader to the correct document (currently links to full set of Board papers).
- Clarify which KPI's were no longer reported on or were otherwise impacted by the changes to the inspectorate's activities during the pandemic.
- To present the tabled information on page 20 as a graphic.
- To add a note to confirm the target range of KPI4 (currently showing over target but within range).
- Under "Variations to registrations completed", split the first long sentence into two shorter ones.
- Under the section "Crown Office and Procurator Fiscal Service (COPFS)", remove the third sentence.
- On page 24, under the section "National Care Service Consultation, remove the final sentence in this paragraph.
- On page 26, under "Staff Absence" add in some wording to reflect that the absence rate dropped, despite the intense demand on staff.
- On page 28, review the "Market oversight" section, since direction in this area is still unclear, arising from the new National Care Service.
- On page 28, under "Digital Transformation", remove the clause, "- where data is all held in one place, allowing us to transform how we use data and intelligence to inform our decision making".
- Add link to Equalities Mainstreaming report.

SECTION B

- On page 32, under "Estates Management Plan, explain that 2017-20 rolled forward so that there does not appear to be a gap in the years.
- Check that links to register of members interests and strategic risk register are current.
- Amend the Board members' attendance table on page 35 to show that member Keith Redpath stood down from the Audit and Risk Committee during the year.
- On page 39, review and expand on the narrative under "Impact of Pandemic" section.
- Review the shape of the graphic on page 50 showing "Sickness Absence"

The Committee and wider Board members welcomed the reduced length of the annual report and were pleased with the quality of the first draft, the use of hyperlinks and information graphics. The next draft would be presented to the Audit and Risk Committee meeting on

17 November, before being finally considered by the Board on the same date.

9.0 DATE OF NEXT MEETING

The date of the next meeting was noted as Thursday 8 September 2022 at 10.30 am at Compass House, Dundee

Signed:

Bill Maxwell, Convener

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