

MINUTES: AUDIT & ASSURANCE COMMITTEE MEETING
26 February 2024, Virtual

Present

Mr Stephen McAllister (Chair)
Mr Jim Farish
Mr Joe Judge

In Attendance

Mr Mark McSherry, Chief Executive
Mr Paul Keoghan, Director Corporate Services
Mr Jim Montgomery, Internal Audit Lead Manager, Scottish Government Internal Audit
Mr Glen Bissett, Internal Audit Manager, Scottish Government Internal Audit
Ms Jannifer Law, Audit Manager, Audit Scotland
Ms Kathleen McAuley, Office Administrator (Minute Taker)

Welcome

1. The Chair called the meeting to order at 09:30 and welcomed all present.

Apologies

2. The Chair noted no apologies submitted.

Declarations of Interest

3. The Chair called for declarations of interest and noted no declarations were submitted.

Approval of Previous Minutes

4. The Committee reviewed and approved the minutes of the meeting held on 28 August 2023.

Matters Arising

5. The Committee noted updates on actions 7.2 (08/23); 17.3 (06/23) and 7.1 (02/23).
6. The Committee noted action 8.2 (02/23) will be discussed at today's meeting.

Agenda Items

8. Chief Executive Update – Committee Paper 514

8.1. The Chief Executive (CE) informed the Board of current and emerging developments on:

- 8.1.1. Public Sector Reform – the CE advised that the Budget will be confirmed this week.
- 8.1.2. OLR – CE advised that he will be discussing /direction with the Convenor and it will be brought to the April Board meeting.
- 8.1.3. Recruitment – The Committee were updated on the current status of the RMA recruitment.

8.2. The Audit and Assurance Committee noted the Chief Executive update.

9. Corporate Risk Register – Committee Paper 515

9.1. The Director Corporate Services (DCS) presented the Corporate Risk Register to the Committee and updated members on the status of the live register. The DCS provided an update on movement in risk since the last review and explained the rationale for movements and control measures implemented.

9.2. The Committee noted:

- 9.2.1. OLR Process – Failure to implement an IT based case management system - risk level has been reduced from very high to medium, with the current project plan predicting an April implementation date.
- 9.2.2. OLR Process – Lack of Accredited Assessors – risk level remains unchanged at high.
- 9.2.3. Financial – SG Funding – Risk level remains unchanged at very high.
- 9.2.4. Business Continuity – Cyber Security – risk level remains unchanged at high.
- 9.2.5. Business Continuity – Industrial Action – Risk level remains unchanged at medium. The Committee agreed to move this risk to the Tolerate category.
- 9.2.6. Business Continuity – IT Disruption – Risk level remains unchanged at low. The Committee agreed to move this risk to the Tolerate category.
- 9.2.7. Business Continuity – Reduced Staff Resources – Risk level remains unchanged at high.

9.3. The Committee discussed the recruitment of Accredited Assessors and were advised that this will be discussed at the Accreditation Committee today.

9.4. The Committee noted the Corporate Risk Register update.

10. Deep Dive – OLR Case Management System Implementation – Committee Paper 516

10.1. The Head of OLR (HOLR) updated the Committee on the progress with the implementation of the Iken Case Management system. Advising that we have been working with Iken for a number of years to develop a Case Management System

predominantly for the OLR and will be 'live' by the end of the financial year.

10.2.The Committee were advised that user testing will commence next week and staff training will take place on 26 March 2024.

10.3.The Committee were advised that measures have been put in place to double record for the first few months to compare and contrast.

10.4.The Committee noted the deep dive of the OLR Case Management System Implementation.

11. Governance Statement – Committee Paper 517

11.1.The DCS presented the Governance Statement for review advising that it includes the statement on accountable officer responsibilities, which will support the 2023-24 Annual Report & Accounts to the Committee

11.2.The Committee noted the Governance Statement.

12. Internal Audit Plan – Committee Paper 518

12.1.The DCS presented the Internal Audit Plan for 2024-25 for approval advising that the key areas of work are:

12.1.1. To conduct an assurance audit of the OLR process

12.1.2. To conduct an advisory audit of the RMA's preparedness to address the fiscal requirements and public sector reform agenda.

12.2.The Internal Audit Lead Manager (IALM) advised the Committee that this would be his last Committee and that the new Lead Manager will be Dougie Shepard. The Committee thanked Jim for his work and agreed to send the diary requests to his replacement.

Action: OA

12.3.The Committee approved the Internal Audit Plan.

13. Internal Audit Progress Report – Committee Paper 525

13.1.The Internal Audit Manager presented the report to the members updating on the progress of the work agreed under the 2023-24 audit plan.

13.2.The Internal Audit Manager (IAM) advised the committee that work on Quarter 4 is still ongoing. Once completed a report will be submitted to the CE and DCS.

13.3.The Committee noted the Internal Audit Progress Report.

14. Internal Audit Recommendations – Committee Paper 519

14.1.The DCS presented the Internal Audit Recommendations to the Committee and highlighted the progress made to date in the implementation of recommendations.

14.2.The Committee were informed that the ‘Updating of the PDF Information on the RMA Board and Committees – Low risk recommendation’ has now been closed.

14.3.The Committee were updated on the outstanding recommendation from 2020-21.

14.4.The Committee noted the Internal Audit Recommendations.

15. Internal Audit MoU – Committee Paper 520

15.1.The DCS presented the Memorandum of Understanding (MoU) proposed by Internal Audit for approval.

15.2.The Committee approved the Memorandum of Understanding.

16. External Audit Plan – Committee Paper 521

16.1.The External Auditor (EA) presented the draft Annual Audit Plan submitted by Audit Scotland for 2023-24 for noting.

16.2.The Committee were informed that field work will commence in May 2024.

16.3.The final Annual Report and Accounts will be presented to members at the Audit and Assurance Committee on June 2024.

16.4.The Committee noted the External Audit Plan.

17. External Audit Recommendations – Committee Paper 522

17.1.The DCS presented the report on External Audit Recommendations and provided an update on the implementation of recommendations.

17.2.The Committee were updated on the recommendation from 2022/23:

17.2.1. Segregation of Duties - a recruitment campaign for a Finance and Governance Lead will commence in Quarter 4.

17.3.The Committee were updated on the recommendations from 2021/22:

17.3.1. Equalities and Diversity – update to the current staff training and induction pack – looking to close in quarter 4.

17.3.2. Business Continuity Planning – work on this will commence following the appointment of the Finance and Governance Lead.

17.4.The Committee, being content with the progress made to date, noted the External Audit Recommendations.

18. Review Committee Self-evaluation Reports – Committee Paper 523

18.1.The Chair to lead the review of self-evaluation report for the Audit and Assurance Committee.

18.2. In regards question 31 the answer should be ticked as yes. Jim Farish advised that the meeting held with Internal Audit in January was very helpful and should be included in the comment section.

Action: OA

18.3. In regards question 32 the Committee agreed that this should be 'yes'. The CE informed Members that this had been discussed with the Convenor and agreed that this should be discussed at the next Chairs meeting.

Action: Chair/OA

19. Review Committee Terms of Reference and Member Composition – Committee Paper 524

19.1. The Chair to lead the annual review of the Terms of Reference and Member Composition for the Audit and Assurance Committee.

19.2. Mr Maybee requested that the date of his appointment to the Audit and Assurance Committee should be changed to June 2023.

Action: OA

20. DIAA – Internal Audit Charter 2023-24

20.1. The Committee noted the contents of the DIAA – Internal Audit Charter 2023-24.

21. DIAA – Internal Audit Strategy

21.1. The Committee noted the content of the DIAA – Internal Audit Strategy.

AOCB

22. The Chair enquired if anyone wished to raise any other competent business. The Chair noted no one wished to raise any further business.

Date of Next Meeting

23. The Committee noted the date of the next meeting will be 24 June 2024.

24. The Chair thanked everyone for attending and closed the meeting at 10:36