

MINUTES: AUDIT & ASSURANCE COMMITTEE MEETING

18 October 2021, RMA, Paisley

Present

Mr Stephen McAllister (Chair), Mr Jim Farish, Ms Jane Davey, Mr Terry Powell

In Attendance

Mr Mark McSherry (Chief Executive), Mr Paul Keoghan (Director Corporate Services), Ms Lucy Jackman (Governance Officer), Mr Denis Songoro (Finance Administrator), Ms Julie Taylor (Scottish Government Internal Audit), Jim Montgomery (Scottish Government Internal Audit), Jim Rundell (External Audit, Audit Scotland)

Welcome

1. The Chair called the meeting to order at 9:00 am and welcomed all present.

Apologies

2. The Chair noted no apologies were submitted.

Declarations of Interest

3. The Chair called for any declaration of interest and noted none were declared.

Approval of Previous Minutes

4. The Committee noted the spelling error of 'there' instead of 'the' on point 3 and requested this be amended.
5. The Committee noted apologies were submitted for Ms Julie Taylor and requested this be included in the minutes.
6. Subject to the above amendment, the Committee approved the minutes of the meeting held on 16th August 2021.

Matters Arising

7. There were no matters arising.

Agenda Items

8. Internal Audit – Audit and Assurance Committee Progress Report – Audit Committee Paper 425

- 8.1. Ms Taylor presented the paper and informed the Committee no changes have been made to the annual audit plan. The Committee was informed planning was underway for the review of Community Readiness Order for Lifelong Restriction.

8.2. The Committee was advised a review had been conducted on the policy on fees, and it has been agreed to hold 2022-23 fees at the same level of £5,100.

8.3. The Committee noted the Audit and Assurance Committee progress report.

9. Internal Audit – DIAA Quarterly Bulletin – Audit Committee Paper 426

9.1. Ms Taylor presented the paper and informed the Committee the Directorate of Internal Audit and Assurance (DIAA) published a quarterly bulletin which focused on cyber security and presented key cyber security questions the Board/Audit and Assurance Committee should focus on.

9.2. The Committee was advised given many organisations are having remote and flexible working arrangements in place, it's important that cyber defences are robust and information security culture is promoted through every level of the organisation to raise awareness and ensure the integrity of staff behaviour.

9.3. The Committee noted the Directorate of Internal Audit and Assurance Quarterly Bulletin report.

10. Internal Audit – GIAA Cross Government Insights – Audit Committee Paper 427

10.1. Ms Taylor presented the Government Internal Audit Agency (GIAA) cross government insights paper. This focused on cyber security and strengthening the value a one-government approach to audit and assurance can bring.

10.2. The Committee was advised that good practice in cyber security is demonstrated through compliance with expected controls identified in, and assessed through the audit framework, and testing of the cabinet office minimum cyber security standard.

10.3. The Committee noted the report from Government Internal Audit Agency (GIAA) cross government insights.

11. External Audit – Tracking the impact of Covid-19 on Scotland's public finances – Audit Committee Paper 428

11.1. Mr Rundell introduced the paper and informed the Committee of Audit Scotland's strategy for providing Scottish Government with a review of the level of Covid-19 funding allocated to businesses, communities and public services.

11.2. The Committee was advised Audit Scotland will integrate Covid-19 reporting in their existing audit work. This will focus on issues relating to economic recovery and growth, policy priorities, inequalities, innovation and transformation, and governance and accountability.

11.3. The Committee noted the report on tracking the impact of Covid-19 on Scotland's public finances.

12. Progress Report – External Audit Recommendations – Audit Committee Paper 429

12.1. The Director Corporate Services presented the paper and updated the Committee

on the progress of external audit recommendations 2020-21.

12.2. The Committee noted the progress report on external audit recommendations.

13. Progress Report – Internal Audit Recommendations – Audit Committee Paper 430

13.1. The Director Corporate Services presented the paper and advised on 2019-20 plan had one outstanding recommendation and confirmed work is currently underway and expected to be completed by Q4..

Action: GO

13.2. The Director Corporate Services presented the outstanding actions relating the 2020-21 internal audit programme and informed the Committee two recommendations were outstanding. The DCS confirmed one action is scheduled to be completed in Q3 and the remaining action is likely to be Q1 of the following year.

13.3. The Committee noted the progress report on internal audit recommendations.

14. Corporate Risk Management Strategy – Audit Committee Paper 431

14.1. The Director Corporate Services presented the Corporate Risk Management strategy paper and informed the Committee no changes were proposed. The Director also informed the Committee a comprehensive review of the corporate risk management strategy is scheduled for 2022-23.

14.2. The Committee noted the corporate risk management strategy report.

15. Corporate Risk Register – Audit Committee Paper 432

15.1. The Director Corporate Services presented the Corporate Risk Register and provided an update on the status of current risks.

15.2. The Director provided an update on the operational risk for failure to identify and implement an IT based case management system. The Committee was informed a penetration test has been completed and the case management system has been approved for implementation on SCOTS.

15.3. The Committee noted the Corporate Risk Register .

16. Fraud Policy – Audit Committee Paper 432

16.1. The Director Corporate Services presented the Fraud Policy to members and advised since the last review in October 2020 no changes to the policy are being proposed.

16.2. The Committee reviewed the Fraud Policy and agreed no changes were required.

AOCB

17. The Chair asked if there was any other competent business.

18. Mr Rundell advised the normal audit cycle for Audit Scotland might be disrupted in the

coming financial year. This is due to challenges they have encountered in conducting audit during the pandemic. Audit Scotland will present the audit plan to the RMA once Mr Rundell has an update on the timescale.

19. There being no other business the Chair thanked all in attendance for their contribution and called the meeting to a close at 10:00.

20. The Chair asked all Members to remain as the Committee moved to conduct its annual private meeting with Internal Audit.

Date of Next Meeting

21. The Committee noted the date of the next meeting will be 14 February 2022.