

Risk Management Authority
AUDIT COMMITTEE MEETING
19 December 2016, RMA, Paisley

MINUTES

Present:

Mr Stephen Swan, Chair
Mr Chris Hawkes, Board Member

In attendance:

Ms Yvonne Gailey, Chief Executive
Mr Paul Keoghan, Director of Business Performance
Mr Gary Gibb, Internal Auditor, Scottish Government Internal Audit
Miss Elaine Barrowman, External Audit, Audit Scotland

Apologies:

Prof. Hazel Kemshall, Board Member
Mr Jim Montgomery, Internal Audit Manager, Scottish Government Internal Audit

1. Introductions

1.1. The Chair called the meeting to order and welcomed those in attendance.

2. Apologies

- 2.1. The Chair noted apologies from Prof. Kemshall and Mr Montgomery.
- 2.2. The Committee further noted that as Prof. Kemshall was now Interim Convener it was agreed her membership to the committee be suspended in order that the committee remains compliant with section 2.4 of its terms of reference which prevents the RMA Convener from being a member of the Audit Committee.
- 2.3. The Chair welcomed Miss Barrowman the new External Auditor from Audit Scotland.

3. Declarations of Interest

- 3.1. The Chair enquired if Committee Members wished to record any declarations of interest.
- 3.2. The Chair noted no declarations of interest required to be recorded.

4. Minutes of meeting on 19 September 2016

- 4.1. The Committee reviewed and approved the minutes of the meeting held 19 September 2016.

5. Matters Arising

- 5.1. There were no matters arising noted.

6. Corporate Risk Register Review – Audit Committee Paper 254

- 6.1. The Director of Business Performance summarised the corporate risk register for the Committee, advising there were 11 active risks and 3 residual risks. The Director reported that between September and December risk item O4 'The RMA's Research and Training programme is not deliverable' had escalated to high risk category as a consequence of concerns regarding Risk 02 'The RMA's resources are inadequate to deal with workload'.
- 6.2. The Director informed the Committee that financial forecasts covering the next 5 years indicated severe funding issues for the RMA which would impact ability to perform legislative functions. The Director stated the Board are scheduled to receive a plan at the January meeting on how the RMA will attempt to mitigate this risk.
- 6.3. The Director also reported the risk of legal action against the RMA which recently emerged and confirmed this issue will be tracked by the risk register.
- 6.4. In reviewing the risk register the Committee queried whether the register reflected the following emerging item:
 - 'Capacity of Board to support the RMA's business effectively is at risk of being reduced through the rapid deletion and turnover of board members'.
- 6.5. The Director confirmed the risk register will be updated to reflect the emerging items.

Action: DBP
- 6.6. Internal Audit informed the Committee a review of Board and Committee structures within the RMA was due to commence in December which should contribute to the risk identified.
- 6.7. The Committee noted the contents of the Corporate Risk Register Review.

7. Internal Audit Recommendations – Progress Report – Audit Committee Paper 255

- 7.1. The Director of Business Performance updated the Committee on progress in relation to internal audit recommendations and confirmed that objectives have been set which will secure the implementation of all recommendations.

7.2. The Committee noted the contents of the progress report.

8. External Audit Recommendations (Progress Report) – Audit Committee Paper 256

8.1. The Director of Business Performance presented a report to the Committee which advised on the implementation of external audit recommendations. The Director confirmed that of the five identified actions, one action remained outstanding which related to the scheduling of audit fieldwork for 2016/17.

8.2. The Director informed the Committee that dates have been provisionally agreed for the scheduling of audit fieldwork but these required to be reviewed with the Chief Executive to consider implications for plans being developed for the Board in relation to the management of key risks.

8.3. The Committee noted the contents of the progress report.

9. Best Value Report – Audit Committee Paper 257

9.1. The Director of Business Performance introduced the Best Value report to the Committee.

9.2. The Committee discussed, under operations, 'there are mechanisms within the organisation to develop leadership skills' and queried what the RMA have in place to develop these skills. The Chief Executive advised the RMA did not subscribe to any particular management leadership programme but relied upon continuous professional development as identified through appraisals and interim reviews. The Chair held there may be merit in reviewing the matter of leadership development. The Chief Executive agreed to take this matter under advisement.

9.3. The Committee noted the contents of the Best Value Report.

10. Audit Committee Calendar 2017/18 – Audit Committee Paper 258

10.1. The Committee noted and approved the Audit Committee Calendar for 2017/18.

11. Internal Audit Progress Report – Audit Committee Paper 259

11.1. The Internal Auditor advised the Committee an initial planning meeting had taken place and it was agreed the field work for the review of the Board and Committees structures will commence 20 December 2016.

11.2. The Committee were also informed that during the initial planning meeting it was also agreed the Assurance Map Review would be done in phases focusing initially on OLR related processes. The benefits of adopting this

approach is that it allows for the development of a holistic assurance map for key business processes whilst also making efficient use of the available audit resources.

11.3. The Committee noted the contents of the Internal Audit Progress Report.

12. AOCB

12.1. There was no other competent business.

13. Date of next Meeting: 20 March 2017