

**Risk Management Authority**  
**AUDIT COMMITTEE MEETING**  
**19 March 2018, RMA, Paisley**

**MINUTES**

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**Present:**

Mr Stephen Swan, Chair  
Mr Terry Powell, Board Member  
Mr Chris Hawkes, Board Member

**In attendance:**

Ms Yvonne Gailey, Chief Executive  
Mr Paul Keoghan, Director of Business Performance  
Mr Denis Songoro, Finance Administrator  
Ms Mabel Hall, Internal Auditor, Scottish Government Internal Audit  
Ms Elaine Barrowman, External Audit

**Apologies:**

Mr Peter Graham, Scottish Government Internal Audit

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**Introductions**

1. The Chair called the meeting to order, welcoming those in attendance.

**Apologies**

2. Apologies were submitted by Mr Graham.

**Declarations of Interest**

3. There were no declarations of interest.

**Minutes of meeting on 18 December 2017**

4. The Committee reviewed and approved the minutes of the meeting held on the 18<sup>th</sup> of December 2017.

**Matters Arising**

5. There were no matters arising.

## **Corporate Risk Register Review – Audit Committee Paper 287**

6. The Director of Business Performance introduced this paper and advised the Committee that the register continues to contain twelve active risks. There has been some movement in the risk register since the last review, with four of the twelve risks considered to have reduced in level.
7. The register now identifies no high risks, seven medium risks and five low level risks.
8. The risk of research and training being undeliverable has been reduced due to the confirmation of a re-based budget, however the difficulties faced in recruiting a Research Lead remain.
9. The risk of legal challenge has been reduced following the sheriff court dismissal of the current challenge. It was noted that the pursuer has since launched an appeal, with an interim hearing scheduled for April 2018; and as such the risk continues to be active due to these on-going costs and resource implications. The Committee considered that the risk to the RMA had reduced for this particular action, but the broader risk of future potential legal challenges remained. As such the Committee recognised the fluidity of this situation and suggested that the risk be viewed in two subsets – with risks due to costs / resources / likelihood of challenge in one subset; and risks associated with any successful challenge / impact on areas such as reputation in the other subset.
10. The Committee recommended that the risk of legal challenge warranted consideration at Board level to better understand the likelihood and consequences of legal challenges. This process should also incorporate the planned review and identification of lessons learned from the current legal challenge.

### **Action Point: Chair / DBP**

11. The two other reduced risks concerned RMA resources and budgetary provision, which had been mitigated by the re-based budget. The new funding level of £1.3m was recognised for its positive impact on these areas.

## **Internal Audit Report – Annual Implementation Report - Audit Committee Paper 288**

12. Ms Hall advised the Committee that Internal Audit had completed its review of Annual Implementation Report (AIR) arrangements and were content with the controls that were in place. The review provided two recommendations, which were to introduce a policy and procedure review schedule; and that feedback emails should be saved to eRDM. The Committee were content with the report.

### **Internal Audit Report - Certificate of Assurance**

13. Ms Hall advised that the draft report had been issued to the Director of Business Performance for review. Once this review has been completed, the final report will be issued shortly thereafter.

### **Internal Audit Plan 2018-19 - Audit Committee Paper 291**

14. The Committee were advised that the audit plan for 2018-19 proposes two areas of focus, these being a review of research and development (the performance management and reporting against R&D objectives) and assurance mapping (internal audit to assist in developing an assurance map for the RMA).
15. The Committee were content with these plans.

### **Internal Audit Recommendations – Progress Report - Audit Committee Paper 292**

16. The Committee reviewed the progress report, which outlined that three of the four recommendations had been implemented. The remaining recommendation regarding Board succession planning arrangements had been delayed while work to review Board governance arrangements were completed – now that this work has progressed, it is anticipated that succession planning will be produced by the end of June 2018.

### **Committee Calendar - Audit Committee Paper 293**

17. The Committee noted the calendar for 2018-19, which identified four meetings in June, September, November 2018 and February 2019.

### **Annual Fraud Report - Audit Committee Paper 294**

18. The Committee reviewed the Annual Fraud Report and were advised that there were no known or suspected instances of fraud identified for 2017-18.

### **Draft Governance Report - Audit Committee Paper 295**

19. The Committee reviewed the Governance report produced in advance of the annual accounts. The Committee were content with the report.

### **Committee Performance Review - Audit Committee Paper 296**

20. The Committee were advised that the self-assessment questionnaire had been uploaded to Boardbooks for members to complete; this questionnaire follows the standard auditing handbook questionnaire and allows members to make recommendations on areas for improvement. Member's returns will be compiled into one Committee response. It was highlighted that the questionnaire was fairly lengthy as it included a number of more general / centralised questions, therefore it was agreed that the questionnaire would be amended for the following year, with centralised questions completed by the Director. This would allow Members to focus on the qualitative elements.

**Action Point: DBP**

### **AOCB**

21. There was no other competent business.

**Date of next Meeting:** June 2018.