

Risk Management Authority
AUDIT COMMITTEE MEETING
15 December 2014, RMA, Paisley

MINUTES

Present:

Dr. Anne Macdonald, Chair
Mr Stephen Swan, Board Member
Mr Chris Hawkes, Board Member

In attendance:

Mr Paul Keoghan, Director of Business Performance
Ms Kelly Glendinning, Finance Administrator
Mr Asif Haseeb, External Auditor, Audit Scotland
Ms Alison Thomson, Internal Auditor, Scottish Government Internal Audit
Mr Jim Montgomery, Internal Audit Manager, Scottish Government Internal Audit

Apologies:

Ms Yvonne Gailey, Chief Executive

1. Introductions

- 1.1. The Chair called the meeting to order and welcomed those in attendance.
- 1.2. The Chair noted a new attendee at the meeting and requested formal introductions. The Internal Auditor advised the Committee of personnel changes within Internal Audit and introduced Mr Jim Montgomery as replacement Internal Audit Manager.
- 1.3. The Committee noted the change of personnel within Internal Audit and welcomed Mr Montgomery.
- 1.4. The Chair informed Committee Members, that in accordance with the Audit Committee Terms of Reference, the annual meeting between the Audit Committee Chair and External Audit had been conducted earlier that day.
- 1.5. Committee Members noted the update from the Chair.

2. Apologies

- 2.1. The Chair noted apologies received from Ms Yvonne Gailey.

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 15 September 2014

- 4.1. The Committee reviewed the minutes of the 15 September 2014.
- 4.2. The Committee noted that no changes were required to the draft minutes and agreed to approve the minutes as an accurate record of the meeting.

5. Matters Arising

- 5.1. The Director of Business Performance updated the Committee that the action to review RMA staff pay scales against other NDPBs had been completed. The Director informed the Committee a report on the findings of the review will be presented at the next Remuneration Committee. The Director enquired if the Audit Committee also wished to receive a copy of the report.
- 5.2. The Committee agreed while the action was requested by the Audit Committee it was appropriate the Remuneration Committee should review the report and therefore did not require a copy of the report.

Monitor

6. Annual Audit Plan – Audit Committee Paper 192

- 6.1. The External Auditor presented the Annual Audit Plan to the Committee and explained to Members the implication of changes to Materiality section of the report. The External Auditor also reviewed the audit timetable under exhibit 1 and confirmed the annual fee for 2014-15 would increase by £100 to £6,500.
- 6.2. The Committee noted the annual audit plan and thanked all those involved for their work in preparing the audit plan.

7. Internal Audit Progress Report – Audit Committee Paper 193

- 7.1. The Internal Auditor presented the progress report to the Committee. The Internal Auditor confirmed fieldwork had been completed and the final report was issued on 12 December 2014. The Internal Auditor recognised Members would not have had the opportunity to see the final report and confirmed the report contained substantial assurance together with three low priority recommendations.
- 7.2. The Internal Auditor informed the Committee that planning for next year's audit would commence shortly and stated while this would involve the Director of Business Performance invitations will be issued to the Chief Executive and the Chair of Audit Committee should they wish to contribute to the process.

7.3. The Committee welcomed the positive update from Internal Audit and thanked all those involved for their work in this area and particularly noted the alacrity with which the work had been completed.

8. Internal Audit Recommendations Progress Report – Audit Committee Paper 194

8.1. The Director of Business Performance presented the report regarding implementation of internal audit recommendations resulting from the 2013-14 audit. The Director informed Members two of the six recommendations were implemented and provided Members with an update regarding the outstanding recommendations.

8.2. Members noted the update and in particular the continuing effort to create an MoU with Scottish Government Information Services and Information Systems Division (ISIS). The Committee reflected upon the impact of operating without an agreed MoU with ISIS. Following discussion, the Committee agreed this matter should be referred to the Risk Register for monitoring.

Action: DBP

9. External Audit Recommendations – Audit Committee Paper 195

9.1. The Director of Business Performance presented the report regarding the implementation of management's response to key risk areas identified within the external auditor's annual report for 2013-14.

9.2. The Director informed the Committee a total of 5 recommendations were made in the external auditor's annual report. The Director reported four of the agreed actions were fully implemented with the remaining action, *Review Cash and Cash Equivalents balance with Sponsor Department*, expected to be completed in Q4.

9.3. The Committee noted the contents of the external audit implementation report.

10. Corporate Risk Register – Audit Committee Paper 196

10.1. The Director of Business Performance presented a summary of the Corporate Risk Register and reported no changes to the status of current risks and that no new risks had emerged since the last review. The Director provided Members with an update of key actions in relation to the management of corporate risks over the period.

10.2. The Committee noted the contents of the Risk Register Report and requested the history of actions noted in the detailed section of the report be identifiable by date and limited to current and previous year items only, with older information archived.

Action : DBP

11. Best Value Review – Audit Committee Paper 197

- 11.1. The Director of Business Performance presented the Best Value Review for 2013-14. The Director informed the Committee of the RMA's duty to comply with Best Value and explained the reporting framework adopted by the RMA.
- 11.2. The Committee noted the report and thanked those involved in preparing the report.

12. AOCB

- 12.1. The Chair asked the Committee if there were any other items of business.
- 12.2. There being no other business the Chair informed the Committee the date of the next meeting would be 16 March 2015.
- 12.3. The Chair thanked those in attendance and closed the meeting.