

Risk Management Authority
AUDIT COMMITTEE MEETING
21 March 2016, RMA, Paisley
MINUTES

Present:

Mr Stephen Swan, Chair
Mr Chris Hawkes, Board Member
Prof. Hazel Kemshall, Board Member

In attendance:

Ms Yvonne Gailey, Chief Executive
Mr Paul Keoghan, Director of Business Performance
Mr Asif Haseeb, External Auditor, Audit Scotland
Mr David Docherty, External Auditor, Audit Scotland
Mr Jim Montgomery, Internal Audit Manager, Scottish Government Internal Audit
Ms Alison Thomson, Internal Auditor, Scottish Government Internal Audit

Apologies:

No Apologies where noted

1. Introductions

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

2. Apologies

2.1. The Chair noted no apologies where received.

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 February 2016

4.1. The Committee reviewed the minutes of the meeting held 15 February 2016 and requested the following amendments:

4.1.1. Paragraph 5.44 – Remove the work “An” from the start of the second sentence

4.1.2. Paragraph 7.1.2. – change the word “funds” to “fund”

4.2. Subject to the amendments, the Committee agreed the minutes were an accurate record of the meeting.

5. Matters Arising

- 5.1. There were no matters arising noted.

6. Corporate Risk Register Report – Audit Committee Paper 227

- 6.1. The Director of Business Performance introduced the Corporate Risk Register Report to the Committee advising there are 11 active risks and 3 residual risks. The Director reported the RMA had zero high risks, 6 medium risks and 5 low risks.
- 6.2. The Committee conducted ‘a deep dive’ on Risk 04 - The RMA’s Research and Training programme is not deliverable.
- 6.2.1. The Committee noted the risk was added to the register in 2008 at a period when the RMA was adequately resourced to conduct research and training. The Committee further noted the focus of this risk was on the effective management of resources as indicated by the mitigating actions eg contract management and procurement.
- 6.2.2. The Committee agreed the intervening years have witnessed a dramatic reduction in the RMA’s budget which resulted in a significant erosion in research and training capacity. The Committee questioned whether the current risk is actually relevant today given the few independent research projects undertaken by the RMA.
- 6.2.3. The Committee noted that as the RMA has legislative functions in relation to research and development it is more relevant to assess the risk associated to the reduction of the RMA’s capacity in regards to this function.
- 6.2.4. The Committee agreed it will inform the Board of the change to this risk item and advise of the emergence of a new risk relating to the RMA’s capacity to perform its legislative functions in relation to research and development and the subsequent implications for risk practice.

Action: Chair

- 6.3. The Committee agreed that ‘deep dive’ for the next meeting will be Risk E3 ‘The risk of the RMA not being able to fulfil statutory duty to advise ministers in relevant areas’ and Risk R1 ‘Security Systems inadequate, allowing disclosure of confidential information’.

Action: DBP

- 6.4. The Committee requested the nomination of the risk to “deep dive” be added to the day agenda going forward.

Action: DBP

7. Review Assurance Statements – Audit Committee Paper 228

- 7.1. The Director of Business Performance introduced the assurance report to the Committee advising only the Director of Business Performance currently provides an assurance statement. The Director reported a review of assurance mapping will be carried out as part of 2016-17 internal audit. The

Committee agreed all Heads of Department that report to the Chief Executive should provide a Certificate of Assurance.

- 7.2. The Committee agreed that under the section titled financial management 'Is there adequate separation of duties where required' the answer should be changed for no to yes and an explanation added that alternative checks and balances are in place as this reflects current practices.

Action: DBP

8. Committee Self Evaluation Report – Audit Committee Paper 229

- 8.1. The Director of Business Performance introduced the Committee Self Evaluation Report to the Committee.
- 8.2. The Committee noted the low response rate from members and requested that as other members have since completed the evaluation that a revised report be brought to the next Committee meeting.

Action: DBP

9. Internal Audit Plan 2016-17 – Audit Committee Paper 230

- 9.1. The Internal Auditor introduced the 'Internal Audit Plan 2016-17' to the Committee advising that a meeting was recently held between the Chief Executive, Director of Business Performance and the Internal Auditor, it was agreed at this meeting the next years Internal Audit will look at 'Board and Committee Structure' and 'Assurance Mapping'.
- 9.2. The Committee noted the Internal Audit Plan 2016-17.

10. Internal Audit Fee 2016-17 – Audit Committee Paper 231

- 10.1. The Internal Auditor stated the proposed fee for 2016-17 would be £6,156 and this represented an increase of £61 (1%) on the previous year. The fees is based on 21 days working made up of 17 days for Audit work and 4 days in relation to Audit Committee and planning process.
- 10.2. The Internal Audit also informed the Committee that the period covers 10 months, June 2016 to March 2017, advising that this will be covered in more detail in the next paper.
- 10.3. The Committee noted and approved the Internal Audit Fee 2016-17.

11. Internal Audit Memorandum of Understanding - Audit Committee Paper 232

- 11.1. The Internal Audit introduced the 'Internal Audit Memorandum of Understanding' to the Committee advising that the content remained the same as the previous year. The Internal Auditor advised the audit year will be changing to March to align with the traditional public sector year end. The auditor confirmed that while this year's audit will be condensed into 10

months all audit and report work will be completed in time for the RMA' s accounts.

- 11.2. The Committee noted and approved the Internal Audit Memorandum of Understanding.

12. Internal Audit Progress Report – Committee Paper 233

- 12.1. The Internal Auditor presented the Strategic Review of Internal Audit to the Committee advising that the review has now concluded and all recommended actions have been accepted by Scottish Government.

- 12.2. The Committee noted the contents of the Strategic Review of Internal Audit.

13. AOCB

- 13.1. The External Audit informed the Committee that Audit Scotland had prepared a check list guide for Committee Members with responsibility for reviewing the annual accounts. The Committee agreed this would be a useful document for the forthcoming review of the annual accounts and requested a copy be uploaded to the resources tab on Boardbooks.

Action: DBP

- 13.2. There being no further business the Chair thanked those for attending and closed the meeting.

14. Date of Next Meeting – 20 June 2016