

Risk Management Authority
AUDIT & ASSURANCE COMMITTEE MEETING

5 October 2018, Ashtree Hotel, Paisley

MINUTES

Present:

Mr Stephen Swan, Chair
Mr Terry Powell, Board Member

In attendance:

Mr Paul Keoghan, Director Corporate Services
Mr Denis Songoro, Finance Administrator
Ms Mabel Hall, Internal Auditor, Scottish Government Internal Audit
Mr Jim Montgomery, Internal Audit Manager, Scottish Government Internal Audit
Ms Aimee MacDonald, External Audit, Audit Scotland

Apologies:

Mr Chris Hawkes, Board Member

Introductions

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

Apologies

2. Apologies were received from Mr Chris Hawkes.

Declarations of Interest

3. There were no declarations of interest.

Minutes of meeting on 18 June 2018

4. The Committee reviewed and approved the minutes of the meeting held on the 18th of June 2018.

Matters Arising

5. There were no matters arising.

Corporate Risk Register – Audit Committee Paper 308

6. The Director Corporate Services introduced the paper and advised that staff are redrafting the register with the intention of presenting the new style register at the November meeting. The Committee went on to review the current register.
7. The Director reported the register contains a total of 13 risks of which seven were classified as medium risk and 6 as low risk, the register did not contain any high risks at present.
8. The committee were informed a new risk has emerged which relates to the transfer of OLR offenders to the community presenting a significant resource issue for the RMA. The committee noted the new risk was classified as medium and the mitigating factors that would be relied upon to control the risk.
9. The Director also reported there had been no increase in any risk levels since the last review, and that level of risk for two items has reduced. The risk item to reduce was the risk of legal challenge, the Director reported this had reduced following the Appeal Court decision in September to dismiss the current Legal action against RMA.
10. The second risk which had reduced is whether the RMA has adequate resources to deal with workload. This has now been addressed following the confirmation of the new funding level of £1.3 million. This has enabled the RMA to confirm 5 new permanent posts.
11. Concerning the new risk which relates to the transfer of OLR offenders to the community, it was agreed the RMA will develop a communications plan which will support engagement with individual local authorities. This will include the support systems the RMA can provide, including various training courses.

Action: DCS

Internal Audit Recommendations – Progress Report-Audit Committee Paper 309

12. The Director Corporate Services introduced this paper and reported to the committee that the two recommendations in relation to Internal Audit's review of the AIR process were implemented and the three recommendations in relation to the review of certificates of assurance were also implemented. The Director confirmed this completed all outstanding actions in relation to Internal Audit's work conducted in 2017-18.
13. The Director also confirmed completion of an outstanding item in relation 2016-17 audit which related to succession planning for Board Members. The Director confirmed this action has also been completed.
14. The committee noted the progress of implementation of recommendations from Internal Audit.

External Audit Recommendations-Progress Report– Audit Committee Paper 310

15. The Director Corporate Services introduced this paper and reported to the committee that the External Auditor's report for 2017-18 contained one recommendation. The Director confirmed the recommendation has been fully implemented and no other recommendations remain outstanding.
16. The committee noted the progress of implementation of recommendations from External Audit.

Fraud Policy – Annual Review – Audit Committee Paper 311

17. The Director Corporate Services presented the paper which reviewed the current fraud policy.
18. The Committee considered the paper and agreed no changes were required to the current policy.

Corporate Risk Management Strategy – Annual Review - Audit Committee Paper 312

19. The Director Corporate Services presented the paper on Corporate Risk Management Strategy and informed members that while no changes were proposed it is expected the strategy will be subject to revision with the proposed new risk register. The Director informed members the revised strategy should be expected prior to March 2019.
20. The Committee noted the current corporate risk management strategy and the fact that current strategy would be subject to revision.

Overview of Internal Audit - Audit Committee Paper 313

21. Mr. Montgomery introduced the report which provided an overview of the performance and resources of the Internal Audit Directorate..
22. The Committee noted the report submitted by Internal Audit.

Internal Audit Directorate – SG Key Corporate Systems 2017-18 - Audit Committee Paper 314

23. Ms Hall presented report on annual assurance for Scottish Government Corporate systems and advised the Committee that reasonable assurances had been provided
24. The Committee noted the assurance report submitted by Internal Audit.

Internal Audit Terms of Reference – Assurance Mapping - Audit Committee Paper 315

25. Ms Hall presented the paper reviewing the terms of reference for internal audit work planned for 2018-19 relating to assurance mapping. The Committee were advised that work on developing the corporate assurance map commenced in September and has been fully completed. The final report will be presented to the Audit Committee in November.

26. The Committee noted the terms of reference submitted by Internal Audit.

Internal Audit – Annual IAD Report - Audit Committee Paper 316

27. Mr Montgomery presented the IAD report to the committee and informed members that the report considered a move to a daily fee system rather than a fixed agreed fee charge. Internal audit are currently in the process of consultation on this issue and a final position has not been reached as yet. Mr Montgomery advised the committee the change to a daily fee system may impact the audit fee chargeable to the RMA.

28. The Committee noted the annual IAD report submitted by Internal Audit.

Internal Audit – Progress Report - Audit Committee Paper 317

29. Ms Hall presented the report to the Committee and provided an update on the areas subject to audit in 2018-19. Ms Hall confirmed the advisory report of Assurance Mapping has been completed while a planning meeting had been arranged for October to review the substantive audit item which focused on Research & Development and reporting of outcomes.

30. The Committee noted the progress report submitted by Internal Audit.

Date of next Meeting: 19 November 2018