

MINUTES: AUDIT & ASSURANCE COMMITTEE MEETING
19 June 2023, RMA Office

Present

Mr Stephen McAllister (Chair)
Mr Jim Farish
Mr Joe Judge

In Attendance

Mr Mark McSherry, Chief Executive
Mr Paul Keoghan, Director Corporate Services
Mr Jim Montgomery, Senior Internal Audit Manager, Scottish Government Internal Audit
Mr Glen Bissett, Internal Audit Manager, Scottish Government Internal Audit
Mr Mark Ferris, Senior Audit Manager, Audit Scotland
Ms Jennifer Law, Senior Auditor, Audit Scotland
Ms Amanda Barclay, Auditor, Audit Scotland
Ms Kathleen McAuley, Office Administrator (Minute Taker)

Welcome

1. The Chair called the meeting to order at 09:30 and welcomed new members Mr Judge, Mr Bissett, Mr Ferris and Ms Barclay.

Apologies

2. The Chair noted no apologies were submitted.

Declarations of Interest

3. The Chair called for declarations of interest and noted no declarations were submitted.

Approval of Previous Minutes

4. The Committee reviewed and approved the minutes of the meeting held on 13 February 2023 subject to a minor amendment to wording on paragraph 9.4, 2nd sentence.

Action: OA

Matters Arising

5. The Committee noted actions 14.2 (02/23) and 15.1 (02/23) from the previous meeting were completed. The Committee also noted items 17.3 (02/23) and 8.1 (02/23) from the previous meeting have been deferred for August completion.

Agenda Items

7. Chief Executive Update – Committee Paper 490

- 7.1. The Chief Executive presented the update report which informed members of current and emerging developments. The Chief Executive highlighted he met with Ms Angela Constance, the newly appointed Cabinet Secretary for Justice, last week, and extended her an invitation to visit the RMA and attend a Board meeting later in the year.
- 7.2. The Chief Executive also highlighted a Hybrid policy has been implemented which provides staff the option to work from home 3 out of 5 working days.
- 7.3. The Chief Executive also advised that following discussion with Scottish Government the RMA is being considered for membership to the Criminal Justice Board.
- 7.4. The Committee reviewed and noted the Chief Executive Update.

8. Annual Fraud Report – Committee Paper 491

- 8.1. The Director Corporate Services presented the Annual Fraud Report to the Committee for review. The Director informed Members the report confirmed there were no changes proposed and no instances of identified or suspected fraud for the financial year 2022-23.
- 8.2. The Director also drew the Committee's attention to the annexed Fraud Policy and confirmed with Members there were no recommendations to amend the current policy.
- 8.3. The Committee reviewed and noted the Annual Fraud Report.

9. Annual Write Off Report – Committee Paper 492

- 9.1. The Director Corporate Services presented the Annual Write Off Report to the Committee for review. The Director informed Members the report confirmed no debts were written off during the financial year 2022-23.
- 9.2. The Director also drew the Committee's attention to the annexed Debt Management and Write Off Procedures and confirmed with Members there were no recommendations to amend current procedures.
- 9.3. The Committee reviewed and noted the contents of the Bad Debt Write Off Report.

10. Internal Audit – Progress Report – Committee Paper 501

- 10.1. The Senior Internal Audit Manager presented the Progress Report 2022-23 to Committee Members and also introduced the newly appointed Internal Audit Manager.

10.2. The Senior Internal Audit Manager informed the Committee of planned audit work for 2023-24 and confirmed it would focus on Cyber Resilience and Communications and planned to conclude by Q3.

10.3. The Committee reviewed and noted the content of the Progress Report for Internal Audit.

11. Internal Audit – Annual Assurance Opinion Report 2022-23 – Committee Paper 493

11.1. The Senior Internal Audit Manager introduced the Annual Assurance Opinion Report 2022-23 and advised the Committee the overall assurance opinion for the year was Reasonable. The Committee were informed the opinion is derived principally from the 2022-23 Annual Assurance Review of Governance Arrangements and from attendance at, and observation of, Audit and Assurance Committee meetings during the year.

11.2. The Committee reviewed and noted the Annual Assurance Opinion Report 2022-23.

12. Internal Audit -SG Corporate Systems Assurance Opinion 2022-23 – Committee Paper 495

12.1. The Senior Internal Audit Manager introduced the SG Corporate Systems Assurance Opinion 2022-23 to the Committee for information. The Senior Internal Audit Manager advised Members given RMA's reliance on Scottish Government systems it was important to note that Reasonable assurance was provided for Scottish Government's Key Corporate Systems.

12.2. The Director informed the Committee of Scottish Government plans to implement a programme of transformational change over the course of 2023-24. The Committee noting the programme of change will include the Finance and HR systems utilised by the RMA agreed the SG Corporate System Transformational Programme be added to the Risk Register.

Action: DCS

12.3. The Committee reviewed and noted the SG Corporate Systems Assurance Opinion 2022-23.

13. Review Annual Report and Accounts 2022-23 – Committee Paper 496

13.1. The Director Corporate Services presented the Annual Report and Accounts 2022-23 to the Committee and provided a summary of key information contained in the Performance and Accountability Reports and Financial Statements.

13.2. The Director highlighted the Remuneration and Staff Report was currently incomplete as it was subject to the receipt of outstanding pension from MyCSP in respect of Executive Remuneration and Pension Benefits. The Director confirmed this information will be reviewed by the auditor on receipt and the annual report updated accordingly.

- 13.3. The Senior Internal Audit Manager noted the Audit and Assurance Committee was omitted from the Governance Framework on page 36. The Committee agreed the governance framework illustration be amended to incorporate the Audit and Assurance Committee.

Action DCS

- 13.4. The Committee reviewed and noted the contents of the Annual Report and Accounts 2022-23.

14. External Audit – Proposed Audit Opinion and Letter of Representation (ISA 580) – Committee Paper 497

- 14.1. The Senior Audit Manager presented the Proposed Audit Opinion and Letter of Representation (ISA 580) and highlighted to the Committee the expectation to issue unqualified audit opinions in the independent auditors report.

- 14.2. The Senior Audit Manager also advised the accounts are scheduled to be signed in July subject to the inclusion of the Audit & Assurance Committee to the governance framework on page 36 and the satisfactory audit of pension information outstanding from MyCSP.

- 14.3. The Committee reviewed and noted the proposed Audit Opinion and Letter of Representation (ISA 580).

15. External Audit – Annual Audit Report – Committee Paper 494

- 15.1. The Senior Audit Manager introduced the Annual Audit Report and informed the Committee expenditure and income were incurred in accordance with applicable enactments and guidance and the audited part of the remuneration and staff report, performance report and governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant legislation, and directions made by Scottish Ministers.

- 15.2. The Senior Audit Manager also highlighted, under the wider scope element of the audit, their opinion is the RMA has effective and appropriate arrangements in place to continue to deliver services while also noting appropriate segregation of duties were not in place for the full year. The Senior Audit Manager concluded his presentation by thanking the Chief Executive, Director Corporate Services and Staff for their help during the audit process.

- 15.3. The Committee reviewed and noted the contents of the Annual Audit Report.

16. Annual Report and Accounts 2022-23 – Committee Paper 498

- 16.1. The Director Corporate Services presented the Annual Report and accounts 2022-23 to the Committee for approval.

- 16.2. The Committee noted and approved the Annual Report and Account 2022-23 subject to the inclusion of the Audit & Assurance Committee to the governance framework on page 36 and confirmation of the satisfactory audit of outstanding pension information from MyCSP.

17. Internal Audit Charter 2023-24

17.1. The Committee noted the contents of the Internal Audit Charter 2023-24.

18. Internal Audit Strategy 2023-24

18.1. The Committee noted the contents of the Internal Audit Strategy 2023-24

19. DIAA Quarterly Bulletin – Issue 16 – April 2023

19.1. The Committee noted the content of the DIAA Quarterly Bulletin.

AOCB

20. The Chair having enquired if anyone present wished to raise any other competent business noted no further business was raised.

Date of Next Meeting

21. The Committee noted the date of the next meeting will be 28 August 2023.

22. The Chair thanked everyone for attending and closed the meeting at 10:35.