



Minutes

Meeting: Audit Committee

Date: 18 March 2014

Time: 1.30pm

Venue: Rooms 0.18 and 0.24, Compass House, Dundee

Present: Mike Cairns, Convener
 Ian Doig
 Cecil Meiklejohn
 David Wiseman
 Sally Witcher

In Attendance: Paul Edie, Chair
 Annette Bruton, Chief Executive
 Gordon Weir, Director of Corporate Services
 Karen Anderson, Director of Strategic Development
 Kenny Dick, Head of Finance and Corporate Governance
 Peter Lindsay, Audit Scotland
 Neil Reid, Audit Scotland
 Robert MacKenzie, Audit Scotland
 James Thomson, Audit Scotland
 Anne Forsyth, Directorate Support Officer
 Ayslynne Craig, Administrative Assistant
 Ingrid Gilray, Intelligence and Analysis Manager (for item 12)

Apologies: None

Item	Action
1.0 APOLOGIES FOR ABSENCE	
	There were no apologies for absence.
2.0 DECLARATION OF INTEREST	
	There were no declarations of interest.

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3.0 MINUTE OF MEETING HELD ON 18 NOVEMBER 2013

The minute of the meeting held on 18 November 2013 was submitted and approved as a correct record.

4.0 ACTION RECORD OF MEETING HELD ON 18 NOVEMBER 2013

The action record of the meeting held on 18 November 2013 was noted and updated.

5.0 MATTERS ARISING

There were no matters arising.

6.0 INTERNAL AUDIT PLAN 2013-14 PROGRESS REPORT

Scott Moncrieff presented the paper which provided the Committee with information on the internal audit work performed to 7 March 2014. The following points in particular were noted:

- That the following reviews, in line with the 2013-14 plan had been completed:
 - A5 Payments and creditors
 - A6 Financial ledger
 - A7 Budget Monitoring
 - B8 Governance arrangements
 - B9 ICT roadmap
 - C8 Quality Assurance
- That the dates for the following reviews had been amended and would be completed in 2014-15:
 - C1 Complaints handling
 - C4 Review of shared service structure
 - C6 Development/Implementation of Care Inspectorate methodology

There was discussion about the delay in relation to the complaints handling review. Members were made aware that the review was still ongoing and that the delay was in relation to clarification issues rather than any governance issues.

It was noted that the new internal audit planning approach would result in more detailed assignment plans being submitted to the Audit Committee at the appropriate times.

The Committee:

- Noted the report.

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7.0 DRAFT STRATEGIC INTERNAL AUDIT PLAN 2013-16 AND ANNUAL INTERNAL AUDIT PLAN 2014/15

Scott-Moncrieff presented the paper, the audit had taken into account the Care Inspectorate's risk management framework, strategic objectives and priorities, along with the views of senior managers and Committee. The following points were noted:

- Once the individual reviews had been confirmed for inclusion in the plan an updated version, detailed assignment plans would be issued.
- A follow up review for B9 ICT Roadmap could be useful at some point in the plan. Scott Moncrieff was to consider this for inclusion when the next plan was revised.
- Once the ICT Roadmap plans were further developed these would be submitted to Resources Committee for initial consideration.
- The audit sponsor for C6 Development of Methodology should be amended to read Director of Strategic Development.

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The Committee:

- Approved the plan for finalisation on 18 June 2014.

8.0 C8 QUALITY ASSURANCE

Following on from their work in 2012-13, Scott-Moncrieff presented the above paper which concluded that there were effective arrangements in place to deliver an effective quality assurance system and the Care Inspectorate was clearly committed to embedding quality improvement into all activity.

The Committee discussed the audit and the following points were highlighted:

- Recommendation 1.3 in the Management Action Plan should note that progress reports on identified milestones in the Quality Improvement Strategy project should be submitted to the Executive Team with any significant matters being reported to the Strategy and Performance Committee.

The Committee:

- Noted the report.
- Noted the required amendment at 1.3 Reporting on Progress.

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9.0 B8 GOVERNANCE ARRANGEMENTS

Scott-Moncrieff presented the paper. The report reviewed the extent to which governance arrangements supporting both the Committee and senior management structures had been embedded. It also looked at the adequacy of the arrangements in light of the changes to the Board and management team.

The review provided assurance that the arrangements in place were robust, supported the new senior management structure, were aligned with the best practice principles set out in the UK Corporate Governance Code and were committed to continual improvement.

The Committee:

- Noted the positive report.

10.0 A7 BUDGET MONITORING

Scott-Moncrieff presented the paper, which reviewed the processes for monitoring actual versus budget income and expenditure, ensuring any issues were identified and learnt from. The review concluded that the overall budget monitoring arrangements were robust and working effectively.

The Committee:

- Noted the report.

11.0 ANNUAL AUDIT PLAN 2013-14 – ANNUAL ACCOUNTS

Audit Scotland provided an overview of the report, which summarised the key challenges and risks facing the Care Inspectorate and set out the audit work in 2013-14.

Members discussed the proposed audit approach and reporting arrangements. They also considered and commented on the audit issues and risks that had been identified by Audit Scotland, in particular, the need to further develop a medium term financial strategy.

The Committee:

- Noted the report.

**12.0 CARE INSPECTORATE KPIS/QIS FOR 2014-15
REPORT NO: A-01-2014**

The Director of Strategic Development presented the paper which set out proposed Key Performance Indicators (KPIs) and Quality Indicators (QIs) for monitoring the Care Inspectorate's

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performance over 2014-15. The paper also set out the systems and procedures that would be used to monitor and manage performance against the Corporate Plan.

The Committee sought assurance that resource issues were being addressed and highlighted to the Resources Committee where required. In particular, it was noted that there were vacancies in the Complaints team that had been arisen due to moving resources to Inspection teams. The Director of Strategic Development assured members that if resource issues were identified when the complaints handling and mapping processes were complete these would be brought to Resources Committee for discussion.

Matters in terms of benchmarking were raised and the Director of Corporate Services advised members that a report in relation to this would be submitted to the Resources Committee at its meeting in June 2014.

The Chief Executive advised the Committee that in terms of overall performance, financial information along with performance measures were detailed in the Corporate Plan which would be submitted to the Board on 28 March 2014.

The Committee:

- Considered the paper.
- Approved the paper subject to some of the costs and resource implications being refined as the Corporate Plan was finalised.

**13.0 AUDIT RECOMMENDATIONS PROGRESS REPORT
REPORT NO: A-02-2014**

The Head of Finance and Corporate Governance presented the paper which provided information in terms of progress on the implementation of agreed management responses to internal audit recommendations.

Members queried whether any recommendations had been made by the internal auditors but not implemented. The Head of Finance and Corporate Governance informed the Committee that all audit recommendations were tracked by both the internal auditors and management team track responses jointly and the internal auditors would produce an annual follow up report in relation to these. This would be submitted to the Audit Committee on 18 June 2014.

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The Committee considered and discussed the report and thanked the Head of Finance and Corporate Governance for the information.

The Committee:

- Noted the report.

14.0 ANNUAL REVIEW OF PREVENTION OF FRAUD AND BRIBERY POLICIES REPORT NO: A-03-2014

The Director of Corporate Services presented the report which outlined amendments to the Prevention of Fraud and Prevention of Bribery Policies following a review.

It was noted that these policies had been reviewed in conjunction with SSSC colleagues under the standard governance framework. The Committee discussed and noted the amendments to the Policies which were outlined on page 2.

The Committee noted that these Policies were submitted to the Audit Committee for review but that they may be of interest to the Resources Committee and be submitted for information.

The Committee:

- Considered the report.
- Approved the amendments to the Prevention of Fraud Policy and Response Plan and the Prevention of Bribery Policy.

15.0 INTERNAL AUDIT CONTINGENCY TIME

The Committee noted that the internal auditors had 15 days of audit time left from the 2013-14 year. These days would be carried forward and used in the 2014-15 financial year.

The Chief Executive suggested that the Committee consider commissioning an audit immediately following the start of the new financial year and that this be based around inspection planning and inspection targets.

It was proposed that the audit should review the national inspection planning team processes and the effectiveness of these as well as looking at how management processes support the delivery of the inspection plan and other inspection KPIs.

The Convener made the point that it was helpful to hold back some audit days for future reviews.

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It was agreed that the internal auditors would work with the Chief Executive to scope the work in order that this can be carried out in the early part of 2014-15. **ScMonc**

The Committee:

- Noted the proposals for use of internal audit contingency time.

16.0 UPDATE OF STRATEGIC RISK REGISTER

The Director of Corporate Services explained that there was still some work to do following the Risk Register session that had been held with the internal auditors. The report produced by the internal auditors would be considered by the Executive Team and a revised Risk Register would be submitted to the Audit Committee in June for its consideration prior to submission to the Board for approval. **ChExec**
DoCS

The Committee:

- Noted the position with regard to the Strategic Risk Register

17.0 SCHEDULE OF COMMITTEE BUSINESS

The Schedule of Committee Business was considered.

The Committee:

- Noted the Schedule.

18.0 HORIZON SCANNING (INCLUDING AUDIT SCOTLAND PUBLICATIONS)

It was noted that this item of the agenda was intended to enable the Committee to consider any aspect of internal or external development for inclusion in a future agenda.

The Director of Corporate Services suggested that in future, all relevant Audit Scotland reports could be brought to the Committee's attention under this agenda item.

The Committee:

- Agreed this course of action.

19.0 AOCB

There was no other business.

20.0 DATE OF NEXT MEETING – 18 JUNE 2014

The next meeting was confirmed as 18 June 2014 in Compass House, Dundee at 1.30pm.

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