



Minutes

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| Meeting | Audit and Risk Committee |
| Date | 19 May 2022 |
| Time | 10.30 am |
| Venue | Rooms 0.24/0.18, Compass House, Dundee (and Teams video link) |
| Present | Bill Maxwell (Convener) Gavin Dayer Rona Fraser (via Teams) Paul Gray Rognvald Johnson |
| In Attendance | Edith Macintosh, interim Chief Executive (iCE) Jackie Mackenzie, Executive Director of Corporate and Customer Services (EDC&CS) Kevin Mitchell, Executive Director of Scrutiny and Assurance (EDS&A) (<i>item 11 only</i>) Gordon Mackie, Executive Director of IT and Digital Transformation (EDIT&DT) Craig Morris, interim Executive Director of Strategy and Improvement (iEDS&I) Kenny Dick, Head of Finance and Corporate Governance (HoFCG) Graeme Ferguson, Head of IT Service Delivery (HoITSD) Fiona McKeand, Executive and Committee Support Manager (E&CSM) David Archibald, Henderson-Loggie Claire Brown, Executive and Committee Support Officer (ESO) Kirstine Rankin, Head of OWD (<i>item 10 only</i>) Rachel Mitchell, Information Governance Manager (<i>item 19 only</i>) |
| Apologies: | None |

| Item | Action |
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| 1.0 WELCOME | |
| The Convener welcomed everyone to the meeting, which was the first to be held under hybrid arrangements, following the lifting of Covid-19 restrictions. | |

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The Committee thanked Fiona McKeand, the Executive and Committee Support Manager, for the support and guidance that she had provided to members, as she handed over the secretariat responsibility to Claire Brown, Executive Support Officer, whom the Committee welcomed into her new role.

2.0 APOLOGIES FOR ABSENCE

There were no apologies.

3.0 DECLARATION OF INTERESTS

There were no declarations of interest.

4.0 MINUTE OF PREVIOUS MEETING HELD ON 10 MARCH 2022

The Committee reviewed the minute and approved it as an accurate record.

5.0 ACTION RECORD OF MEETING HELD 10 MARCH 2022

The Committee reviewed the action record and noted that all had been completed. The Committee was pleased to note that its recommendation for an all-Board learning session on equalities, arising from the recent internal audit review, was scheduled to take place in November. The Committee was particularly interested to understand how the organisation's work on equality and diversity correlated to the evaluation of the staff survey, the result of which the Board had received a presentation on the previous day.

6.0 MATTERS ARISING

There were no matters arising.

INTERNAL AUDIT ITEMS

7.0 INTERNAL AUDIT REPORT 2021/22 – FOLLOW UP REPORT – REPORT NO: ARC-09-2022

The internal auditors presented the report which set out the progress made since the previous Follow Up reviews conducted in January 2022 and reported to the Audit and Risk Committee in March 2022. The Committee was invited to accept the report and to approve any further revisions to implementation dates put forward by management.

The Committee noted the progress made in taking forward the actions arising from internal audit recommendations, with four remaining outstanding. Members were assured that those in relation to recruitment and retention were linked in with the work on the strategic workforce plan

and that the recommendations in respect of risk management would be dealt with imminently.

The Committee accepted the Internal Audit report on Follow Up Reviews as at May 2022.

7.1 Update on Complaints Resource Model and Capacity Tool (verbal update)

The Head of Finance and Corporate Governance provided the Committee with an update on progress in respect of the complaints resource model and capacity tool.

Members were advised that the current resourcing model for complaints management had been reviewed and the Operational Leadership Team (OLT) had agreed to look more closely at inspector resourcing overall. This would address job design, digital capacity, methodology and prioritisation of new areas of work, most notably the asks from Scottish Government. The Committee was assured that this review was of the highest priority, with the full commitment of the OLT.

There was discussion on the red/amber/green ratings of the audit recommendations action plan, specifically those which showed a red status due to them being past the original implementation date. The Committee agreed that some actions had been unable to be fully completed due to the pandemic and had been rated as red, but might not be considered a high risk to the organisation. There was general agreement that the action plan be reviewed so that the colour coding reflected the business-critical status of each recommendation, and that the internal auditors would put this in place in time for the September meeting.

**Henderson
-Loggie**

8.0 ANNUAL INTERNAL AUDIT PLAN 2022/23 – REPORT NO: ARC-10-2022

The internal auditors presented the second draft of the Internal Audit Annual Plan for 2022/23, which the Committee had first considered at the March 2022 meeting. The second draft set out the outline scope, objectives and timings for each agreed internal audit assignment to be undertaken during 2022/23, and the Committee was invited to approve the plan.

The Committee was assured that the internal auditors and staff were satisfied with the timings allocated for the fieldwork programme. The Executive Director of Corporate and Customer Services explained that a new process had been implemented which enabled quarterly meetings to take place with the internal auditors in order to review and retain oversight of the annual programme. Any proposed changes to the plan schedule would be submitted to the Committee.

Members asked if any part of the induction process for new Board members included direct engagement with the internal auditors, as this would be beneficial in gaining an understanding of the process of internal audit review, annual planning and scheduling. It was agreed that consideration should be given to arranging a session with the internal auditors for all Board members through a future Board Development Event.

H-L/
E&CSM

The Committee **approved** the annual internal audit plan for 2022/23.

9.0 INTERNAL AUDIT 2021/22 ANNUAL REPORT - REPORT NO: ARC-11-2022

The internal auditors presented the Annual Internal Audit Report for 2021/22, which the Committee was invited to accept.

The report summarised the internal audit work performed during the previous year and provided a positive overall opinion on the Care Inspectorate's arrangements for risk management, control and governance. It also confirmed that, in the opinion of auditors, the Care Inspectorate had proper arrangements in place to promote and secure Value for Money.

The Committee noted that the audit work conducted during 2021/22 did not identify any significant control weaknesses and that, in general, procedures were operating well in the areas selected. A few areas for further strengthening or improvement had been identified, and action plans had been agreed to address these issues. Members noted that all audit assignments from the previous year's annual internal audit plan had been delivered, except for the ICT review, which had been carried forward to 2022/23 in agreement with the Committee.

The Committee noted the report.

10.0 INTERNAL AUDIT REVIEW: WORKFORCE PLANNING - REPORT NO: ARC-12-2022

The internal auditors presented the report of the internal audit review on Workforce Planning, which the Committee was invited to note.

The overall objective of the audit had been to gain assurance of the effective processes in place to assess the workforce needs of the Care Inspectorate in order to meet its strategic priorities and to confirm that there had been appropriate progress made against the organisation's Strategic Workforce Plan.

The Committee noted that the overall level of assurance was "Satisfactory", and with one of the four audit objectives having been given an assurance of "Good".

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Management had committed to taking forward all three priority recommendations arising from the review within the timescales indicated in the management responses.

The Head of Organisational Workforce Development advised the Committee that regular review of the strategic workforce plan would be carried out to ensure that it remained current and responsive to the organisation's direction of travel.

The Committee noted the positive report and considered it important to reflect on the findings and how these should feed back into the strategic risk register, which would be discussed in more detail in September.

11.0 INTERNAL AUDIT REVIEW: SCRUTINY AND ASSURANCE - REPORT NO: ARC-13-2022

The internal auditors presented the report of the review of Scrutiny and Assurance, which had examined the ways in which the fundamental risks which impacted on the Scrutiny and Assurance function were being managed.

This had been a complex area to audit covering so many different aspects of scrutiny and assurance and the review had focussed on performance management, capacity planning and staff development.

The report provided an overall assurance level of "Satisfactory" with a high number of strengths identified during the audit. Three key recommendations had been made, which had been agreed to by management.

The Executive Director of Scrutiny and Assurance explained that this extensive audit had been undertaken at a time of great pressure during the pandemic, however, it had been agreed to progress it as a priority. The Committee welcomed this approach and took good assurance from its findings, noting that six of the objectives were good and two satisfactory.

Members expressed a need to learn more about how improvement capacity was being embedded into services and to review the impact this had in spreading best practice. The interim Executive of Strategy and Improvement agreed to look at this in more detail and report back to the Committee, noting that this would also tie in with the review of the Improvement and Involvement Strategy.

iEDS&I

The Committee raised some points in relation to the implementation and timescales of enforcement work and was assured that the Care Inspectorate had been in detailed discussions with the Sponsor team on this matter. There were also plans to reinstate the Quality Conversations events with service providers so that the Care Inspectorate could develop an understanding of issues and matters of concern.

The Committee congratulated the Executive Director of Scrutiny and Assurance and his teams on the positive outcome of this audit report which provided a good level of assurance on key areas of the organisation's core business. Progress on the audit recommendations would be tracked through future meetings.

12.0 INTERNAL AUDIT REVIEW: CORPORATE PLANNING - REPORT NO: ARC-14-2022

The internal auditors presented the report of the audit review of Corporate Planning, the scope of which had been to consider the effectiveness of the Care Inspectorate's corporate planning process, including the linkage between the corporate plan and the operational plans which supported the delivery of the organisation's strategic objectives.

It was noted that the development of the new corporate plan had been ongoing at the time of the audit and the report reflected the process and transition from the previous plan.

The positive findings provided assurance that a robust process was in place to develop and produce the corporate plan, including governance.

The interim Chief Executive highlighted to the Committee the good connectivity between all three of the internal audit reviews that had been submitted to the Committee meeting and that it had been beneficial to have them all undertaken over the same timescales.

The Committee noted the positive report and welcomed the assurance it provided.

EXTERNAL AUDIT ITEMS

- 13.0** There were no external audit items for this meeting.

ITEMS FOR DISCUSSION

14.0 STRATEGIC RISK REGISTER MONITORING – REPORT NO: ARC-15-2022

The Head of Finance and Corporate Governance presented the quarterly report on the Strategic Risk Register monitoring position, noting that there had been no significant change since the Board meeting held on 22 March 2022.

The annual review of the Strategic Risk Register was planned for September, to take account of the recently published Corporate Plan 2022-2025.

The Committee's attention was drawn to strategic risk 5, ICT Data Access and Security, the aim being to reduce the overall risk level to medium by the end of the current financial year, noting that the Scottish

Government’s response to the Stage 2 business plan for the digital programme was awaited.

The Committee noted that strategic risk 2, Financial Sustainability, remained at high level and it was agreed that more detailed discussion on this would take place at the annual review in September, in order to consider the level of likelihood and impact.

The Committee noted the current risk position and agreed that there were no issues that should be brought to the attention of the Board at its meeting of 16 June 2022.

15.0 PRESENTATION: ASSURANCE MAPPING FOR 2022/23

The Committee received a presentation by the Head of Finance and Corporate Governance which outlined the assurance mapping process, based on the “three lines of defence” model.

The Committee agreed with the recommendation put forward by the Head of Finance and Corporate Governance that an assurance mapping update should accompany the regular risk register monitoring item as part of Committee business, with effect from the September meeting. It was also agreed that a new Sharepoint folder would be set up where the assurance map would be located and made readily accessible for all members.

HoFCG/
ESO

The Committee recommended that it be made clear in the annual report and accounts statement that the Care Inspectorate was applying the three lines of defence model to generate a comprehensive and balanced assurance framework.

16.0 DRAFT AUDIT AND RISK COMMITTEE ANNUAL REPORT TO THE BOARD 2021/22 – REPORT NO: ARC-16-2022

The Head of Finance and Corporate Governance presented the first draft of the Committee’s annual report to the Board, and outlined the timetable for the agreement of the report prior to its submission to the Board along with the 2021/22 Annual Report and Accounts on 22 September 2022.

The Committee’s attention was drawn to specific areas which had been highlighted in the draft report and comments were invited to be provided to the Head of Finance and Corporate Governance by email, through the Convener.

Convener

During the discussion, members agreed the following:

- That the wording at section 9.1 should be expanded to acknowledge the loss of lives during the pandemic and the pressures experienced by care providers.
- That the Committee should draft a form of words to show its opinion of the adequacy of the internal audit services that it had commissioned.

HoFCG

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- That the Convener would provide an update on the Audit Committees Chairs’ Network Convener
- That members would provide comments through the Convener to the Head of Finance and Corporate Governance on the draft Governance Statement, which required to be sent off by the end of June. Convener

The Committee also recommended a modification to the template for all Committee reports, under the Implications section that covered “People Who Experience Care”. The Committee suggested a different form of words: “*How does this report directly/indirectly improve the provision of care?*”. It was agreed that the Executive and Committee Support Manager would progress this suggested modification to cover all reports being submitted to Board, Committee and internal strategic and operational meetings. E&CSM

17.0 DIGITAL PROGRAMME UPDATE - REPORT NO: ARC-17-2022

The Executive Director of IT and Digital Transformation presented the quarterly update on progress with the digital programme, which the Committee was invited to note. The report focussed on Stage 1 of the programme, which covered Complaints and Registrations and The Register.

The Committee noted the update and agreed that future reports should focus on Stage 2. Thanks were recorded to Committee member Paul Gray for the support provided through the Advisory and Assurance Working Group in the submission of the Stage 2 business case to the Scottish Government. The Committee was pleased to note the important role of the group in providing assurance on the development of the business plans.

18.0 PRESENTATION: CYBER SECURITY PLAN

The Head of IT Service Delivery gave a presentation to the Committee on the Care Inspectorate’s Cyber Security Plan, outlining the organisation’s approach to reducing risk, the key challenges to improving its maturity and the progress made to date.

It was agreed that more detailed discussion on the plan should be a regular item at the Committee meetings going forward, taking effect from the September meeting.

It was agreed that the Head of ICT Service Delivery would provide information to the Committee on the outcome of the June assessment. HoITSD

19.0 SENIOR INFORMATION RISK OFFICER ANNUAL REPORT 2021-22 - REPORT NO: ARC-18-2022

Along with the annual report, the Information Governance Manager presented to the Committee an overview of the work delivered to date to

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make the Care Inspectorate information and data 'Safer and More Secure' as detailed in Stage 2 of the Information Governance, which was appended to the report. It was noted that work had now progressed to stage 3, Consolidation, and details of the plans for future projects and projected deliverables were also outlined.

The Committee welcomed the report and was pleased to note the good progress that had been made.

20.0 SHARED SERVICE REVIEW BOARD

The Executive Director of Corporate and Customer Services reported that continued good progress was being made with the Shared Services arrangements between the Care Inspectorate and the Scottish Social Services Council, with the review board having held its third meeting recently. The Committee was advised that there were no major issues to report and that regular evaluation of areas for improvement was ongoing.

ITEMS FOR INFORMATION

21.0 HORIZON SCANNING

The Committee noted that the CIPFA Audit Committee Update would be added to the Executive folder in the Committee's Sharepoint site.

**HoFCG/
ESO**

STANDING ITEMS

22.0 AUDIT AND RISK COMMITTEE NARRATIVE TO THE BOARD AND PUBLICATION OF COMMITTEE PAPERS

The Committee agreed the following matters should be included in its summary report to the Board meeting of 16 June 2022:

- Three positive internal audit reports
- The modification of the action plan within the Follow-Up report to show business-critical status
- The Committee's consideration of the first draft of its annual report to Board
- The inclusion of Assurance Mapping as part of the Committee's monitoring of the strategic risk register and the creation of a Sharepoint site specifically for access to the assurance map

The Committee agreed to the publication of the meeting papers on the Care Inspectorate website.

23.0 SCHEDULE OF COMMITTEE BUSINESS 2022-23

The Committee noted the schedule of business.

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24.0 AOCB

There was no other business.

20.0 CLOSE OF BUSINESS AND DATE OF NEXT MEETING

The date of the next meeting was noted as Thursday 11 August 2022 at 10.30 am, to be held at Compass House, Dundee, with the option to join by Teams. The meeting would be open to all Board members, to cover the first review of the draft annual report and accounts.

Signed:

Bill Maxwell, Convener