

SCOTTISH SOCIAL SERVICES COUNCIL

Unconfirmed minutes of the Audit and Assurance Committee held on 28 July 2020 at 10.00 am by Teams video conference

Present: Professor Alan Baird, Council Member, Chair
Theresa Allison, Council Member
Rona King, Council Member
Peter Murray, Council Member
Russell Pettigrew, Council Member

In Attendance: Lorraine Gray, Chief Executive
Maree Allison, Director of Regulation
Phillip Gillespie, Director of Innovation and Development
Lynn Murray, Interim Director of Finance and Resources
Laura Shepherd, Director of Strategy and Performance
Chris Weir, Head of Legal and Corporate Governance
Natalie Paterson, Senior solicitor
David Archibald, Internal Auditor, Henderson Loggie
Audrey Wallace, Corporate Governance Coordinator

1. Welcome

1.1 The Chair welcomed everyone to the meeting and confirmed that the meeting was quorate.

2. Apologies for absence

2.1 There were no apologies for absence because all Committee Members were in attendance.

3. Declaration of interest

3.1 There were no declarations of interest.

4. Minutes of the previous meeting

4.1 The minutes of the meeting held on 28 April 2020 were reviewed and changes were requested to paragraph 13.2 to include the title of the new director post and also the length of appointment.

4.2 The minutes were approved as an accurate record subject to these changes being made.

5. Matters arising

- 5.1 External Audit Plan - with reference to item 5.1 Lorraine Gray confirmed that the external auditor would not have any follow up issues following the Section 22 report in 2018/19. The upcoming report would be the second annual report following the Section 22 report and no issues have been raised since then.

6. Assurance report as of 30 June 2020

- 6.1 Lorraine Gray presented report 20/2020 which was the Assurance Monthly Report to 30 June 2020. This is the first quarter of the new strategic plan and she thanked officers for progressing the work needed to get the information for the report in time for this meeting.

Lorraine Gray particularly highlighted:

- that there was currently a projected underspend of £101k on the core budget which is being monitored and would fluctuate throughout the year
 - the underspend of £300k on phase 2 of the Newly Qualified Social Worker pilots, advising that the Scottish Government had approved this expenditure to be used differently
 - an error in the reporting narrative where the report should have stated that the scoring of risks 6 and 8 had both reduced
 - that further work was being carried out on the graphs to make the variances clearer for members to identify
 - that Maree Allison would give more detail on the performance issues set out in paragraph 3.2 but stated that these were predominantly due to the demographic of the staffing in the department and one step being taken to mitigate the situation was that the offer of overtime would be reintroduced.
- 6.2 The Chair acknowledged that this was the first report of the new financial year and that the content would evolve and develop over the year. He opened the meeting to questions and comments.
- 6.3 Russell Pettigrew asked whether the underspend could be more clearly linked to risks. Lorraine Gray accepted this and advised that the EMT had discussed this point and officers were starting to look at how we better visually link the financial reporting to risks in the report. Lynn Murray confirmed that a meeting had taken place between Russell Pettigrew and officers regarding the upcoming development session and one thing that would be discussed is whether the format of the report is giving members the information they need to identify risk areas and those of concern, particularly to give clearer indication on the mitigating actions.
- 6.4 Members acknowledged that the upcoming session in September would include a discussion on the financial information in the report and comments would be used to refine it. It was noted that some other proposed development topics may require to be re arranged to accommodate matters which have become more pertinent due to the

current circumstances and changes brought about and required due to the COVID-19 pandemic. Peter Murray advised that when he reviewed the report and looked at areas of underspend, there was the possibility of the reallocation of that underspend to address the Fitness to Practise (FTP) position. He commented that in observing a Fitness to Practise hearing recently, he noted that the presenter from the SSSC appeared to be very well versed on the process and the subject matter and there was a benefit from in-house expertise rather than relying on external presenters.

- 6.5 Lorraine Gray advised that with regards to the FTP position, overtime was being introduced and we were doing a comprehensive Equalities Impact Assessment before re-introducing it. Lorraine Gray advised that there were areas, such as a pay and grading exercise, that would benefit from reallocation of underspends and the EMT were looking at how best to use these funds.
- 6.6 Peter Murray asked whether advocating greater home working was likely to make this a longer term issue. Lorraine Gray confirmed that as part of COVID-19 recovery planning we were looking at a whole range of flexible working which was possible because a lot of the registration and FTP work was process driven. Maree Allison advised that it was encouraging to hear the observation of the value of internal solicitors presenting hearings. She advised that the complexity of the work meant the only two levers which would give an immediate benefit was overtime and external presenters. Her assessment was that we needed both for the time being because this would allow experienced SSSC staff the time to train new staff members. She advised that this was not viewed as a longer-term solution but used to support internal staff during particular circumstances and the reliance on external presenters will reduce once the workforce is stabilised.
- 6.7 The Chair asked whether there was any communication from Scottish Government to suggest that it was likely to claw-back funding. Lorraine Gray confirmed that she had fortnightly meetings with Scottish Government and this question was in the forefront of her mind, however there had been no indication that this was likely. It was noted that this was a risk and that work should be carried out to ensure that there were firm plans in place to show where financial resources would be used, with firm links to plans and projects.
- 6.8 Peter Murray asked for clarification on the following points and clarification was given relating to the strategic performance indicators in section 3 of the report:
- in section 3.2 – what was the justification in comparators with other organisations. Maree Allison advised that in the last strategic plan there was a focus on reducing the time to conclude FTP cases which we were successful in doing. There came a point where having that focus is not helpful and drives decisions on a

specific aim rather than ensuring public protection. One suggestion was to benchmark against other regulators and the times they take to conclude cases. We have used the Professional Standard Authority's reviews of other health regulators. We have a more flexible regulatory framework than those other regulators which makes benchmark comparisons challenging. It has, however, led to other regulators, such as Social Work England, following our more flexible model. Comparisons with other care regulators are also challenging because we regulate much higher numbers. Getting a like for like comparator is difficult but we have developed measures best on the data available. It would be more helpful to compare our figures against Social Work England once their data sets have grown. The Chair advised that SSSC should take credit for the influence it had on the development of Social Work England.

- in section 3 - what was meant by meaningful engagement with workers involved in investigations. Maree Allison clarified that we do engage with workers on the transactional side however we have established that outcomes are affected when people talk to us about what is alleged to have happened, what they have learned and when they show meaningful insight. We want to increase the meaningful engagement workers have and we have issued guidance and are carrying out quality assurance work with the staff in FTP about how we recognise and track meaningful engagement.
- in section 3.4 - he was interested in the impact on outcomes in people in the facilities in which the material is used, for example if there is a delay in proving competence, what does it mean in practise. Lorraine Gray spoke on the competence of the workforce and advised that there were a number of measures that would be considered to ensure people who use services were confident in the competence of the workforce. These measures include mandatory training on appropriate aspects of their job, such as proper use of PPE. She advised that sharing information with the Care Inspectorate will help to inform measures required and the use of the SSSC's regulatory powers will enforce the appropriate measures. Members noted that senior officers from the SSSC and Care Inspectorate were meeting to discuss ways of working together to more effectively meet the needs of people who use services. The agenda for working together is more important now than ever before to ensure that the social care service is sustainable and able to meet future needs. The discussion further addressed the separate roles between the social care sector and a clinical setting, noting this is a time of high attention to social services and opportunities must be capitalised in order to promote and raise the profile. This must include recognition of the contribution of the social service workforce to the economy and to the wellbeing of the population.

- 6.9 Following a question from the Chair, it was noted that there was a series of joint meetings between SSSC and Care Inspectorate officers to be held in order to share data and add value to the sector by working together. Reference was made to the planned joint session between CI board members and SSSC Council Members and the Committee noted that this was being taken forward as detailed in the Action Record.
- 6.10 The Committee was pleased to note that risk category for risks six and eight had reduced and there were no further issues to discuss in relation to the appended risk register.
- 6.11 The Committee
1. endorsed the direction of travel and risk management actions proposed by EMT

7. Audit Needs Assessment and Strategic Plan 2020-2023

- 7.1 David Archibald presented report 21/2020, the first Audit Needs Assessment and Strategic plan 2020 – 2023 from the current internal audit service since being awarded the contract. He advised that this was a draft for consultation and he would welcome any comments or suggested changes to the proposed programme of work. He advised on the process that had been followed in drafting the plan and the processes that would follow in order to carry out the work detailed in plan. The plan would be reviewed at least annually to ensure it was supporting the work of the organisation and may require some flexibility to adjust to the changing working situation in regard to recovery from COVID-19. He explained the spread of the days used to carry out the work in the plan and also the significance of and processes involved in the two audits relating to Business Process Re-engineering.
- 7.2 Members commented on the plan and David Archibald answered questions put to him. The main issues discussed were:
1. Cyber security is a common issue especially in the current situation where more remote working is being carried out.
 2. Health and wellbeing following COVID 19 is an area where the usefulness of a specific audit in this area, which is backward looking is debatable however it was noted that there was evidence from the Investors in People (IiP) report, staff surveys and Partnership Forum minutes which would give assurances to the Council about the organisation's approach to staff health and wellbeing. It was agreed that as this information was already available from these sources, staff wellbeing could be reported to Committee as a link to the COVID-19 recovery plan rather than through an internal audit.

3. Members were pleased to see that an audit of Corporate Governance is included in the plan as a review was specifically requested by the Council a year after the current processes were introduced in October 2019. Lynn Murray commented that a report on this process would be submitted to the next available meeting of the Committee.
4. There was some discussion around the audit of policies, particularly HR policies which were known to be out of date and it was noted that in acknowledgement that as work on this was ongoing, the audit on these would be carried out in the year 2021/22. Rona King was concerned that the audit should cover a wider HR area than the review of the policies and legislation. To provide clarity, it was noted that the specifications for each specific audit will require to be agreed in advance and the breadth of the audit can be addressed then. It was accepted that the policy library going to the Council meeting in August will also include a plan for updating HR policies and procedures.

7.3 Chris Weir outlined the audit plan process and that the next step was to get the annual audit plans approved by the Committee. He was conscious that this going to a Committee meeting would mean that substantive audits would not begin until November and significant time would be lost. He proposed that the annual plan is approved by Members by email as soon as it was prepared by Internal Audit. The Committee approved this course of action.

7.4 Lorraine Gray advised that the auditors were currently carrying out an audit on Shared Services. David Archibald confirmed that he had produced a draft proposal and this was currently being amended and the revised specification would be shared with the Chief Executives of both bodies this week.

7.5 The Committee:

1. approved the Audit Needs Assessment and Strategic Plan subject to the amendments suggested
2. endorsed the proposal to consider annual plan via email correspondence.

8. Internal Audit Reports

8.1 Equality and diversity

8.1.2 David Archibald presented report 22/2020 which gave findings on the audit review of the SSSC's compliance in carrying out its duties relating to current equalities legislation. In the overall findings one objective was recorded as good, one was satisfactory and three objectives required improvement. Of the weaknesses recorded it was

noted that some of these had been addressed or had some action taken.

8.1.2

The Committee collectively acknowledged the significant amount of work and progress that was done by officers and praised the amount of work being done.

8.1.3

Rona King noted in the management response to recommendation 2 (R2) there was a reference that generic training had been done and that further guidance would be rolled out and suggested that specific training should accompany the guidance. Lorraine Gray accepted this suggestion and the Equalities Working Group would ensure that specific training will be rolled out along with the guidance on completing Equalities Impact Assessments.

8.1.4

With reference to objective 4 and the completion and recording of equalities monitoring information, it was noted that there was ongoing work to ensure that data collected and stored is done in accordance with GDPR. It was further noted that the HR software did not provide for this information to be gathered and until it did, this would require a paper exercise.

8.1.5

Peter Murray asked if the equalities culture was embedded in the organisation and if so how is this visible to people from outside the SSSC who may be looking at the website for instance? He had some concern that the culture was not embedded citing the suggestion that the equalities gathering questionnaire was to be mandatory rather than voluntary. As Chair of the Equalities Working Group, Phillip Gillespie agreed to take this matter to the group to action, with a report on best practise to come back to Council later in the year.

8.1.6 The Committee:

1. accepted the recommendations from Internal Audit
2. endorsed the management response and proposed actions to recommendations 1, 3 and 4.
3. recommended that management amend their response and proposed action in recommendation 2 to include that specific training would accompany guidance for completing EIAs
4. recommended that a report be submitted to Council later this year on best practise to embed an equalities culture within the organisation.

8.2 Risk Management

8.2.1

David Archibald presented report 23/2020 which reported on the findings of the auditor's review into risk management arrangements within the SSSC. He commented that this was a very positive report and the SSSC has made a lot of progress in its risk management. He outlined the process that had been followed in carrying out this audit

and reported that three of the four objectives were found to be good and the other was satisfactory.

- 8.2.2 The Committee collectively noted how well this had been progressed in such a short space of time and were pleased with the outcome of the report and discussed the recommended improvements from Internal Audit.
- 8.2.3 Members acknowledged that there was a strong culture of risk management throughout the organisation and gave credit to the officers who had taken this work forward. Laura Shepherd clarified that there was a business case proposal to purchase a digital software package which would include risk management software. Lorraine Gray added that since the section 22 report work had focussed on the meeting its requirements which included risk management. Now that these matters had been addressed, more focus could be placed on matters such as embedding a culture of equality.
- 8.2.4 The Committee:
1. accepted the recommendations from Internal Audit
 2. endorsed the management response and proposed actions

9. Audit and Assurance Committee Annual Report to Council

- 9.1 Chris Weir presented report 24/2020, the first draft of the Audit and Assurance Committee's Annual Report to Council, for review and comment.
- 9.2 Members commented favourably on the briefer format of the governance statement and more focussed content of the report and thanked officers for its preparation.
- Amendments suggested were:
- inclusion of the committee membership and frequency of meetings in the body of the report, which could be lifted from the governance statement
 - add information to the membership table to show specifically which new members were appointed and when.
- 9.3 Following a question on whether it was advisable for the Committee to have sight of each Director's Certificate of Assurance to the Chief Executive, as Accountable Officer. The advice given by David Archibald was that it was not necessary and not frequent practice for these to be submitted to Committee but that he has seen it done. Chris Weir reminded the Committee of the role of the Accountable Officer and their personal accountability and suggested that further discussion could take place between the Chief Executive and the Chair..
- 9.4 The Committee:

1. reviewed and gave comment, as noted above, on the draft Audit and Assurance Committee report to Council (at appendix 1 to the report)
2. agreed that any further comments be submitted by email or teams message to Chris Weir by 14 August, comments to be copied to the Chair of the Committee
3. agreed that the Chair and the Chief Executive would discuss whether the Committee needed to have sight of the Certificates of Assurance
4. noted the timetable for submitting the Annual Report to Council
5. noted that there have been no incidences of fraud detected during the 2019/20 financial year.

10. Governance Improvement Plan update

- 10.1 Chris Weir presented report 25/2020 which was the updated Governance Improvement Plan. He advised that there was only one outstanding action which was not yet due, that being an updated report on the Business Process Engineering (BPR) process.
- 10.2 Members heard from Laura Shepherd on the current position with the BPR process and noted that the report would be presented to Committee at the next available meeting, which would be October 2020.

11. Fraud and Corruption Assurance report

- 11.1 Lynn Murray presented report 26/2020 which provided an update of any fraud or other financial irregularities for the 2020/21 financial year. She confirmed there had been no incidences recorded during the period April to June 2020.
- 11.2 In answer to a question from Russell Pettigrew, Lynn Murray confirmed that the appropriate officers from the SSSC and NHS Counter Fraud Initiative were in discussions. An update on progress with the contract and relationship between the bodies would be reported within the Chief Executive's report to Council. David Archibald confirmed that developing a good relationship with this team would be highly beneficial to the SSSC.
- 11.3 The Committee:
 1. endorsed that relevant checks into possible matters of fraud had been carried out
 2. noted the content of the report
 3. noted the ongoing discussions with NHS Counter Fraud Initiative team including that an update would be given to Council in August
 4. requested that a development/session or presentation from the NHS team be made to all Council Members at a suitable date.

12. Horizon Scanning

- 12.1 David Archibald advised that the national report on fraud initiative for 2018/19 had been published. He also advised that the partnership with the NHS Counter Fraud Initiative was a very wise move for the SSSC, given the knowledge and expertise that body holds.
- 12.2 He advised that the following reports are due to be published by Audit Scotland, however he also stated that given the current pandemic, the reports may not be released in accordance with the usual schedule
- Outcomes for Children with additional support needs
 - Social Security
 - Skills planning and investment
- David Archibald further advised that if there were to be any changes to the Scottish Public Finance Manual (SPFM), these would normally be made in June of each year. He would advise Lynn Murray of any and Phillip Gillespie once these reports were released in case they were of any interest to the organisation.
- 12.3 Lorraine Gray also advised the Committee on a number of areas of interest
- on 25 August, the Care Inspectorate was due to give evidence to the Health and Sport Committee.
 - testing care staff for COVID-19 may become mandatory and this could result in fitness to practise cases if the test is refused, however there would be many factors such as frequency of testing etc to be taken into account
 - consideration needs to be given to preparation for the second wave of the pandemic
 - a debate about a national care home service will be aired on the BBC today
 - Lorraine Gray herself will be interviewed on Radio Scotland on Thursday 29 July.
- 12.4 Members thanked Lorraine Gray for this information and discussed the need to hold a development or discussion session on the big issues which lay ahead for the care sector.
- 12.5 It was agreed that the proposed development session plan would be revised to include a session discussed during the meeting and to reprioritise other possible sessions.

13. Audit and Assurance Committee action record

- 13.1 The Audit and Assurance Committee action record was reviewed.
- 13.2 With regard to action A27, Lynn Murray confirmed that, to date, the external auditor was content with the budget figures reported and there were no big changes in the projected end of year figures other than the digital shift of £70k, which has been reported.

13.3 Maree Allison explained that A25 was included within the Assurance Report.

13.4 The Committee agreed that

1. actions A1, A4, A23, A24, A25 A26 and A30 were complete and could therefore be archived from the ongoing Action record.

14. Date of next meeting – 6 October 10.00 am

14.1 The next meeting of the Audit and Assurance Committee will be held at 10am on Tuesday 6 October 2020. All Council Members are invited to attend to review and comment upon the Annual Accounts.

14.2 A private meeting between Committee members and the external auditors will be held following the meeting of the committee.

Committee started: 10 am
Committee finished: 12:55pm

Signed _____
Alan Baird
Chair of the Audit Committee

Date _____