

SCOTTISH SOCIAL SERVICES COUNCIL

**Unconfirmed minutes of the Audit and Assurance Committee
held on 03 August 2021 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
Lynn Murray, Interim Director of Finance and Resources
Laura Shepherd, Director of Strategy and Performance
Cheryl Glen, Acting Director of Development and Innovation
(Head of Workforce Planning)
Anne Garness, Head of Legal and Corporate Governance
David Archibald, Internal Auditor, Henderson Loggie
Stuart Inglis, Internal Auditor, Henderson Loggie
David Boyd, External Auditor, Grant Thornton
Audrey Wallace, minute taker

Observing: Sandra Campbell, Council Convener

1. Welcome

1.1 The Chair welcomed everyone to the meeting. The Convener advised that she was in attendance as an observer.

2. Apologies for absence

2.1 Apologies were received from Laura Lamb, Acting Director of Development and Innovation (Learning and Development).

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 04 May 2021 were approved as an accurate record.

5. Matters arising

5.1 **Roll-out of encryption on devices - update**

5.1.1 Laura Shepherd advised that the roll out of the full encryption of the laptops, surface pros and other devices being used by staff for home working. She confirmed the process and progress made for those staff who were in closer proximity to the office and were able to attend, by appointment, to have the devices updated. These were expected to be completed by the following week. There was a separate process for those who would require the update to be carried out remotely and full details and arrangements for this were being put in place.

5.1.2 Members and officers affected would be advised of the process shortly.

5.2 Numbers of sector workers who have not yet gained qualifications

5.2.1 Cheryl Glen gave details of the numbers and percentages of workers who were registered and who were still to gain the required qualifications. She advised that approx. 114k registrants were subject to a qualification condition. 51% of individuals on the register had gained qualifications which meant approx. 82k were still to obtain the required qualifications. The number of individuals is less than the number of registrations as some registrants are registered on more than one register part which requires the same qualification. The largest groups still to qualify are within care homes, care at home and housing support categories.

5.2.2 Cheryl Glen further advised that the workforce skills report which would include further analysis would be completed within the next month and the executive summary would be presented to Council at its August meeting, as part of the Chief Executive's report. The information gathered would help determine whether it was possible or practical for the time allowed to gain qualifications to be reduced from five to three years. Factors such as programme capacity and cost and funding would require to be taken into account when making any changes to the current qualifications' conditions.

5.2.3 Cheryl Glen confirmed that she did not have data to hand which showed how many workers gained their qualification within three years. However, information on workers' qualifications would be included within the future assurance reports.

5.3 Link between evaluation of services by Care Inspectorate and qualification status of workforce

5.3.1 Cheryl Glen reported on the potential correlation between less well ranking care services inspected by the Care Inspectorate and numbers of workers without qualifications. She confirmed that there was a slightly higher percentage of non-qualified workers within

these establishments. She emphasised this was only raw data and one of the factors could be managers registered with the Nursing and Midwifery Council are not required to have a management qualification, whereas managers registered with the SSSC do require such a qualification. She advised that further collaboration with the Care Inspectorate was required to share more detailed data and thereafter address any identified issues.

5.3.2 Peter Murray asked a question about the likelihood of reaching a gender-matched workforce, where gender could be matched to clientele. Cheryl Glen answered that the workforce is predominantly female in most sectors, but that work was ongoing to be able to provide a more gender-matched service where that is sought.

5.4 The Committee
1. noted the updates.

6. Assurance report as of 30 June 2021

6.1 Laura Shepherd introduced report 23/2021, the assurance report to 30 June 2021. The report provided performance, financial and risk information at 30 June 2021. She highlighted the changes to risks 1, 3 and 7.

6.2 Lynn Murray talked the committee through the budget information presented in the report. At this early point in the financial year, the overspend of £181k was not concerning. She highlighted the Scottish Government allocation for the Voluntary Sector Development Fund and the Workforce Development Fund.

6.3 Lynn Murray advised that there was progress in claiming unpaid registration fees and that minimal amounts were written off so far this financial year. Some of the write-offs are due to workers leaving the register. Generally, workers are being given a reasonable time to pay the fees due, where they are still on the register.

6.4 Lynn Murray also spoke on the dilapidation costs relative to the expiry of the lease of the headquarters building, advising that we have highlighted the additional costs to Scottish Government but are waiting for them to decide on whether they will give us extra funding. Members were assured that other public bodies would be facing similar issues. The Care Inspectorate and SSSC are affected more acutely than some others in so much as the lease expires in April 2023, meaning the costs will be spread over two years.

6.5 Lynn Murray reported that she'd been informed only the previous day that our external auditor is advising that we should make a provision in the financial statements for dilapidation costs in 2020/21. This means that the general reserves will be reduced by

that figure. She has not had time to look into the implications and will update Council later in August.

- 6.6 Maree Allison explained why there may be delays in filling vacancies, resulting in a gap between a staff member leaving and employing and developing a new employee. There was no conscious attempt to save money by leaving posts vacant, but there was often a natural break between a leaving date and a starting date.
- 6.7 Maree Allison reported on regulation KPIs 3.1, 3.2 and 3.3. She spoke on the proposed changes to time allowed for workers to register, following starting work in a registered job. This period had been extended by Scottish Government from six to twelve months, during the pandemic, and government has not yet committed to returning to the six-month grace period. This meant that external decisions were affecting the ability to meet the KPI and this indicator would be reviewed. This has also resulted in the 'get registered' campaign being delayed. This was aimed at encouraging new workers to register early within the grace period.
- 6.8 Regarding KPI 3.2, Maree Allison confirmed that the Fitness to Practise screening team was working well to process cases quickly. This was resulting in cases being forwarded into the investigation team more quickly, giving a greater number of active cases under investigation. Maree Allison advised that this situation should be resolved within the next year, once all new staff were working to full capacity. The quality assurance process was also being reviewed to see if it was possible to fast track through the process where appropriate.
- 6.9 Maree Allison advised that, generally speaking, there were no adverse reasons for staff leaving, for many it was a natural progression into a different area of law. However, as it is likely to be a perennial issue, this will be looked at in the pay and grading review, to try to create career pathways which may assist in retention of staff.
- 6.10 In reference to KPI 3.3 in increasing the percentage of the workforce engaging with the fitness to practise process, it was noted that the numbers were becoming closer to the target of 85%. The department was looking at further ways to encourage engagement, including reviewing the language used in initial correspondence.
- 6.11 Cheryl Glen reported on KPIs 3.4, 3.5 and 3.6 relating to the development and innovation department. The numbers of workforce who are qualified has reached its target rate and this figure will continue to be reviewed. She advised that the number of workers accessing learning and development tools was increasing towards the target percentage. Theresa Allison applauded the department in

supporting the workforce especially in putting together a resource for workers who were losing work days due to stress related issues.

- 6.12 Cheryl Glen confirmed that the team was gathering evidence on the effectiveness of the workforce planning tools to assist in developing further activities and using targeted learning resources in future. It was noted that further information from data gathered would be added to the assurance report in future months. Following consideration of the Workforce Skills report to Council in August, it would be decided whether the Committee should receive further information in November.
- 6.13 In updating Members on the restructure of the Register, Maree Allison advised that work on this had been carried out by the Institute for Research and Innovation in Social Services (IRISS) and this report would be circulated to Members.
- 6.14 Discussion then took place on engagement with stakeholders including on the consultation on the review of the National Care Service. Lorraine Gray confirmed that work had started and a reference group had been set up, she reminded Members that the SSSC had limited resource to carry out all consultations that would be desirable.
- 6.15 Laura Shepherd advised that the measure under strategic outcome 4 would be included in the November report to Committee.
- 6.16 Lynn Murray reported on 4.3, 4.4 and 4.5, the human resources metrics. With regard to staff absences, it was noted that long term sickness was the main issue, however Rona King commented that overall the absence rate was very low and that this should be noted. It was also noted that staff turnover was low, which may change once the employment market opens up again after easing of restrictions due to the pandemic.
- 6.17 Lynn Murray continued by reporting on the work of the Organisational Development team, that has been in place for almost a year and has helped better coordinate and centralise the approach to the training and development needs of the staff and organisation. She confirmed that staff feedback on the experience of working from home will be captured in the next staff survey.
- 6.18 Lynn Murray finished by advising Members of the data for processing of Freedom of Information and Subject Access Requests as well as data breaches committed. While it was noted that the volume of this work was very unpredictable, all deadlines had been met during this reporting period.
- 6.19 Alan Baird thanked members of Executive Management Team for producing the data in the report and apart from a request to make

sure that colours within the graphs were made clear, the new report format was satisfactory.

- 6.20 The Committee
1. agreed the direction of travel and the risk management actions.

7. Budget Update

- 7.1 Lynn Murray presented report 24/2021 which gave an update on the current and future years' budgets. The update included reference to dilapidation costs (covered at paras 6.4 and 6.5 above). Adjustments due to accounting adjustments and increased budgets as well as additional funding have been made to the budget since it was presented at the Council meeting in March but 2020/21 figures are not yet audited and there may be further changes. It was reported that work was required to reduce the budget deficits in 2022/23 and 2023/24 and discussions on options had been held with Scottish Government. It was noted that a paper had been prepared to present to the Minister for Children and Young People.
- 7.2 Members noted that Scottish Government had agreed extra funding of £650k to fill a number of posts required within the Fitness to Practise and Regulatory Improvement and Hearings departments. Recruitment to other posts, although initially approved in March, is under further consideration.
- 7.3 The report stated that significant efficiencies had been made over the years, particularly in the Regulation Directorate, and financial stability was now reliant on increasing fees income from registration or more funding from Scottish Government. Increasing fees is particularly unpalatable in the current circumstance, however there was an undertaking to review the fees every three years. There had been only one increase, in 2017, since the inception of the organisation and a further increase had been delayed due to the pandemic.
- 7.4 During discussion the Members learned that some regulators were funded solely from fees income, but that the social services regulators were supported by government funding. The Minister has final approval over fees increases and it was noted that a strongly evidenced case would need to be provided. Lorraine Gray also added that in accordance with the regulations the SSSC is obliged to consult with the workforce on possible fees increases, but it is the common practise to consult in any case.
- 7.5 The Committee
1. noted that the 2021/22 deficit budget and reserves are likely to increase
2. noted that we will receive extra funding of £0.650m from Scottish Government in 2022/23

3. noted that there are significant indicative budget deficits in 2022/23 and 2023/24.

8. Fraud and Corruption Assurance Report

- 8.1 Lynn Murray presented report 25/2021, the Fraud and Corruption Assurance report which advised that there were no incidences of fraud or corruption detected during the period 1 April to 30 June 2021. She advised that she was arranging a meeting with the Counter Fraud Service (CFS) to discuss roles of the Counter Fraud Champion and the Fraud Liaison Officer and future activity. She would also ask CFS to be included in the circulation of their quarterly newsletters.
- 8.2 The Committee:
 1. noted there were no incidences of fraud or corruption detected in the period 1 April 2021 to 30 June 2021
 2. noted progress with the counter fraud workstream.

9. Horizon Scanning

- 9.1 David Archibald verbally advised the Committee on several publications which were of interest:
 - Scottish Government announcement on 20 July to launch a new steering group – Social Covenant Steering Group
 - Audit Scotland - regular report on Fraud and Regulatory – mentions heightened risk to NDPBs partly due to working from home and potential cyber risks
 - Audit Scotland Blog - Cyber-crime is a serious risk to the Scottish Public Sector.
- 9.2 Laura Shepherd confirmed that there would be a report to the Digital Development Board on the cyber security audit.
- 9.3 The Committee:
 1. noted the information.

10. Audit and Assurance Committee action record

- 10.1 The Committee reviewed the Audit and Assurance Committee action record. Russell Pettigrew noted that the Assurance Mapping exercise had not been included and it was agreed that this would be included in future.
- 10.2 The Committee agreed that the following actions had been completed and could be removed from the quarterly report, but information retained for reporting purposes:
A7, A41, A42, A43, A46, A53, A54, A55, A56, A57, A58, A 59, A60, A61 and A62.

11. Dates of next meetings

- 11.1 Committee noted the following meetings:
- Monday 27 September 2021 at 10am to consider the Draft Annual Report and Accounts
 - Tuesday 02 November 2021 at 10am is the next meeting for normal scheduled business.

12. Private Session

Item 12 was discussed in private and minuted separately.

Committee started: 10 am
Committee finished: 12:05pm

Signed _____
Alan Baird
Chair of the Audit Committee

Date_____