

Title of report	Audit and Assurance Committee Report to Council
Public/confidential	Public
Action	For decision
Summary/purpose of report	To make recommendations from the Audit and Assurance Committee.
Recommendations	<p>The Committee recommends that:</p> <ol style="list-style-type: none"> 1. the Council accepts that the Assurance report presents a true and fair view of the SSSC's performance towards achievement of strategic objectives, financial management and risk identification and management. In particular that: <ol style="list-style-type: none"> a. operational performance as measured by strategic KPI give confidence that the SSSC was delivering as forecasted to meet its strategic objectives as agreed with the Sponsor Department b. financial performance was consistent with forecasted spend and presents no cause for concern relating to year-end outturn of approved budget c. operational delivery and financial expenditure were consistent. 2. the Council takes sufficient assurances from Q1 internal audit reports and in particular that the SSSC's risk management audit was a positive audit.
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Responsible Officer	Lorraine Gray Chief Executive Tel: 01382 207250
Link to Strategic Plan	The information in this report is about our governance arrangements and therefore links to the delivery of all of our strategic outcomes.

Link to the Risk Register	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
Equality Impact Assessment (EIA)	This report will have no negative impact on people with one or more protected characteristics and a full Equality Impact Assessment is not required.
Documents attached	Appendix 1: Assurance report as at 30 June 2020 including the Strategic Risk Register Appendix 2: Draft minutes of the Audit and Assurance Committee meeting of 28 July 2020.
Background papers	None

1. INTRODUCTION

- 1.1 As set out in the Executive Framework Document and Scheme of Delegation, accountability for strategic oversight remains with the SSSC Council and the responsibility for oversight and scrutiny of achievement of operational Key Performance Indicators, monitoring of Financial Performance and Strategic Risk Management is delegated from the SSSC Council to the Audit and Assurance Committee.
- 1.2 This report records the recommendation of the Audit and Assurance Committee to SSSC Council following the Audit and Assurance Committee meeting of 28 April 2020.

2. ASSURANCE REPORT

- 2.1 The Audit and Assurance Committee of 28 April 2020 reviewed the assurance report relating to the activities of the SSSC. Appendix 1 is a copy of the assurance report that was brought to the Committee. Appendix 2 is the unconfirmed minutes of the meeting to satisfy Council that the Committee has discharged its responsibilities. The Committee highlights the following areas:
- 2.2 The Committee noted a projected operational underspend of £101k on the core budget. The Committee noted that this was being monitored by the management team and that this would likely fluctuate throughout the year. The Committee noted that management was looking at how best to use that projected underspend with areas such as Fitness to Practise and the pay and grading exercise likely taking priority.
- 2.3 The Committee discussed the layout of the financial section of the assurance report and whether there was a better way to set out the financial position of the organisation and tie it better to relevant risks and mitigating actions. The Committee took assurances that this was being looked at and refined by the management team. A development session in September would be used to capture suggested improvements from Members to that report.
- 2.4 The Committee noted that this was the first report of the new strategic plan with new strategic performance indicators and therefore spent some time clarifying and discussing the proposed measures. The Committee took assurances that benchmarking against other regulators for Fitness to Practise timescales was a relevant performance measure and that management has considered relevant factors in developing this measure.
- 2.5 The Committee clarified the definition of meaningful engagement and took assurances that this measure is appropriate and relevant to our strategic outcomes.
- 2.6 The Committee discussed the performance measure relating to increasing the percentage of the workforce with the correct qualification and queried whether we could evidence the impact of these measures not being met. Officers assured the Committee that this was something that they were looking into.

- 2.7 Overall, the Committee was satisfied that the assurance report set out a fair representation of the financial position and performance of the organisation with relevant risk management to ensure that both were managed appropriately. The Committee was content to endorse the direction of travel and recommends that the Council accepts the recommendations relating to the assurance report as set out below.

3. INTERNAL AUDIT REPORTS

- 3.1 The Committee considered the three-yearly strategic audit plan proposed by Internal Audit. The Committee took assurances that the plan was developed in accordance with the approved strategic risk register, according to Internal Audit's professional experience, management feedback and with my feedback. The Committee made some minor recommendations to the proposed plan but were content with the priority of the proposed audits and the areas being proposed. The Committee therefore approved the proposed plan. The Committee also accepted the recommendation that the annual strategic plans should be approved outwith the meeting cycle via electronic correspondence so best use is made of the available time.
- 3.2 The Committee considered a report from Internal Audit on Equalities and Diversity. The Committee was pleased with the progress that management made in such a short timescale. The Committee accepted the recommendations from Internal Audit. The Committee considered management's responses and proposed actions and, subject to one amendment, was content to endorse management's response.
- 3.3 The Committee considered a report from Internal Audit on Risk Management which was another positive report. The Committee congratulated the management team on the outcome of the report in which only minor recommendations were made. The Committee accepted Internal Audit's recommendations and endorsed management's response and proposed actions. The Committee felt it was important to highlight that the report gave assurances that there was a culture of risk management embedded within the organisation.
- 3.4 The Committee recommends that the Council takes sufficient assurances from the findings of Internal Audit.

4. ANNUAL GOVERNANCE STATEMENT

- 4.1 The Committee considered a draft of the Annual Governance Statement and the annual report to Council on the activities of the Committee for 2019/2020. The Committee gave some feedback on some minor amendments to make to the Annual Governance Statement and Members are invited to a special meeting of the Committee on 6 October 2020 to consider the annual report and accounts in full. The report will thereafter be presented to a special meeting of Council on 29 October 2020 for approval and authority to be granted to the Chief Executive to sign on behalf of the organisation.

- 4.2 The annual report of the activities of the Committee will be presented to Council at the meeting on 29 October 2020.

5. GOVERNANCE IMPROVEMENT PLAN

- 5.1 The Committee received an update on the progress of the Governance Improvement Plan and endorsed that a further two actions from the plan had been completed by management. The Committee noted that the proposal to bring a report on Business Process Re-engineering should come to the October meeting of the Committee and was content to endorse that proposal.
- 5.2 The Committee noted that the shared services implementation was being taken forward and had been reported to Council at the meeting in June 2020. The Committee was therefore satisfied that a stand-alone report to this meeting was not necessary and that a further report would be provided at the next meeting on 27 October 2020.

6. FRAUD AND CORRUPTION ASSURANCE REPORT

- 6.1 The Committee received a report from management indicting that no instances of fraud had been detected between April and June 2020. The Committee took assurances from the content of the report. The Committee noted that agreement with NHS Counter Fraud Services was being progressed which would strengthen our fraud monitoring arrangements. The Committee requested that a development session is arranged to give detail on how this will work in practice and what relationship NHS Counter Fraud Services would have with the Committee and the Council going forward.

7. SUMMARY OF COMMITTEE RECOMMENDATIONS

- 7.1 The Committee recommends that:
- 7.2 The Council accepts that the assurance report presents a true and fair view of the SSSC's performance towards achievement of strategic objectives, financial management and risk identification and management. In particular that:
- a. operational performance as measured by strategic key performance indicators gives confidence that the SSSC was delivering as forecasted to meet its strategic objectives as agreed with the Sponsor Department
 - b. financial performance was consistent with forecasted spend and presents no cause for concern relating to year-end outturn of approved budget
 - c. operational delivery and financial expenditure were consistent.
- 7.3 The Council takes sufficient assurances from Q1 internal audit reports and in particular that the SSSC's risk management audit was very positive.

8. RESOURCE IMPLICATIONS

8.1 There are no specific resource implications arising as a result of this report.

9. LEGAL IMPLICATIONS

9.1 There are no specific legal implications arising from this report. The Council must ensure that its governance processes and documents are fit for purpose and accurately reflect the practices in place.

10. STAKEHOLDER ENGAGEMENT

10.1 No stakeholder engagement has been carried out.

11. IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS

11.1 The matters addressed in this report relate to internal governance and have no direct impact on users and carers. However, the fact that the SSSC is well governed and transparent provides confidence in our work.

12. CONCLUSION

12.1 The Committee is assured that it has been presented with a fair view of the current operational performance, financial performance and risk facing the organisation. The Committee has made a number of recommendations to management and Council to give additional assurances in this regard.