

SCOTTISH SOCIAL SERVICES COUNCIL

**Unconfirmed minutes of the Audit and Assurance Committee
held on 02 August 2022 at 10.00 am
by Teams meeting and in the office**

Present: Professor Alan Baird, Council Member, Chair
Rona King, Council Member
Peter Murray, Council Member (online)
Russell Pettigrew, Council Member

In Attendance: Maree Allison, Acting Chief Executive
Laura Lamb, Acting Director of Development and Innovation
(online)
Lynn Murray, Interim Director of Finance and Resources
Laura Shepherd, Director of Strategy and Performance
Christopher Weir, Acting Director of Regulation
Anne Garness, Head of Legal and Corporate Governance
Audrey Wallace, Corporate Governance Coordinator
David Archibald, Internal Auditor, Henderson Loggie

1.	Welcome
1.1	The Chair welcomed everyone to the meeting. Theresa Allison, Council Member and John Boyd, external auditor had intimated apologies for absence.
1.2	Paul Edie joined the meeting as an observer and confirmed with the Chair that the draft of the annual report and accounts would not be considered at this meeting. Noting that this would be his final time of meeting with SSSC Members, he thanked all those in attendance for working with him over the period of his tenure as Chair of the Care Inspectorate. Alan Baird, on behalf of Members thanked Paul Edie for his input over the years. Paul Edie left the meeting.
2.	Declaration of interest
2.1	David Archibald advised Committee that Henderson Loggie were appointed as auditors for Bon Accord Care whose board members included Members of the Committee.
3.	Minutes of the previous meeting
3.1	The minutes of the meeting held on 3 May 2022 were approved as an accurate record.
4.	Matters arising

4.1	External Auditors appointment
4.1.1	Lynn Murray advised the Committee that Audit Scotland had appointed Deloitte as external auditors for the SSSC, for three years effective from the audit of the 2022/23 annual report and accounts.
4.2	Annual report and accounts timeline
4.2.1	Lynn Murray advised Members of the discussions that she had with the external auditors in relation to the timeline for the completion of the annual report and accounts for 2021/22. The auditors had advised initially that, due to staffing resource issues, they would have to delay the audit, planned to start at the end of June, until September. Lynn Murray let them know that this was not acceptable as it would not allow us to meet the Audit and Assurance Committee meeting to discuss the Annual Report and Accounts (ARA) in September and Council meeting in October to approve the ARA. The audit partner agreed to review the dates again and revert with specific dates. She responded that they would commence work the week beginning 19 September and planned to complete the work by the end of October. Lynn Murray further advised that Scottish Government had confirmed that Audit Scotland must have the audited ARA with Parliament by 18 or 19 December at latest for them to be laid before Parliament by 31 December, to meet the statutory deadline. She informed Members that the proposals to bring the ARA to the scheduled meetings of this Committee and then to Council in November would not be achievable and a revised timeline for the process would be brought forward.
4.2.2	Committee discussed this situation during which David Archibald made Members aware that there is a UK wide staff resourcing issue in audit. Members were concerned that Audit Scotland and Scottish Government may not be aware that this delay was not caused by the SSSC but by the appointed external auditors. Members strongly expressed disappointment with this delay and were also concerned that SSSC would not have a confirmed audited position for 2021/22 and any areas of concern more than six months into the following financial year.
4.2.3	Lynn Murray confirmed that she would present a paper to Council on 25 August proposing revised dates for Committee and Council meetings to discuss then approve the accounts and endorse the report.
4.2.4	The Committee 1. instructed officers to write to Audit Scotland and Scottish Government to express the Committee's concern over the delay, which risks the SSSC breaching the requirements of the Executive Framework which has a statutory deadline to lay the ARA before Parliament by 31 December.

	<p>2. instructed officers to establish a process whereby the accounts would be presented to Parliament by 18 December, or earlier as required</p> <p>3. agreed that Lynn Murray present a report on proposals and alternative meeting dates, for approval of the ARA, to the Council meeting on 25 August.</p>
5.	Assurance report as of 30 June 2022
5.1	Laura Shepherd introduced report 17/2022, the assurance report to 30 June 2022. The report provided performance, financial and risk information as at 30 June 2022.
5.2	Lynn Murray spoke to the finance items in the report including the challenging budget situation faced by Scottish Government and the resulting impact for the budget of public bodies. She advised that the SSSC was likely to experience a more challenging budget position than it had in the past. A possible scenario could be that working capital that we forecast we will not use may be retrieved by the Government. The main risks outlined were the costs of the pay remit, the future proofing programme, office accommodation and the rewards review. Members noted that the risks associated with the rewards review were the subject of a separate report later in the meeting.
5.3	Maree Allison advised that most of the £300k-£460k earmarked for the Future Proofing Programme would occur in the next year when much of the work was scheduled. If this sum could not be carried forward this would have serious implications for the programme and the future work that the organisation could carry out.
5.4	Members discussed the cost of accommodation and renewal of the lease for Compass and Quadrant Houses. Maree Allison advised that although the SSSC had plans to give up the use of approximately 50% of the current accommodation through agile working provisions, there was no guarantee that this would reduce the rent payable to Scottish Government. The savings are estimated at approximately £400k per year. Should the government be unable to find another lessee, the SSSC may continue to be liable for the full rental of its current share of the office for at least five years but perhaps ten years. Maree Allison suggested there were other options to try to ensure that the SSSC was not liable for rental of property that was not required for office accommodation. She also advised that there was some pressure to have this resolved quickly including by the other tenants of the building, the Care Inspectorate and OSCR, as a new lease was due to commence in April 2023.
5.5	Members requested a robust report to Council on this including a recommendation that the Convener writes to Scottish Government outlining the implications for the SSSC and includes a summary of the measures that the SSSC is taking to maximise budget savings.

5.6	Discussion also took place on the implications for the future proofing work of the SSSC. Chris Weir confirmed that following the implementation of the revised staffing numbers in the fitness to practise department, the throughput of fitness to practise cases was much improved. To restrict recruitment and staffing levels to those previously in place would result in building a backlog of casework similar to that of 2019/2020.
5.7	Members noted that a report on consultation on fees review would be presented to Council later in the month. Members acknowledged that given the current economic situation this was not the optimum time for reviewing the fee rates payable by the workforce. Maree Allison confirmed that in discussions with Scottish Government, it was agreed that work on this should continue to go ahead as planned. In the context of future funding, Lynn Murray reiterated the position with the working capital for 2022/23 in that, if there was no forecasted spend, then this funding could be clawed back by the Scottish Government.
5.8	Laura Shepherd took the Committee through the performance summary of the report highlighting any indicators which were not currently in the green range.
5.9	The following points and issues were discussed:
5.10	There were still several dormant user accounts within the workforce learning system. Once these were removed, the data gathered would more accurately reflect true user percentage, although at the moment the figures gave no cause for concern.
5.11	Laura Lamb responded to a query about the percentage of the social care workforce who were qualified in comparison to other UK regulators. While the SSSC does not benchmark against other regulatory bodies this exercise could be carried out. However, regulators are at different stages in their maturity and numbers of workers they register, therefore benchmarking would have only limited use.
5.12	With regard to the difference made by having a qualified workforce, Laura Lamb confirmed that this is demonstrated in the feedback from our stakeholder surveys. The results of this are reported in the annual report and the Workforce Skills Report we published in October 2021. Also evidenced is that employers felt the qualifications for registration improved practice and outcomes for people. A link to the report has previously been submitted to Council as part of the Chief Executive's report and this will be recirculated to Members.
5.13	Laura Lamb advised Members that sufficient data was being ingathered to show that the workforce was reporting that they felt supported by development activities. Through the data gathered she was satisfied that the resources were reaching the right people. Regarding a further

5.14	performance indicator on whether workforce planning resources were effective, Laura Shepherd confirmed that by October 2022 there will be sufficient data gathered to be able to report on this.
5.15	Laura Shepherd recommended that the indicator 3.8 be deleted. This measure is connected to our actions to support delivery of the National Health and Social Care Workforce Plan Part two commitments. This is no longer a relevant indicator as the plan no longer exists and has been superseded by a new workforce strategy. Our commitments and actions to support delivery of the original plan and the new strategy are reported to Council in the Chief Executive's report.
5.16	Chris Weir advised that the Future Proofing Programme will be audited to assist in showing that the programme is on track as planned. The findings will be included in a report to Council in November.
5.17	Laura Shepherd recommended that indicator 4.6 on specific HR data be removed as it had been relevant to a period in time. Lynn Murray and Laura Shepherd confirmed that we are considering including information in assurance reports from November 2022. This information will provide a better strategic overview on factors affecting the workforce that could impact on our ability to deliver the outcomes in the Strategic Plan.
5.18	The Committee
	<ol style="list-style-type: none"> 1. endorsed the direction of travel for the strategic measures 2. deferred consideration of increasing risk 5 until the Committee had considered report 23/2022 later in private part of the meeting. (During the later discussion, the Committee approved the increased position of risk 5 in the risk register) 3. approved the removal of the following KPIs: <ul style="list-style-type: none"> 3.8 Development and Innovation: Deliver the SSSC's commitments under the National Health and Social Care Workforce Plan to schedule and evaluate satisfaction with the outputs. 4.6 HR: Percentage of people in post for less than six months and percentage of budgeted posts that are empty. Both indicators will be replaced by reporting on more relevant and available data.
6.	Internal Audit Report – Health and Safety
6.1	Anne Garness presented report 18/2022 which introduced the Health and Safety report prepared by internal auditors, Henderson Loggie. The report provided a satisfactory level of assurance and included two recommendations on monitoring the timetable for policy/guidance approval for 2022/23 and the presentation of an annual report on health and safety matters to Council.

6.2	David Archibald addressed the Committee on the findings and advised that the policy and the annual report were scheduled to be submitted to Council later in the month.
6.3	Members generally felt reassured about the findings given the working situation during the pandemic over the last two years.
6.4	Rona King acknowledged the positives but commented strongly about the lack of face-to-face training given to Council Members on health and safety. It was noted that although on the development plan since 2019, this had not yet taken place. Anne Garness and Rona King discussed the training requirement. It was agreed that a development session facilitated by a health and safety expert be organised to take Members through the requirements of the Health and Safety Executive (HSE) for board members.
6.5	The Committee
	1. endorsed the audit report on Health and Safety
	2. agreed that a development session for Members facilitated by a health and safety expert be scheduled to take place, with a proposed date in October 2022, if possible.
7.	Management Audit Progress
7.1	Anne Garness presented report 19/2022, the Management Audit Progress report which provided a summary of the progress made by management in implementing internal and external audit recommendations since the last Committee meeting in May. She advised that due to the departure of the Head of Digital Services, the combined audit of Digital Transformation and IT Strategy was only currently taking place and the report was rescheduled to come to Committee in November. Anne Garness further highlighted that officers had commissioned two interim audits on the Future Proofing Programme and the Rewards Review Project. Some of the time required for these would be offset by the reduced time required for the two IT audits which had been combined.
7.2	Lynn Murray explained the time taken to action the delivery of the recommendation on the Workforce Planning, Mandatory Training audit. She confirmed that the new learning management system was on track to go live at the end of August, as there had been delays to the procurement process caused by the third party supplier. She confirmed that mandatory training is still taking place.
7.3	The Committee
	1. endorsed management's responses towards completion of internal and external audit recommendations
	2. noted progress towards compliance with the annual internal audit plan

	3. noted that officers had instructed two interim audits on Future Proofing Programme and Rewards Review Project.
8.	Fraud Bribery and Corruption Assurance report
8.1	Lynn Murray presented report 20/2022 which provided the Committee with a summary of the progress on our counter fraud, bribery and corruption workstream. It also noted that a replacement representative as the Counter Fraud Champion would be needed to replace Russell Pettigrew, at the end of his tenure as Council Member at the end of the month.
8.2	Alan Baird advised that he had approached Theresa Allison to step into the position of Counter Fraud Champion on an interim basis and she had agreed to do so.
8.3	Audit Scotland's 2021/22 report on Fraud and Irregularity was appended to the report for information.
8.4	The Committee
	<ol style="list-style-type: none"> 1. noted there were no incidences of fraud, bribery or corruption detected in the quarter from 1 April to 30 June 2022 2. recommended to Council that Theresa Allison be appointed as an interim Counter Fraud Champion once Russell Pettigrew's tenure as a Council Member ends at the end of August 3. noted the publication from Audit Scotland on Fraud and Irregularity 2021/22 and progress on counter fraud work.
9.	Benefits Realisation report
9.1	Laura Shepherd presented report 21/2022, which presented a summary of benefits realised and progress made towards realising benefits from projects run across the organisation. The benefits on any project are reported in full to the relevant project board and to Sponsor. This summary report covers the period October 2021 to March 2022.
9.2	It was noted that two digital projects had closed in the period but benefits not yet realised from these. There was one benefit realised during this period of reporting, which was relative to the processing of registration applications through the 'Green Channel.' Chris Weir clarified that this was an online system which could be used where the application was straight-forward and/or applicant had no need to discuss any matters with a staff member. Laura Shepherd added that this project also fits into the digital strategy.
9.3	The Committee
	<ol style="list-style-type: none"> 1. endorsed the report and noted the progress made to realise benefits and mature the benefits realisation Management (BRM).

10.	Procurement update and performance report
10.1	Lynn Murray presented report 22/2022, to which was appended the SSSC's Annual Procurement Report for 2021/22. She confirmed that this was a positive annual procurement report.
10.2	Alan Baird concurred that procurement has consistently been a positive area for SSSC and asked for the Committee's thanks to be passed on to the procurement team members for their continued work in producing these good results.
10.3	The Committee: 1. endorsed the Annual Procurement Report 2021/22 which will be published on the intranet and website.
11.	Horizon Scanning
11.1	Peter Murray advised that he is involved in an upcoming meeting of Independent Joint Boards (IJBs) with one of the groups taking forward the National Care Service (NCS) programme. He also advised of a consultation which was open until 2 September on the NCS.
12.	Audit and Assurance Committee Action Record
12.1	The Committee reviewed the Audit and Assurance Committee action record and agreed that three actions which were completed, A1, A3 and A6 be archived from the record and kept on file for future reference if required.
13.	Calendar of business and date of next meeting
13.1	It was noted that the calendar of business did not include the date of meeting when the internal audit report on procurement would be scheduled. Rona King noted that there were discrepancies in the policy timetable attached to the calendar and it was agreed that this would be carefully reviewed for accuracy or error.
13.2	It was noted that, following the discussion earlier regarding the Annual Report and Accounts, the next scheduled meeting of the Committee is 1 November 2022.
	End of Tenure – Russell Pettigrew
	Alan Baird led Members and officers in thanking Russell Pettigrew on his contribution to the work of the Committee in his three-year tenure, which would come to an end at the end of August 2022.

14.	Private session
14.1	Item 14 was discussed as a confidential item and minutes were taken separately.

Committee started: 10am
Committee finished: 12:40pm

Signed _____ Date _____
Alan Baird
Chair of the Audit and Assurance Committee