

Title of report	Audit and Assurance Committee report to Council
Public	Public
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 SSSCs 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 key performance indicators give confidence that the SSSC is delivering as forecasted to meet strategic objectives agreed with the Sponsor Department b. financial performance is consistent with forecasted spend and this does not present concern relating to year-end outturn of approved budget c. operational delivery and financial expenditure are consistent 2. the Council approves <ol style="list-style-type: none"> a. the Risk Management Policy at item 7 on the agenda b. the revised Risk Register and the revised Risk Appetite Statement, effective from 1 April 2023 (at Appendices 2 and 3) 3. the Council notes <ol style="list-style-type: none"> a. Karlyn Watt from the new External Auditors, Deloitte, attended the meeting b. the Committee noted challenges faced in recruitment and retention of staff c. further information which was sought during scrutiny of the assurance report may be available once data is ingathered through development of the insights and intelligence project

	<ul style="list-style-type: none"> d. the risk register position was approved e. the views of the Committee will be conveyed to the Care Inspectorate when its committee meets to consider the joint internal audit report on payroll f. the Committee requested a further report on improvements made by the external payroll company, once the company has had sufficient time to implement these g. the Committee approved a revised completion date of 31 January 2024 for one recommendation from the internal audit report on Data Protection h. the Committee approved the draft internal audit plan for 2023/24, subject to the Interim Director of Finance and Resources approving any minor amendments i. the Committee's continued concern over the funding of the organisation and that a full presentation and updated budget report will be submitted to Council on 27 February j. there are no instances of fraud, bribery or corruption detected in quarter 3 of 2023/24 k. a further report on the position of Fitness to Practice Panel Members will be submitted to Council on 27 February 2023.
Author	Alan Baird, Chair, Audit and Assurance Committee
Responsible Officer	Lorraine Gray, Chief Executive
Link to Strategic Plan	<p>The information in this report links to:</p> <p>Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.</p> <p>Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.</p> <p>Outcome 3: Our workforce planning activities support employers, commissioners and policy makers to deliver a sustainable, integrated and innovative workforce.</p> <p>Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</p>

Link to Risk Register	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
Impact assessments	<ol style="list-style-type: none"> 1. An Equalities Impact Assessment (EIA) was not required. 2. A Data Protection Impact Assessment (DPIA) was not required. 3. A Sustainability Impact Assessment (SIA) was not required.
Documents attached	<p>Appendix 1: Assurance report as of 31 December 2022</p> <p>Appendix 2: Strategic Risk Register</p> <p>Appendix 3: Risk Appetite statement</p>
Background papers	<u>Draft unconfirmed Minutes of the Audit and Assurance Committee meeting of 02 February 2023.</u>

INTRODUCTION

1. As set out in the Executive Framework Document and Scheme of Delegation, accountability for strategic oversight remains with the SSSC Council. The Council has delegated responsibility for oversight and scrutiny of achievement of operational key performance indicators, monitoring of Financial Performance and Strategic Risk Management to the Audit and Assurance Committee.
2. This report records the recommendations of the Audit and Assurance Committee to SSSC Council following the Committee's meeting of 2 February 2023.

ASSURANCE REPORT

3. The Committee reviewed the assurance report as of 31 December 2022 relating to the activities of the SSSC. Committee noted that Finance information was as at 30 November 2022, there having been staffing issues in the section which prevented a more recent update being available. Appendix 1 to this report is the assurance report considered by the Committee.

Budget

4. The Committee was advised that budget pressures continued to be a concern. A presentation and second draft of the budget with updated information will be made to Council on 27 February. The Executive Management Team is focussing on identifying where savings can be made.

Risk Register

5. Officers expect Risk 9 – We do not have accommodation in place that meets our business requirements at an acceptable cost - to be deleted by April 2023, once the new lease of the buildings at Compass House and Quadrant House is finalised.
6. Laura Shepherd reported on the overrun and overspend on the insights and Intelligence project, due to resourcing the project.
7. Laura Lamb assured members that communication was ongoing with higher education institutes to make sure that there is sufficient provision of learning resources for registered workers to achieve their qualifications.
8. Members were also assured that the Future Proofing Project will derive the benefits from the digital transformation including the work on future proofing the register. It was noted that support from Scottish Government would be needed for this to be realised.

9. Laura Shepherd confirmed that in relation to the Risk 5, regarding developing and supporting staff, she would include mitigating actions in the Risk Register, but that the risk would remain in the current category as it remains high.
10. Laura Shepherd reported that there was some progress towards resolution of the current issues in relation to costs related to office accommodation. It was anticipated that the risk would be closed off in the next version of the risk register as the lease would be concluded.

Performance indicators

11. In discussing some of the performance indicators, there was particular focus on issues in recruitment and retention of staff within the organisation. Non-competitive levels of remuneration and a large number of temporary posts were cited as factors leading to some vacancies being advertised multiple times before being filled. It was recognised however that pausing the job evaluation exercise was the correct decision at this time.

INTERNAL AUDIT

12. Members were presented with the following:

Payroll Audit report

13. The Committee was presented with the joint Care Inspectorate/SSSC Internal Audit Payroll report. Payroll is a shared service. The auditors made three recommendations, all three were agreed by SSSC management, one to be completed by end of February 2023 and the other two by end of March 2023. The Committee expressed concerns regarding the performance of the payroll company and requested a report, after an appropriate time is given for improvements to be made to the service provided. Particularly, Committee is looking for a reduction in errors made by the company, which has led to SSSC staff spending time making checks and corrections.

Management Audit Report

14. Committee was presented with a progress report from the internal auditors as well as an updated extract from the internal/external audit tracker. All upcoming audits and reports will be completed as planned. Committee approved a revised completion date for one action arising from the Data Protection audit due to the high volume of work required to complete the action.
15. The Committee took assurances from the audit reports and management's updated responses which show that action is being taken where there are recommendations from the auditors.

RISK REGISTER AND RISK APPETITE STATEMENT

16. The Committee discussed the draft revised Risk Register and revised Risk Appetite Statement. Committee noted that there were few changes proposed and also that it is expected that risk 9 will be removed once the lease to the headquarters building is finalised. Members discussed the risks associated with National Care Service review.
17. Risk six relates to finance and value for money and members again expressed concern over budget uncertainty and noted that the Executive Management Team would discuss possible areas of savings at its upcoming meeting. The second draft of the budget will be presented to Council on 27 February.

FRAUD BRIBERY AND CORRUPTION ASSURANCE REPORT

18. Committee was presented with a report from management confirming that no instances of fraud were detected in quarter three of the 2022/23 year.
19. The report provided the Members with assurance on the fraud, bribery and corruption workstream.

STATUS OF FITNESS TO PRACTICE PANEL MEMBERS

20. The Committee considered a report in private session on the status of members of the Fitness to Practice Panels. The Committee noted the information and instructed the Director of regulation to submit an updated report to Council at its meeting in February 2023.

CONSULTATION

21. No specific stakeholder engagement was necessary in the preparation of this report.

RISKS

22. We have an averse risk appetite to governance matters. This report gives assurances to Council that the Committee is carrying out its remit.

IMPLICATIONS

Resourcing

23. There are no resource implications arising from this report.

Compliance

24. There are no compliance implications arising from this report.

IMPACT ASSESSMENTS

Equalities

25. An EIA was not necessary as this report relates to internal governance matters. It is not therefore a new proposal and has no impact on people with protected characteristics.

CONCLUSION

26. This report, appendices and background minutes give assurances to Council that the Audit and Assurance Committee is carrying out its remit in accordance with the terms of reference contained in the Code of Corporate Governance. The Committee requests that Council takes the recommended actions, notes actions taken by the Committee and takes assurance following consideration of the documents that the Committee has been presented with a fair view of the operational and financial performance and risk facing the SSSC.