

SCOTTISH SOCIAL SERVICES COUNCIL

Confirmed minutes of the Scottish Social Services Council held on Monday 27 March 2023 at 10:00 am by Teams webinar meeting. This meeting was online only.

Present: Sandra Campbell, Convener
Theresa Allison, Council Member
Professor Alan Baird, Council Member
Julie Grace, Council Member
Rona King, Council Member
Linda Lennie, Council Member
Lindsay MacDonald, Council Member
Doug Moodie, Council Member
Peter Murray, Council Member

In attendance: Maree Allison, Acting Chief Executive
Hannah Coleman, Acting Director of Regulation
Laura Lamb, Acting Director of Workforce, Education and Standards
Lynn Murray, Interim Director of Finance and Resources
Laura Shepherd, Director of Strategy and Performance
Anne Stewart, Head of Legal and Corporate Governance
Audrey Wallace, Corporate Governance Coordinator
Karlyn Watt, External Auditor, Deloitte LLP

Observing: The meeting was live streamed

1. Welcome and apologies for absence

- 1.1 Sandra Campbell welcomed those present and noted apologies were received from Lynne Huckerby, Council Member and from Lorraine Gray, Chief Executive.
- 1.2 Sandra Campbell confirmed that the meeting was quorate.
- 1.3 Due to technical difficulties particularly with the attendance of the external auditor, the Convener agreed to rearrange the agenda to keep the meeting on schedule.

2. Declarations of interest

- 2.1 There were no declarations of interest.

3. Draft budget 2023/24 and indicative budgets 2024/25 and 2025/26

- 3.1 Lynn Murray presented report 13/2023. She confirmed that Members were being asked to approve the 2022/23 budget. Scottish

Government had agreed to fund the deficit budget of £2.066 million as an unfunded budget pressure in 2023/24. This is to be confirmed via written correspondence from Scottish Government. Lynn Murray also advised that

- the budget for the Future Proofing Programme was separated out from the operating budget and it was hoped that Scottish Government would fund this separately as a one-off project
- although the 2023/24 budget is balanced, there are significant shortfalls projected for future years
- discussions on more sustainable funding for the SSSC will continue
- the SSSC had made operating savings of in excess of £10 million over the last 10 years
- the Future Proofing Programme will assist in making further operating efficiencies
- negotiations are ongoing regarding the lease for office accommodation
- in Appendix 2 to the report, the reduction of posts in Performance and Improvement should show as one permanent and one temporary (not two temporary).

3.2 Sandra Campbell advised that she had spoken with our Sponsor and it was agreed that the Minister would return to discuss the SSSC budget with Members but given the current political circumstance within Scottish Government this will not be imminent.

3.3 The main issues discussed were

- Scottish Government will pay local authority workers registration fees direct to the SSSC through Grant in Aid
- it was not yet known whether the level of government-paid fees to the SSSC would influence any future consultation on review of fees
- Lynn Murray was confident that all known aspects of expenditure were included in the draft budget and reminded Members that Scottish Government only agree the budget for one year and it is highly unlikely that we would get any intimation of what may be agreed for the years following 2023/24 until much later in the financial year
- Lynn Murray confirmed that Scottish Government has agreed to fund the budget put forward for the SSSC for 2023/24 (as stated in 3.1 above)
- the objective is to meet the budget ie not operate a deficit budget, and savings and efficiencies must be considered each year. The significant area of efficiency for the future is the work being carried out on the Future Proofing Programme and proposals for this will be presented to Members for discussion in the afternoon development session. A business case for this has been presented to Scottish Government for one-off funding for a one-year project
- other work being carried out by the SSSC is to meet the core statutory functions
- Maree Allison confirmed that in terms of Key Performance Indicators and metrics, we have sufficient budget to deliver our services at a level previously provided.

3.4

The Council

1. considered, commented upon and approved the draft budget for 2023/24 (Appendix 1 to the report) which includes draft changes to staffing establishment (paragraphs 16 to 18 of the report). Scottish Government has agreed to fund a deficit budget of £2.066m as an unfunded pressure this year and that we can use the balance of our reserves as working capital in 2023/24. This is subject to receipt of written confirmation from Scottish Government
2. noted the indicative budgets for 2024/25 of £2.423m deficit and 2025/26 £2.696m deficit (Appendix 1 to the report)
3. noted that specific grant funding and associated expenditure is currently excluded from the draft 2023/24 budget and indicative budgets for 2024/25 and 2025/26.

4. Draft External Audit Planning Report 2022/23

4.1

Lynn Murray introduced Karlyn Watt from Deloitte, LLP, the external auditors appointed to the SSSC by Audit Scotland. The appointment runs for a five-year period, commencing with the audit from April 2022. Given the timing of the appointment the external audit plan was not available for the February 2023 cycle of meetings and it was decided that it should be presented to this, the first available meeting.

4.2

Karlyn Watt walked Members through the plan for 2022/23. She spoke to the

- planned timing of the audits and the planned reporting schedule
- the materiality, which is slightly lower than normal. This may change for future years
- the significant risks, which are the standard three risks for public bodies.

Other areas of focus mentioned are

- reporting is now required under the terms of the IFRS 16 accounting for leases
- pension liability- the organisation uses responsible actuaries to prepare evaluations so is not considered a significant risk.

4.3

Karlyn Watt then spoke to the wider scope of the audit which covers financial management, financial stability, vision, leadership and governance and use of resources to improve outcomes. She referred to the risks associated with financial management. This is due to staffing issues within the finance team and also that the post of Interim Director of Finance and Resources will be vacant after 31 March 2023, leaving a gap in the leadership team. The appendices to the plan detailed fraud responsibilities and the independence and fees associated with the auditors.

4.4

In answer to questions Karlyn Watt advised that Deloitte LLP made use of various centres of excellence, FReM checks and analytic software to create an efficient service. In relation to the staff turnover and the Director's post, she advised that it would have been useful to have controls in place to mitigate the staff situation and secondly that it would be preferable to have a finance expert in the leadership team.

Any consequences relating to the lack of a director-level finance person will be picked up in the audit process. The impact is likely to be more of a strategic risk rather than operational.

4.5 Alan Baird, as Chair of the Audit and Assurance Committee, thanked Karlyn Watt for her presentation of the audit plan. Thereafter he asked about the fee level which had increased substantially from previous years. Lynn Murray advised that the fees were set by Audit Scotland and the SSSC had no control over the fee set. On a question about the efficiency of the systems architecture and processes within the SSSC finance department, Karlyn Watt confirmed that auditor's opinion on this could be included in the report to the Audit and Assurance Committee in September. She added that this may assist in providing Members with assurances. Lynn Murray also reminded Members that this area has been audited by internal auditors and no issues found. Doug Moodie commented on his previous positive experiences with the Oracle Fusion finance system, which the organisation planned to use in future, once approved by Scottish Government.

4.6 The Council

1. agreed that the materiality levels selected by the external auditors are appropriate for the scope of the audit (page 9 of Appendix 1 to the report)
2. approved the draft 2022/23 external audit planning report (Appendix 1 to the report)
3. authorised the Interim Director of Finance and Resources, or other Director, to approve any minor amendments made by the external auditor following the meeting to finalise the plan, however, noting that no changes had been made during the meeting.

5. Equality, Diversity and Inclusion Mainstreaming report 2023

5.1 Laura Shepherd presented report 14/2023 which outlined the duties of the SSSC under the equality legislation which included publishing the equality outcomes every two years. The report is to be published before 30 April. The Equality, Diversity and Inclusion Mainstreaming Report highlights progress made towards our equality outcomes, sets out our priorities for the next two years and also contains the data to be published on our employees.

5.2 Peter Murray asked for further information regarding progress we have made towards our strategic outcomes and suggested that Council Members could perhaps add impetus and become more proactive in achieving our outcomes.

5.3 Laura Shepherd advised that whilst progress is being made, it's difficult to ingather data in order to demonstrate progress. She also added that, as the SSSC has a small number of employees and low turnover, there are not many opportunities to integrate promotion of equality, diversity and inclusion processes into the recruitment process. Rona King agreed it is difficult to put measures in place when a number of responses to the questions were given as 'not known' or 'not

disclosed' but suggested that work with groups who did not traditionally come to work in the care sector might be useful.

5.4 On the question of benchmarking and the practices of other organisations, Laura Shepherd advised that we do not benchmark but we do communicate with organisations in order to help improve our own process and outcomes.

5.5 The Council
1. endorsed the progress we have made to achieving our equality outcomes
2. approved the report for publication.

6. Date and time of next meeting

6.1 The date of the next Council meeting will be Thursday 25 May 2023 at 10.00am. This meeting will take the usual format of a hybrid meeting subject to availability of meeting rooms.

Council: 27 March 2023

Start time: 10.05am

Finish time: 11.05am



Signed: _____ **Date:** 05 June 2023 _____

Sandra Campbell
Convener