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| Title of report | Audit and Assurance Committee report to Council |
| Public/Confidential | Public |
| Summary/purpose of report | To make recommendations from the Audit and Assurance Committee. |
| Recommendations | <p>The Committee recommends that the Council:</p> <ol style="list-style-type: none"> 1. 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. notes <ol style="list-style-type: none"> a. that reports are submitted to this meeting of the Council on staffing in Fitness to Practise department, shared services and pay and grading b. risk number 9 is closed c. senior management will produce and share scenarios on outcomes should funding fall short of that required to carry out the Strategic Plan d. a fraud action plan will be submitted to Committee in October e. that revised financial governance documents were approved. |

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| Author | Alan Baird, Chair of the Audit and Assurance Committee |
| Responsible Officer | Maree Allison, Acting Chief Executive |
| Link to Strategic Plan | <p>The information in this report links to:</p> <p>Outcome 1: Trusted People who use services are protected by a workforce that is fit to practise.</p> <p>Outcome 2: Skilled Our work supports the workforce to deliver high standards of professional practice.</p> <p>Outcome 3: Confident Our work enhances the confidence, competence and wellbeing of the workforce.</p> <p>Outcome 4: Valued The social work, social care and children and young people workforce is 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 | Appendix 1: Assurance report to 30 June 2023 |
| Background papers | Link to draft minutes of the Audit and Assurance Committee meeting of 01 August 2023. |

INTRODUCTION

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.
2. This report records the recommendations of the Audit and Assurance Committee to SSSC Council following the Audit and Assurance Committee meeting of 1 August 2023.

ASSURANCE REPORT

3. The Audit and Assurance Committee of 1 August 2023 reviewed the assurance report relating to the activities of the SSSC. Appendix 1 to this report is a copy of the assurance report as of 30 June 2023 which was considered. The unconfirmed minutes of the meeting are linked as a background paper. These documents should satisfy Council that the Committee has discharged its responsibilities. The Committee highlights the areas below.

Budget

4. The Committee fully discussed ongoing budget concerns including:
 - the pay award for 2022/23 and 2023/24, noting that the pay award for 2022/23 was unresolved although it was hoped this was imminent, if the amended award is accepted by the union (this has since been confirmed)
 - lack of certainty of the funding by Scottish Government to enable full implementation of the Strategic Plan
 - the process for assessing the fees due by local authorities who pay the registration fees of the workers in their employment, this being based on the number of registered workers the previous year, which is then adjusted the following year
 - the level of funding available for training of social service workers in the voluntary sector
 - the funding of bursaries and grants; particular discussion was around the inability to accurately predict the funding required due to challenges such as workers not finishing training who may have perhaps left the sector.

Risk Register

5. The reduced risk once the Future Proofing Programme (FPP) brings in shorter timescales for workers becoming registered and shorter times for workers completing qualifications
6. further work to be done on producing scenarios linked to outcomes, should there be insufficient funding to carry out the full Strategic Plan.

7. risk number 9 should be closed as the lease of the buildings at Compass House and Quadrant House is now signed.

Other matters

8. Temporary staff are being recruited to carry out business as usual while permanent, experienced staff are working on the Future Proofing Programme.
9. Issues with turnover of solicitors in the Fitness to Practise department, partially due to the organisation's lower salaries in comparison to other public bodies and private companies. A report will be submitted to this August Council meeting.

PROCUREMENT UPDATE AND PERFORMANCE REPORT

10. The Committee took assurance from the annual procurement report for 2022/23 noting that the processes were robust in ensuring that multiple officers were required in the process to procure goods. Committee also noted that the non-contracted spend was low.
11. David Archibald confirmed that the audit carried out on procurement had provided a good level of assurance.

AUDIT REPORTS

12. The Committee considered two reports relating to the audit function.

Financial Sustainability Internal Audit Report

13. The Committee was advised that there were no recommendations arising from the audit of the Financial Sustainability of the organisation. This was an audit focussed on the planning by senior management for future years. The challenging funding situation facing all public bodies was fully discussed but noted that this was not the subject of the audit. Scenario planning to assess the impact of insufficient funding was requested and this should be shared with Council Members.

Management audit progress report

14. Committee Members questioned the extensions requested to complete three recommendations which had arisen from audit reports on HR data and performance management and on Payroll. Staffing capacity was discussed and it was noted that these functions were a part of the shared services and that a report on options will be submitted to this August Council meeting. Committee agreed that an update on the outstanding actions must be reported to the meeting of the Committee in October, to sufficiently assure the Committee that these recommendations were being progressed satisfactorily.

DRAFT ANNUAL GOVERNANCE STATEMENT

15. The revised draft Annual Governance Statement, which forms part of the Annual Report and Accounts, and which was initially approved at the May meeting of the Committee, was submitted with minor changes to comply with plain English protocol. This was approved.

FINANCIAL GOVERNANCE DOCUMENTS: FINANCIAL REGULATIONS AND DEBT MANAGEMENT POLICY

16. The Committee approved the revised Financial Regulations and the Debt Management Policy which are reviewed by officers annually.

FRAUD BRIBERY AND CORRUPTION ASSURANCE REPORT

17. The Committee noted there were no cases of fraud, bribery or corruption detected in the quarter 1 April to 30 June 2023.
18. The fraud action plan for 2023/24 was not complete and will be presented to Committee on 31 October 2023.

ACTING CHIEF EXECUTIVE UPDATE

19. The Committee noted that the Acting Chief Executive will submit a report to this Council meeting on the current position regarding the pay and grading exercise.

CONSULTATION

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

RISKS

21. 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

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

Compliance

23. There are no compliance issues arising from this report.

IMPACT ASSESSMENTS

Equalities

24. 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

25. 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.
26. The Committee requests that Council approves the recommendations, notes actions taken by the Committee and takes assurance following consideration of the attached documents that the Committee has been presented with a fair view of the operational and financial performance and risk facing the SSSC.